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HOUSE OF COMMONS

Monday, March 18, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed from Friday, March 15, consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be now read the second time and referred to the Standing Committee on National Resources and Public Works; and the amendment of Mr. Cassidy (p. 3072).

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in the debate on the motion that the Bill be read six months hence. Actually, Mr. Speaker, I wish that this Bill would be read about 16 years from now so that as many of my constituents as possible could benefit from the very good programs which had been established by the former Liberal Government. These are the same programs, of course, which saw the axe on black Thursday, November 8, when the Minister of Finance (Mr. Wilson) tabled in the House the document known as "The Expenditure and Program Review". Of course, Mr. Speaker, this particular document should be known as "the expenditure and program cut-back", because that is all it is. I know that the Hon. House Leader, had he prepared this document, would have been a little more forthright and honest than the Minister of Finance and would have called this book what it is. So it was on black Thursday, November 8, that the axe fell on a number of very good Canadian programs which had been established by the former Liberal Government.

I am sure all the Conservative Members in this House this morning, if they were permitted to speak without being muzzled, would speak in favour of the Canadian Oil Substitution Program and the CHIP program as well. The Canadian Oil Substitution Program has been very successful. Because of the deadline of March 31, a number of people have rushed to convert their old, inefficient oil furnaces to better systems, such as heat pumps, forced air electric systems, natural gas, wood and so forth, and it has reached a point, Mr. Speaker, where many contractors have run out of the equipment to be installed. The Minister of Energy, Mines and Resources (Miss Carney), therefore, has been asked to extend the program. Perhaps if that Minister could extend the program she would, but her boss, the Minister of Finance, won't let her. The Minister of Finance, "Mike the knife" as he is commonly called by some of us in this House, is unable or is unwilling to allow the extension to this worth-while program. This is unfortunate, Mr. Speaker.

I mentioned a moment ago that a number of contractors have run out of equipment. Contractors in the Ottawa area, as a matter of fact, have written to all Hon. Members in the Ottawa area. I know the Conservative Hon. Member for Ottawa-Carleton (Mr. Turner) and the Hon. Member for Ottawa West (Mr. Daubney) have received letters but they have not raised this issue in the House at all, Mr. Speaker. Many people have signed contracts in good faith, and on time, and now will not be able to benefit from this program because of the fact there is no equipment left to instal.

There is another situation which has arisen as well. Some people have had their furnaces installed thinking that they would be eligible for the program. However, all the inspections cannot be carried out before March 31. The Parliamentary Secretary said last week that the Minister of Energy, Mines and Resources has now agreed that those who had a completed installation by March 31, and were only awaiting the inspection, would be able to receive the benefit of the program. I find it passing strange, though, Mr. Speaker, that the contractors have not been made aware of this fact. Ontario Hydro, Ottawa Hydro and all the other agencies who are responsible for administering the program have not been made aware of this fact. It is fine and dandy that the Parliamentary Secretary, with his usual eloquence, has announced in this House that those people who had their installations completed by March 31 but had not had the inspection will still benefit, but I suggest it would help if the public servants in the Ministry as well as all other agencies concerned could be made aware of this fact.

There is another problem which arises, Mr. Speaker. When one of our constituents decides to get his furnace installed, the contractor comes in and proceeds with some part of the installation but because he is so short of components the installation cannot be completed by March 31. Although the installation is already begun, those people will not qualify at all. It is too late for them. They cannot back-track and phone the contractor to come and get the components which are already installed. That won't wash. The consumer is going to be forced to pay.

• (1110)

The very least this Government should do, Mr. Speaker, and I am sure you know this being in the non-partisan position you are in, is extend the program until the fall so that installations can be properly done in the summer. Of course, the best solution is to cancel the Government's idea to start with and allow COSP to continue. But again, the big act of the Minister of Finance seems to be what takes effect in this House.

After the Government tabled its expenditure and program review documents it gave a briefing book to Cabinet Ministers which told them what to say if they were asked some embarrassing questions concerning the cut-backs. I have a copy of the briefing book here. There are things the Minister was supposed to say. I am sure the Minister of Employment and Immigration (Miss MacDonald) has her copy handy right now so let us see what they are supposed to reply when asked about the CHIP program. This is supposed to be a question a journalist might ask a Minister: "What is the rationale behind phasing out the Canadian Home Insulation Program? Federal CHIP grants have proven very popular among Canadians". Here is the Minister's tailor-made reply. I am sure the Parliamentary Secretary already knows this reply by heart because the Cabinet Minister must have given him a copy of the briefing book even though it is a secret document.

Mr. McDermid: I wrote it.

Mr. Boudria: Maybe he wrote it, Mr. Speaker. It says: "That's correct, and energy conservation in Canadian homes remains an important national objective. But we will have to pursue it in ways less costly to the federal treasury. Home owners will find that investing in energy conservation is still worthwhile, with or without grants. We have extended the program to March 31, 1986, to continue the impact on insulation manufacturers, contractors and consumers". Well, perhaps the Minister can get his home reinsulated without getting a grant, but the majority of my electors and the majority of the electors of the Hon. Member sitting right here cannot afford that. They need assistance to be able to do it.

Mr. McDermid: They have had it for eight years now; what have they been doing?

Mr. Boudria: Again the Parliamentary Secretary is perhaps in a financial position to do everything in one day, but some of my constituents are poor. They cannot afford it. They have to wait until they get the money. Unlike this Government, they cannot just borrow when they need to do something; they have to save up their money first.

Mr. McDermid: They have another year to go.

Mr. Boudria: Perhaps this Tory Government should learn how to do the same thing. The Parliamentary Secretary says they have another year to go. Yes, but at one half the benefit. They are going to be getting less, and that of course is totally unworkable.

Let us hear what the Cabinet Ministers were supposed to answer when they had questions on the oil substitution program. Here is a question: "Does the same reasoning apply to the winding up of the Canadian Oil Substitution Program?" The potential answer is: "Yes, to the extent that converting off oil is a good deal without Government financial help. The trend towards reduced use of oil is well established and federal incentives cannot be continued in a time of restraint". It is a time of restraint—

Mrs. Sparrow: That is right.

Mr. Boudria: —and that is why the grants have been cut off from low-income constituents. I see the Hon. Member from Scarborough—no? I forget the name of her riding. The Hon. Member beside me is saying that is right, it is a time of restraint. This Government says it is a time of restraint.

• (1115)

I am very sorry to have to conclude my remarks so soon, Mr. Speaker. I wanted to tell Hon. Members of all the extravagances of the Government since it has been in power. With unanimous consent of Members I would gladly tell them the cost of renovating Cabinet Ministers' offices.

The Acting Speaker (Mr. Paproski): I regret the Hon. Member's time has expired.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a pleasure to have an opportunity to reflect on two or three concerns that have been brought to my attention by literally hundreds of my constituents in the last number of weeks. I am, of course, referring to the Canadian Oil Substitution Program and the Canadian Home Insulation Program. For all intents and purposes these two programs will be closed down as of March 31 of this year. For most of Canada that is still wintertime. Most of the country is still coming out of the depths of that cold period. It is a difficult time to be making the transition from an oil furnace to a gas furnace, a wood-heated facility, or whatever.

I would like to make some comments on behalf of three groups this morning. The first group is that of the small businesses in my constituency which have been participating in these two programs. By definition these tend to be small businesses which are Canadian owned and community oriented. They contribute to the minor hockey leagues and the Boy Scouts in their communities. On the other hand there are the oil companies of Canada which tend to be dominated by foreign transnational companies.

It is interesting to note that while the Government is busy providing as much as a few billion dollars each year to the foreign multinational oil companies, the programs which have assisted ordinary Canadians and small businesses in the communities of Canada, namely the Canadian Oil Substitution Program and the Canadian Home Insulation Program, are being terminated. Those programs were costing a few dollars a year and now the Government is going to tell those people that there is nothing for them any longer. However, the Govern-

ment will continue with all its grants for the multinationals and it is going to allow them to raise the price of oil in Canada to world prices at the end of the month.

This is a real bonanza for companies such as Imperial Oil. My colleague, the Hon. Member for Vancouver-Kingsway (Mr. Waddell), has calculated what windfall profits will accrue to companies such as Imperial Oil. Hundreds of millions of dollars will accrue each year as a result of this policy of the Government. Whose side is the Government on? Is it on the side of small Canadian businesses which are involved in providing insulation and the necessary skills and equipment to move off oil? No, it is not on the side of that group, Mr. Speaker. The large multinational oil companies will be receiving benefits from the Government. That is my first point, and as my friend, the Hon. Member for Hamilton Mountain (Mr. Deans), says, it is a good point which must be made.

We must recognize, Mr. Speaker, that some communities are still in the process of receiving natural gas services. By coincidence my constituency happens to be one of those areas. In the last number of months the Inland Natural Gas Company of British Columbia, with some support from the federal and provincial Governments, has been extending services into seven communities in my constituency for the first time. Unfortunately, the thousands of families in these areas will not be able to take advantage of this program because they happen to be out of step with it.

That is why I am pleased that the Hon. Member for Vancouver-Kingsway and the Hon. Member for Ottawa Centre (Mr. Cassidy) put forward the suggestion that we should hold this legislation off for a number of months. Rather than terminate this support by March 31, it could be continued to at least the end of September so that people in communities throughout Canada can have access to this particular opportunity. It is a very reasoned amendment and if the Government believes in fairness and equity in the country, it should consider this six-month extension to give families in areas like Shuswap, in British Columbia, and Brant, in Ontario, a chance to use these programs. However, they will be cut off at the knees as a result of this very cold and callous decision by the Minister of Energy, Mines and Resources (Miss Carney) of this new Conservative Government.

● (1120)

This legislation also causes me some concern about our commitment to conservation. Canadians should be encouraged to become more concerned about conservation. The programs under this legislation were meant to give low and middle-income Canadians an incentive that would enable them to move off their dependency on the non-renewable resource of oil, which is becoming increasingly expensive.

The Government is not interested in encouraging conservation. It is more interested in assisting the multinational oil companies by allowing the price of oil to increase to the world price while providing no encouragement for average Canadians who want to be relieved from their dependency on this expensive form of energy. We should recognize that this legislation represents a regressive step because these programs have been recognized world-wide as a very progressive granting system that allowed ordinary Canadians to move off this dependency on oil energy.

The Government has indicated that it does not want to encourage conservation. Rather than assist Canadian-owned small businesses that participated in these programs, it would rather assist the multinationals. Such action would make ordinary Canadians question the Government's commitment to small businesses in Canada and to middle and low-income Canadians. It indicates very clearly that the support that the new Government gives is to the large multinational and transnational oil companies.

During the short life of these programs Canada saved approximately 42,000 barrels of oil per day. We have saved 15 million barrels of oil a year because Canadians have moved from their dependency on oil for home heating by using these programs. Yet they will be discontinued.

To date, nearly one million units have been converted across Canada. This is one Government program that has been a real success and has met with support from the people of Canada. The Government has eliminated a program that has been working, moved us from our dependency on oil and has assisted us to become more self-sufficient in oil production. It says now that this program is no longer required.

The Government's introduction of this legislation is a disgrace. Therefore I am pleased to be associated with my friend and colleague, the Member for Vancouver-Kingsway, who has made the point that this legislation should be given a six-month hoist so that people who want to take advantage of these programs will have another six months to do so. In addition, perhaps it will give the Government time to come to its senses and see that this is a very regressive piece of legislation.

● (1125)

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) to whom I must respond said that if the back-benchers on the Government side had their way they would probably be agreeing with him and voting against this legislation. Sir, nothing could be further from the truth.

Mr. Penner: Lost your idealism?

Mr. Nickerson: The impetus for bringing in legislation such as this comes from Members on this side. How many times has the Hon. Member for Mississauga South (Mr. Blenkarn) made the very recommendation that these two programs, the Oil Substitution and Conservation Program and the Canadian Home Insulation Program, be dismissed? The intention of the former Liberal Government was to let the program go on until the end of 1990. What this Bill would do is advance that date until the end of this fiscal year. What we have is a difference of timing. The Liberals would not let the thing expire anyway. Now they get all excited about it and say this is the worst

thing that ever happened to Canadians who have to heat their homes.

It is a great pleasure for me to be able to stand here today and say that I am 100 per cent fully in support of this legislation.

Some Hon. Members: Hear, hear!

Mr. Nickerson: When it comes to the expenditure of very limited amounts of public moneys which this Government has available to it, our stated case is that we want that money to go where it can benefit the people who are most in need.

Mr. Boudria: Buy limousines. That is what you want to do.

Mr. Nickerson: The people most in need are not the ones who are taking advantage of programs such as the ones we are doing away with today. The people who are taking maximum advantage of these two programs are the people who are reasonably well off in Canadian society.

Mr. Waddell: Not so.

Mr. Nickerson: They are the people who have nice houses. It is good for them to be able to save a few dollars at taxpayers' expense. The people who really need assistance have not been taking advantage of these programs. It is the reasonably well off Canadians who have done so. It is our view on this side of the House that Canadians are responsible people.

It is not necessary for the Government, by means of programs such as this, to direct that people spend money in certain areas and not in others. We think that Canadians should be taxed as lightly as possible and that the maximum amount of funds be left in their pockets. We believe Canadians should make the decision as to how they want to spend those funds.

What the Liberals have been doing is what the NDP would undoubtedly do even more were that Party in power—but that is never likely to happen. They might, of course, come back as the Official Opposition a few years from now; that is a distinct possibility.

Mr. Blackburn (Brant): A very real possibility.

Mr. Nickerson: Yes, the way the Liberals are acting is making it more and more a distinct possibility every day. The Liberals have been taking money out of people's pockets by way of high taxation and then giving it back to them in dribs and drabs in programs such as these. Canadians, however, have refuted that attitude. They said that they have had enough of that and that they want to make their own decisions. Canadians want to decide whether to spend their money on new furnaces, to drink it away in a bar, or to invest it in something. That is the people's decision, not the Government's decision to make. When Canadians were given the choice on September 4, they voted to make their own decisions.

Mr. Boudria: They voted for the promises and you broke them.

Mr. Nickerson: In programs such as the ones before us where the Government has to deal with thousands and thousands of individuals and all kinds of different contractors, administration is extremely difficult. We have to hire more and more people, put them into the Government's employ, and then they make the decision whether Fred Smith or Bill Jones will get this money.

Mr. Blackburn (Brant): That is called job creation.

Mr. Nickerson: I do not think that is the way we should go about this. We should try and keep the Public Service to a minimum. We should not have to hire more and more people for very complicated systems of administration nor give these people the authority to say whether one person gets a grant and somebody else does not.

Mr. Waddell: If you did not give a grant to the Northwest Territories, it would disappear.

Mr. Nickerson: When Government has programs or legislation in effect, they should be easy to administer. A program should be something in black and white where one knows whether a person is eligible or not. It should not be necessary to have someone in the employ of the Government to make that decision for you.

• (1130)

It was part of the Liberal practice to try, wherever possible, to give out cheques to individuals regardless of the general expense. They took money out of the pockets of people and then gave it back to them in some form or another. Because of complicated administration, they got back maybe 60 cents on the dollar. By giving people these cheques, the Liberals were trying to buy votes. That was the idea behind this type of program. It was not to encourage oil conservation or all the great reasons which were given at the time. It was very simple: it was political. Somebody would have a $500 cheque from the Government and would say: "what great guys are these Liberals; we will vote for them". That was the idea but it did not work.

In my opinion the time is right for getting rid of these programs and others like them. We do not need to put it off for six months as is sought in the motion. The time for decision is now, and I hope we can vote on it in the very near future.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have read very carefully the speech of the Parliamentary Secretary in introducing this Bill. I have also listened carefully to the interventions of Government Members when I have been in the House. While they have made some persuasive arguments, I remain unconvinced that this Bill is at all wise.

The Bill proposes to eliminate two energy grant programs. COSP, which was introduced in 1977 to wind up on December 31, 1990, is being cut off from March 31, except for those who signed contracts before November 8. They will have up to June 30 to complete conversions. The second program, CHIP, which was introduced in 1977 to wind up at the end of 1987, is

being cut off in 1986. In both cases I have the criticism that Canadians are being deprived of predictability and order, in that programs which they had reasonably expected to continue are being cut off.

However, the deadline in CHIP is a little more reasonable. The deadline for COSP is totally impractical. A winter-time deadline makes no sense. Gas companies cannot instal lines in frozen ground. At this time of the year, furnace suppliers are not making furnaces; they are making air-conditioners for summer. The program is needed, as evidenced by the fact that after the November 8 announcement there was a rush of applications. Consumers' Gas has been swamped and cannot possibly meet the requests by March 31. While I disagree with the intent of the Bill, a six-month deadline would at least make it slightly less objectionable and more practical.

Since 1980, over 425,000 Canadians have received grants to convert from oil to an alternative form of home heating. This has resulted in a reduction of some 10 million barrels of oil consumption each year. CHIP was also well used by Canadians. In 1983 alone, according to the figures of the Department of Energy, Mines and Resources, the program produced a $500 million reduction in home heating costs. Contrary to what has been said by the Hon. Member who just spoke, this has not been a program predominantly used by the affluent. In fact, a very substantial number of people who used the program have had family incomes as low as $15,000 per year. It was a program which encouraged Canadians to invest in the future by conservation. It was also a program which enabled low and middle-income Canadians to reduce their fuel bills, thus leaving them more disposable income. Also the program was used by a number of small businesses and small contractors. In the present climate of restraint, it is not easy to see how the opportunities for employment that were thus created can be replaced.

In the November 8 economic statement not only were these two programs axed, most of the programs for renewable energy also became casualties of restraint. Generally I find this to be a short-sighted approach. It takes about 50 years to research, develop, test and implement an alternative energy structure, yet the Government is eliminating the entire Energy Division at the National Research Council; that is, 61 person-years, two-thirds being professional.

The total cuts in the area of energy research and development amount to over $600 million, and $34.6 million of this is being cut from the National Research Council. Before the cuts Canada was recognized as a leader in several areas of alternative energy development and opportunities for export were emerging. The cuts have jeopardized all this. Also sold short are the developing and least developed countries which might have been beneficiaries of Canadian research and development in alternative energy sources, such as vertical access wind turbines. We all know that part of the reason for the crushing debt loads of developing countries, a situation which also represents risks to our whole economic structure, is their energy payments.

Our own conventional crude oil reserves are finite. In the United States and Venezuela, conventional crude oil reserves have passed their peak. Even in the North Sea and the Soviet Union an end can be foreseen. The Government's cuts in alternative energy and its cancellation of programs encouraging conservation and off-oil conversion appear to be very short-sighted indeed.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I should like to spend a few moments this morning talking about Bill C-24. We are now at the stage where we have moved to delay the passage of the Bill so that there can be six more months to consider the proposal.

The proposal is to cut COSP as well as CHIP. Both these programs are to die at the end of March, 1985. These announcements were made in the November 8, 1984 economic statement. No applicants, that is those who did not have contracts in progress prior to the economic statement, have been considered over the winter.

I should like to review the beginnings of the program, from where it came and why it was put into place. We are about half-way through a long-term program to upgrade housing and insulation through a retrofitting program on houses built prior to 1980. We are also attempting to wean Canadian home owners off so much dependency on Canadian fuel oil. The reason is that we are importing oil to heat houses, particularly in the Maritimes, Ontario and Quebec. This has been very high-cost oil. The idea was to reduce the requirement for oil by improving the insulation quality of the homes and, second, to switch from oil to heating fuels that are more likely to be available in the long term in Canada. The Government was trying to have people switch to natural gas, which is presumed to be in abundance for the next 25 or 30 years, wood or electricity. Very much of our electricity, in eastern Canada at least, comes from water power which we assume will be there for quite a long time.

• (1140)

The basic over-all reasons for the program appeared to make sense. In fact, they made so much sense that this part of the notorious National Energy Program was supported by the then opposition Conservatives, now the Government, as well as by this Party. All Parties supported this part of the National Energy Program. It was supported without reservation. The Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) thought the program should go somewhat further than it did at the time it was being debated. However, there was no indication during the debate on the original motion to create the COSP or CHIP programs that the Conservative Party would hack it or stop the programs in mid-stream.

The programs have met their objectives thus far. They were to have continued until 1990. Both programs have got literally half-way through the objectives, even though half of the time has not elapsed in both cases. We have succeeded in creating jobs with this series of programs. To date under the COSP program, there have been some 50,000 person-years of employment created, all in the private sector; and as my friend

from Kamloops-Shuswap (Mr. Riis) pointed out, all among the small-business sector of the country. The CHIP program, the insulation program, to date has created some 44,150 person-years of employment, again among very small businesses and contractors. The expectation was that the oil substitution program would have created, had it been allowed to run until 1990, some 59,000 person-years of employment, which would be even more than has been created thus far. The insulation program is estimated to have still another 30,000 person-years of employment that could be created had that program been continued.

What seems to have been the problem with the program? I do not think Canadians had any problem. The Government now seems to have a problem with the program. It has not explained to my satisfaction what is wrong with the general thesis that was followed in the program; that is, to wean people off dependence on oil. What is wrong with reducing the volume of oil used to heat houses?

We have had some good success. For example, as a result of the insulation program, just half-way through the program we have saved some 23,000 barrels of oil per day in this country. Put another way, that is enough to heat 360,000 Canadian homes for one more year. That could have been doubled had the program been allowed to run the full course of its term, yet the Government decided that is not good use of Canadian money.

This program has been used by people in the lower income group. Contrary to what some Government Members have said, their own Department of Energy pointed out in its study that the insulation program has constituted 43 per cent of all retrofitting work in the market-place. Sixty-five per cent of the insulation activities would not have occurred had it not been for CHIP.

Two-thirds of the people who did insulate their homes could not have afforded it or would not have had an incentive to do the insulation without the CHIP program. As well, it was found during the survey that the other one-third, or 37 per cent of CHIP users, would not have done any insulation at all had it not been for the program. They could not have seen their way clear to do the insulation without the assistance of the dollar for dollar matching up to a maximum of $800.

The program has been doing its job among the targeted group of Canadians. It has been reducing fuel bills for those Canadians who have thus far been able to take part in the program. It has reduced the total output of Canadian dollars to buy foreign oil, particularly that imported on the east side of the country. Therefore, the program has been doing its job. It is very hard for us to understand why, in spite of all these clear indications of success, the Government would so ruthlessly and so quickly cut out the program.

There are many areas of the country where natural gas is just now becoming available. The installation of the lines are now going in or will be going in over the course of the next year or two. We have been told by the industry that there is a surplus, relatively speaking, of natural gas compared to oil and that it makes good sense for Canadians to switch from one to the other.

Given the promise or intention of the Government to move to something called world prices, and we are not sure what that means, and given the fact that world prices seem to be hovering or perhaps falling, where is the incentive for people to move off oil on to gas? The feeling of a lot of people is that, given that the old furnace still works, why switch when oil prices might be coming down? Gas prices seem to be going up a little bit. These people are not too sure that the switch-over will make sense. Many will still continue on. In fact, I believe we would continue to have the kind of participation we have had in the past if the program were to continue its full term to the end of 1990. Those communities now having the gas available to them would find most of their residents switching from their current oil furnaces to natural gas. The over-all intention for the program would be completed. Canada would have become less dependent on imported oil.

The switch-over to the use of natural gas as well as the use of electricity and wood sources would result in Canadians being better off. Taxpayers would be better off because we would not be subsidizing the importation of oil. It would make good sense to use taxpayers' money to work at conserving the amount of energy we use. Instead, the Government has chosen another route, which we do not think will work.

We believe it makes good sense to spend the next six months reviewing the program. It would give the Minister and his officials time to review the data that they have before them. They could act on that in a good scientific way. The data tells them they should continue the program. This House thinks it should as well.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I want to join with those Members who have already spoken in saying that Bill C-24 which we are debating, which cancels two good Government programs, is regrettable in the extreme. The Canadian Oil Substitution Program and the Canadian Home Insulation Program were two programs which were effective and necessary.

• (1150)

Many Members from all Parties have in a variety of ways praised those two programs. We have been told that together the two programs have conserved 60,000 barrels of oil a day. That is no small accomplishment. We have also been told that as a result of COSP other forms of energy have been conserved. Canadians have been encouraged to use alternate sources of energy. That is something about which we talked for many years and now it is being done. Those two programs created jobs, and were used by all income groups. In fact, one-quarter of the family groupings which used the two programs were low-income families. Those families used the programs for a very good reason; they had to do something to cut the big heating bills which were imposed upon them because they used oil. Of course, other income groups took advantage of the program, but we should not forget that the grants for both of the programs were taxable and that the

Government recovered 30 per cent to 50 per cent of the money. At the same time those grants performed a very useful undertaking for society. The Government does not have a fair, just and equitable anti-deficit policy. It is going to spend $105 billion this year. Canada will have the largest deficit which has ever been incurred in its history. The Government does not have an anti-deficit policy. If it had one, surely these two programs would be allowed to continue until their original expiry dates—1990, in the case of COSP, and 1987 in the case of CHIP. The cancellation of these two programs and the cutting of other programs, such as the regional development programs and programs in the Canadian Wildlife Service, is not for the purpose of reducing the deficit. Rather, the moneys are being gathered and redirected, diverted or siphoned to other areas which the Government feels have higher priorities. After several months it is becoming clear that the Government's priorities do not lie with programs for the people or the environment.

During the election campaign hundreds of promises were put forward by the Conservative Party. Most of those promises have already been forgotten and others have been disavowed. Some have been reinterpreted and many have been postponed indefinitely. It is no wonder. As the Minister of Justice (Mr. Crosbie) said during the election campaign, $20 billion was just too rich for our blood.

However, there is one promise to which the Government adhered, and that is the promise that it was going to cosy up to the United States administration. The Government has done that. We have lost FIRA, and programs for the people, the environment and regional development have been either discontinued or reduced. Why? Certainly, so that more money will be available. Money will come from the cut-backs in these programs, plus the money which the Government will borrow, and it will be directed toward defence expenditures.

A recent article in *The Financial Post*, dated March 16, indicated:

> The Department of National Defence is quickly emerging as a major force in Ottawa and a spender that will create problems in a Government pledged to bring the deficit under control.

In cosying up to the U.S. administration, Canada as a country has decided that it too has to pack bigger and better guns on its hips. Defence issues are now in the forefront of the Government's policy-making decisions. The Government has no anti-deficit policy, but it clearly has a pro-military policy. I think Canadians should wake up and realize that we cannot afford to be like the big guys on the block. It is silly for us to strut around as if we were a big power in world affairs—all colour co-ordinated too!

Mr. McDermid: What's that got to do with Bill C-24?

Mr. Penner: It has everything to do with Bill C-24, because some of the money will come from the termination of these programs. There are other more important national goals, objectives and priorities. I would remind the House that the decision to terminate COSP and CHIP is foolish and wrong-headed. I would like to illustrate why.

The Government continues to spend money to encourage the expansion of natural gas distribution systems. The Government has not yet decided to cancel that program, although we may hear more about that in the future. Citizens have responded very favourably to the possibility of tying into the new gas-line systems. Quite rightly, Canadians thought they had until 1990 to make a decision as to whether they would or would not do so. However, now the deadline is March 31, with a small extension to the end of June for people who applied before the end of November.

I am speaking about this today because that deadline and the extension discriminates against the people I represent. My constituents in northern Ontario will not have the opportunity to hook up to the new gas-line systems which are now under construction. Gas companies stopped accepting applications for hook-ups last December because they knew that it was impossible to break frost-covered ground during the winter or early spring. There will not be enough time for my constituents and other people in northern Ontario to take advantage of this last-minute opportunity by the end of June.

I am quite certain that Conservative Members from northern Ontario—the Hon. Member for Sault Ste. Marie (Mr. Kelleher), the Hon. Member for Timmins-Chapleau (Mr. Gervais), and the Hon. Member for Timiskaming (Mr. MacDougall)—must be raising their voices in strong protest in the Government caucus. They must be saying that it is unfair to northern Ontario. They must believe that COSP must be extended and that it should continue until 1990. At least, they should be saying that the program should not be terminated in June, because it is not fair. I am sure those three Tory Members are saying that, unless the Government yields and makes amendments to Bill C-24, they will join with the Liberals and the New Democrats and vote against the legislation.

The one Member who will have a problem will be the Hon. Member for Sault Ste. Marie, as he is a member of the Cabinet. Of course, the only choice which he has is to resign. That man told us during the election campaign that he would put northern Ontario far ahead of government decisions which would impinge negatively on that region.

Mr. Blackburn (Brant): He said that?

Mr. Penner: He sure did. He said that he would represent the people of northern Ontario and that he would not let them down. The Hon. Members for Timmins-Chapleau and Timiskaming also said that. Now is the chance for them to show their true colours. Will they represent the region, or will they toe the line, take their orders and vote blindly against the region which elected them?

This Bill must be defeated. Bill C-24 is unacceptable. I do not think it can be improved in committee. I agree with the former speaker, as I too believe that the Government should take a fresh look at this legislation. The Government should listen to the three Tory Members from northern Ontario. They should support us today in hoisting the Bill for six months. These men should have an opportunity to bring the Govern-

ment to its senses. At the end of that six-month period, I am sure the Government will admit that it made a mistake, that Bill C-24 is not a good idea and that it will provide better legislation.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I too rise to oppose Bill C-24 and to ask for a six-month hoist. I believe it makes no sense to deal with this Bill in the middle of winter when the program cannot be used by many northerners and people who cannot connect their gas lines in this type of weather.

• (1200)

The principle of the Bill also makes no sense, Mr. Speaker. I cannot understand why the Conservative Government wants to cut back on two very important programs, the Canada Home Insulation Program and the Canadian Oil Substitution Program. I might add that I believe the Residential Rehabilitation Assistance Program, which is also being cut back, really should be considered in the same category.

Why does the Government want to cut grants which are very beneficial to low and middle-income home owners? I would think that probably the majority of homes in western and northern Canada are much older homes and have greater insulation problems. Why does the Government want to cut back on grants for these types of homes, turning against the whole philosophy of grants, and in turn give such large amounts to the oil companies either through direct grants or tax write-offs through the PIP program?

My colleague, our energy critic, tells me that $1.6 billion is being given away to oil companies this year, Mr. Speaker. I cannot understand why a Conservative Government, which says that it does not want give-aways or grants, would give that amount of money to the oil companies when it is taking $250 million away from both the Home Insulation Program and the Oil Substitution Program. Approximately $125 million is being cut from each of those programs this year. That really does not make any sense from the point of view of logic. It, of course, makes a great deal of sense from the point of view of the dogma and political philosophy of the Progressive Conservative Party.

It seems to me, Mr. Speaker, that there are many reasons why these programs are important and a good investment. They really do not cost a lot, they improve homes, and they do stimulate small business. First, consumers will save on their heating costs and for many families who are in older homes this is quite an important item. It is of particular importance to senior citizens whose taxes are increasing and whose fuel costs are really going up, not to mention food costs. It is important to save on heating costs from the point of view of the consumer, particularly consumers who do not have a lot of money and could not insulate their homes without help. As I understand it, Mr. Speaker, these programs also mean a great deal to northerners and people who do not have insulated homes, being perhaps the older homes in the east.

I cannot understand why the Hon. Member for Western Arctic (Mr. Nickerson) would support this Bill. Surely in the interests of his constituents he would oppose this Bill and would strongly support the kinds of programs which would help the people of his riding insulate their homes. Why is he supporting a program which is going to be imposed in the middle of winter when his own constituents cannot make use of it? Those who did not get in on the program previously would have had no chance to get in during the winter months. That is one of the reasons we believe a six-month hoist is very important.

As my colleague has also mentioned, there is the whole matter of energy conservation. That was the main reason, of course, that the Liberals brought these programs into existence in the first place. The speaker from the Liberal Party who just spoke a few moments ago said that 60,000 barrels of oil per day are saved through these programs. I agree with him that that is a significant saving. I spend part of my time on one of the Gulf Islands just off the mainland of British Columbia. Many people there are now heating with wood. Some people are experimenting with solar heating. There are many improved methods of heating now which make it very sensible to look at alternate energy sources. I think these kinds of grants to home owners make a great deal of sense, coupled with research and development.

The third point I would like to make, Mr. Speaker, is that this program helps to improve our housing stock. The RRAP program, which the Conservative Government is now cutting back—about which the municipalities are very concerned—is another program that made a great deal of sense. It was used to improve older housing stock, to insulate and improve the quality of housing. It also enabled some people to subdivide their homes. In some communities where there is a tight housing problem many older people who have large homes are "over-housed", as CMHC refers to it. Through some of these programs it is possible to subdivide so they could perhaps have separate accommodations or in-law suites which would help to house more people. But they have to have some help in conversions and insulation. The CHIP and COSP programs were certainly valid programs from their point of view.

These programs are labour-intensive programs. They create and maintain jobs. In British Columbia we heard last week that 60 per cent or 70 per cent of construction workers are out of work. This is not only because there is a slack period in construction but also because of high technology being brought in. There are new methods of construction being used in large apartment buildings and major construction projects. We were told that in one high-rise development in downtown Vancouver which is using prefabricated methods—the walls are brought in and put up by cranes—they are now in the second stage of high technology and have reduced the number of carpenters needed to just three carpenters per high-rise. There is no question that many of these large projects are not using our skilled carpenters. Therefore, the smaller projects, home insulation and conversions to other heating methods, as well as the

RRAP program to rehabilitate older housing, are very sensible from a job and labour intensive point of view.

The Hon. Member for Kamloops-Shuswap (Mr. Riis) mentioned the importance of these programs to small businesses. I would have thought the Tories would have been concerned about small business. They certainly say they are. But when it comes right down to it, they are willing to whack the small businesses in local communities who are providing the kinds of services which home owners need through these two programs. They are not willing to whack the big businesses, the large oil companies and the grants they receive from the National Energy Program.

I think those are my main remarks at this point, Mr. Speaker. These two programs save on heating costs for consumers, they conserve energy and will help to improve our older housing stock. They create jobs, are labour intensive and are supports for small businesses, many of which are close to bankruptcy. We do not feel that this Bill should go forward. We want to have a delay of at least six months, because even if the Hon. Member for Western Arctic does not, we feel some concern for the people in the northern communities who have not had a chance to maximize their use of this program. We also have serious concerns about the economic, social and conservational values of these programs and what would be the result of cutting back on them altogether. We do ask for a six-month delay with the option to go ahead and continue these programs.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I welcome this opportunity to join other Hon. Members in asking the Government to postpone consideration of this Bill for at least six months. As you know, Mr. Speaker, I have already had an opportunity to speak to this subject, and I said that up to now, all Government spokesmen had agreed these programs were good programs and had been truly beneficial to Canadians.

• (1210)

[*English*]

I had an opportunity of speaking once on this Bill and I am happy to be able to join with other Members who have called on the Government to accept at least a six-month delay in the implementation of this cut. The record is clear. We have heard Members from all sides of the House, including the Government side, state time and again that these programs have helped considerably in the conservation of energy. It is clear that in the first few years of this program the reduction in energy consumption by Canadians has been dramatic, but we know that we still have a long way to go. In fact, we are among the highest consumers of energy in the world.

The particular concern met by this program was the use of non-renewable energy resources. We have to get off oil if we are to utilize Canada's renewable energy resources. However, at the same time as Government Members stood in the House to say what a great program this was and how it helped Canadians of all income levels but particularly those of lesser means to develop conservation in their own homes, the Government insists on cutting it off.

There is one fallacy I would like to address which I think has muddied the waters regarding the Government's participation in this debate. Member after Member on the Government side has stood to say that this program was utilized only by wealthy Canadians. I can tell you, Mr. Speaker, that in my riding of Hamilton East, which happens to be the most industrialized riding in Canada, the average wage is well below what you would consider upper class living in Canada. I represent working people who, in many cases, are struggling to make ends meet. You know that primary industries like steel have been particularly hard hit in the last few years, and many of the workers in my riding were able to take advantage of the financial incentive of these programs to get off oil. So I ask those Government Members who claim that this was a program for the rich to table the figures because they will show that communities which are not seen to be rich communities, like certain remote areas of Newfoundland, were effective users of the program. People in ridings like Hamilton East were able to get a boost of, in some cases, up to $800 to assist them to get off the non-renewable oil which has been a bane in the world market-place since the mid-1970s. Unfortunately, at the same time the Government is cutting the program off.

What have we seen in its place? We have not seen an over-all global approach to Conservative energy policy. In fact, this legislation is typical of the Government's non-governing approach since September 4. No one would argue that the Conservatives have been given a massive mandate to govern and make tough decisions. But the tough decisions do not involve moving in piecemeal on programs like COSP without offering a panoramic vision of what we want to do to encourage Canadian-based renewable energy resource consumption. In fact, it has been a shooting gallery approach to economic reform. I feel like I am watching the ducks fall one by one and at the same time there is nothing coming up to replace them. Therefore, I would ask the Government to look at a six-month delay of this measure so that it can come back to the House with an over-all strategy for renewable energy consumption and conservation for all Canadians.

I know that Members on the Government side must get tired of hearing their own words thrown back at them, but I refer to the hundreds of promises made by the Conservatives during the election campaign in which they made energy a top priority. There were 39 promises made to the Canadian people dealing with everything from a kind of nirvana-like panacea that they would achieve with the Province of Alberta—and we have seen where that has gone—to support for the development of renewable energy sources for Canadian home owners. But as soon as they were elected we saw that the promises they made to get that little "X" on the ballot meant very little and they are now prepared to cut the very program which they said was of such help to middle and lower-income Canadians.

I frankly cannot help but support the statements made by my colleague from Cochrane-Superior (Mr. Penner) when he said that this Bill discriminates against people in the north,

including northern Ontario. I must warn this Government that, notwithstanding its cozy relationship with the provincial Conservatives, we are probably going to be in a provincial election campaign in the very near future and the people of northern Ontario are going to be watching this Government to see what kind of message it is sending out concerning support for the north. The verbiage is fine, the appointment of northern Ministers is fine; but when you look at the bread and butter issues like the Canadian Oil Substitution Program, you see that the Government is clearly discriminating against residents of northern Ontario.

I know the Hon. Member for Cochrane-Superior spent the weekend travelling through the north with Ontario Party Leader David Peterson, and anyone who has travelled through the north will be able to tell this Chamber that the people of northern Ontario recognize the discrimination which exists in Bills like this one. It is fine for Members from Toronto to say: "No problem; we can meet the March deadline and get the installations done before the end of June". But if you live in an area where there is frost up until late April or early May, those kinds of installations are going to be almost impossible. I would think, Mr. Speaker, that of the 211 Government Members, there are many who must occupy themselves with constituency matters because they do not have responsibilities as Ministers or Parliamentary Secretaries. I would think that at least these Members would be lobbying the Minister for an extension, if not a hoist of the Bill for six months, to allow those people living in northern communities to take advantage of the installation process. They could suggest to the Government that the northern portions of the country be allowed installations well into the summer. That would be of down to earth and practical assistance for Canadians. It would not be an esoteric attempt to obfuscate the fact that this Government is afraid to lead.

This Government has not said to the people it would table a plan for energy. It has not said it would table an agreement with Alberta. It has not come through with the hard decisions with respect to energy pricing and federal-provincial accords. Frankly, what this Government has introduced is a cheap attempt to tell the Canadian people that it is cutting back when the Prime Minister (Mr. Mulroney) is swelling his own coffers and increasing his own staff by 54 per cent.

The Prime Minister and the Government are saying to the Canadian people that they are going to cut off the Canadian Oil Substitution Program, one of the few programs which the Conservatives still have in place to assist working Canadians and people who are trying to own their own homes. Anyone who has considered the increasing mortgage rates and the recent move of CMHC to double the cost of mortgage guarantees will know that the Government has already added at least a $3,000 burden on the average new home buyer across Canada. The people of Canada expect and want more from the Government.

• (1220)

The Acting Speaker (Mr. Paproski): Is the House ready for the question? The Hon. Member for Calgary East (Mr. Kindy).

Mr. Alex Kindy (Calgary East): Mr. Speaker, the Members of the Opposition are complaining because the Government is cutting a program here or there. They should ask themselves why the Government is cutting those programs. We have been in government for only six months and we inherited a deficit of $35 billion this year. We have to put the house in order; it is as simple as that. We cannot continue spending and spending. There is a time when we must put the house in order and start governing.

In this country we have had programs for industry and for home owners, but these programs have not contributed to the economic growth of the country. I would like to ask the Hon. Member for Hamilton East (Ms. Copps) why she believes we should continue spending rather than studying the real problems of deficit reduction.

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

Mr. Derek Blackburn (Brant): Mr. Speaker, I think the Member who was just on his feet thought we had a question period, but we are on short 10-minute speeches and do not. I would like to make a very brief intervention with respect to this Bill.

At the outset I would like to say how much I regret that the Government wants to get rid of the CHIP and COSP programs, both of which were extremely popular and effective. Shortly after the CHIP program was introduced I was in Washington with the acid rain sub-committee. Our American counterparts thought that it was such a wonderful program that they were going to make an effort to bring in a similar program in the United States. It was a very innovative program, as was COSP. Both of these programs directly benefited individuals. In the House we often talk about the little guy or the ordinary Canadian. These programs were targeted to ordinary Canadians and once again the Conservatives are ignoring ordinary Canadians by withdrawing both of these programs.

A few moments ago it was asked how we can continue to spend money and give grants. I agree that there is a very high deficit in the country of some $35 billion. It is not quite correct to say that it is entirely the fault of the previous Government. Nonetheless, we have a very high budgetary deficit, as does the United States. That ultra conservative country to the south of us has the biggest deficit in its history and it is growing at a rate five times faster than ours. That is primarily the result of grants, expenditures, or tax breaks to the arms industry. Where are the moral standards of the Government? The Government is cutting off grant programs to ordinary Canadians which help them heat their homes more efficiently and at less cost. Its great Republican buddies to the south have racked up an almost $200 billion deficit, most of which is spent

on armaments. Who is right and who is wrong on this matter in a moral sense?

It is quite right to say that the CHIP and COSP programs cost the Government money in the short run. However, I am convinced that we are going to save money in the long run through job creation, more people working, more people paying taxes, lower fuel bills and lower costs of operating a home or small rental accommodations such as triplexes, duplexes and fourplexes. We are going to be less dependent on oil which is not a renewable source of energy. We have an abundance of natural gas and electricity in certain parts of the country. In my opinion terminating the COSP and CHIP programs is a backward step.

Many speakers this morning have addressed the deadline. I know that the fiscal year ends at the end of March. It is very strange that in this computerized age we cannot legally balance the Government's books by giving extensions of one, two, or three months. On March 31 there is still frost under most of Canada. It is unfair to try to force gas companies to switch over residential heating at this time of the year. It is inappropriate and unfair to the consumer.

I urgently request the Government to give a six-month extension, at least until September. In the summer time we can wait for our furnaces to be converted. In March that is virtually impossible on about 95 per cent of the land mass of Canada. I suppose in Windsor or along the north shore of Lake Erie the conversion can be made right now. However, in my riding of Brant, which is one of the most southern ridings in Canada and is only a few miles from Lake Erie, Union Gas has made the statement that there is no way it can fill all of the orders by the deadline. A lot of people are going to suffer as a result of this ridiculous deadline.

There are two or three points which I would like to stress, Mr. Speaker. The CHIP and COSP programs were excellent. Why defeat excellent programs? There are a lot of grant programs in the country which should be done away with, such as the huge tax concessions to the oil companies. We can get rid of those, but why hurt the ordinary Canadian householder who is trying to cut back on his overhead costs? Why not wait for a few months or a few years? Both of these programs are essential. They are economic in the long term. They will save the country untold amounts of money in the long term. It is a worth-while investment for the Government of Canada to continue to be involved in.

I have not heard of any changes in the American counterparts to the CHIP and COSP programs. When these programs were introduced they were world leaders in terms of making us less dependent on oil than we were a few years ago. I am convinced that by creating more jobs through the conversion program there will be more people working and therefore paying taxes, which will help to make up in the long term for what the Government may be losing in the short term. Let us not be penny wise and pound foolish. That is really what it boils down to.

I urgently ask the Government to give at least a three-month extension until the end of June. That would allow people to apply to the alternate energy companies to have the conversion done. I hope the Government will take these suggestions into consideration and make the appropriate changes.

The Acting Speaker (Mr. Paproski): Is the House ready for the question? The Hon. Member for Calgary East (Mr. Kindy) has spoken on the amendment. There are no questions or comments on a 10-minute speech. Is the Hon. Member rising on a point of order?

Mr. Kindy: On a question.

The Acting Speaker (Mr. Paproski): There are no questions.

• (1230)

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to make my own modest contribution to the debate on Bill C-24. First of all, I support a six-month postponement for this Bill because I think the Government would be ill-advised to terminate the Canadian Home Insulation Program and the Oil Substitution Program before their expiry date.

We must not forget that the combined effect of these two programs is that Canadians are saving 60,000 barrels of oil daily, which is quite considerable, in addition to the benefits to individuals who may receive grants of up to $500 for home insulation and up to $800 for conversion of heating systems.

Mr. Speaker, if I may, I would like to go back in time to put these two programs in their proper context. Their history goes back to the 1973 energy crisis, when the oil-producing countries, and more specifically the members of OPEC, agreed unanimously to a drastic increase in the price of oil, a decision that had considerable repercussions internationally and resulted in a heavy outflow of capital from oil-consuming to oil-producing countries. Here in Canada, one of the most significant effects of the 1973 oil crisis was that we started to realize how limited our oil reserves actually were and that we could certainly not look forward to a future untroubled by concerns about our oil consumption. Besides making us realize that our oil reserves were not as abundant as we thought, the energy crisis also brought home to us how insecure our foreign oil supplies could be with the kind of changes that were taking place on the international oil market.

First of all, this decision by OPEC led countries to seek new sources of conventional oil that is, accelerate exploration. It also was instrumental in making countries look for alternative energy sources in order to lessen the impact of rising oil prices. Here in Canada, for instance, we had two megaprojects, and we tried to develop the oil sands. Today, however, because of downward fluctuating world oil prices, oil sands exploration projects that seemed promising have been put on hold. Because of lower oil prices, we are no longer certain that tapping these energy sources would be a viable undertaking. What would be

the most logical reaction of oil-consuming countries that are trying to protect themselves against foreign controlled price fluctuations? It was to reduce demand in order to reduce consumption and also, and especially, in order to force down the price of oil on the international market.

I remember attending meetings with representatives of the OECD countries in Paris two years ago, where I found that the industrialized countries, in other words, the biggest oil consumers, were trying to align projects in order to try and reduce their dependence on OPEC with respect to oil prices and oil supplies. Debate centred constantly on the strongest and most basic weapon to deal with the anarchy on the oil market, and it was to reduce demand. And that is what most industrialized countries have done, with a great deal of success. We must not forget that in Canada, among the programs that have made a vital contribution towards reducing consumption, we have had the Canadian Home Insulation Program and the Oil Substitution and Conservation Program, in addition to new Canadian standards aimed at reducing the consumption of gas on our highways. This finally produced the degree of co-ordination we have among oil-consuming countries today, and, interestingly, resulted in the present situation where we are seeing a drop in world prices which was, of course, aided and abetted by the arrival on the market of large quantities of North Sea oil. Nevertheless, it is essential that in the years to come, all countries that are big oil consumers introduce policies aimed at controlling oil consumption.

It is unfortunate that this Government should now be trying to terminate these programs before the date on which they are due to expire. I think this is tantamount to abdicating an essential responsibility that all industrialized and oil-consuming countries should have to introduce measures to ensure that world oil consumption is reduced to minimum acceptable levels.

Terminating these programs prematurely will, of course, have other disadvantages. These programs had been very well received by all Canadian consumers. There has been an unending stream of applications for grants at the Department of Energy, Mines and Resources which dispenses the grants. Contractors have backlogs of home insulation jobs and home heating conversions for Canadians who want to convert from oil to gas or other forms of energy. All of this proves that the program has been a tremendous success, and at the same time, that Bill C-24 does not meet the expectations of Canadians. Canadians want these programs to continue, and that is the reason for that unending stream of applications to the Department of Energy, Mines and Resources.

Mr. Speaker, I represent a riding in downtown Montreal, where average incomes are far from high, where people live in homes that are often between 60 and 100 years old, which are poorly insulated and thus difficult to heat, so that heating bills are high and on top of that, people do not really have the money to pay those bills.

This program is very popular in my part of the country, because it saves people a lot of money. Mr. Speaker, there are old houses in the southern part of Montreal that are not insulated at all, because it was not customary to do so at the time they were built. Today, we find that by bringing these houses up to the insulation standards of the Canada Mortgage and Housing Corporation, we are actually cutting heating bills in half. This is of considerable benefit to the people living in these old buildings, in other words, to the consumer.

Another thing—once these houses have been insulated with the help of Government grants, and once heating bills have been reduced, there is an increase in general comfort. These homes have become more comfortable to live in because they are warmer in the winter and better insulated and sealed.

The program has been very successful for the reasons I just mentioned, and Canadian users of the program have now realized that the program was necesssary. When Members go back to their ridings on the weekend, people ask them: Fight for this measure as much as you can. The Government must not terminate these programs now. They must be allowed to continue.

That is exactly why our Party is opposed to Bill C-24. We think it would be the wrong decision to make.

We must not forget that the consumer who receives a grant under these programs, who insulates his home or changes over his heating system so as no longer to be dependent on oil, is getting long-term protection—in fact, protection for the lifetime of his home—against rising oil prices. It is an insurance policy. People are aware of the security that insulation or conversion provides.

Mr. Speaker, I have more questions for this Government.

What are we going to do with the enormous gas reserves we have in the West and in the North? They are there. They guarantee us a secure supply of gas for future decades. Why should we not continue to encourage Canadians to convert their heating systems from oil to gas, since we know that as far as liquid oil is concerned, we are trying very hard to find new oil but are having tremendous problems? As for gas, our potential is tremendous, and we should keep on encouraging Canadians to convert to gas.

In the province I represent, we have an abundance of electric power. Why should we sell this power to the U.S. if we can consume it here, once we have converted our heating systems?

• (1240)

The Acting Speaker (Mr. Paproski): Is the House ready for the question? The Hon. Member for Winnipeg North Centre (Mr. Keeper).

[*English*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to participate in this debate. I think

the legislation before the House is important and deserves serious consideration.

The purpose of Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, is to cut back on these programs and to move up the date on which the programs are terminated, therefore limiting the number of Canadians who can benefit from these programs.

In that context this legislation is a part of the cuts announced by the Government last November 8. It is part of the Government's over-all strategy of cuts in government spending. This strategy of cutting public spending is quite contrary to what the Conservatives said in the election campaign. I am reminded of the words of one of the leading Members of the Conservative Party whom I cannot mention by name in this Chamber, but I am sure the Member will know to whom I refer. To paraphrase the Member's words, he said something to the effect that "if we told you before the election what we were going to do when in office, you just would not vote for us". That is a paraphrase.

Mr. Althouse: Is that the Hon. Member for St. John's West (Mr. Crosbie)?

Mr. Keeper: I would have to ask the Speaker's direction as to whether I could name a particular Member. I am sure the Member knows who he is.

Mr. McDermid: Give him some credit then.

Mr. Keeper: I will not say whether it is the Hon. Member for St. John's West (Mr. Crosbie); I cannot say who it is.

Mr. McDermid: How do you know it is an accurate quote then?

Mr. Keeper: The Conservative Member who said that is not to be condemned for having said what he said because it was a display of honesty.

Mr. McDermid: Give us a hint. Is he in the House today?

Some Hon. Members: Oh, oh!

Mr. Keeper: Certainly the Member is within earshot.

Some Hon. Members: Oh, oh!

Mr. Keeper: The Member is to be congratulated for his honesty and for his forthrightness in having said what he said.

Mrs. Sparrow: We are all honest.

Mr. Keeper: Unfortunately, that was not true of the Conservative campaign. In the campaign the Conservatives promised that they would not cut useful programs nor would they cut into worth-while public expenditures, but they would cut out waste in government spending. They said they would balance the books of the federal Government by cutting out unnecessary public expense. That is what was said during the election campaign. I think the Bill before us today needs to be examined in that light. Does it meet the criteria set out by the Conservative Party during the election campaign when the Conservatives said that they would reduce the deficit by cutting out wasteful public spending?

The Canadian Oil Substitution and Conservation Program is a program that provides an incentive for people to change the heating system of their homes from oil to gas or to something else. The program has been effective. It has resulted in a large number of people converting their heating system from oil to gas. This program helped not only individuals who took up the challenge and responded to the incentive to substitute or move away from oil to something else, but it helped in the conservation of a non-renewable resource. Once oil reserves have gone, there is no way to replace them. Once a barrel is empty, there is no tap to turn on to fill it up again.

I consider COSP to be a worth-while use of public money. It is an incentive for people to have their homes heated in a way that will cost them less and an incentive to preserve and conserve a non-renewable resource. I would challenge any Member of the Government to stand up in the House and justify the cutting back of this program in terms of which the Government spoke in the election. I challenge any Member of the Government to stand up now and say that this program is a waste of public money.

I consider this a very useful program. I welcome some response on this point from the Government side. It would be refreshing to see some of these Government Members on their feet contributing their thoughts in this debate. I would like to hear them say why they feel this program that gives grants to citizens to convert from oil heating to gas is a waste of public money. If any Member on that side takes up the challenge, and I am sure there is some brave soul across the way, I would also like them to explain—

Mr. McDermid: There are 211 of us.

Mr. Keeper: A pretty silent 211. I would like to hear them explain how they can reject a program based on incentives. I would have thought the notion of incentives was fundamental to Conservative philosophy. From the speeches I have heard Conservatives make, incentive is a sacred mechanism for stimulating action in the economy. Both COSP and CHIP are incentive programs. They are meant to stimulate activity in the private sector, which happens as a result. These programs have been successful in stimulating activity in the insulation of homes and the conversion of homes from oil to gas heating. The actual conversion and insulation work takes place through the private sector. It is an important economic activity and it is based on the principle of incentive.

I would like to hear somebody from the Government side of the House tell us why he or she is rejecting the mechanism of incentive for promoting economic activity and conservation. Why do the Conservatives characterize the use of public dollars as incentives as a waste? I would like some explanation on that.

This cut-back in the Canadian Oil Substitution Program and Canadian Home Insulation Program is part of the general

strategy of cuts by the Government, cuts that have hit the arts very severely and cuts that have hit the CBC. I can think of two cuts in the CBC that are of concern to me. The program *Identities* is being taken off the CBC schedule. There is also a program called *Our Native Land*. Both of these programs contribute to the multicultural nature of Canada. *Our Native Land* is a program which helps to knit together the native community across the nation. I hope the Minister of Communications (Mr. Masse) would take the initiative he seems to have taken as it affected another program which was cut, *The Friendly Giant*. Obviously that was a worth-while program and deserved to be reinstated. I am glad the Government took some initiative in that regard.

● (1250)

Mr. Nickerson: You can't say that with a straight face.

Mr. Keeper: Well, I have children and I understand that they deeply appreciate the program. If the CBC can reinstate *The Friendly Giant*, why can it not reinstate *Our Native Land* and *Identities*? Why can the Government not take the initiative to alert the CBC to the need for doing that? Why can it not also reinstate the Canadian Home Insulation Program and the Canadian Oil Substitution Program? I challenge Hon. Members opposite to rise and justify the cutting of these programs.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I should like to put forward some of the viewpoints of my constituents, not only those in Sudbury but also those in the riding of Nickel Belt. I realize there is another Hon. Member in the House who represents those constituents as well, but evidently similar concerns have been expressed by those constituents with respect to the decision of the Government to eliminate COSP. There would be very few of us who would object to the Government reviewing expenditures which were previously announced by other Governments.

As other Members in the House have indicated, COSP was well accepted by Canadians. Primarily it was a result of the requirements in the latter part of the 1970s and the early part of the 1980s, at which time we in Canada recognized that oil, being a non-renewable resource, would at some point in the future require alternatives put forward by consumers and companies to give Canadians an option in terms of the energy they choose to heat their homes. As a result of rapidly increasing prices in the oil price formula adopted by Canada in the early 1980s, a number of Canadians decided to switch from the use of oil to heat their homes to some other form of energy.

In particular, in northern Ontario a large number of constituents in my riding opted to use natural gas as an alternative to oil. This led to a great demand in that area for an extension of the gas line. This demand was met by the Liberal Government of the day approximately a year ago when it announced substantial incentives to extend the natural gas line throughout northern Ontario. As a result, a number of communities in northern Ontario anticipated the opportunity of switching from oil to natural gas.

Most Hon. Members of the House are aware that there is a difficult problem in northern Ontario in terms of weather, climatic conditions and the terrain. When the Government announced in the November 8 mini-statement of the Minister of Finance (Mr. Wilson) that the conversion from oil to other products would be limited to March 31, 1985, it may not have caused as much a problem for constituents in other areas of the country who do not face the inhibiting factors of climate and terrain. The difficulty is that in late fall most of the construction process comes to a halt as a result of weather and frozen ground conditions. Therefore the deadline imposed by the Government is very difficult for people in northern Ontario who want to accommodate their desire to switch from oil to some other form of energy. Not only from the standpoint of people who wanted to switch from oil to another form of energy, but a number of Sudburians and other people in northern Ontario were interested in opting to use electricity as an alternate form of energy. As a result of the way in which the Government put forward its deadline of the spring of 1985, a great deal of difficulty is being experienced not only by the natural gas company but by hydro utilities in northern Ontario. They have not been able to keep up with the demand for the equipment required for the conversion process.

I have received numerous representations from companies and contractors which, in the rush to meet the deadline artificially imposed by the Government, have been unable to keep up with the demand. For example, there are back orders of some five to six months for propane gas tanks for people who want to go to propane rather than natural gas. The same problem is being experienced by the Sudbury Hydro Corporation in terms of getting the equipment required to convert from oil to electricity. In addition, many contractors have indicated to Members who represent constituencies in northern Ontario—and I am sure this is true for Hon. Members who represent people living in other northern parts of Canada—that with climate and terrain conditions it makes eminent sense for the Government to allow an extension of the phasing out. The concerns of constituents in northern Ontario as well as those in other parts of northern Canada should be taken into consideration because they have had experience with weather conditions and in terms of the ability of contractors to be able to accomplish the work. Frankly, the speed with which the Government acted in eliminating the conversion program has created many hardships for contractors and those people who wanted to take advantage of the grant to switch from oil to another form of energy. Consequently, they have been unable to proceed with their conversion.

For the benefit of Hon. Members who are present in the House, there is no question in my mind that the original intent of the Canadian Oil Conversion Program was successful. I believe the numbers show that some 60,000 barrels of oil per day have been saved as a result of conversion by a great number of Canadians from oil to another form of energy.

With respect to the energy program itself, I think most Canadians recognize that the one area in which there is an abundance of energy supply is that of natural gas. Mr. Speaker, in your great Province of Alberta, a fair degree of employment opportunity has been created by the increased demand for natural gas from that province into other areas of Canada. Only in the last year have lateral lines been made available to smaller communities in northern Ontario. Historically, when natural gas lines were extended, it was only through the major centres of northern Ontario.

This kind of change in program by the Government does not particularly damage the people in large centres in northern Ontario. A number of constituents living perhaps 20 to 25 miles away from the main line have over the years lobbied individual Members of Parliament to convince the Government to extend the lines to their smaller communities. This would have allowed those people to have the same amenities as those made available to constituents living in larger urban centres in northern Ontario.

The fact that the Government has asked for the program to be terminated is a valid use of the mandate given to it last September. However, I hope the Minister of Energy, Mines and Resources (Miss Carney) and the Minister of Finance (Mr. Wilson) would take into account the difficult terrain and the other things which I mentioned earlier concerning the lack of products needed for conversion to take place.

The Acting Speaker (Mr. Paproski): Before calling it one o'clock, the Hon. Member should know that he has a minute remaining as far as his speech is concerned. After three o'clock, if he wishes to use that one minute when Orders of the Day are called and the House resumes consideration of Bill C-24, he may do so.

It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PORNOGRAPHY

DEFINITION OF OBSCENITY—CALL FOR NEW LEGISLATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, given the striking down by the Federal Court of Appeal of the Section of the Customs Tariff Act that has been used to prevent the importation of pornographic material into Canada, it is imperative that the Minister of Justice (Mr. Crosbie) and

the Minister of National Revenue (Mr. Beatty), guided by the Fraser Report, which should be made public, move quickly to bring in legislation for a legally clear applicable definition of obscenity. Immediate updating of the relevant sections of the Criminal Code and the Customs Tariff Act is called for in order to give coherency in our laws, and control the entry and distribution of violent pornographic material.

This ruling underscores and substantiates claims by women's groups about the inefficacy of the law. They have long recommended revision and updating of the 117-year-old Customs Tariff Act, and time and again have pointed out to legislators that the wording of the Act is too vague in its definition of obscenity, that it provides inadequate protection to our society against the degradation and violence depicted and directed toward men, women, and children.

Under the present Act pornographic material falls under the classification of immoral and indecent publications, and with such a loose and imprecise definition to determine acceptable or objectionable material, it is no surprise that the court so ruled. Until we have action to change the laws, we have open, unprotected borders to this offensive material. The time for action is now.

* * *

[*Translation*]

ACID RAIN

RESULTS FROM MULRONEY-REAGAN MEETING

Mr. Claude Lanthier (LaSalle): Since major holidays have octaves, Mr. Speaker, I had an opportunity yesterday to substitute for the Minister of State (Multiculturalism) (Mr. Murta) as Irishmen celebrated St. Patrick's Day in Montreal.

I am pleased to report that the major topic of conversation in Montreal yesterday was the great pride felt by all Irishmen in Montreal with respect to the concrete measures taken by a well-known Irishman—our own Prime Minister—and another Irishman to widen the scope of proceedings, thus paving the way for finding a solution to the acid rain problem which is a threat to Quebecers.

In addition, I am pleased to say that I rejoice at the great progress made yesterday during the Quebec City meeting when another outstanding Canadian, Mr. Davis, was appointed special envoy.

* * *

[*English*]

TELEVISION

FUNDING OF INDEPENDENT PRODUCTIONS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the announcement by the Minister of Communications (Mr. Masse) of changes in criteria for funding of independent television production from the Canadian Broadcast Project

Development Fund is welcome news only in the sense that it could have been worse. For the independent producers, whose work had dried up thanks to the CBC pulling out of the fund, the news means new contracts will be signed, work will go ahead, and they will stay in business instead of going bankrupt. But is this good enough? The decision shows the shortsightedness of the Government's cut-backs to the CBC last fall. Were it not for those cut-backs, the crisis in production would not have happened in the first place.

The Minister has used the opportunity to advance his own ideological agenda, an agenda never discussed in the election campaign, and contrary to Conservative promises made in the election campaign last summer. Government funding is moving away from the public sector, and government funding is moving away from the arm's length agencies. However, will there be any increase in good Canadian TV production? Unfortunately, that seems unlikely. The Minister has not put any more money into the pot.

Even with Telefilm Canada back in business now, with the ongoing CBC cut-backs over-all production will be down. The Minister's flying around the country in executive jets has not resulted in any cultural policies for our country that will fly. I suggest the Minister would be better advised, and our tax money better spent, if he would stay at home for a while—

Mr. Speaker: Order. The Hon. Member's time has expired.

* * *

[*Translation*]

EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS

Mr. François Gérin (Mégantic-Compton-Stanstead): Mr. Speaker, Saturday, before leaving Washington to go to Quebec City, Mr. Reagan—the President of the United States—declared that there was no country that was more important to the United States than Canada, and that relations with Canada were better than ever. He went on to say that the Prime Minister of Canada (Mr. Mulroney) was an energetic and effective defender of Canadian interests and a firm friend of the United States.

Sunday, all Canadians could see for themselves, either on television or on the spot in Quebec City, how relaxed relations are now between Canada and the United States. The Canadian and international press commented that the conditions for restoring harmonious relations between our two countries are now in place and that Canada can already start reaping the benefits. Canadians are all proud of their Prime Minister and they congratulate him.

[*English*]

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have been constantly attacking the Prime Minister (Mr. Mulroney) for not keeping campaign promises to the Canadian people. Today I stand in this House to apologize. There is one promise that he made on May 24, 1983, and that he kept word for word, when he said:

> There'll be jobs for Liberals and NDPs too after I have been Prime Minister for 15 years and I can't find a living, breathing Tory in the country.

On a daily basis since September 4 he has been appointing Tories, right, left, and centre, over a thousand of them. The criteria for appointments are simple: just be a Tory. Qualifications—who needs them?

The Prime Minister said he would appoint Liberals and NDPs after he was Prime Minister for 15 years. At the rate he's going now, he will run out of Tories in six months. The way he has been running the Government, I'm certain he realizes that he lacks the qualities needed to lead this country. He will not be around in 15 years, so he has to appoint them all in the first four years. Those are the only four years he will be in power.

The people of this country need jobs, jobs, jobs, not just jobs for Tories who are appointed by the Prime Minister.

* * *

SHIPBUILDING

SQUARE RIGGER PROJECT—*SPIRIT OF CANADA*

Mr. Patrick Crofton (Esquimalt-Saanich): Mr. Speaker, Members of the House will recall the assembly of tall ships at the bicentennial celebrations in Quebec city last year. Regrettably, we had no Canadian tall ship of our own to participate. Thus it gives me great pleasure to advise the House about an exciting national project which is presently under way on the West Coast to correct this deficiency. A group of eminent Canadians from coast to coast has established the Pacific Tall Ship Association. This charitable, non-profit association, intends to build and operate Canada's first ocean going square rigger. The ship will be called the *Spirit of Canada*, and will primarily serve as a training vessel for young Canadians.

The proposed ship will be a steel hulled three-masted barque of approximately 130 feet, and will have the capacity to train 1,000 young Canadians annually. Fund raising is, of course, the major concern at this time since the group hopes to have the ship built and ready for Expo '86 in Vancouver. This project is widely supported by many Canadians. I, therefore, urge all Members of this House to support this very worthwhile project so that Canada's colours will be flown proudly wherever the *Spirit of Canada* travels on the high seas.

MINES AND MINING

FATAL SPILL AT YELLOWKNIFE MINE

Mr. Rod Murphy (Churchill): Mr. Speaker, on July 9, 1984, Gordon Lyle Davidson, aged 28, was killed by a spill of wet material in a Cominco gold mine in Yellowknife, Northwest Territories. This followed an earlier spill on March 17, 1984, that Cominco failed to report. There is now to be a full public inquiry into Davidson's death.

Yesterday the statute of limitations ran out on the earlier spill of March 17, 1984, but the Government failed to lay any prosecutions against Cominco. There is reason to believe that Cominco's failure to provide safeguards resulted in the tragic death. I believe that the statute of limitations should be extended to an inquiry into all circumstances of this case, including checking the actions of the Crown prosecutor and the Coroner's office. Cominco was allowed to escape prosecution, and many barriers were placed in the way of the union's lawyer. The buck passing in this case demonstrates a lack of concern over the rights of workers in the Northwest Territories.

* * *

● (1410)

EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—QUEBEC SUMMIT SUCCESS

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, this is a proud day for all Canadians as we witness and follow the summit meeting in Quebec City between the Prime Minister (Mr. Mulroney) and President Reagan.

Canadians have been deeply concerned about deteriorating relations in many areas with the United States over the last six to ten years. Canadians are anxious to have a positive and constructive relationship with our American neighbours. The summit meeting was a landmark start in rebuilding that relationship.

Acid rain and the environment are priorities for Canadians and the Government. The appointment of U.S. former Transportation Secretary, Drew Lewis, and former Ontario Premier, Bill Davis, as special envoys to resolve the issue of acid rain is applauded.

To quote the Prime Minister:

> We have broken a three-year deadlock by agreeing to our common and shared responsibility to preserve our common environment.

Canadians are fortunate to have a Prime Minister who provides leadership, who resolves problems, and who is bringing a new direction to Canada. The Quebec summit is a splendid example of this leadership.

Some Hon. Members: Hear, hear!

S.O. 21

FISHERIES

CANCELLATION OF FISHING VESSEL INSURANCE SCHEME

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I rise to request the Minister of Fisheries and Oceans (Mr. Fraser) to announce this week the reversal of the Government's decision to cancel the fishing vessel insurance scheme, which was announced by the President of the Treasury Board (Mr. de Cotret) and the Minister of Finance (Mr. Wilson).

The Minister of Fisheries and Oceans has only until the end of this week to make up his mind. Fishermen want to know whether this is the policy of the Government, or whether the Government will pay attention to the objections which have been registered by provincial Governments and all the unions which represent fishermen in our country.

This week is zero hour. I hope that the Minister of Fisheries and Oceans will take the opportunity to make a ministerial statement before Friday and reverse the ill-advised cancellation of the scheme. The decision was reached with no consultation with provincial Governments and fishermen across the country.

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EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—SUMMIT MEETING BENEFITS

Mrs. Mary Collins (Capilano): Mr. Speaker, yesterday will go down as a landmark in Canadian history. Not only did we celebrate the six-month anniversary of the swearing in of the new Conservative Government, but on St. Patrick's Day Canadians across the country watched with excitement and anticipation the historic summit meeting in Quebec City between the Prime Minister (Mr. Mulroney) and the President of the United States.

The warmth of the welcome we have shown to the President and his wife has already been well documented in the American press. *The New York Times* has run major stories the last two days reporting to the American people the prospects which have arisen from the meeting for closer ties and understanding between our two countries.

In addition to the substantive discussions which have taken place, which have resulted in new joint plans on acid rain, the air defence accord, trade, military co-operation, and arms control, the meeting will have other long-lasting benefits for relationships not only between the two Governments but between the people of the two lands. It means investment. It means trade. It means tourism. It means jobs. And it means an economic vitality for the two countries.

The people of Canada and the United States who watched or read about the summit meetings will gain a new sense of encouragement and confidence that all of us who share the North American continent can, and will—

Mr. Speaker: I regret to advise the Hon. Member that her time has expired.

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NATIONAL DEFENCE

PINE TREE LINE—ECONOMIC CONSEQUENCES OF BASE CLOSURES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, on Wednesday last the Minister of National Defence (Mr. Nielsen) announced that the Pine Tree Line would be phased out and that most of the bases which are associated with that line would be phased out. Considering the economic hardships which will occur in the communities which are associated with those bases, both in terms of the military and civilian payrolls which will be eliminated, and the impact on the businesses which serve those bases, will the Minister of National Defence announce as soon as possible the time line for the phasing out? Also, would the Minister take steps to notify those Members of Parliament, in whose constituencies the closures will occur, and the mayors of the associated villages and communities, of the particular time line phase-out?

Due to the fact that military personnel will be transferred, will the Government take active steps to ensure that all civilian personnel who are attached to the Pine Tree Line bases will be provided opportunities for transfer within the Public Service, and that alternate uses for the bases will be considered?

ORAL QUESTION PERIOD

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—APPOINTMENT OF CANADIAN AND UNITED STATES ENVOYS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Minister of the Environment I would like to direct a question to the Acting Prime Minister. My question relates to the announcement of Mr. Davis and Mr. Lewis as part-time envoys on acid rain.

In view of the fact that we have in Canada—as initiated by previous Liberal Governments—a plan to cut smoke-stack emissions by 25 per cent between 1980 and 1990; a political and factual commitment to cut smoke-stack emissions by another 25 per cent by 1994; considering the fact that we are down wind of 26 million tonnes of smoke-stack emissions which emanate from the United States; and in view of the fact that there have been years of joint research on this matter, what will the Government know a year from now that it does not already know?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I would like to advise the House that the agreement which was arrived at yesterday, as stated by the Prime Minister of Canada and the President of the United States, certainly represents a significant move forward. I would point out to the Hon. Member that the agreement breaks the deadlock which has existed for a number of years. It is the first time that a President of the United States has acknowledged that the acid rain problem is one which we share, and that we must work jointly to resolve it. At the end of this year we will see the work which will have been accomplished by two very prominent envoys who were appointed to the job.

Some Hon. Members: Hear, hear!

NATURE OF AGREEMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I hate to give a lesson in history to the Acting Prime Minister, but I would like to remind her that in 1981, during his visit to Ottawa, President Reagan made the exact recognition which he made yesterday. There is nothing new and nothing historical about it.

Would the Acting Prime Minister not admit that what was announced yesterday is a face-saving device which admits the political failure of the Prime Minister to convince his political counterpart that there is a problem which needs real action; and that it is a face-saving device which removes pressure for at least one year from the Washington administration? In essence, is it not just another do-nothing policy for another year?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can understand the Hon. Member's obsession with face-saving devices. People in his Party know all about them, as they have been dealing with those devices for the last number of months.

I would also say to the Hon. Member that in the last four years, he, as the previous Minister of that Department, was not able to achieve any agreement with the United States. He did not move the issue a single step forward. He should not sit there and speak sour grapes because movement is being made.

Some Hon. Members: Hear, hear!

[*Translation*]

MAPLE SYRUP PRODUCERS—GOVERNMENT POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I have a supplementary.

Mr. Speaker, I wonder what the Deputy Minister is going to say next year to reassure maple syrup producers whose production is being affected by acid rain.

[*English*]

What will the Acting Prime Minister say to businesses in Muskoka and Haliburton? What will she say to the fishermen who are interested in the salmon spawning grounds of Nova Scotia? What will she say to the millions of Canadians who are concerned that this is the major health issue which is confronting us because it has not been dealt with by the major polluters who are emitting 26 million tonnes a year south of the border? What will she say to them?

● (1420)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, of course the Hon. Member would not even begin to admit that during his term of office in his Government's regime, it could not possibly come to an agreement with the provincial Governments. We have a $150 million agreement to begin to clean up acid rain in our own country which, of course, shows good intent as to what we can do and what we can accomplish. That is being done in Canada. That will show improvement. What is more, Mr. Speaker, that kind of movement forward will be seen in a bilateral sense in the next year. I would ask the Hon. Member to take the same positive approach as so many people in this country do when they do see that positive steps have been taken.

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NORTH AMERICAN AIR DEFENCE

UNITED STATES MISSILES—STATEMENT ATTRIBUTED TO U.S. SECRETARY OF DEFENSE

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed as well to the Acting Prime Minister. This morning on Canada AM the United States Secretary of Defense, Caspar Weinberger, was asked what action the United States plans to take against Russian cruise missiles. The reporter asked: "Might this involve, for instance, launchers in Canada being placed in Canada?" Mr. Weinberger replied in part: "They'd be placed in the most effective way, but I think what we would try to do would be to locate the best places for defences, and some might be here".

Would the Acting Prime Minister tell the House why the Government has assured the Canadian people that placing United States missiles here in Canada is not even a possibility when this is obviously being worked on right now by the United States Government?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I think the Hon. Member has been in the House on several occasions in the past when the Prime Minister and the Secretary of State for External Affairs made it abundantly clear that any decision along this line will be taken in Canada, and in Canada only. There is no contemplation of taking any decision of that nature here in Canada.

REQUEST THAT MINISTERS APPEAR BEFORE COMMITTEE

Hon. Herb Gray (Windsor West): Mr. Speaker, based on the words of Secretary of Defense Caspar Weinberger, placed on the public record, the Conservative Government has not yet told the whole story to the Canadian people. I ask the Acting Prime Minister if she will make a commitment today that before the week is out the Government will have the Secretary of State for External Affairs, and the Minister of National Defence, appear before the External Affairs committee to tell the Canadian people, through the committee, exactly why it is contemplating—based on what was said by Caspar Weinberger—changing a long established policy of refusing to have U.S. missiles based in this country?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I know the Secretary of State for External Affairs and the Minister of National Defence have been far more ready to appear before parliamentary committees than former Ministers of the previous Government. However, I would ask the Hon. Member to continue and state clearly what Mr. Weinberger said this morning. The statement he made this morning in that regard was that "Canadian obviously, as a sovereign nation, would make its own decisions". That fact is recognized in Washington. I wish it were recognized by the Libera Opposition.

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PORNOGRAPHY

EFFECT OF COURT RULING ON CUSTOMS TARIFF ACT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of National Revenue. Last Thursday the Federal Court of Appeal in the Luscher decision unanimously struck down those parts of the customs tariff which prohibit immoral or indecent imports, finding them to be so vague and uncertain that they are of no force or effect. Will the Minister confirm that he will immediately issue new instructions respecting the court's judgment? And, given the fact that this decision effectively throws Canada's borders wide open in this area, will the Minister bring forward quick legislation in order to block the import not of explicit erotica, as in the Luscher decision, but of child pornography and violent pornography?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, the first part of the Hon. Member's question deals with the status at the present time of that provision of the Customs Tariff. Because the courts have found that provision of the customs tariff to be *ultra vires*, it cannot be enforced by my Department. But my staff, however, will be under instructions that where they find, for example, a truckload of material coming in for distribution in Canada which is likely to be found to be illegal under the Criminal Code provisions, they will contact local police authorities and ask them to do their duty under the Criminal Code.

In so far as the second half of the Hon. Member's question is concerned, it deals with the essence of response to the work of the Fraser Committee. My colleague, the Minister of Justice, is the Minister responsible for this.

REQUEST FOR AMENDMENT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, given the fact that the Deputy Minister of National Revenue has said that despite the decision of the Court of Appeal it is "business as usual" for the Department, will the Minister explain this apparent contempt for Canada's judiciary? Rather than snubbing the courts, why is the Minister waiting for the Fraser Commission? Why does he not come forward immediately with badly needed legislation to fill this obvious gap?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I had a chance in Ottawa today to review the judge's decision. My instructions to my staff as of an hour ago were to issue new instructions to the border units stating that where the courts have found the provision is *ultra vires* the single most important principle which must be used as a guide is the rule of law. The Government is obliged to obey the law. It cannot take the law into its own hands. That is our instruction. We will, however, draw to the attention of the local authorities any importations which offend against the Criminal Code provisions.

Again, the Hon. Member in the second half of his question did not listen to my response to his first question. I do not have the authority to amend the Customs Tariff, nor do I have the authority to make changes to the Criminal Code. He may want to ask my colleague, the Minister of Justice, what action he intends to take as a result of the Fraser Committee's work, but that is an area in which I do not have any authority.

The Hon. Member, having counselled us to respect the rule of law, must also respect that I would not attempt to take the law into my own hands in terms of making proposals which I have no authority to make.

REQUEST FOR IMMEDIATE INTRODUCTION OF LEGISLATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my further supplementary question is directed to the Minister of Justice. We in this caucus are prepared to pass legislation within 24 hours which deals with the obvious gap which the Federal Court of Appeal has left in the area of child pornography and violent pornography. Is the Minister prepared, on behalf of his Government, to give an undertaking that he will immediately bring forward the necessary legislation to deal with this obvious gap and thereby ensure that Canada's borders are not in fact wide open, as the Court of Appeal decision now leaves them?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am very pleased to note that the hon. gentleman and his Party would support amendments or changes in that direction and would support legislation to replace the provisions now found to be ineffective. But I think the Hon. Member is being too selective. Pornography is pornography. I don't think that we can just concentrate on child pornography, or some other kind of pornography which particularly bothers the Hon. Member. When we bring in legislation, if that is the course we will adopt, we will bring in legislation which will apply to pornography whether it is child pornography or any other type of pornography. It will have to be quite specific in light of the decision that the court has given.

I can only advise the Hon. Member, Mr. Speaker, that we are reviewing the situation to see whether that is the best course. We are glad to have the co-operation of the New Democratic Party. I imagine that the Official Opposition is against pornography as well, and that it will join in seeing that the legislation will go through the House within a very short period of time. I welcome the assistance of Hon. Members on all sides of the House and I am sure that the Hon. Member's offer will be taken up in due course.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—APPOINTMENT OF CANADIAN AND UNITED STATES ENVOYS

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is directed to the Acting Prime Minister and it is in respect to the question of acid rain. A leading environmentalist has said that envoys are better than nothing. But with 30 million tonnes of sulpher dioxide falling on us every year, mainly from United States sources, and from Canadian sources to a lesser extent, killing lakes, destroying forests and crops, and affecting human health—and this is all documented by research—would the Minister tell the House how appointing two envoys would help this situation? Is it not simply delaying a program of action? We have heard it all before, Mr. Speaker. "Got a problem? Appoint a committee".

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, if the Hon. Member has heard it all before, why did his Government not do something about it? For how many years have we heard this issue raised? Yes, we have done something about it. We have come to a very significant agreement with the provinces to move in this regard in Canada. We have come to an agreement with the United States to work jointly on this issue within the next year by appointing two people whom the Hon. Member may dismiss out of hand, but whom many people in this country believe are individuals who can move this very important issue forward to the solution which we all want to see.

REQUEST FOR ASSURANCES

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, the Minister has entirely missed the point. Is the Minister not aware that several plans of action were presented by the

United States Environmental Protection Agency to the White House? All were rejected. Will the Minister tell the House what assurances the Canadian Government received that any recommendations flowing from the Davis-Lewis envoy team are going to be acted upon by the U.S. administration?

● (1430)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the assurances we have received are of the nature which shows in the relationship that exists between our two countries. In the last number of years we have seen a Government in Canada which tried to achieve things by fighting with its allies. We do not believe that is the way we should really go about things. We believe that the way we accomplish things is by working together, and that is what this agreement is really all about.

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CULTURAL AFFAIRS

JOB CREATION OPPORTUNITIES

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Acting Prime Minister and concerns the job-creation potential in the arts and culture field. Is the Minister aware that 66 per cent of the revenues to arts and culture go into wages compared with roughly 20 per cent in manufacturing, and that the return in jobs is six times that per dollar invested compared with other sectors? Therefore, would she not agree that this presents enormous opportunities, and that restoring the cuts suffered by the Canada Council, Radio-Canada, and other agencies might be the best job creation scheme the Government could come up with?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I do agree with at least a part of what the Hon. Member has said. It is because we realize the potential for job creation in the cultural community that the Minister of Communications and I have been working together in the Government's new labour market strategy, allocating money to make sure that there are programs in that $900 million which will be specifically addressed to the cultural community and the way in which jobs can be created in that very important sector.

GOVERNMENT POLICY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I wonder if the Minister is aware of the practical effects of the Government's policy in this field since coming into office. There have been rallies all across the country, from Halifax to Victoria, and what the community is saying is the Government's policies right now are costing it jobs. Unemployment is going up, and people being trained as actors and actresses and in the arts colleges, and so forth, cannot get jobs because of these cut-backs. What good are these potential programs going to be if the practical result of the cut-backs is job losses?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am sorry that the Hon. Member has not been following the discussion on the new job-creation sector because the jobs apply to the fiscal year 1985-86, coming into effect on April 1. It is for that very reason that the Minister of Communications is consulting with the cultural community and bringing that input back to the over-all plan of job creation, so that there will be new and more effective measures coming out of the allocation of funds devoted to the creation of jobs and the development of human resource potential.

* * *

TERRORISM

SEIZURE OF TURKISH EMBASSY IN OTTAWA—ADVANCE WARNING INQUIRY

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also for the Acting Prime Minister. Last Friday the Secretary of State for External Affairs admitted that he had misled the House on the question of advance warning to Canada by the Turkish Government, even though he had made a thorough inquiry of his officials before making his erroneous statement. The correcting statement of last Friday was unacceptably vague. I want to ask the Government which Canadian officials were given the urgent Turkish warning, and what did they do with that information?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as the Hon. Member has stated, the Secretary of State for External Affairs made a comment to the House last Friday about the situation with regard to the Turkish Embassy. He indicated that he would be carrying out an immediate investigation. It is my understanding that the results of that investigation are now with the Secretary of State for External Affairs and he will be making a statement to the House in that regard on his return tomorrow.

REVIEW OF SECURITY ARRANGEMENTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to ask the Acting Prime Minister about a statement of the Deputy Prime Minister to the effect that, 30 days before the incident at the Turkish Embassy, the security at that Embassy had been reviewed and upgraded. Can the Minister confirm that in fact the security was not upgraded at all, no additional resources were allocated to the Turkish Embassy, and in fact there was nothing more than a letter sent by the RCMP to the Pinkerton's guards telling them to be vigilant? What kind of an upgrading of security is that?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I have indicated to the House that the investigation of this matter has been going on over the weekend, that the results of that investigation are now with the Secretary of State for External Affairs, and I presume with the Prime Minister, and that a statement on the result will be

made tomorrow. I ask the Hon. Member, given the fact that these people had already been committed to a very important engagement, as we all recognize, in Quebec city, to wait until he hears that statement tomorrow.

* * *

[*Translation*]

ENERGY

OIL SUBSTITUTION AND CONSERVATION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. There are people who want to take advantage of the Oil Substitution and Conservation Program. Is the Minister aware that gas line installations are being held up because the ground is frozen and parts have to be ordered, and that there is a waiting list, especially in Quebec and here in Ottawa? Could the Government—

[*English*]

Mr. Speaker: Order, please. With great respect, I think the Member is asking a question with regard to a Bill which is currently before the House. I am afraid that is not normally allowed. I am prepared to allow a different question by the Hon. Member, but not questions regarding a Bill currently being debated in the House of Commons today.

Mr. Waddell: Mr. Speaker, let me then ask the Minister about a speech she gave in Vancouver last week. She suggested that she was interested in conservation. She said that energy use in residential housing could be cut back a further 30 per cent. Why, then, is the Government proceeding with measures to cut back conservation, and not interfering with grants to oil companies? Why is it taking this direction—

Mr. Speaker: With great respect. The Hon. Member for York South-Weston.

* * *

TERRORISM

TURKISH EMBASSY ATTACK—THREAT POSED BY ARMENIAN TERRORISTS

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Acting Prime Minister. On January 29 I was advised by the Canadian Security Intelligence Service that Armenian terrorists were the greatest and most serious threat to Canadian security. I was assured that the threat was being monitored very closely and that the Intelligence Service had considerable intelligence information on the matter. Will the Acting Prime Minister confirm that the Canadian Security Intelligence Service failed to provide this intelligence to the RCMP and, specifically, confirm that the CSIS failed to notify the RCMP of the urgent advance warning from the Turkish authorities?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, when the Deputy Prime Minister was asked questions about security at the Turkish Embassy last week, he indicated that there was a full investigation under way. That investigation is being completed. When the results are made known, the Deputy Prime Minister will report to the House.

ADVANCE WARNING INQUIRY

Mr. John Nunziata (York South-Weston): Mr. Speaker, will the Acting Prime Minister at least confirm today that that advance warning from Turkish authorities went to the CSIS and they in turn failed to pass that information on to the RCMP?

Hon. Flora MacDonald (Minister of Employment and Immigration): No, Mr. Speaker, I will not confirm that. I will take the question as notice and pass it on to the Minister responsible.

* * *

AIR CANADA

APPOINTMENT OF DIRECTORS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Transport who just released the list of the new board of directors for Air Canada, a very critical and major Crown corporation. At first glance it would appear that it is simply a list of Tory hacks, flacks, and bagmen.

Mr. Broadbent: On second glance, too.

Mr. Riis: On second glance it would look even more like that. Would the Minister explain to the House what criteria he used to select this very critical group of people to provide direction to one of Canada's most important Crown corporations?

● (1440)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think that if the Hon. Member looks at the list again he will find that they are very distinguished and well qualified Canadians who represent all regions of the country. They will do a tremendous service to Air Canada, and a tremendous service to Canada.

APPOINTMENT OF DAVID ANGUS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, to be more specific, could the Minister expand on the point he just made by explaining how the major job of David Angus, which is raising funds for the Progressive Conservative Party across Canada, helps him in providing critical leadership and direction to Air Canada?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I do not think the fact that he participates in a political Party should be held against him.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: We encourage outstanding people to participate in the political scene. Mr. Angus happens to be a very distinguished lawyer who has a tremendous background in transportation, particularly in the marine and air sectors. His contribution to Air Canada will be clearly felt, not only by the corporation but indeed by all Canadians.

* * *

TRADE

BEEF IMPORTS FROM EUROPEAN ECONOMIC COMMUNITY

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question is for the representative of the Minister of Agriculture. Cattle producers are gravely concerned at the prospect of continuing high levels of importation of subsidized beef from the European Economic Community. Can the Minister advise that import limitations or quotas have been negotiated with these supplying countries?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Member raises an important question for the livestock industry. He will be aware that at the beginning of the year we indicated that we were prepared to use provisions under the Meat Import Act to restrict beef coming in from the European Community. They have since objected, and have threatened to increase tariffs on some of the agricultural products that we send to them.

We are staying in touch with the Community, and both Governments are working on a solution that will avoid what we believe to be retaliatory tariffs against some of the agricultural products which we send to the European community, while at the same time safeguarding the very important livestock industry against what many people believe to be damaging import competition. Hopefully, through further consultation we can arrive at a solution that will satisfy all parties in this matter.

* * *

ENERGY

PETROLEUM AND GAS REVENUE TAX

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I would like to follow up on a supplementary question of last Wednesday which the Minister did not answer. Will the Minister tell the House if she is going to abolish—

Some Hon. Members: Which Minister?

Mr. MacLellan: Will the Minister of Energy, Mines and Resources tell the House if she is going to abolish the petroleum and gas revenue tax as was promised by the Prime Minister on July 6, 1984, three days before the federal election was called?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I can assure the Hon. Member that we will not be taking unilateral action as his Party did when it established the PGRT. As I have continually told the Member, the whole issue is under negotiation with the western producing provinces at this time. I will report to the House when those negotiations are completed.

Mr. MacLellan: Mr. Speaker, the Minister would not be taking unilateral action, because all of western Canada wants the petroleum and gas revenue tax abolished.

Mr. Hnatyshyn: Where were you in the last regime?

Mr. McDermid: Who put it there?

FEDERAL-PROVINCIAL NEGOTIATIONS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, is the Minister proposing, and putting forward in her talks with the three western energy producing provinces, the abolition of the petroleum and gas revenue tax?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot be more clear in saying that we are not negotiating in the media on this issue, and that I will report to the House when negotiations are completed. If the Member felt so strongly on this issue, surely he would have made his representations to his Party when it was imposing this hated tax on western Canada.

* * *

FOOD AND DRUGS

AVAILABILITY OF GENERIC DRUGS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. If the Government responds to lobbying by multinational pharmaceutical companies, and generic drugs are no longer available for low-income people, it is estimated that this would cost Governments, under the Canada Assistance Plan, over $200 million. Does the Minister support this lobbying, and, if so, is he prepared to pay this cost?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Member again has far too narrow a view of a very complex issue. She must keep in mind the need for a supply of drugs at costs that are acceptable, on which we have consulted the Consumers Association. She should also realize, as I hope she does, that we would like to develop the pharmaceutical industry. We have seen a decline in it on the generic side. On the one side we have had some improvement. On the multinational side we have had a substantial decline.

Canadians who want more research and development and some world mandates in this highly technical field, realize that putting these two groups together with government officials to try to reach an agreement, is surely better than the regime we have now.

PATENT LAW INQUIRY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I certainly would not agree with the Minister on these points and I do not think the Consumers Association would either. His Department is largely responsible for research and development. Will he, or will he not, oppose any changes to patent laws that will substantially raise drug prices for Canadians?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that is a hypothetical question. The Hon. Member is obviously of that school of thought that has dominated Canada so often, that it is cheaper to buy than to have research and development and a world mandate in Canada. Obviously the Government wants to have some research and development in Canada. The Government wants to ensure that we are a member of this high tech field, especially with regard to new drugs.

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[*Translation*]

CANADA PENSION PLAN

CONTRIBUTIONS—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, in the absence of the Minister of Finance, my question is directed to the Minister of National Health and Welfare. For the second time in only a few months, a federal agency is submitting that it is unnecessary, for the time being, to raise contributions to the Canada Pension Plan. The advisory committee on the Canada Pension Plan and the Chief Actuary are suggesting a gradual increase in contributions to the Plan.

In fact, the Minister of Finance announced some time ago that he and his provincial colleagues were considering increasing contributions. I would therefore ask the Minister whether he has read the report and if so, whether he agrees with the report's recommendations concerning contributions.

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Member is correct when he states that the Ministers of Finance, including the federal Minister, have met in regard to considering the possibility of maintaining the financing of the Canada Pension Plan. There are basically three recommendations in the report to which he refers, from the Canada Pension Plan Advisory Committee. I cannot get into the specifics during this short period of time, but if one looks at those recommendations he will see that in general terms they are similar to the task force report on pension reform that was brought forward in the last Parliament. The real question that we must examine with the provinces is how to maintain a funding level which not only keeps in mind the capacity to pay, for both employees and employers, but as well keeping the plan viable.

PROVINCIAL INVOLVEMENT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the Minister knows that the Canada Pension Plan is 20 years old this year. To keep the fund solvent and meet benefit requirements, we shall have to increase revenues. Will the Government bow to the wishes of the provinces and increase CPP contributions to the fund, or will the Government insist that the provinces start to repay over the years, on schedule as agreed, the $25 billion owing? Will it make that recommendation stick with the provinces?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Member raises a valid point in the sense that he recognizes that any changes to the Canada Pension Plan would have to be made jointly by the provinces and the federal Government. I will just remind the House that when the Canada Pension Plan was originally introduced it became a shared jurisdiction. It was for that reason that these arrangements were put forward as they were. The Government has said that it wants major pension plan reformation. There is not now a parallelism between the Quebec Pension Plan and the Canada Pension Plan. There are a number of issues that must be dealt with.

If there are any increases in the premiums, at whatever time or level they might come, I believe the Hon. Member would join with me and most Members of the House in saying that we would also like to see some changes in benefits as have been identified by my statements and other earlier statements.

* * *

● (1450)

PETRO-CANADA

ATTEMPTS TO ACQUIRE CO-OP OUTLETS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources respecting letters I have received from the boards of directors of several Saskatchewan co-operatives protesting against attempts by Petro-Canada to acquire co-op bulk petroleum outlets.

Could the Minister advise the House why Petro-Canada is attempting to acquire the outlets of co-ops which represent a completely Canadian-owned segment of the petroleum industry? Furthermore, why has Petro-Canada not considered the impact of such take-overs on the planned co-op heavy oil refinery for Saskatchewan?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am aware of the concerns raised by the Hon. Member. I have passed those concerns on to Petro-Canada and I will respond to the Hon. Member when the information is available to me.

* * *

HAZARDOUS PRODUCTS

ISOCYANATES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would have directed my question to the Acting Prime Minister, given that this is the first time a woman has held that position—

Some Hon. Members: Hear, hear!

Mr. Deans: However, since the Minister of National Health and Welfare is here, I can direct my question to him. Recognizing the problems that developed due to the use of urea formaldehyde without proper consultation and proper understanding of its effects, will the Minister take steps now to ban the use of isocyanates until such time as a proper investigation has been undertaken to determine the effect that the use of those particular products could have on the health of workers and consumers?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the question put forward by the Hon. Member does not lend itself to a simple answer in the House of Commons. I am sure that he has in mind, as well, the tragedy that happened in Bhopal, for example, and other safety measures with regard to these chemicals.

I have asked officials in my Department to re-examine our safety standards and requirements. At the moment, that is as much as I can report.

REQUEST FOR TEMPORARY BAN

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is the Minister aware that isocyanates are widely used in the manufacturing processes here in Canada and that the effects on the individuals who have come into contact with them are irreversible? Recognizing the problems we have had in the past with similar substances, will he not now move at least on a temporary basis to ban their use until such time as the full effect can be determined and adequate protective measures can be put in place?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the question is really the same as the first question which the Hon. Member asked. Therefore, my answer is also the same. It is easy to ask to ban a given product "until such time . . ." but obviously there are various factors that must be taken into consideration. It is my responsibility to look at the entire scene rather than simply agree to something that the Member puts forward in the manner he did.

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Acting Prime Minister. It concerns the 160 political appointments that were made over the last three weeks, including an ambassador in waiting to Washington. The Prime Minister is quoted as saying, referring to patronage: "We are going to reform this instrument of our national life". He also promised, during the election campaign, a parliamentary committee to review political appointments. Which one of the 160 political appointments over the last three weeks will be reviewed by a parliamentary committee, if any?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I believe that the appointments that have been made by the Prime Minister and this Government include a great number of very fine Canadians, who, indeed, merit the appointments that they receive. I can certainly give the Hon. Member many examples of that.

I would also point out to the Hon. Member, as I am sure he knows, that the whole question of parliamentary reform and the reform of this Chamber is being examined under the very good supervision and direction of our colleague, the Hon. Member for St. John's East. One of the issues that he will be dealing with is that very important issue that the Hon. Member raises. I hope he will provide his input and lend his support to the work that is being done by the Hon. Member for St. John's East.

[*Translation*]

GOVERNMENT POLICY

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a supplementary.

This is a promise made by the Progressive Conservative Party, and I do not see why I should pay to help them keep their promises.

On July 16, during the last election campaign, the Prime Minister said, and I quote:

I was speaking to some Conservatives at the time, and that was what they wanted to hear. When speaking to Canadians during an election campaign—

Mr. Speaker: I am very sorry, but the Hon. Member knows perfectly well a preamble is not allowed on a supplementary. I would therefore ask him to keep to the supplementary question.

Mr. Boudria: Does the Acting Prime Minister agree that this statement reflects the present policy of the Conservative Government, more so than other statements made during the election campaign?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the latest figures I have regarding the support for political parties in this country show that the

number of people who identified with the Conservative Party was in the vicinity of 53 per cent; those with the Liberal Party, 25 per cent, and I believe those with the New Democratic Party were 21 per cent.

Mr. Blackburn (Brant): Oh, no.

Some Hon. Members: Oh, oh!

Mr. Deans: Make it 22.

Miss MacDonald: I could have moved it up a few notches. However, in looking at the number of appointments from across the country, and with regard to representation, taking into account all of these people who fit within political parties, I would have to inform the Hon. Member that some of them, in fact the majority of them, would have to be people who supported the Conservative Party, because that is a reflection of the country today.

Some Hon. Members: Hear, hear!

* * *

TRUST COMPANIES

PIONEER TRUST—PLIGHT OF UNINSURED DEPOSITORS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question, which is directed to the Minister of State for Finance, concerns Pioneer Trust. Can she confirm that there are ongoing negotiations between the federal Government and the Province of Saskatchewan in terms of working out a package to help the uninsured depositors of Pioneer Trust, recognizing that CDIC will not be able to help them? Are the federal Government and the provincial Government attempting to work out some package to help many widowers, retired businessmen, and others?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am in touch with the Minister of Finance in Saskatchewan.

REQUEST FOR PUBLIC INQUIRY

Mr. Simon de Jong (Regina East): Mr. Speaker, is the Government willing to have a public inquiry, because we understand that some commitment has been made by the Prime Minister's Office to have some form of inquiry? Can the Minister explain what type of inquiry will occur, whether it will be public, and who will head such an inquiry?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, as I have already pointed out in the House, this subject is under examination. I have already attempted to put the facts on the table for Hon. Members, and I will continue to keep them informed.

SCIENCE AND TECHNOLOGY

UNIVERSITY RESEARCH—PROPOSED FIVE-YEAR PLAN

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. It concerns the Government's support for research in science and engineering within the Canadian academic community. Ten days ago the Minister announced several millions of dollars in additional funding for research and development in Canadian universities. When we last formed the administration, we had a five-year program for support of research and development—

Mr. Speaker: Order, please. Does the Hon. Member have a question?

Mr. Tupper: Will the Minister tell the House if he will be introducing a new five-year program for research and development in the Canadian academic community?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, of course this Government and this Party have been committed to increasing the support and funding for research within our Canadian universities, for many years. Cabinet is presently reviewing the next five-year plan proposed by the Natural Sciences and Engineering Research Council. We were pleased to announce a week or two ago an additional $20 million in funding for the current fiscal year.

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LABOUR RELATIONS

WAGE LEVELS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, maybe when the Irish jig is up we will start to get some answers again in the House.

• (1500)

[*Translation*]

My question is directed to the Acting Prime Minister. Last week, the Federal Government's figures demonstrated once and for all that Canadian workers have suffered a drop in earnings over the last three years. This means that this year, they will be receiving about 20 per cent less than the inflation rate in Canada.

[*English*]

Does the Minister not agree that this record of Canadian workers tightening their belts in tough times is in direct contradiction to the attitude expressed by the Prime Minister when he told Americans through *Fortune* magazine that our products are inferior, our deliveries unreliable, our expertise borrowed and our technology non-Canadian, in effect saying that the Canadian record is a disaster?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I realize the Hon. Member begins her question the way she does because of the envy of Members in that Party who want to sing in harmony. They have not been able to do that within their own group for some time.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Miss MacDonald: I would like to say that the main emphasis of this Government has been in the area of jobs, job creation, and in trying to bring more emphasis in that field. Although it has not been raised often by members of the Opposition, I think it is important to note that in the last month when the employment figures came down, it was shown for the first time since the recession had begun that between the months of January and February both the unemployment rate and the actual figures for unemployment had declined. This was the first time that that had taken place between the months of January and February since the recession began, and I think that is an important sign.

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CLERK OF PETITIONS' REPORT

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Friday, March 15, 1985, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

SEIZURE OF FOOD PRODUCTS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a petition which states that recent actions of the Health Protection Branch have resulted in the seizure of certain food supplements, including amino acids and certain herbal products, that these products have been readily available for many years and that when the undersigned inquired as to the reasons for this action, they were advised that they had been declared new drugs and would not be permitted to be sold. In order to obtain these products the petitioners must buy them in the United States at considerable inconvenience and cost. Wherefore the petitioners humbly pray and call upon Parliament to revoke the decision of the Health Protection Branch and return these products to the market-place without delay.

Order Paper Questions

GIFT OF WARPLANES TO TURKEY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a petition which is signed by hundreds of Canadians of Greek descent which states that the undersigned Canadians of Greek descent are very alarmed at the intentions of the Canadian Government to give 20 renovated fighter planes to Turkey and none to Greece. While there might be good reasons for Canada to support a NATO ally, Canada should not side with Turkey against Greece. Canada has a long tradition of fairness in world conflicts and should not get into a position of arming one side against the other.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the following questions will be answered today: Nos. 55, 160 and 272.

[*Text*]

DND—TRANSFER OF DIRECTORATE OF PAY SERVICES

Question No. 55—**Mr. Howie:**

1. Will the Department of National Defence directorate of pay services be transferred to Chatham, New Brunswick and, if so, during what period and how many persons will be employed in Chatham by the directorate?

2. Will a building be constructed to house the directorate and, if so, on what date will the construction be (a) commenced (b) concluded?

3. What is the current status of this project and has it received Treasury Board approval?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): 1. The government's commitment to retain CFB Chatham as an air base, in addition to the Training Center for the Low Level Air Defence System, will result in CFB Chatham maintaining its present employment level without the need to transfer the DND Pay Services.

2 and 3. Not applicable.

CUTS IN SCIENCE AND TECHNOLOGY PROGRAMS

Question No. 160—**Mr. Orlikow:**

Has the Department of Environment cut any projects in its science and technology programs in order to absorb the reduction in its expenditures required by the economic statement made by the Minister of Finance in the House on November 8, 1984 and, if so, what are they and what are the projected costs?

Hon. Suzanne Blais-Grenier (Minister of the Environment): Yes, see below.

Description		Costs Person-Years	$
1.	Weather observations at Eddy Point, Nova Scotia	—	70,000
2.	Weather observations at Bisset, Manitoba	—	50,000
3.	Development of remote sensing techniques for weather observations	—	220,000
4.	Historical research for new development in existing parks	3	90,000

Oil Substitution Act

Description	Costs Person-Years	$
5. Archeological research for new development in existing parks	7	210,000
6. Effects of toxic substances from industry, agriculture and forestry on wildlife	9	412,000
7. Wildlife research in national parks	12.5	483,000
8. Effects of forestry practices on wildlife	5.5	258,000
9. Research on transboundary wildlife populations	0.5	20,000
10. Research on endangered prairie fauna	1.0	45,000
11. Environmental assessment of the impact of energy projects/industrial development on wildlife and shorebirds and their habitat	2.0	80,000
12. Pathology and bioelectronics services	5.0	190,000

DOLLAR COINS

Question No. 272—**Mrs. Killens:**

Does the Government intend to have issued, dollar coins and, if so, will provisions be made to include, on the coins, distinctive signs for the visually handicapped?

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Canada now issues about 2,300,000 dollar coins annually. The Miscellaneous Estimates Committee is reviewing the matter of a $1 coin in more detail. The Royal Canadian Mint is recommending a revised coin design that takes into consideration the needs of the visually handicapped.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be now read the second time and referred to the Standing Committee on National Resources and Public Works; and the amendment of Mr. Cassidy (p. 3072).

Hon. Douglas C. Frith (Sudbury): I know I have 60 seconds left, Mr. Speaker. I just want to implore the Government side to listen to the representations of Members of Parliament who represent constituents in northern Canada and allow an extension of the deadline for the phasing out of COSP, which would be of great benefit to the constituents in northern Canada who find, because of weather and a shortage of material, that contractors are unable to complete their work. This extension would go a long way to appeasing the viewpoints of our constituents.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak again to Bill C-24 on oil substitution and conservation and on home insulation. One of the real values of keeping this Bill before the House as long as it has been is that it gives the opportunity to people to let us know exactly how they feel about this Bill. Since I last spoke on the Bill a couple of weeks ago I have had about 20 letters, almost all taking the same position. People need this oil substitution Bill extended rather than cut. The idea of keeping a Bill before the House and maybe hoisting it for six months allows the public to take a good look at the Bill, to judge it and then let us know how they feel about it.

I strongly support a motion to hoist this Bill because that will give not only the people of Canada an opportunity to take a look at this Bill, but it will also give an opportunity to the present Government to back off and make use of the Bill in a different way.

As a matter of interest, I want to list a number of reasons that have been conveyed to me in letters from my constituents. The reason that comes most often from my constituency is that gas supply is just now reaching a person's farm or house. If this Bill cuts off the opportunity for substitution, that person will not be able to take advantage of the structure presently in place. Is that fair, Mr. Speaker? Just because gas does not reach an individual's home until this summer or the summer after, is he not going to be able to take advantage of the substitution grants?

A second reason and one which has been mentioned many times already is that the ground is frozen. People will not be able to dig until after April. Therefore a person is forced into a position where he will get less of the substitution grant than someone who was able to take advantage of it last fall.

The third reason one hears is from the person who has been planning to substitute his energy supply for years. Now he is only going to be able to do about half as much work as before. Another reason is that a person would have been able to afford conversion but cannot now because the grant will not be as big as expected. All of this is information that has been passed to us from our constituents.

• (1510)

I have not received—and I think the same goes for my colleagues—as many letters from people worried about the loss of CHIP grants, probably because that program has been used much more extensively and has not been dependent upon the availability of gas or other forms of fuel. However, the general tenor of the letters has been much the same, that it is unfair to take away these grants since some people have not had an opportunity to make use of them while other people, even in the same areas, have had an opportunity to do so. The other

main point of view has been that future increases in costs of fuels will make them take advantage of the grant and therefore they would like that opportunity. Some people have indicated that they could not afford to do it before but will have to do it in the future, so why should they not receive the same support as have other people in the past?

There are a number of points which should be put on the record before we let the Bill go to committee or hopefully hoist it for six months, so that the Government can take a look at the effect of the Bill. This has been one of the most popular grant programs across the country. In fact, it might be the best possible job-creation program around. When a few dollars are put into the hands of people to make their homes more energy efficient, they usually make other improvements as well. Perhaps it would be best to expand this program and put more money into the hands of home owners so that they can improve the quality of their homes. These grants, along with RRAP grants, have almost been direct job-creation programs because as soon as the money is available to home owners to improve their homes, they hire someone to do the work. It is also a direct job-creation program in that it has a direct effect upon small businesses in the communities where the money is spent. Home owners purchase new furnaces and have them installed; home owners purchase insulation and have it installed. Its cancellation is unfair and discriminatory because a large group of the population has not had an opportunity to substitute oil with some different fuel. They are quite willing to do so now that a substitute fuel is becoming available to them.

Many speakers on the Government side have suggested that these grants went to higher income groups. A study conducted by the Department of Energy, Mines and Resources indicates something quite different. Since these grants were taxable, the taxation system took away a certain portion of the amount payable, particularly for higher income groups. The Government is suggesting by this cut that it is no longer interested in conservation or in assisting lower income Canadians to reduce their costs. It has said that it will let the oil go to the world price and that it will not put in place a mechanism for people who cannot afford the world price to improve their homes so that they will not use as much oil. The money saved in conservation by individual home owners, as far as the Government is concerned, is money that it will not have to put out to purchase foreign oil.

Consequently, the business direction in this Bill is not for the good of the people, for the good of the country or for the good of the Government. Therefore it should take advantage of our hoist motion and keep this Bill off the books for at least six months, until it analyses its effects.

Mr. George Henderson (Egmont): Mr. Speaker, I am pleased to participate in the discussion of this Bill today and certainly the motion before the House dealing with a six-month hoist. I would have preferred if this legislation had not been on the floor of the House of Commons at all, as I come from a province which specifically relied very heavily on the off-oil program, and which has the highest energy costs of the country.

We talk about energy conservation. What better method of keeping the price of oil low in the future than to have a quantity or surplus of oil and other forms of energy. Since COSP and CHIP were introduced by the former Government, they have saved the country 75,000 barrels of oil per day in consumption or the equivalent of 25 million to 30 million barrels of oil per year. An extremely significant amount of energy was saved by this off-oil program. I am sure my colleague from Calgary would like to see us spending millions of dollars on energy, but I say to her that I am from a part of the country which cannot afford to spend the dollars that are necessary.

Mrs. Sparrow: But you set the price.

Mr. Henderson: Poor people of my province cannot afford to spend the dollars necessary to keep fuel in their tanks.

Many people in my province have taken advantage of this program. Not only has it been good as far as conservation of the energy resource is concerned, but it has been excellent in terms of job creation. Numerous small contractors who supply and instal CSA approved furnaces, as well as the other heating apparatus which goes with them, have created many jobs in the last few years. While CHIP only provided grants in the amount of $500, the Government did not seem to understand the program. I have heard Hon. Members opposite speaking on the Bill. They seemed to say that it was another giveaway program, that it was something Canadians did not need. It was a taxable program. Certainly those in the higher income brackets had to pay taxes in the 45 per cent to 50 per cent range, but those in lower income brackets or those who did not have to pay income taxes received the entire $500. It was an excellent program in that respect. In my mind, at least, it benefited the people who needed it most.

I have received many inquiries since the Bill was introduced in the House by the Minister. The people in my province are frustrated, not only because of this Bill but because of a number of other programs. I would mention the high cost of energy. In the last few months this Government has introduced programs to increase potato inspection fees and meat inspection fees, to levy ferry rate increases, national park fee increases, increased berthage fees for fishermen and so on. There has been a litany of new programs introduced by the Government under the camouflage of reducing the deficit. COSP and CHIP are two such programs. At the same time, expenditures in the Prime Minister's office are being increased by $2 million. We see $50 million going to the Armed Forces for new uniforms. A record number of Cabinet Ministers have been appointed to this Government at extremely high cost.

● (1520)

Mr. McDermid: You are just sorry you are not in there.

Mr. Henderson: My friend says I'm sorry that I am not in there. If he was any good, he would be in there. We have all these programs being cut, and those affected will be the people who can least afford it.

Members on the Government side have talked about all the jobs that were lost in western Canada because of the National Energy Program. I agree that some jobs may have been lost, but when people in Atlantic Canada convert from oil to wood, they create jobs in that area. Atlantic Canada obtains its oil from offshore. For many years there was a subsidy program in place to help these Canadians. The dollars spent to purchase that oil left this country. However, a dollar spent on wood or other energy sources that we have in our own back yard is reinvested within the community. Every dollar spent generates another seven dollars in that community.

It is a shame to see what this Government is doing with these two very important programs. There are many people who insulate their homes from the outside, not the inside. The inside walls may be perfectly good. When they reshingle, they may tear off the boards from the outside. That could not be done between November 8 and now.

Other speakers have mentioned digging for gas lines and so on. I do not know whether that is entirely appropriate. I realize that you cannot dig as cheaply in the winter as in the summer, but the gas lines can be installed. However, not much can be done to the outside of a house in the winter in my area. If we cannot get this legislation withdrawn completely so that the programs will stay in effect until completion in 1990 for COSP and 1987 for CHIP, then the six-month hoist is a fair idea. It is not long enough, but the Government could use that six months to organize. When it receives input from Canadians, it will see the benefits of the program. It would also become aware of the job-creation aspects of the program.

The pittance of an incentive that was there had spin-off effects. If someone installed a wood furnace in my province, in many case he would often put in a new chimney, which created work for bricklayers and others. Most Prince Edward Islanders began burning oil in the early 1960s. Previous to that they burned wood. They got away from that in the days of cheap oil. Many of those furnaces needed replacement. Senior citizens and others were sometimes unable on their skimpy income to afford a proper conversion. This $500 or $800 given by the previous Government was of great benefit to them. Once again, this Government is penny wise and pound foolish by bringing this kind of legislation before the House of Commons to get rid of something which over the years has been an excellent program.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, it may seem a bit strange that someone from Windsor should rise to express concern about the threatened demise of the Canadian Oil Substitution Program and the Canadian Home Insulation Program, especially given the warmth of our people and the moderation of our climate. In fact, it was not a concern until we felt the first cold wind of conservatism in this northern climate. That could only be explained by the ideology of the present Government, consistent with other cuts which had been applied, directed at cutting the deficit at any cost. It is another of these programs that in search of deficit cutting clearly has been introduced with little thought, just as with the cuts in the CBC and cuts in the environment which, in afterthought, were at least modified to some degree.

Both CHIP and COSP have as their purpose the conservation of energy. COSP was designed to encourage the conversion to alternate fuels, providing a 50 per cent grant or $800 maximum. The insulation program provided 60 per cent of cost to a maximum of $500. These programs met their intentions.

This is a country in which energy costs are very high. We have the highest rate of expenditure for energy of perhaps any country in the world. I would think that any program that is designed to reduce energy costs in this country would be supported by just about everyone in the country, with the possible exception of the Conservative Government. This is a country in which housing costs are fast outpacing the ability of people to pay, and energy costs are a significant component of that. Any programs that were designed to cut housing costs would be supported by almost anyone in the country, except this Conservative Government. This is a country in which we have limited oil resources. It is a non-renewable resource. Any program designed to conserve oil would make sense to anyone in this country, with the possible exception of this Conservative Government.

Imported oil is costly. It is needed in the east particularly. Any program designed to reduce imports of oil from elsewhere would, I am sure, be supported by almost everyone in this country, again with the exception of this Conservative Government. Unemployment is a critical program and any program designed to produce jobs would be approved by anybody in this country, except the Conservative Government. Indeed, because COSP and CHIP contribute to all these goals, they would be supported by almost everyone in the country. We must ask ourselves: Why are they not supported by the Conservative Government?

• (1530)

The Canadian Oil Substitution Program was introduced in 1980 to reduce oil use from 37 per cent to 10 per cent of residential energy. By 1984, half the target, or two million conversions had been reached. There are 42,000 barrels of oil per day which are saved, and householders are saving $634 per year. It means that the consumer will receive a return on his investment within two to three years.

Similarly, CHIP had a targeted conversion of 4.9 million residences by 1987. At the end of last year, 2.5 million residences had been converted. Many of the people who converted were low-income citizens. Indeed, a great proportion of the grants went to those who earned less than $15,000 a year. Those who took advantage of the cuts in fuel costs were able to reduce their expenses by 17 per cent through CHIP. It amounted to a saving of $207 per year. Therefore, they paid for their conversion within one year. Through CHIP, 23,000 barrels of oil per day were saved. A person who took advantage of both COSP and CHIP saved approximately $800 a year.

These two programs have been meeting their goals. For the Government to propose the termination of the programs can

only mean that it is opposed to the goals. Certainly, that puts the Government at variance with almost everyone in the country.

Another aspect is the employment which these programs create. They not only meet an energy-saving need, but they are effective in job creation. As my colleague indicated earlier, the unemployment rate in Vancouver in the construction industry is 60 to 70 per cent, as it is in Windsor. These programs would produce jobs in the construction industry. They are labour-intensive programs. A lot of emphasis has been placed on the prospect of job creation in the oil industry and the atomic energy industry. If one looks at the oil industry, 18.9 person-years of work are produced for every million dollar expenditure. In the atomic energy field, 24 person-years of work are created for every million dollar expenditure. But almost 36 person-years of work are created for every million dollar expenditure in the conservation of energy. In fact, the number of jobs which have been created through CHIP has been superior to any of the figures which I have mentioned. In fact, through CHIP, 108 person-years of work are created for every million dollars of government expenditure. With the demise of CHIP, 30,000 person-years of work will be lost.

With respect to COSP, 50 person-years of work are created for every million dollars which is spent. Between 1981 and 1985, 50,000 jobs were created. With the termination of the Canadian Oil Substitution Program, 59,000 person-years of work will be lost.

It is difficult to determine whether the Government has given any thought to the proposal which is before the House, that is to say, any thought beyond the ideological premise. When attempting to test the validity of a piece of legislation, one must hunt for a basic premise which is founded in reason, which has some logic and which has an element of common sense. But when a Government proposes an action which does not recognize that the ground is frozen in the winter in northern Canada, I believe that calls into question the thought which went into this legislation.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I would like to speak to this legislation which relates to the Canadian Home Insulation Program and the Canadian Oil Substitution Program. It strikes me that the motion to hoist Bill C-24 for six months is intelligent and one which would be greeted with a great deal of respect by Canadians. All Governments are entitled to an error in judgment. I consider this legislation to be a serious error in judgment.

In my city, the housing stock is very old and all kinds of government incentives are required, particularly in this time of decreasing income and increasing costs. Therefore, I strongly urge the Government to reconsider the Bill. Perhaps the Government should put it aside until a time when it can bring forward a more comprehensive program. In any case it should stop dealing with these issues by way of a piecemeal approach.

The Government made 38 energy promises during the election campaign. I believe that many of those promises were stated with good will, but they were stated in a glib way and were not fully thought out. I would ask the Government seriously to consider withdrawing this Bill. It should take the six months to consider the legislation carefully. Then it could come back with something which would make sense to the people in my riding as well as people in Montreal, Quebec City and those areas of the country where there is a lot of old housing stock.

Most families with two incomes are having a difficult time. Most families require two incomes. It is not a matter of both people wanting to work or wanting to express their creativity, but rather a matter of their having to work because they need the extra income. Any programs which will enable families to reduce their overhead costs, enable them to save money, and at the same time conserve energy, are valuable programs.

With respect to meeting government goals on job creation, what better programs could be used than CHIP or COSP? These programs provide an opportunity for manufacturers to produce new goods such as furnaces, and they also provide opportunities for the service sector to insulate attics etcetera. It creates jobs in the business and service sectors. In addition, families will be able to manage their budgets much more effectively.

It is a serious issue in a country which has a cold climate for almost six months of the year. Many northern parts of Canada cannot become involved in these programs, except for short periods in summer, because of climatic conditions. In converting to alternative resources and in using, particularly in Quebec, hydroelectric power or wood and gas, we will conserve approximately 65,000 barrels of oil per day. That is a very significant saving of a non-renewable resource. If we are serious about conservation, we must look at the subject in a comprehensive way.

A Member opposite referred to the fact that these programs were used only by the wealthy. That is not the case. As the previous speaker indicated, the programs have been used by many low-income families. Even when they are used by wealthy people, they are a taxable benefit. I understand that $1.3 million has been spent on home insulation and off-oil programs, but the Government has recovered over $300 million. I do not think that because these programs have been used by upper-income people they should be terminated. They have been a very important service to middle and low-income people as well.

● (1540)

By the way, regarding that 65,000 barrels of oil a day which has been saved, I believe there was an update by the Department of Energy, Mines and Resources increasing that to 75,000 barrels a day. That saving of oil must be a very significant factor, particularly to the Party in opposition, and I am speaking about opposition across the floor to my philosophy.

So I recommend very strongly that the Government support the hoist motion, keep this Bill off the books for six months, go back to the drawing board and bring back a comprehensive plan which will deal with alternative energy, something that

will be a good deal for both Alberta and Newfoundland where they have signed some kind of new agreements. Let us not continue to cut anywhere just for the sake of cutting. We have had enough of that. This is a lifeline into our own families and the use of our own resources. So I strongly recommend that we give this a second thought and support the motion.

Some Hon. Members: Question.

Mr. Simon de Jong (Regina East): Mr. Speaker, little wonder government Members want to put the question, because Bill C-24, I maintain, is one of the most embarrassing pieces of legislation this Government has introduced.

Some Hon. Members: Oh, oh!

Mr. de Jong: I hear moans and groans from Members opposite. They maintain that in order to reduce the deficit we must cut back on programs like CHIP and COSP. They say that this is important in order to reduce the deficit and get the country back on its feet. But I suggest that if they would only look at the amount of money the Government is now spending under the ill-conceived National Energy Program, started by the Liberals and which subsidizes imported oil and, through grants and tax breaks, the oil industry, they would see that some 75,000 barrels of oil a day have been saved owing to these two programs at a cost of some $1.3 billion. Even that figure is misleading because approximately one third comes back to the federal and provincial Governments in the form of taxes. So let us put the figure at around $900 million and it results in a saving to the consumers of this country of some 75,000 barrels of oil a day. Compare that to the $17 billion odd committed at the end of 1983 to the National Energy Program which has produced only some 22,000 barrels of oil a day. Where are the economics? The economics are very simple. The Government commitment is to help the oil industry and the oil barons, not the home owners of this country.

Members opposite talk about reducing the deficit. Let me suggest to them that the best way is to tax the oil companies. Stop giving them all the tax breaks, the incentives and the grants. This Government can save the taxpayers of this country hundreds of millions, nay, billions of dollars. But will it reduce the deficit by attacking the almighty oil compaines? No, of course not. After all, deals and commitments have been made, and these have to be honoured. But what about the commitments to the home owners of this country, the people who benefited from the off-oil and insulation programs? Well, of course, they can be forgotten, thrown to the wind. So when I hear Conservative Members say that this is necessary in order to cut our deficit, I say B.S. If they were seriously concerned about reducing the deficit they would be reducing the costly parts, the supply parts of the energy program. But no, they are not reducing the supply part. They are not reducing the grants and bail-outs to the nuclear industry which has cost this country billions of dollars over the years. They are not reducing any of the grants and subsidies to the oil companies. No, not at all. But the programs which benefit ordinary Canadian men and women, yes, they will reduce those programs. It is indeed a sad moment when a Conservative Party which claims to be concerned about conserving is in fact the one that kills the program which attempts to encourage conservation.

What about the future? A report prepared by Canertech in December, 1983, suggested that the level of energy savings in this country over the next 10 years is up to the equivalent of 490,000 barrels of oil per day. This is based on 1983 dollars. That, Mr. Speaker, is the output of three or four mega-tar sands plants. In contrast, they would involve capital costs of about $60 billion and significant tax on royalty concessions. That is the potential of conservation in this country. We can conserve some 490,000 barrels of oil a day and do it a heck of a lot cheaper than building and financing mega-projects. But there is not a murmur about stopping any of those programs. After all, deals have been made, commitments have been made, and they must be honoured.

Given all this, surely it must make sense to Hon. Members that this Bill in front of us is foolishness. We must begin to recognize that oil is a finite resource. We must begin to conserve. It is in the national interest to do that. Surely it is about time that as a nation we began to recognize that the days of abundant resources are over. Is it not about time that the Conservative Party recognized its own roots as a conserving Party and paid more than just lip service to the slogan of conservation? They must reverse the legislation. But, no, they go in the opposite direction. Instead, the Conservative Members want to make the Canadian public captives of the oil industry. That is the real agenda that is involved here. They do not want Canadians to be self-sufficient. Rather, they want us to be captives of the oil industry in order to provide for the necessary markets to justify all the mega-projects. That is surely the only rational reason one could arrive at after looking at Bill C-24.

● (1550)

As I have pointed out, reducing the deficit is not a valid argument. If the Government were interested in reducing the deficit it could cut back on the subsidies and royalties it has given to the oil industry. Instead, it is eliminating the Canadian Home Insulation Program. I maintain that the Government wants the Canadian public to be captives of the utility and oil companies. That will cause Canadians to spend billions of dollars in the future to increase our energy and oil supplies. These expenditures would not be necessary to that degree if the Government would play a leading role in developing alternative energies and conservation measures.

Canadians are the largest consumers of energy in the world. In part that makes sense because we are a large country, sparsely populated, with a northern climate. There is much that can and should be done to conserve. Government has a responsibility. It must play a leading role in this. If the Government abdicates that responsibility, I predict that in the next election the people of Canada will turf it out because it has not fulfilled its important function of being a leader in this field.

Mr. Alan Redway (York East): Mr. Speaker, I am very pleased to have the opportunity to say a word or two in support of Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act. I have been listening with great interest to the opposition Members today. If this were not my duty day in the House I may not have been listening to them quite as attentively. However, I have been listening to them with great interest.

It seems to me, Mr. Speaker, that in examining this Bill they have missed the point somewhat. When you look at the purpose of this Bill surely you must look at the original legislation and see what the purpose of that legislation was. Upon looking at that I am sure that all of us would come to the conclusion that this Bill was put forward to try to encourage the Canadian public to substitute one form of energy for another. It was aimed at encouraging energy conservation. It was aimed at encouraging all of us to change from oil to electricity, gas, or whatever.

The purpose of that is very laudable. However, is it not true that even if we had not provided an extra monetary incentive there would have been an incentive there to convert from oil and to conserve energy? When one remembers the concern that we all have about the lack of oil in the country and how the price of oil has escalated over the last few years, it is only logical to believe that, without this additional financial incentive, the Canadian public would have converted to another form of energy. The low-income Canadians, whom many of the members of the Opposition have talked about today, would have done it anyway because for them too it makes good economic sense. It certainly makes good sense when one considers that with fuel savings over a very short period of time they can save the capital cost which they would put into a conversion.

With regard to the job creation aspect which members of the Opposition have talked about, those jobs would have inevitably been created in any event. If it makes good economic sense to go off oil, whether or not you are provided with additional incentive, you will do it and you will create those jobs.

The question is whether this program was needed in the first place to create jobs and to encourage Canadians to convert to other forms of fuel. We are inevitably led to the conclusion that this extra incentive is not necessary. It is always difficult to get rid of something which is in place, and all of us would like to get a little money from the Government, but it really did not require that money from the Government to get us to convert from oil. We would have done that anyway and we will continue to do it even without this program. The Canadian public knows how to spend their money better than the Government does. They want to ensure that we have wise financial management in the country. The purpose of this Bill is to ensure that we get this country back on the right road to wise financial management.

Mr. Waddell: Mr. Speaker, I rise on a point of order. The Hon. Member who just spoke had some time left for his speech. I wonder if I could seek unanimous consent of the House and his consent to put a question to him?

The Acting Speaker (Mr. Paproski): No, we are proceeding under S.O. 35(2). We have 10-minute speeches. The Hon. Member for Gander-Twillingate (Mr. Baker).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, perhaps I could rebut some of the arguments of the hon. gentleman who just spoke in relation to areas where the conversions were made to wood and areas of rural Canada where the incomes of the people taking advantage of the program are not all that high. I refer specifically to people who are on fixed incomes, whether it be pensions or government incomes, like welfare. I think the main point that should be dealt with in this debate is that this program should remain in place for those people who do not have the incomes available to them to make the conversion.

When we discuss programs such as COSP, RRAP or any other home repair program in the country, we get into provincial rules and regulations. I am referring specifically to rules and regulations of provincial Departments of social services and welfare. In many cases the provincial Departments will not put up the total cost of such conversions. In fact, a great many social services recipients in the country had converted to heating with wood in rural areas simply because the federal grant was available and the provincial Departments of social services wanted to take advantage of it. In northern areas of the country, and in certain provinces like Newfoundland and Nova Scotia, provincial Departments of social services have converted the heating systems of particular families from oil to wood, producing a saving for the provincial Department of Social Services as well as for the people concerned.

Some Members have said during this debate that some of the people receiving this money are well off, or rich. They said that they are not the poor or medium-income people but, rather, the fairly well off people. Can you imagine that statement applying to someone converting to wood? I am sure you would agree, Mr. Speaker, that that is completely out of the question. Can you imagine a person who is well off cancelling his board of trade meeting because he does not have enough splits for the morning? It is likely that his wife would cancel a bridge party because she had some chainsaw oil on her new dress? Would a rich family discuss during their dinner, the problems of removing mer from softwood, or that they should only use hardwood so there would not be turpentine or mer on their hands? Would they talk about getting a new track for the chainsaw or how to overcome the exhaust problems of the chainsaw? Would those families worry about converting from a 14-inch saw to a 12-inch blade?

● (1600)

It is absolutely ludicrous for anyone to suggest that only rich people took advantage of the program as it relates to wood in the northern and rural parts of this country. Those programs should be maintained for people whose circumstances may have prevented them from being able to convert in the winter

months when their heating bills have been as high as $300 a month.

With regard to these northern areas, I am surprised that the Minister of State for Forestry (Mr. Merrithew) would not be encouraging the Government to maintain this program, if only for wood conversion.

Statistics show that it is in remote areas where the wood resource is available that this program was used to its greatest extent. Therefore, the Minister of State for Forestry has a vested interest in maintaining this program. People in those remote forested areas would simply pick up the debris off the logging roads if they could not get cutting permits. There is no question that there are enough fallen trees in our forests today to take care of all the woodstoves in any local area.

There are many rural areas in this country where the paper mills and private enterprise take advantage of softwoods. However, there are not many private entrepreneurs who make use of the hardwoods, which are left to die in the forests and create fire hazards. The Minister should have a special interest in this legislation for that reason, and he should suggest to the Minister responsible for this legislation that she maintain this program, if only for conversion to wood.

We are also debating an amendment for a six-month hoist. Such amendments are normally introduced for two reasons: either total disagreement with the Bill or a desire to put more pressing legislation before the Chamber. I think most Members in the House today would agree that there are more pressing matters facing the country today than that of eliminating a direct grant program to individuals. In fact, I would suggest that many would agree to a six-month hoist on all the legislation before the Chamber, because so much is happening that affects their constituencies which has not been explained by the Government. Those matters affect almost everything that happens with respect to transfers to individuals and their ability to take advantage of federal programs.

We have witnessed in the House this massive onslaught on transfers to individuals, no matter what program is involved. This was one of the easiest for the Government to attack. It was the only area in which it could make cuts. The Government will realize that there is very little that can be cut when it comes to transfers directly into the pockets of the Canadian people. Are you indicating that my time is up, Mr. Speaker? I will have to bow to your ruling.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, I enjoy listening to him, but his time has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 45, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Regina East (Mr. de Jong)—Trust Companies—Pioneer Trust Company collapse. b) Request for public inquiry; the Hon. Member for Algoma (Mr. Foster)—Canadian Wheat Board—Announcement of quotas and prices. b) Western Grain Stabilization Act—Advance payments; the Hon. Member for Calgary East (Mr. Kindy)—National Energy Program—Petroleum gas revenue tax—Status of negotiations with provinces.

G0VERNMENT ORDERS

[*English*]

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be now read the second time and referred to the Standing Committee on National Resources and Public Works; and the amendment of Mr. Cassidy (p. 3072).

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise to speak to the motion to postpone this Bill for six months. I see the Hon. Member for York East (Mr. Redway) across the aisle. I do not know if he is familiar with the history of this place. Bob McGregor was the Member for York East for 23 years. Silent Bob McGregor never said anything in the House, but he made one mistake. At the end of 23 years, he rose to actually make a speech, and was promptly defeated in the next election. I do not know what will happen to the Hon. Member for York East, but he is a good Member and participates well in the House. Let me address some remarks with respect to what he said.

I would point out to the Hon. Member that the Department of Energy, Mines and Resources has not conducted a study into the Canadian off-oil program. It has studied the CHIP program and that study showed CHIP to be a useful program and one that was used by middle and low-income Canadians.

I suggest that the Government would be wise to conduct a study into the off-oil program before it blindly axes a program. I do not believe the Hon. Member would take such action and

I suggest to him that there are legitimate reasons to delay this Bill for six months with respect to off-oil conversion.

A six-month hoist is usually a symbolic motion indicating opposition to a Bill. However, this is not the case with respect to this amendment. We believe the Government should postpone the completion date of the off-oil program from March 31, 1985, to September 30, 1985.

Many Members have stood up to give examples from their constituencies of why the program should be maintained. The Hon. Member for Churchill (Mr. Murphy) cited the case of people in his riding who wanted to order parts for off-oil conversion but must wait for those parts to come from Montreal or Toronto. There have been cases of constituents from northern Ontario who cannot put in gas lines because the ground is frozen. A six-month delay of this legislation would allow more gas lines to be installed and for people to take advantage of the program to convert from oil, which is being depleted, to natural gas, of which there is a surplus.

The Hon. Member for Ottawa Centre (Mr. Cassidy) told us of the line-ups of people in his riding who want to apply for this particular program. The program is not that costly to the Government. Possibly one-third of the funds will go back to the Government in the form of taxes. These programs have resulted in a saving of approximately 45,000 barrels of oil per day, accounting for up to 3 per cent saving in the annual use of oil in Canada. If the Government wants to consult with people and be rational, it will consider our proposal to extend the deadline until September. It is only fair and just. There are Canadians in different parts of the country who cannot take advantage of the program.

• (1610)

I heard the Hon. Member for York East say Canadians will substitute anyway, that Canadians, being rational beings, will go to other forms of energy such as hydro, wood or natural gas rather than oil. I suggest to the Hon. Member that that may not be true and I will tell you why, Mr. Speaker.

An Hon. Member: Take that back.

Mr. McDermid: You are saying Canadians are not rational?

Mr. Waddell: No, I am not saying Canadians are not rational.

Mr. Blackburn (Brant): Canadians cannot afford it.

Mr. Waddell: Some Canadians cannot afford it. Some Canadians who may be able to afford it are looking at the price of world oil. I suggest they may be thinking that the price of world oil is going to drop. I think the price of world oil will drop in a short time.

Mr. Blackburn (Brant): The banks won't let it.

Mr. Waddell: It is already dropping. Canadians will say, "Why should we bother converting?". I get clippings from lots of different jurisdictions. I have been looking at clippings from some of the American commentators who are warning us. They say that we have made lots of progress in energy conservation, but now we are back-tracking. Energy conservation is getting out of fashion with the public because the public thinks the price of oil is going to go down.

Mr. Blackburn (Brant): Not in the long run.

Mr. Waddell: I think it will go down in the short run. We are going to have a problem because it is a depleting resource. The price will eventually go up. The price could go up very suddenly if this Gulf war escalates, particularly as it relates to the conflict between Iraq and Iran which is already escalating. If Saudi Arabia gets involved the price of oil will go up very rapidly. Once again Canadians will be caught.

The Government is giving Canadians $800 out of about $2,000 to change a furnace. It is a little bit of a carrot to help Canadians. Then there is $500 for CHIP. For once we have given the ordinary Canadian a break. Consumers are paying all the costs in this country. Oil companies are not the ones that are paying. It is our oil. Canadian consumers are paying 50 cents a litre for gas at the pump. Here we give poor ordinary Canadians a break. This Government has no problem in giving $1.6 billion to the oil companies. It has turned around and I do not understand what it is doing. The Government's first attack on the National Energy Program, which it justifiably criticized when in opposition—

Mr. McDermid: Which you supported.

Mr. Waddell: Which we did not support. We criticized the same things the Tories criticized. We supported the conservation aspects of the program. It is working. One million households have taken advantage of the off-oil program. Another 900,000 households are waiting. Why cut off the program? We have lean Canadian small business companies involved. What does the Government do, Mr. Speaker? It cuts them off and favours instead the largely fat big foreign-owned oil companies.

Mr. Blackburn (Brant): The Tories are against small businesses.

Mr. Waddell: Why is the Government attacking conservation first? Why do government Members stand up and say they are against grants? I heard the Member here and I heard the Member there. They are against grants. Are they against grants on regional diversification and regional employment? I heard the Hon. Member for Western Arctic (Mr. Nickerson) speak. I know his area. I lived in Yellowknife. If we cut off those grants, the whole place would die in a month. I heard the Member over here speak about cutting off grants. Some grants are good, some grants are bad. You cannot generally say that we have to cut off grants. We give grants. Are we going to cut off the home ownership program and the RRSPs? This is the modern world. The Government intervenes all over the place. In this one program the Government intervened on behalf of the ordinary Canadian, the home owner, and gave him a little bit of a break. This Government proposes to attack it now.

Mr. Blackburn (Brant): You should be ashamed of yourselves.

Mr. Waddell: I plead with this Government. At least in the interest of justice, give it another six months. You have people lining up waiting who cannot get on the list. Tories say they should have taken advantage of it before. They are human. They did not take advantage of it before.

Mr. Deans: Maybe they weren't working.

Mr. Waddell: Now they want to take advantage of it. Now we have a big burst of people who want to take advantage of it. It is a good program.

Mr. McDermid: You will want another six months, and then another six months.

Mr. Waddell: No, it will not be another six months. I say this to the Parliamentary Secretary, that he has my commitment on behalf of our Party that we will be prepared, if the Government gives a six-month extension, since the Tories have the majority and it is the Government's way, to let the Bill go through in September with very little debate. Is that not fair, Mr. Speaker? I think it is fair.

Mr. Deans: That is perfectly reasonable.

The Acting Speaker (Mr. Paproski): It may be fair, but the Hon. Member's time has expired.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I am pleased to participate in this debate. I would specifically ask my colleagues to support the proposed amendment to hoist the Bill for six months. There are very cogent and important reasons that this Bill ought to be put on the backburner for at least six months.

First, I would like to comment on the question of consultation. This Government has promised to consult before it takes action. Over the last several months, we have been told time and time again that it is the desire of this Government to consult with interested parties before taking action. What form of consultation took place with respect to Bill C-24? Were interested groups given an opportunity to address the Government and indicate how the termination of this program at an early date would impact upon various important matters such as jobs?

The Government has continually promised that it would create jobs. Jobs, jobs, jobs was the promise during the election campaign. It is my understanding that this particular Bill bringing forward the termination date of two very popular programs will result in the net loss of jobs. I am not aware of the number of jobs, but this Government should make every effort possible to ensure that jobs are not lost. I know it is very difficult to create jobs, but when the Government takes very direct action resulting in the loss of jobs, it has to be very careful and vigilant that adequate consultation takes place.

With respect to the Canadian Oil Substitution Program, that program was and is a very popular program in my riding of York South-Weston. As the House is aware, the program provides subsidies of up to $800 to home owners who convert from oil to another form of fuel. This program was an extremely popular program not only for home owners in York South-Weston, but for home owners across the country.

When the program was initially introduced there was a very serious concern about the shortage of oil here and it was hoped that home owners would take advantage of the program in order to ensure that we did not run short of oil at a very early date. We have, of course, other forms of fuel that are far more economical and abundant. It was the intent of this legislation to provide home owners with some incentive to convert from a limited resource to other resources that are unlimited, if you will.

I am sure Hon. Members opposite will recognize and admit to the popularity of this program. Many Canadians have taken advantage of it. It was necessary as an incentive for Canadians to take advantage of it to provide subsidies to homeowners. Those subsidies were provided and, as a result, Canadian home owners converted. What the Government is proposing is that the termination date, which was originally December 31, 1987, be brought forward to March 31, 1986.

● (1620)

I suspect one of the reasons behind this particular piece of legislation is to save money. We fully recognize that the Government wants to reduce the deficit. I would simply ask Hon. Members opposite to be very sensitive to the cuts which take place and the ramifications of these particular cuts. For the sake of saving money with respect to these programs by bringing the termination date forward, the Government recognizes that jobs will be lost. One of the effects of these programs is the creation of jobs in the heating equipment market for installers of different furnaces and other individuals involved with conversion. In effect, by bringing forward the termination date, the result is a loss of jobs which are so badly needed at this point in time.

The other program which the Government is intending to cut short is the very important and popular CHIP which provided subsidies of up to $500 to home owners to upgrade insulation in their homes. As I indicated, these twin programs are very important and have considerably benefited the country.

The proposed six-month hoist will extend these programs and will give the Government on apportunity to start consulting with various interest groups. If the Government is sincere—and I believe it is—that consultation is key, I would ask what is the program in extending or delaying the Bill for a mere six months in order to give people an opportunity to come forward? Perhaps as a result of that consultative process, the Government might become convinced, where we as opposition Members might fail to convince it, that this legislation is bad. Perhaps it will be convinced by non-partisan individuals who will be harmed as a result of the change in the programs. At the very least, the consultative process could satisfy not only

the Opposition but members of the public that the legislation is necessary.

I ask Hon. Members opposite to live up to the many promises they made during the election campaign, one of which was to consult with Canadians before taking action. When the legislation was originally introduced and put in place by the previous Government, in effect there was a contract of sorts with Canadian people. They were told that two programs would be put in place, that subsidies would be forthcoming from two particular programs, and that specific dates would be inserted in the legislation to tell people how long the programs would last. In effect, what the Government is suggesting breaches that contract with Canadians.

It is true that there was some advance warning to Canadians indicating that the programs would be ending, but I submit that sufficient advance notice was not given. In order for Canadians to budget adequately with respect to home repairs and other expenses relating to upgrading their homes and heating systems, more advance notice is necessary.

In conclusion, I ask Hon. Members opposite to give some very serious consideration to adopting the amendment in order to delay the matter for at least six months. I am sure each and every Member opposite has many home owners in his riding who have take advantage of the legislation and others who would like to take advantage of it. We know for a fact that many people have converted from oil to other forms of fuel. Also we know that there are many other people who would like to take advantage of the program but cannot because it will end at a very early date.

I thank the House for the opportunity to express my concerns with respect to Bill C-24. I hope the Government in its wisdom will reconsider its actions.

Mr. Neil Young (Beaches): Mr. Speaker, I am pleased to have the opportunity to speak on Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act. I think the use of the word "amend" is a little in error because the effect of this Bill will be to kill two very valuable programs of which many Canadians have taken advantage in their desire and concern to enter into programs of energy conservation. That is all the more the pity. In fact, if anything can be said about conservation measures, it is probably that they have been effective and have worked well. The Government is now stepping in to kill something of great advantage to many Canadians.

In my own constituency many people have spoken to me about the effect of this Bill and about their plans to upgrade their residence, to get off oil and on to some other alternate source of energy. Many of the arguments I have heard over the past several weeks during which the Bill has been before the House and prior to that when the Minister of Finance (Mr. Wilson) announced his intention to introduce this measure in his economic statement, have been in complete opposition to what the Government is doing. I heard a government Member indicate earlier this afternoon that he felt there were far too many subsidies given by the Government to Canadians. I would readily agree with him, certainly in the way that this Government and previous Liberal Governments have handed out millions, if not billions, of Canadian taxpayers' dollars to the corporate sector. It is questionable as to whether or not ordinary Canadian taxpayers have benefited as a result.

The same argument cannot be made for this type of program. It has been well used. In his speech, the Hon. Member for Vancouver-Kingsway (Mr. Waddell) made some excellent points about the value of the program, not only to individual taxpayers but in terms of the Government representing taxpayers across the country.

A good question to ask is: How much money will we spend to find the last drop of oil in the country? "The last drop of oil" is a definite way of putting it because it is a non-renewable resource. It is totally wrong for the Government to develop policy, to take away from existing policy and in effect to put all our eggs in one basket in terms of energy uses.

The Canadian Oil Substitution Program was introduced in 1980 in order to provide financial assistance for the conversion of heating systems in residential, commercial and industrial buildings off oil to a non oil-fired heating system. At this point I would like to mention a telephone call that I received from an elderly constituent, 82 or 83 years old. His sight has gone and obviously he has difficulty getting around. He would like to take advantage of this kind of program, but he does not know whether at his age it would be worth-while putting that kind of money into switching from oil to gas. There are no programs available to assist him with escalating heating costs. He read some of his bills to me over the last 10 years which showed what has happened to his heating costs over that length of time.

● (1630)

Rather than the Government initiating measures to cut back on existing programs which were extremely useful to many Canadians, perhaps it should have looked at expanding the kind of assistance available. In particular, it should look at the senior citizens of this country who are stuck with oil-fired furnaces, the heating costs of which have doubled if not tripled over the last 10 years. That would have been extremely useful, not only in terms of energy conservation, but in terms of offering assistance to elderly Canadians who really could use it as at this time.

In previous contributions in this House by Members who are now on the government side but who at one point not so long ago were on the opposition benches, and who will undoubtedly be back again if they keep introducing measures like this—

An Hon. Member: It will be sooner rather than later.

Mr. Young: It will be sooner rather than later. One prominent government Member who was then a prominent opposition Member in speaking on these programs, said, and it will come as no surprise that the Member is the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton)—

An Hon. Member: He is brilliant.

Mr. Young: He is brilliant and was brilliant when he was talking about this particular program. What he said is recorded for posterity at page 11099 of *Hansard* for June 30, 1981. The Hon. Member said, and I quote:

> It is a good philosophy to get as many people in the low technology systems as possible to move away from the consumption of oil. It is particularly good, if the alternative is cheaper not only than the present price of oil but the future price as well.

That was obviously said by a man of great wisdom. Members will greatly benefit if they listen to the experienced Members on the government side. This particular Member was a Minister in the Diefenbaker Cabinet. He made a tremendous contribution to the policies developed by the Prime Minister of that day. We all know what happened to that Government, but it was not due to the advice of the Hon. Member for Qu'Appelle-Moose Mountain. I have been at many, many gatherings and meetings around this place since 1980 and I know that the Hon. Member for Qu'Appelle-Moose Mountain has said publicly on many occasions that if the Diefenbaker Government had listened to him, it would still be in office. He says it with such authority and conviction, I personally believe him.

If the Government were to listen to this particular gentleman, perhaps it would have a chance of coming back here as the Government after the next election. However, the way things are going, I doubt that very much. Some of them are very sensible people. I see my friend, the Hon. Member for Simcoe North (Mr. Lewis). He is a man of great wisdom. I can see in his eyes that he agrees with everything that I am saying. I am sure that at the caucus meeting on Wednesday morning he will advise the Cabinet that, after listening to me and my persuasive arguments, he is convinced that this program should in fact be extended for six months, as my good friend, the Hon. Member for Vancouver-Kingsway (Mr. Waddell) has proposed to the House. If the House has any sense, particularly the government side, it will agree to the proposal put forward by the Hon. Member. I see my time is up, Mr. Speaker. Thank you very much.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am sure unanimous consent would be available if the Hon. Member who just finished speaking would like to continue his remarks. However, I am very glad to have the opportunity to give my position on this Bill.

We have been very critical in Question Period in the House and elsewhere of the fact that this Government has not carried out the promises that it made during the course of the election campaign. What we are here to talk about today is something that it is doing which it never promised. I certainly do not remember hearing during the election campaign that the COSP and CHIP programs would be cancelled. I would have liked to have heard that from the Conservative candidate during the election campaign in my riding and elsewhere in the country. He would have been talking then about two of the most popular programs and most important programs of the Government which are being cancelled with a very short lead in time.

I do not know if Members opposite are in touch with their constituents enough to realize how serious the termination of these programs is. About two hours ago I received a telephone call from a constituent who wanted me to know that as soon as the deadline for conversion off oil was announced, he began to consider doing something about it in order to take advantage of this program. He got in touch with Consumers' Gas toward the end of January because he wanted Consumers' Gas to do the conversion. They would not even take down his name. They told him there was no point in his applying because they were not going to be able to bring him within the statute in time. He told me that there were a number of other people on his street in the same situation. If that was their situation, I am certain that there are thousands and thousands of people across the country who want to convert and are unable to do so because the deadlines that have been given just do not give them enough time.

I know that this Government is committed to trying to reduce the deficit. This is, at first blush, a program that would reduce the deficit because we were using tax money to try to help people insulate their homes and convert off oil. What a crazy program to try to meet the promise to reduce the deficit! This program is available to every single Canadian household. That is why I am so very distressed that this is the one they picked to try to meet their commitment to cut—

Mr. McDermid: That is not true.

Mr. Kaplan: Does the Hon. Member want to make a point? I would be willing to take a question from him right now.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for York Centre has the floor for 10 minutes. There are no questions or answers, please.

Mr. McDermid: Mr. Speaker, I rise on a point of order. The Hon. Member for York Centre (Mr. Kaplan) offered the floor to me for a question in his time limit. I am prepared to ask him a question.

• (1640)

The Acting Speaker (Mr. Paproski): The Hon. Parliamentary Secretary should be aware of this. If we are going to stick to the rules which we now have, under Standing Order 35(2) each Member is allowed a ten-minute speech. If the Parliamentary Secretary wants to ask for the unanimous consent of the House to put a question, I will have to ask the House if it will permit him to ask that question.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Kaplan: Mr. Speaker, I would like to ask the Parliamentary Secretary a rhetorical question. Will he please let me finish my speech? He can then have the floor and speak as long as he wants.

These two programs have been chosen by the Government as a means of reducing expenditures. That choice damages

other priorities, which were priorities of the former Government, and I hope will continue to be priorities of this Government. Yet those priorities have been damaged by the decision to terminate these two programs.

One of those priorities was the very important government objective of attempting to achieve a balance between the consumption of oil and the consumption of other forms of energy which were more in keeping with the national resources of the country. The Government ought to know that the consumption of oil in Canada is in excess of what is produced domestically, while the consumption of natural gas is below what is produced domestically. The same thing could be said of electricity. If we consider the option of electricity as opposed to oil, oil must be imported, but electricity is a renewable resource which is exported. One of the goals of the programs was to attempt to get Canadians off oil and on to other forms of energy. I think the programs have been very successful. COSP reduced the consumption of oil at the rate of 60,000 barrels per day. That benefit will be lost unless other incentives can be found to encourage conversion.

One of the incentives to encourage conversion which exists is the fact that gas is cheaper than oil. Canadians who convert to gas save approximately 30 per cent on the cost of their fuel consumption. For some smaller homes, and the people who may not have liked the idea of paying the initial cost of the conversion, COSP really met a need. I think in the near future we will have confirmation that this program produced conversions at a rate which ordinary market forces could not meet.

The disappearance of this program will slow down the important conversion process from oil to other more available forms of Canadian energy. In addition, it will affect adversely our balance of payments, because if Canadians used domestic energy as opposed to imported energy, as far as balance of payments is concerned, the transaction would be neutral. The Government has taken a step which will require more foreign currency in order to buy something which Canadians consume. It will place adverse pressure on the dollar at a time when the dollar is close to the lowest it has ever been. I suppose when the Minister of Finance (Mr. Wilson) recently looked at the value of the dollar in American terms and said that he was not worried about it, he must have thought, "Why worry about a 72-cent dollar when there are still 72 cents left to go?" I say to the Government that it is something to worry about. Any existing program which is having the effect of protecting our balance of payments and protecting the value of the Canadian dollar should not be terminated, especially when the Government has not yet brought forward a budget. As far as we on this side of the House can gather, the Government has not realistically begun to look at the options which are available in a budget.

This legislation has two negative effects. First, it will slow down the rate of conversion from oil. Second, it will continue to place adverse pressure on the value of the Canadian dollar.

I would like to look at it from another point of view. I hope that the House will not object if I referred to particular cases in my constituency. The home insulation industry is characterized by small business. A lot of young people are setting up businesses. As well, the conversion program, which provides people with alternative ways of heating their homes, was creating a small business boom. The Government has thrown cold water on a very important industry. In introducing this legislation with such a short deadline—and I profoundly believe this—the Government has killed prospects for a number of new small businesses in Canada. In addition, it may well have killed a number of small businesses which are already established. It is an important industry. Energy conservation and conversion were two very important activities which will be adversely affected by this decision.

I would like the Government to tell us about the studies it has done which would justify the step that it has taken with this legislation. I do not see any basis for feeling secure in telling the new businesses in my riding and elsewhere that the Government has considered their situation and that they have reason to be confident that the Government's fanatical dedication to reducing the deficit at any price will not hurt them as badly as I think this legislation will. What does the Government have to say to the small businesses which were created by the legislation that was introduced by the former Government? It was legislation which was designed to and had the effect of achieving important benefits for the Canadian economy.

What will the Government put in place to encourage the very healthy process which has been cut off with such short notice? Many people who wanted to benefit from the programs, at a time when they could afford it or at a time when it suited their requirements, will not be able to do so. So far, the Government has only told us that it is confident—and without any basis for being so—that energy conservation measures will continue to be implemented and that conversion from oil will continue. I am not satisfied that the assurances which the Government has given to us will enable these two Canadian objectives to continue to be met. I would like to know what the Government has in mind for Canadian people who will suffer as a result of the programs which are being terminated.

I see that my time has almost expired. I wonder if I might have the unanimous consent of the House to continue, as I have two other points which I would like to make.

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) on debate.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the Government is proposing to terminate two programs which have done more good in Canadian society than any programs which I can recall, as far as home insulation and oil substitution are concerned, in the history of this country. The Government is proposing to terminate the Canadian Home Insulation Program on March 31, 1986. I, like other Members, have had telephone calls from constituents about that. As well, the Government is proposing to terminate the

Canadian Oil Substitution Program on March 31 of this year, instead of its original termination date of December 31, 1990. As I say, judging from the correspondence, phone calls and even telegrams we have had from our constituents, we are not alone in saying that the CHIP and COSP programs have been very valuable and cost effective. Compare them with PIP grants, one of the disasters of the previous Government. I have yet to see any of the money which has gone into the PIP grants actually produce any real effective results. In fact, according to research done last year, much of the money was thrown down the tube when contrasted with the money spent on CHIP and COSP.

• (1650)

Mr. McDermid: PetroCan takes the most.

Ms. Jewett: I know the Parliamentary Secretary yells a lot, but he does not get up and defend this iniquitous legislation.

Mr. McDermid: This is the first time I have seen you in the House.

Ms. Jewett: As he knows, we are proposing a six-month hoist. If this Bill goes ahead and passes at second reading, it will pass in principle. It is all very well for Members opposite to say it will be going into committee, but there is no way, from my knowledge and experience, that the committee is going to be able to amend this Bill in such a way as to extend its application or restore the original dates of termination. So while there is always much benefit to be derived from legislation going to a Standing Committee of the House for further refinement, I think the fundamental point to be made here is that this Government simply would not accept in committee any changes to this legislation. The little bit of tinkering it might accept would have nothing to do with restoring the original termination dates or even extending the current termination dates of both programs.

As many Hon. Members have said, if the Government is serious about attacking the deficit, why does it not look at some things like the PIP grants which do not benefit Canadian society? Indeed, in many documented cases, the money has been thrown away with nothing having been achieved. Many of my constituents have already taken advantage of the CHIP and COSP programs and they are aware of their value.

Let me remind the House again that of the $885 million paid out in CHIP grants to the end of 1984, approximately $200 million flowed back to the federal and provincial Governments in the form of taxes. As well, 2.5 million housing units, representing about one third of the eligible housing stock built before 1977, have taken advantage of the CHIP program. That is about one third. Perhaps the point most significant of all is that the total energy savings attributable to CHIP is estimated at the equivalent of perhaps 45,000 barrels of oil per day. It is true that Energy, Mines and Resources estimates that in the absence of CHIP some 35 per cent of these savings would not have been achieved, but this still means that CHIP is calculated to have resulted in incremental energy savings of roughly 30,000 barrels a day of oil equivalent, and that is a major saving. Furthermore, the Department believes that if this program were continued, there would be further energy savings of 30 per cent.

Hon. Members will recall that the objective of COSP was to convert two million housing units off oil by 1990. If the Government could argue that we were not on target and the program had not been successful, we might understand the wish to terminate it. But in fact thus far almost one million housing units have been converted, and that is right on target. So why abandon the program?

It was observed in the other place that with the experience gained thus far in operating these two programs, the Department of Energy, Mines and Resources projections indicated that there are substantially greater energy savings to be made than even the Department had originally anticipated. It was also noted that for older, poorly insulated and weather stripped homes, energy savings could be had at a cost of $5 per barrel of oil equivalent. Under some circumstances, the cost could be as low as $2 or $3 per barrel of oil equivalent.

So I ask once again, why should the Government remove two highly efficient programs which are on target and which meet the needs of Canadians? They help energy conservation in this country, so why is the Government abandoning the programs? We would like to hear from the Government to know the answer to that question.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I note that there are only a couple of minutes left and I will not get into the meat of what I had to say. Perhaps I will save that for another day. I cannot help but think, though, that this Government has managed in a short few weeks to redefine simony and turn it into a political art form. Once it was the selling of ecclesiastical preferment; now it is the selling of political preferment, and I cannot help but feel that this Bill exemplifies that as well as anything we have seen over the course of the last few months.

I want to tell you that I had the opportunity recently to consult a person who is perhaps not an international authority but certainly an authority in this field, namely, Heather Grant, who raised with me some of the serious problems that could flow from the discontinuance of this program. I want to share with the House this afternoon or tomorrow or some day later in the week—

The Acting Speaker (Mr. Paproski): I think the Hon. Member will have that opportunity. When the House meets again on Bill C-24, the Hon. Member will have nine minutes left in his speech.

[*Translation*]

Order, please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Paproski): Is there unanimous consent for the House to proceed to Item No. 162?

Some Hon. Members: Agreed.

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NUCLEAR WEAPONS FREE ZONE ACT

MEASURE TO ENACT

Mr. Les Benjamin (Regina West) moved that Bill C-218, an Act to declare Canada a Nuclear Weapons Free Zone, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

He said: Mr. Speaker, I am pleased, and I think it is an appropriate day, to take the opportunity to present this Bill to the House. It calls for Canada to declare itself a nuclear weapons free zone. I would like to begin by quoting a few words that were uttered in 1959. "I believe that people in the long run are going to do more to promote peace than are governments. Indeed, I think that people want peace so much that one of these days government had better get out of their way and let them have it". That was said by General Dwight D. Eisenhower, then President of the United States.

How true are those words. Twenty-six years later this Bill addresses the undeniable will of the majority of Canadians. It gives them what they want, a nation free of participation in the proliferation of nuclear weapons. Time and time again the people of Canada have given us a clear direction. Almost half a million people signed the peace petition caravan which called for the establishment of Canada as a nuclear weapons free zone. There are over 80 such self-proclaimed zones already in Canada. I speak of various cities and municipalities. No Member of the House can ignore any longer the results of referendums that those communities held, the numerous polls, and the growing number of peace organizations dedicated to disarmament. It is clearly the will of the Canadian people to take this action.

I know support exists among Members on all sides of the House as well. Why is it then that we still allow the proponents of nuclear arms to continue to call the shots? I remember when it was still in fashion to believe in the ability to survive a nuclear war. We told our schoolchildren that all they had to do was to hide under their desks and close their eyes during an attack. Those children have grown up, and they are not buying that one any more. We have tried to assure them that a nuclear war will never happen as long as both sides maintain a suicidal level of the nuclear ability known as mutual assured destruction. However, understanding politicians as people do, they are not falling for that one either.

A case in point, Mr. Speaker, is the article on page three of last Friday's *Globe and Mail*. The headline reads, "Pentagon Cites Nuclear Winter as Reason for Arms Build-up". Now they are getting specific. No one wants a nuclear winter, so no one will start a nuclear war. Is it any wonder Canadians doubt the sanity of those who participate in that kind of an argument? Could you imagine what would happen if the Government adopted the same policy for gun control as the Pentagon has for nuclear arms control? It has to be a definition for the word "insanity".

We have also tried to give assurances that arms negotiations will eliminate the threat of nuclear war. I am sure all Canadians applaud any attempt at negotiating arms reductions and a lasting peace. We cannot deny, however, the fact that a generation of good intentions has passed and we are quickly approaching the point where a nuclear holocaust will become a mathematical certainty.

The majority of Canadians are no longer fooled. Despite the overwhelming amount of propaganda, misinformation and disinformation disseminated by the proponents of a nuclear deterrent, Canadians are mobilizing, as General Eisenhower predicted, to demand an end to the development of nuclear arms. Canadians realize that there must be a continuing diplomatic effort to reduce world tensions and that Canada must play an important role. But they also understand that as far as the nuclear threat is concerned, we must also take immediate action against the technology itself.

These weapons were first developed for use against the Germans and the Japanese. Since then we have befriended our previous enemy and have armed ourselves against a previous ally. Politics and alliances change, but human nature does not. There will never be real security in the world as long as nuclear weapons are allowed to exist, and they will never be dismantled if we leave it to the discretion of the superpowers.

Some Hon. Members: Hear, hear!

Mr. Benjamin: Unless we as Canadians address the moral question of the existence of nuclear weapons, we will find ourselves debating the same red herring argument of deterrence a generation from now under a completely new set of world conditions. That is, assuming that this House and the people it serves are still in existence.

As a veteran committed to the sovereignty of our nation I see no hypocrisy in wishing a strong, legitimate defence for Canada without participation in the nuclear arms race. This Bill is a very important beginning and one which naturally follows previous Canadian precedents as a world peace keeper. In 1967 the UN General Assembly welcomed, with Canadian support, the conclusion of a treaty for the prohibition of nuclear weapons in Latin America. Since then there has been considerable interest in the United Nations about the establishment of other nuclear weapons free zones. In 1975 Canada voted in favor of resolutions supporting the denuclearization of Africa and the consideration of creating nuclear free weapons zones in south Asia, the Middle East, and the South Pacific.

Our country agreed not to encourage the further development of nuclear weapons when we signed the nuclear non-proliferation treaty. We further agreed:

> Each non nuclear weapon state party to the treaty undertakes not to receive the transfer from any transferor whatsoever of nuclear weapons or other nuclear explosive devices, or of control over such weapons or explosive devices, directly or indirectly; not to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices; and not to seek or receive any assistance in the manufacture of nuclear weapons or other nuclear explosive devices.

We further supported the inclusion of a provision placing an obligation on nuclear weapon states parties to the treaty to negotiate effective restraints on the nuclear arms race and to meet their commitment to seek a halt to nuclear weapon testing. Surely, at the least, the spirit of this agreement has already been violated by the testing of the Cruise. The weapon itself is not functionable in this case without the testing of the delivery system. It is all one and the same. The spirit of the agreement has been violated by the manufacture of weapons components in Canada, not to mention the fact that there have been nuclear arms on Canadian soil.

However, if this agreement still reflects our intentions on this issue, then let us send this Bill to committee and take some positive actions toward the objective of the agreement we signed when we gave our word 17 years ago. It has been 17 years, Mr. Speaker, and we are still playing Simon Says with the two schoolyard bullies who have been taking no initiatives to get out of the game. That is what it will take: initiative, action and courage. But some Hon. Members will have a problem with getting up the courage to take a pacified stand on this issue. They will say, "Why should we if they are not going to as well?" But there will be followers. As we join New Zealand and a number of other nations, others will join us, and the positive effects of the international movement by countries like ours will eventually cover the globe.

● (1710)

There may be some who call the Bill anti-American or anti-NATO, but we have no commitment or no responsibility to NATO on nuclear weapons and there is no disloyalty in excusing ourselves from our friends' company while they are engaged in an activity which is morally wrong and not in our best interest. Did our mothers not teach us that?

The Bill is not anti anything other than nuclear weapons. It won't affect other forms of nuclear technology and it will not open the doors to a communist or any other invasion. We will have to debate this Bill for what it is, a bold move toward peace and an even bolder move toward the elimination of nuclear weapons. It has to start somewhere; it may as well start here.

It is impossible for this Bill to protect immediately the people of Canada from nuclear war, though I believe it will help in the long run. However, it does protect us from the ignorance of nuclear deterrent advocates and the false sense of security that they create in the minds of Canadians when they expose their simplistic myth of maintaining nuclear balance. Having taken a stand on this issue and having had our awareness raised, new opportunities of hope will be found.

Obviously, even more discussion on this topic raises hope. That is why the Bill also supports the idea of a world referendum on disarmament. Some Members will suggest that the idea is silly because no one wants a nuclear war, but there is nothing silly about a world discussion on this issue, leading to a democratic expression. Neither is there anything silly about the amount of support this initiative has around the world. Even the Soviet Union has said that it is prepared to investigate the methodology of the referendum with other interested countries. No, there is nothing silly about that, and all for an estimated cost of two cents per participant when done in concert with regular elections. I hope other Hon. Members do not have a problem with this part of the Bill. Certainly all Parties showed support for this initiative prior to the election when they were surveyed. When surveyed, 76 Liberal candidates said yes, nine said no; 84 Conservatives said yes, nine said no; and all 128 new Democrats who answered the survey said yes. Of the Conservatives showing support, 19 are now Cabinet Ministers.

I hope we can expect general support for the proposal for a world referendum as a golden opportunity to further the cause of peace through world discussion.

I have tried to make my comments brief. The Bill has been debated in the House on previous occasions. I am sure all Hon. Members have enough information to be able to form an opinion.

There are two other reasons that I urge the House to allow this Bill to be referred to the appropriate standing committee. One concerns Canada's credibility. We have had a marvelous record in peace-keeping. In beginning a good record of peace-making, if we are a nuclear weapons free zone, we can go to other countries to talk about a nuclear arms freeze, reduction and eventual elimination in a stronger position. If we are not party to or in possession of nuclear weapons or allow others to have nuclear weapons or delivery systems on Canadian territory, including the testing of weapons or delivery systems, we will be in a stronger position. There must be no hypocrisy when our nation goes to other nations to discuss this issue. This has nothing to do with our NATO commitment.

The other reason is that both the United States and the Soviet Union have a nuclear capacity within their territories and on the oceans that is sufficient to wipe all of us out anyway. There is no real necessity for Canada or dozens of other countries like us to be party to the possession of or to allow the stationing or testing of nuclear weapons and delivery systems to try to influence the deterrent or balance of power.

In the event that either or both of those nations were to launch a nuclear attack, they would overfly us and destroy us anyway. Any contribution that Canada would make to such a catastrophe would be so small as to make no difference in such a final suicidal result.

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the adoption of Bill C-218, an Act to declare Canada a Nuclear Weapons Free Zone, has many implications which go well beyond the Bill's

apparent, simple declaratory statement. The Bill, in effect, would require Canada's withdrawal from the security of 35 years' membership in NATO into questionable isolation and would abrogate a number of defensive bilateral agreements that Canada has with the United States.

On June 30, 1984, Canada removed the last remaining nuclear-tipped GENIE air-to-air missiles which were to be used in wartime in an air defence role by Canadian CF-101 Voodoo interceptors. The air defence role has now been taken over by CF-18 aircraft which can do the same job using conventional weapons system only. There are no nuclear weapons stationed on Canadian soil. Overflights of American aircraft with nuclear weapons, were they to occur, would take place only with the expressed permission of the Canadian Government. The same consultations and permission would be required for the deployment of any other nuclear weapons within Canadian territory.

Declaring Canada to be a nuclear weapons free zone would be a unilateral measure which is not supported by the Canadian Government. Unlike the originators of Bill C-218, the Canadian Government continues to believe in the concept of mutual security—a collective effort to deter aggression or to counter it if it occurs. That is why we are in the North Atlantic Alliance, which is also the framework for the NORAD agreement with the U.S.A. The Alliance relies on a deterrent strategy in which nuclear weapons play an important part. This is unfortunately unavoidable in the world as we know it.

The idea of a nuclear weapons free zone for Canada, with all its implications, would be realistic only if the Canadian Government were prepared to withdraw from the Alliance which has served us well and has helped to preserve peace for more than 35 years. The Canadian Government continues to believe that our defence partnership, co-operation and defence production sharing arrangements with our allies make a greater contribution to preserving peace and security than would our withdrawal into the uncertain isolation of a nuclear weapons free zone. As I have already mentioned, the Canadian Government does not support the idea of unilateral disarmament.

• (1720)

It is necessary for us to maintain our support for our NATO alliance until such time as disarmament is mutually agreed to by the great powers. In this context, we are particularly encouraged by the agreed objectives for the American-Soviet negotiations which are under way in Geneva, the prevention of an arms race in space and its termination on earth; the limitation and reduction of nuclear arms; and the strengthening of strategic stability, leading ultimately to the complete elimination of nuclear weapons.

Canada is a member of the North Atlantic Alliance, and has now been a member for thirty-five years. We joined the Alliance because we believed in the concept of collective security, a united effort to deter aggression or to counter it should conflict occur. There were many advantages to such an alliance. However, the most telling advantages were then, and continue to be, the united strength which accrued to the Alliance enabling it to resist undue external political and military pressures and reduction of the cost of defence by dispersing the burden of armaments among the member states. Similarly, NATO has enabled the West to speak with a unified voice on critical issues of international security and to pursue the progressive development of East-West relations in a coherent fashion. It is an invaluable forum for nations such as Canada to express their views and to exert a constructive and moderating influence on the policy directions taken by the Western powers in their relations *vis-à-vis* the East bloc.

The Alliance has relied for its security on a deterrent strategy in which nuclear weapons play an important role. Clearly, an alternative approach which could provide an equal measure of stability and strength, but which would not rely on nuclear weapons for its effect, is a desirable objective. Unfortunately, we have been unable to fashion a post-war world in which such policies would be either realistic or desirable for the maintenance of peace.

The NATO Alliance remains an indispensable tool for Canada to maintain an effective and influential voice toward the improvement of East-West relations.

Mr. Blackburn (Brant): What has NATO got to do with it?

Mr. Weiner: The idea of a nuclear weapons free zone for Canada would be realistic only if the Canadian Government were prepared to withdraw from the Alliance.

Mr. Althouse: You are on the wrong Bill.

Mr. Weiner: Would Canadian withdrawal from the Alliance enhance the prospects for peace and help to diminish the likelihood of nuclear catastrophe which continues to loom so threateningly in the distance? Were Canada to declare itself a nuclear weapons free zone, would this in any way reduce the devastating effects which a thermonuclear war would wreak on this country, and indeed the world?

Mr. Keeper: Yes.

Mr. Weiner: Would Canada's voice be listened to more seriously and would our words carry greater weight in the corridors of power around the world because we were no longer a member of the NATO Alliance?

An Hon. Member: Yes.

Mr. Blackburn (Brant): What has NATO got to do with it?

Mr. Weiner: The answer to these questions remains unequivocally "No." Canada's possibilities for influencing these events would be greatly weakened and the stability of the East-West balance immeasurably shaken.

The Acting Speaker (Mr. Paproski): Order, please. This is Private Members' Hour. The Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Weiner) has the floor. I would like to hear him—

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): —I do not know about the other Members here. I would like to know whether his speech is relevant, but I cannot do that. The Parliamentary Secretary to the Secretary of State for External Affairs has the floor.

Mr. Weiner: Mr. Speaker, we would still remain vulnerable to the effects and results of a nuclear holocaust, but in the process, would reduce our influence and our capacity to help avert the very disaster which it is our most fervent desire to prevent. Not only this, but Canada would be forced to shoulder its defence burden alone, with infinitely greater expenditure, and Canada would have reduced security in the bargain.

The proposed Bill would also prohibit the testing of the Cruise missile in Canada. NATO does not oblige Canada to test the Cruise missile. The decision by the previous Government to allow the United States to test unarmed air-launched Cruise missiles in Canada was seen as consistent with that Government's support for NATO's two-track policy which led to the deployment of ground-launched Cruise missiles in several NATO European countries. This Government decided to allow the United States to continue with its testing program because it believes that the Cruise missile is an essential element in the global balance of deterrence and is part of the Western response to the modernization by the Soviet Union of its offensive and defensive nuclear systems during the 1970s. This Soviet modernization continues into the 1980s.

The policy of allowing the United States to test air-launched Cruise missiles in Canada will be reviewed from time to time in the context of evolving progress in arms limitation and reduction negotiations.

Bill C-218 would also prohibit the manufacture of any components of nuclear weapons in Canada. Regarding Canadian co-operation in the production of U.S. Cruise missiles, Litton Systems Canada Limited was awarded the subcontract by the U.S. Department of Defense through its parent company in the United States, Litton Industries, to produce a portion of the inertial guidance system for the Cruise missile. Litton's participation in a small part of the Cruise missile vehicle program would not be taken as a change in Canadian policies instituted at the end of the 1960s to divest our Armed Forces of a nuclear weapons capability. It is, however, consistent with joint defence efforts with our NATO allies who rely in part on the maintenance of a credible nuclear deterrent in the face of the growing military threat from hostile forces.

Bill C-218 also proposes another unrealistic measure. It directs that the Secretary of State for External Affairs (Mr. Clark) shall, at the earliest opportunity following the coming into force of this Act, propose a motion to the General Assembly of the United Nations calling for a world referendum on nuclear disarmament.

The Canadian Government does not support the idea of a global referendum on disarmament. The proposal fails to acknowledge that the current situation in the disarmament and arms control field is largely the result of the lack of adequate international security arrangements and confidence among states which would ensure their security and national integrity at lower levels of arms. In the absence of such conditions, movement on disarmament will only come about after long and difficult negotiations among the parties involved.

Measures, such as the call for a world referendum on disarmament, will not solve these basic underlying problems which are preventing progress in this field. Real disarmament requires long and careful negotiations aimed at establishing mutual confidence and constructing adequate international security mechanisms to guarantee the safety of each state. We believe that the outcome of a world referendum is predictable: the vast majority of people who have even a basic understanding of the question would express support for disarmament, particularly nuclear disarmament, even though there would undoubtedly be vast differences of view on how to go about achieving it. Therefore, a world referendum, if held, would represent an expression of public opinion in favour of disarmament, but could not be a substitute for actual negotiation of verifiable international agreements.

There are other, more effective and less costly ways of bringing to bear on the militarily significant powers the world public's views on the need for arms control and disarmament which is, essentially, the objective of the world referendum. The Canadian Government's current effort through such mechanisms as the Disarmament Fund, is to seek to make Canadians more aware of the existence of the various issues and the background to them and to encourage a balanced discussion of them. The objective is to provide Canadians with the basis for making reasoned judgments on these issues and to enable them to make their views known more effectively.

In summary, Mr. Speaker, the Government of Canada does not support a declaration of nuclear weapons free status for Canada because, while in some respects we may be regarded as a *de facto* nuclear weapons free zone following the withdrawal of the last nuclear capable aircraft from service with the Canadian Forces, we continue to participate fully in a defence alliance, NATO, which deploys a nuclear deterrent. The declaration of a nuclear weapons free zone in Canada would be inconsistent with membership in the Alliance as well as being inconsistent with the defence production sharing arrangements which we have with our allies.

You might want to ask a person out of work whether he would rather stay in the breadline instead of working in an arms factory. We had a defence procurement team which went across Canada helping Canadians find jobs and helping keep Canadians at work. They will be buying arms, whether or not we in Ontario want to sell them. There is some $320 billion worth of available business for Canadians to access into the United States. We now have about a $1 billion part of that business. As far as Canadians are concerned, it is a method of putting Canadians back to work. It is quite clear in our minds that we already have an ability to put people back to work. It is quite clear in our minds that we already have an ability to put people back to work. This Government was elected to

create jobs. We can do it effectively by making use of some of the armamentarium we have available to us.

• (1730)

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I welcome this opportunity to take part in the debate on Bill C-218, an Act to declare Canada a Nuclear Weapons Free Zone. This Bill would declare Canada to be a nuclear weapons free nation. It is true that today, we have no nuclear weapons in Canada, so that the purpose of this Bill is to guarantee that in the future, there will be no nuclear weapons on our territory.

[*English*]

The Official Opposition supports the introduction of Bill C-218. We feel it is an appropriate time—

Mr. McDermid: That is something new.

Mr. Gauthier: I said that we support the introduction of Bill C-218. I do not see anyone in the House who would disagree with what I just said. The principle of debating a Bill in this House is something which all of us have supported at first reading, so I support the introduction of this Bill. That is clear. It is appropriate that at this time in Canada we debate the issues at hand and that the vital question of declaring Canada a nuclear weapons free zone be the object of a public debate.

In offering our support to this motion, we wish to make it absolutely clear at this time that we are neither for nor against the concept of a nuclear weapons free zone in Canada. Rather, we feel, as I have said, that this is an appropriate time in our history to have an in depth review of this complex matter so that all Canadians might participate in this crucial debate and help parliamentarians determine our future direction with regard to this question which is of fundamental importance to all Canadians.

We feel certain that the Government opposite will support this motion in light of its promise to the Canadian people to conduct an open government, one which will listen to the Canadian people and will strongly encourage the participation of all Canadians in our political system.

This question deserves a serious hearing. It deserves input from all Canadians. We have been promised over the last few months that indeed the House would be receiving two green papers—one on defence and one on external affairs. Here again we have an occasion to get to the essential matter of these important questions which preoccupy Canadians.

I do not want to debate the matter very long. I think there is some merit in having it discussed and referred to committee. I would just like to say that I strongly support the principle of the Bill. The implications, the ramifications, the "zap you are frozen" attitude is a bit naive. I should like to see more input from all Canadians who are interested in this matter. They can tell parliamentarians what they feel should be done. We must take time to listen. We must take time to consider.

Because of what the Parliamentary Secretary said and because I think there are some arguments which will prompt debate, serious consideration should be given to refusing to pass the Bill today. To avoid any difficulties in this regard, I would suggest that indeed the subject matter is very important. It is essential that we discuss it. The Bill could be withdrawn—and there is a formula for that—and the subject matter of it could be referred to a committee along with the other papers which will come forth, I understand, after we are finished with the "blarney summit" in Quebec City. I understand that the two papers I referred to will be tabled—the green paper on defence and the green paper on external affairs. Perhaps at that time we will address this question and have a chance to talk seriously about the matters of nuclear disarmament and a nuclear freeze in Canada.

Some time ago I had the honour and the pleasure of seeing a gentleman named James Stark run for the socialist party, the NDP, in my riding. Mr. Stark and I have had a long, ongoing relationship. I could point to letters which I have exchanged with Mr. Stark. I will not read them into the record because I have a personal view on this issue which I think is very valid; people in my riding know where I stand on the issue.

I should like to move, Mr. Speaker, seconded by the Hon. Member for Gander-Twillingate (Mr. Baker) and the Hon. Member for Saint-Denis (Mr. Prud'homme):

> That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:
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> "That Bill C-218 be not now read a second time but that the order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on External Affairs and National Defence".

The Acting Speaker (Mr. Paproski): The Hon. Member for Calgary West (Mr. Hawkes).

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is always a pleasure to follow the Hon. Member for Ottawa-Vanier (Mr. Gauthier). In listening to his motion, I began to wonder whether or not the Opposition would treat the special committee on foreign affairs and national defence with any sense of seriousness.

Mr. Blackburn (Brant): What special committee?

Mr. Hawkes: Surely the subject matter of the Bill before us today belongs in the hands of that special committee. It must be an important part of what that committee discusses. It is almost inconceivable that we should conduct a thorough review of Canada's foreign affairs policy and Canada's defence policy without dealing with the nuclear issue. I think it would be a shame to have it fragmented into two forums.

If the motion of the Hon. Member for Ottawa-Vanier ever comes to a vote, I would urge Members not to split the issue into two committees of the House. The proper context for discussion of this issue surely must be in that special committee which will hold hearings across the country and will totally explore our foreign affairs and defence policies.

Ms. Jewett: It is not set up yet.

Mr. Hawkes: I urge Hon. Members to do that, if in fact they face a vote on that matter.

Mr. Althouse: There is no special committee.

Mr. Hawkes: I have been here since five o'clock. Before the weekend I became aware that this subject matter would be brought up for debate today.

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. I am following the debate and I am very interested in listening to the remarks of the Hon. Member for Calgary West (Mr. Hawkes). To what special committee is he referring? To the best of my knowledge, no such special committee has been set up.

• (1740)

The Acting Speaker (Mr. Paproski): That is not a point of order. This is Private Members' Hour. The time is slowly approaching six o'clcok. There are other Members who would like to speak on this Bill. The Hon. Member for Calgary West has the floor.

Mr. Hawkes: Mr. Speaker, I would like to draw to the attention of Members one of the differences that happen when you are elected to serve in this Chamber. Prior to election, one serves one's nation generally in the capacity of a private citizen. One of the obligations of citizenship in a democracy is to propose sets of ideas which should be discussed in public and should be advanced by different types of groups with different interests. The minute you join this Chamber, you assume a responsibility for decision-making. You not only propose, but you must dispose. You must make decisions.

I do not think there is a Member of this House of Commons who does not want and does not yearn for the day when nuclear weapons become a thing of the past, for the day when they no longer constitute a threat. It is the responsibility of those in this Chamber which is something different from that of private citizens, to make decisions which, to the best of our knowledge, are likely to lead us a step closer to that day. It is not just a forum for discussion. The responsibility of Members of Parliament is to reach decisions about the steps which might take us one step closer to the eradication of nuclear weapons on the face of the earth and the removal of that threat.

That is a special obligation. Our debate today would be wise to focus on whether or not the proposal which appears before us in the form of Bill C-218 is a wise step. Would it serve Canadians well? Would it serve the people of the world well if we were to take that step? It is our responsibility to make decisions.

The Hon. Member for Regina West (Mr. Benjamin) stood and the basic argument that he advanced in trying to encourage Members of this Chamber to support his Bill was the argument that if Canada were to take this unilateral action, other nations would follow. There is a germ of truth to that because Canada does enjoy a reputation for leadership in world affairs. I think it is correct to say that some nations would follow Canada's lead in this regard, but as responsible decision-makers, we have to ask ourselves which nations would follow. Would the U.S.S.R. or any member of the Eastern bloc follow our lead?

I recently had, what is a very unique opportunity for Members of this Chamber, that of being a member of Canada's delegation to the United Nations for 11 weeks this past fall. It was a unique opportunity to interact five days a week with representatives from the 159 member nations, the observer nations and the observer groups. Canada has taken the lead. Canada has been one of the leading nations in putting forward many initiatives. Who followed and who did not? Canada is a leading national when it comes to democracy. We believe in democracy. We espouse it. We say it is the best form of Government. It is the most humane, most sensitive and leads to the best standard of living for the most.

I stand here in the month of March 1985, knowing there are 159 member nations in the United Nations, less than 30 are democracies. We take the lead. We declare ourselves. We act in that fashion, and there are less than 30 others who join us in that activity, and none from the East bloc.

At the United Nations this fall, we worked very hard on getting passage through third committee and through plenary of two very important initiatives. One was the development of an international instrument that would enable us as a world community to do a better job of narcotics control. Another was the passage of an international covenant that would outlaw torture. I saw nations of this world and their delegations try to trade off. They said that if we would back off on our concerns about torture, they would support our concerns in terms of international narcotics control. All of that was taking place in a context where after 17 years the basic human rights covenant at the United Nations was signed by nearly half the nations. A large number that have signed it refused to sign the protocol which would allow for verifiability.

The reality is that we live in a world where the overwhelming majority of member states, led by the East bloc countries, will not allow an international organization like the United Nations to come into their country and verify whether or not torture is taking place and whether or not they are producing and transhipping drugs. That is the reality of the international community today. To stand in this Chamber and to think that a unilateral action, no matter how desirable the goal or the direction might be, is a way of leading the world defies the reality of experience.

The member nations do not follow just because you do. They do not follow in the direction that you go. They certainly do not follow by signing documents and allowing a kind of open door that would enable you to verify whether or not they keep those international covenants. That is how those member states behaved in the General Assembly context of the United Nations and in the private perspective.

This Bill says there shall be no nuclear arms in Canadian coastal waters. If we were to take that action as a nation state, the odds are reasonable that member states within the NATO alliance would respect our desire in that regard because they are democracies and they respect the sovereignty of states.

They would respect that, but would the East bloc? Would the Warsaw Pact respect the sovereignty of Canadian territorial waters? Do they today? Would they simply do so because we proclaim it? We are talking about nations that will not allow an international tribunal to come in and verify whether or not torture or human rights violations are taking place. It is incomprehensible from what we know about the Warsaw Pact countries and the way they operate that a debate such as the one that is taking place today, with people in the galleries and the press in the galleries, could even take place in those countries. Those people would not know about our initiative, unless their Government chose by means of propaganda to make them aware of it. We contrast that—

• (1750)

Mr. Benjamin: Go ahead, smother it.

Mr. Hawkes: The desire of the Hon. Member for Regina West (Mr. Benjamin) is to take this unilateral action in the belief that others will follow. I have tried to contrast that with the reality of the international community as we experience it. That is the reality. In my opening remarks I stated that we in this Chamber have a special responsibility for decision making on behalf of Canadian people. We have the responsibility to ensure that they can live in safety, without the fear of being taken over.

We could look at Afghanistan some five years later. We are a nation which has never started a war. We could also look at Iran and Iraq which have had 600,000 or 700,000 casualties in the last few years due to war. Those are real situations which exist in the world. Because Canada does not start a war it does not follow that other nations will not start a war. Our special responsibility in this Chamber is to make decisions, and hopefully, with respect to nuclear weapons, those decisions will be taken in the direction which will bring about a nuclear weapons free world.

I would like to read into the record a small part of what the Secretary of State for External Affairs (Mr. Clark) said at the United Nations about Canada's commitment to the topic which we are discussing today. In September of 1984 he said:

> We shall seek, through concrete and realistic steps, progress toward a comprehensive test ban treaty. We shall encourage superpower and multilateral discussion on all outer space weapons, and shall commission further studies on how a space weapons ban might be verified. We shall work for the success of next year's Non-Proliferation Treaty Review Conference, in order to prevent the horizontal proliferation of nuclear weapons. We shall bring to bear our technical expertise in verification measures to ensure mutual confidence and security in areas where arms control agreements can be achieved. We shall encourage agreement on a mutual and balanced reduction of conventional forces in Europe, and hence reduce the danger of escalation to nuclear war. We shall continue to press for a verifiable convention prohibiting the development, production, stockpiling and use of chemical weapons. Canada will continue its financial support of the World Disarmament Campaign. We shall, in addition, expect that the newly-created Canadian Institute for International Peace and Security will contribute its share of studies and advice on specific arms control proposals and measures to reduce international tension.

In other words, Canada is committed to achievable and realistic measures. It will continue to be an active participant in the Geneva conference on disarmament, in the Stockholm conference on confidence and security-building measures and disarmament in Europe, and in the Vienna mutual balanced force reductions talks.

Those are the kinds of steps which I hope would have all-Party endorsement. Then we would be a real player in the real world. Within that context, we could always move to help member nations take tiny steps toward the goal which we all want. Or we can cease to be a player. That may raise the position of our soapbox, but it will reduce the size of our influence. Surely members of all Parties in the Chamber would prefer that Canada have influence. It is an area in which there should be little political gain or loss. The over-all goal of restoring peace and stability in this world, and the goal of nuclear arms reduction and ultimate elimination, are goals which we all share. That is only achievable in a real world, by using real methods which are designed to work.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, since you have given me the floor, and pursuant to Beauchesne's, Citation 234, I therefore move, in accordance with Standing Order 8(4)(a), and I have the text of my motion here, to extend the time for this debate so that we can hear more Members on this subject—

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. Mr. Prud'homme, seconded by Ms. Copps, pursuant to Standing Order 8(4)(a), moves that the House continue to sit beyond the ordinary hour for daily adjournment for the purpose of continuing consideration of Bill C-218. Will those Members who object to the motion please rise in their places?

And more than 25 Members having risen:

The Acting Speaker (Mr. Paproski): Since more than 25 Members have risen, I declare the motion lost.

Motion (Mr. Prud'homme) negatived.

The Acting Speaker (Mr. Paproski): I will recognize the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) on debate.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, am I to understand that I may speak until the end of the agreed time limit? I had prepared a very interesting speech, now unfortunately—

The Acting Speaker (Mr. Paproski): The Hon. Member has two minutes.

Mr. Lanthier: All right. But the subject is far too broad for two minutes.

I just want to summarize in a few words the speech I prepared this afternoon. It is unfortunate to see the lack of order in this House, Mr. Speaker. Nevertheless, I sincerely believe I cannot support the proposal being made in Bill

C-218. I think this Bill should be voted down by the House, and in fact by any reasonable individual who does not believe in Santa Claus and who sincerely believes that we must be ready to cope with any situation that might occur. This is a Bill that cannot be taken seriously, and I do not think it should.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

TRUST COMPANIES—PIONEER TRUST COMPANY COLLAPSE. (B) REQUEST FOR PUBLIC INQUIRY

Mr. Simon de Jong (Regina East): Mr. Speaker, I rise regarding the question I asked the Minister of State for Finance (Mrs. McDougall) on February 8 concerning Pioneer Trust. In my question, as on numerous other occasions, I asked the Minister and the Government to allow a public and independent inquiry into the affairs of Pioneer Trust and the reasons that it closed its doors. I believed at that time, and contiue to believe, that it is in the public interest that there should be a public inquiry.

Numerous people across western Canada have lost money because of the demise of Pioneer Trust. Many of them are retired and small-business people. Money belonging to widows is held in trust by various law firms. Such public institutions as the Government of Saskatchewan and the City of Regina and various hospitals throughout the province will have lost money because of the demise of Pioneer Trust. Therefore I think it is important that certain answers be given to the entire story behind the demise of Pioneer Trust.

It is important that the federal Government state clearly, through such an inquiry, what are its role and responsibilities. I feel that CDIC and the federal Government have been remiss in various instances regarding their duties as a financial watchdog. We find that the federal Government did not know the amount of uninsured deposits. It had to phone the provincial Government's Department of Finance to get a figure of some $24 million. Yet today that figure is up to some $40 million. In fact, I doubt if anyone really knows at this stage what the exact figure will be. This indicates that the Government, and particularly CDIC, are not equipped or capable of handling the situation.

On numerous occasions we have had the Minister state that the CDIC and the federal Government are not capable of carrying on their functions. For example, in an article in the Ottawa *Citizen* of March 2, 1985 the Minister said that the insurance system is plagued by serious problems involving everything from its financing to its function as a financial watchdog. On another occasion the Minister is quoted as saying in the Montreal *Gazette* that the extent of Pioneer's troubles were not known in time. One can gather from that, that the federal Government and the CDIC were not fully aware of the problems of Pioneer Trust. These are examples of how CDIC has been remiss in its duties as financial watchdog.

In a letter she sent me on March 7, the Minister admits she had not yet requested or received written assurances from the provincial Government regarding some guarantee to Pioneer Trust. Again I suggest that she and her Department were remiss in their duties. They extended the licence for Pioneer Trust without receiving those assurances from the provincial Government. As well, the Minister's letter indicated the Saskatchewan Government made the decision on February 4 not to proceed with the guarantee for Pioneer Trust. We want to know who knew about that decision before Pioneer closed its doors on February 7. We want to know if there were any people who knew this inside information, took advantage of it and either sold shares or withdrew uninsured deposits from Pioneer Trust.

We also find that the provincial Minister of Finance in Saskatchewan stated on several occasions that it is the federal Government who "held the gun to our heads" by threatening to lift Pioneer's licence. The provincial Minister of Finance seems to put much of the blame for the demise of Pioneer Trust on the Federal Government. I think a public inquiry would be helpful in ascertaining exactly who was responsible.

• (1805)

We have heard through press reports that some person in the Prime Minister's office seems to have given some assurance to the uninsured depositors that there would be a public inquiry. I hope that the spokesman for the Government today will be clear as to what type of inquiry the Prime Minister's office was promising.

I think it is important that we have a public inquiry for the sake of management. The senior management of Pioneer are prominent Saskatchewan business people. It is important for their reputation, if they are to continue to do business in the Province of Saskatchewan, that there be a public inquiry that shows exactly who was responsible and why Pioneer went broke. It is in their interest that a public inquiry be held to show that they did not make unethical loans or use bad business practices. It is important to senior management that such a public inquiry be held.

One must look at the role of the provincial Government. It made a guarantee without looking at the books of Pioneer Trust. I find this somewhat awesome from a Tory Government in Saskatchewan which claims to be business oriented and business minded. They made this guarantee without looking at the books and then withdrew the guarantee, making a bad situation ever worse. We do not know how much this will cost CDIC. We do not know how much the provincial Government will have to cough up. I think it is about time we had a public inquiry that firmly showed to the public, the depositors, and

the shareholders of Pioneer Trust exactly what happened and who is responsible.

[*Translation*]

The Acting Speaker (Mr. Paproski): The Parliamentary Secretary to the Minister of Finance (Mr. Lanthier). He has three minutes.

[*English*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I rise to respond again to this important issue raised by the Member for Regina East (Mr. de Jong). I recall vividly that he has raised this very same issue on several occasions before, including during a previous adjournment debate on February 12 of this year. Nevertheless, I am pleased to discuss the matter of Pioneer Trust and to once again put on the public record the Government's appropriate actions in these circumstances.

The Member will recall that on March 7 the Minister of State for Finance (Mrs. McDougall) sent a detailed letter to him outlining the issues surrounding the collapse of Pioneer Trust. In that letter the Minister of State for Finance clearly indicated the statutory authority of the Canada Deposit Insurance Corporation. As the Member for Regina East knows perfectly well, the Canada Deposit Insurance Corporation can enter into an agency agreement only if an arrangement is the least costly method of meeting its obligations to the insured depositors.

At a meeting on February 4 the Board of Directors of the Canada Deposit Insurance Corporation concluded that the least costly method would be to pay off depositors immediately, up to the insured limit, once a winding up order was issued. Of course, once a company is placed in liquidation an agency agreement is no longer possible. The Member for Regina East will also be aware that there is no authority under the Canada Deposit Insurance Corporation Act to make direct payments to uninsured depositors.

The Minister of State for Finance was asked today in this Chamber whether the Prime Minister's office had suggested that she conduct a public inquiry into the collapse of Pioneer Trust. I have been asked by the Minister of State for Finance to reiterate that the Government is of the opinion that no public inquiry is warranted. The fact that we are here again discussing this very same issue is evidence that the Government is prepared to provide all Members of Parliament with as much information as possible about the circumstances surrounding the collapse of this company.

● (1810)

I would like to conclude by reminding all Hon. Members that in both the Speech from the Throne and the November 8 economic statement, this Government indicated that revisions to financial institutions legislation is a priority. In addition, a private sector committee, chaired by Mr. Robert Wyman, is currently examining the mandate and operations of Canada Deposit Insurance Corporation. I think that these facts indicate clearly the commitment of this Government to the reform of financial institutions, as well as the priority of our Government's response to the Pioneer Trust situation.

CANADIAN WHEAT BOARD—ANNOUNCEMENT OF QUOTAS AND PRICES. (B) WESTERN GRAIN STABILIZATION ACT—ADVANCE PAYMENTS

Mr. Maurice Foster (Algoma): Mr. Speaker, last week I put a question to the Minister of State for the Canada Wheat Board asking when the Government would announce its initial price for grain and the quotas for grain. Traditionally, those announcements were made around the first of March so that farmers, when planting their crops for the year, could make wise and rational decisions based on the information provided by the Minister responsible for the Wheat Board.

When the Minister was a member of the Opposition, he was the first to complain if that deadline of March 1 was not met. The deadline has come and gone; it is now March 18. We want that information for the agricultural producers and grain farmers of western Canada.

There is a great deal of uncertainty this year due to reports that our grain exports will drop by some 25 per cent, from $5.5 billion last crop year to about $3 billion in this crop year. The day after I asked the question of the Minister in the House, a CP report from Vancouver indicated that grain shipments there were very low and over 100 elevator workers have been laid off. The article states:

> Buyers, including the Soviet Union and Japan, are turning to other suppliers, leaving the port without its usual lineup of ships waiting at anchor.
>
> "I've got practically no vessels," said Gary Dewar, a director of the Alberta Wheat Pool. "We've got all kinds of grain, but we've got no sales."
>
> George Hedalen of the Canadian Wheat Board, the federal agency that markets grain, attributed the situation to record crops last year in many grain-exporting countries. He said the strength of the dollar is also driving buyers to Australia, Argentina and Europe.
>
> Mr. Dewar said the Soviet Union allowed its grain contract with Canada to expire earlier this year and has not yet negotiated a new one. The current contract with China expires in July, while Japan, another big customer, is maintaining only minimum purchases under its agreement.

There is a great deal of concern and the Minister's tardiness in making the announcement is only causing that much more concern in the farming community of western Canada.

I suggest there is also a great deal of concern due to the policies of the United States Government which is reducing its support price on loans. There is a fear that the price will drop dramatically, and I believe that Canada should send a strong signal to the producers and the grain trade around the world that we intend to support and encourage our producers.

Although the Prime Minister (Mr. Mulroney) is meeting with the President of the United States in Quebec City, I am disappointed that there is no indication that he took up this important issue that is causing great concern in western grain producing circles.

I think it is important for the Government to announce those prices, the demand and quotas so that grain producers can make rational and wise decisions for the upcoming planting that will start within the next month.

● (1815)

Another concern is that with the drought and the increased input costs and falling land values there is even that much more uncertainty in western Canada and in the grain belt. I hope the Minister will be able to announce those initial prices tonight. I think it is essential that those prices be at least as high as last year. Clearly in-put costs are continuing to rise. Therefore it is essential that those initial prices be held up.

The other point I raised in my question to the Minister was the question of the payment under the Western Grain Stabilization Act. That Bill was not brought into the House until well into the new session. We dealt with it here in less than a day. It is reported that the total payment for the year will be about $1 billion this year. If it is a billion dollars it seems to me we should have an interim payment of at least $700 million so that the farmers who are suffering economically will have those funds available to them for the planting season. I hope the Minister is able to announce in the House, and not shilly-shally around, not only that he is going to make a $700 million interim payment but that he will have those cheques in the farmers' hands within a month so they will be available for that important period of time when they are buying seed, and facing the rest of their in-put costs, all of which have risen during this past year.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I appreciate the opportunity to respond to the Hon. Member for Algoma (Mr. Foster). I think he rises some interesting points. I have to disagree with him on a couple of counts. He talks about the Government shilly-shallying around and wanting the Government to come clean in terms of the date on which the initial payments were announced and the date on which the pre-seeded acreage reports were in the paper.

Let me point out to the Hon. Member that in the last two years—the Hon. Member wanted us to have this out by March 1—the 1983-84 crop year, the initial payments were not announced until April 5, and in 1984-85 the initial payments were not announced until April 13. Two years ago pre-seeded acreage reports were put in the mail on April 20, which traditionally is about 10 days ahead of seeding. That is probably well after seeding starts in southern Alberta. The kicker is, and the Hon. Member is complaining about us not doing it on March 1, last year those reports were not in the mail until May 17. I farm. I have had a permit for 30 years. Basically we had an early spring last year. Seeding was all over by then.

The Hon. Member talks about pre-seeded acreage report. I said last week in response to the Hon. Member's question that it was going to press. We hope to have it finished and out well before the dates—I have just read them to him—that his government, the one of which he was a part, had them out a year and two years ago. The report will not be in the form of a pre-seeded acreage report.

Mr. Foster: You are two weeks late now.

Mr. Mayer: We are two weeks late according to the Hon. Member. Actually, if we did it now we would be about six weeks ahead of what the Liberal government did a year ago.

Mr. Foster: I have the press release. It was April 15 last year.

Mr. Mayer: The Hon. Member indicates he is concerned about what producers are doing. We are certainly looking at making what has come to be known as a pre-seeded acreage report a lot more useful to farmers, because we are putting much more information in it. I hope it is something that farmers will find useful in helping with their planting. It will be out in time to be of some assistance to them in planting their crops.

There is one other thing I would like to point out to the Hon. Member. The Hon. Member asked me in his question, although he did not refer to it today, about announcing guaranteed quotas. I am not so sure he knows what a quota is.

Mr. Foster: Initial quota is what I said.

Mr. Mayer: Let me tell him that the last year it was ever done was in 1980-81 when quotas were guaranteed. He knows, and I pointed this out to him when answering his question, that there is no doubt western producers in particular are suffering a double whammy. At the very time we had low crops the rest of the world had virtually record or near record crops. Whether we like it or not we are very much dependent upon the export market for what we receive for our own products in this country.

One other point in conclusion, if I may, Mr. Speaker, because the Member refers to the Western Grain Stabilization Act payment. We very much appreciate the co-operation of all Parties in the House in passing the amendments. As I said before, and I will say it again, we will have payments in the hands of the producers in the form of an interim payment prior to spring seeding, namely, prior to May 1. It will be as large as we can possibly make it. I do not think it serves any useful purpose to speculate on the amount or to raise expectations and not be able to meet them. This certainly does not help producers as far as buffeting them around. We will make it as large as we possibly can and have it in their hands prior to the first of May.

● (1820)

NATIONAL ENERGY PROGRAM—PETROLEUM GAS REVENUE TAX—STATUS OF NEGOTIATIONS WITH PROVINCES

Mr. Alex Kindy (Calgary East): Mr. Speaker, I rise to elaborate the question I directed to the Minister of Energy, Mines and Resources (Miss Carney) concerning the National Energy Program.

The NEP brought into being in 1980 devastated the oil and gas industry in western Canada, especially in Alberta. That devastating policy was brought in somewhat by design. Up to that period of time Alberta had a thriving economy and things seemed to be going well. Once some of the provisions of the

national energy policy were implemented, especially the one which hurt the industry the most—the PGRT—big and small producers alike, especially the small ones, were brought to their knees. Many rigs left Alberta and crossed the border to the United States. The unemployment situation, which was around 3 per cent in Alberta, rose in Calgary to 13 per cent, 14 per cent and 15 per cent, and the last indication is that in Edmonton the unemployment rate is 15.7 per cent.

This policy was brought in by design by the former Liberal Government. We as Conservatives criticized it and said that we would amend, change and phase out that national energy policy. Negotiations between oil producing provinces and the federal Minister of Energy, Mines and Resources have been going on for a few months. There are indications that they will come to an agreement. It is essential for that industry to be in a position to function like any other free enterprise company in the country. If we look at the PGRT provision, we find that it is discriminatory. It is a front-end tax. It taxes the oil industry on gross revenue and does not take into consideration that the industry first has to make some money before it is taxed. In this way even the consumer is being punished.

I hope our new Government will bring about a change in its taxation policy as far as the oil and gas industry is concerned. That industry is one that can create jobs in Canada. Not only will it create jobs in western Canada, but in central and eastern Canada as well. It is an industry which has a potential for growth. That is why it is important that it function normally.

The oil and gas industry is being singled out, not only by the Liberal Party but also by the NDP. I heard them today in the House criticizing the big fat cats. They forget that the industry has to find the oil, bring it out of the ground, refine it and sell it. It only receives a small portion of the total revenue. For example, the producers' share of a 50 cent litre of gas is only 6.5 cents. That is not too much. If they make any profit, they must pay taxes on that. Therefore, talking about big fat cats is not reasonable.

● (1825)

I hope that the negotiated conclusion will favour the oil and gas industry situated in western and eastern Canada. There are only a couple of weeks left. The negotiations are supposed to be terminated by the end of this month. Let us hope that the Government will have the foresight to allow this industry to function under its own steam.

Adjournment Debate

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I want to thank the Hon. Member for Calgary East (Mr. Kindy) for expanding on his question to the Minister regarding the PGRT. He quite frequently participates in the House and it is a pleasure to reply to the Hon. Member this evening.

I think it is fair to say that this Government has been committed for quite some time to resolving the outstanding federal-provincial energy agreements. This House will remember that our election platform was based on this commitment. As early as June 1984, we presented Newfoundland with a draft of the Atlantic Accord. That was fulfilled on February 11, 1985. The quick and efficient manner in which this final accord was achieved is a perfect example of co-operative federalism. Of course, we are displaying the same co-operative approach with our friends during current negotiations with the western oil producing provinces.

We note the keen interest of Government Members, the Hon. Member for Calgary East being one of them, in the progress of these negotiations. I must reiterate that the Minister said as late as today in the House that negotiations have reached a sensitive point as Governments attempt to unravel a highly complex oil and gas pricing system and assess the impact on government revenues and, of course, the industry itself. To date, the parties to these negotiations have been successful in resolving a number of important issues and they are confident that an energy pricing agreement, which will be beneficial to all parties, will be struck in the near future.

As these negotiations have progressed, the federal Government has demonstrated its commitment to achieving a less complex and more beneficial energy system. This is what the Hon. Member was talking about. We have in place a flexible pricing arrangement for crude oil exports to the United States which, in concert with adjustments made to the National Energy Board's crude oil nominations and licensing system, should minimize the requirement to shut-in crude production from Alberta and Saskatchewan fields in the coming months. The Minister of Energy, Mines and Resources (Miss Carney) regards this federal relaxation of export controls as a significant step toward ultimate deregulation of Canadian crude oil prices and marketing procedures. Additionally, natural gas exports to the United States worth $4 billion last year are subject to flexible pricing arrangements between the buyer and the seller.

I conclude by saying the extension of the existing agreements between each province and the federal Government to March 31, 1985, was undertaken to ensure that the eventual

agreements reached will reflect the best possible meeting of minds on an area of critical importance to the Canadian economy. We on the Government side of the House have complete confidence that this will be achieved. Undue haste or unseemly negotiating in public would not contribute to this objective.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Tuesday, March 19, 1985

The House met at 11.00 a.m.

● (1105)

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NON-CONFIDENCE MOTION—
CANADA-UNITED STATES RELATIONS

Hon. Edward Broadbent (Oshawa) moved:

That this House condemns the Government's failure in bilateral relations with the United States with particular reference to:

1. the failure to obtain an agreement from the United States to make a commitment to early action on its share of environmental damage due to acid rain; and

2. the failure to make specific, that Canada would not participate in any way in the star wars project of the United States.

He said: Mr. Speaker, Canadians and Americans across the border have been witnessing what the media have dubbed as the Shamrock Conference. Some have said that nothing was involved in the process which took place over a 24-hour period in Quebec City but a lot of media hype. Would that this were true. Regrettably it is not. Canadians and Americans have in fact seen what could perhaps be accurately described as the "Shamrock Shuffle", with President Reagan calling the tune and the Prime Minister (Mr. Mulroney) eagerly dancing along, taking us as a nation in an entirely new direction in terms of our relationship with the United States of America.

The resolution before the House, Mr. Speaker, refers to the failure of this Government's bilateral relationships with the United States, with particular reference to the continental problem of acid rain and the immense global problem of President Reagan's star wars project and our link with it. The resolution does deal concretely with these two important instances, but the point I want to make is that what is involved goes well beyond even those two important items in its seriousness.

Our history as a nation can be seen in one sense as one long struggle against assimilation. There has been throughout the time those of us in this Chamber have lived, as well as our ancestors, a tension between the conflicting poles of nationalism on the one hand and continentalism on the other.

It is a very interesting point of Canadian history that the Conservative Party, since Sir John A. Macdonald, on virtually every issue of substance during a time when it was the Government, has been on the nationalist side. Sir John A. Macdonald gave to Canada a new national policy. Robert Borden fought the Liberals of the day on the issue of reciprocity for what he deemed to be the Canadian interest. Bennett in the 1930s produced for Canada the CBC and Air Canada, standing up for what he perceived to be Canadian national interests in a continent which was dominated by the economic power and thrust of the United States of America. John Diefenbaker fought the campaign of 1957 on the issue of Canadian economic nationalism. He talked about the importance of Canadian control in certain key sectors of the Canadian economy. I would add, in relation to what is taking place in Central America today, that it was John Diefenbaker who resisted the pressures from the United States in 1959 to cut off relations with the new Government of Cuba. It was John Diefenbaker, although there was some confusion on his policy in this regard because he was a Canadian nationalist and sensitive to the growing dangers of the proliferation of nuclear weapons, who, in the final analysis, refused to take nuclear weapons for the Bomarc missiles here in Canada.

Now there is a new kind of Conservativism. Since the election of September 4 we have witnessed what I would describe as a decisive shift in the history of the Conservative Party and, so far as they are able to get away with it, in the history of our country. The election of September 4 was the crowning point of the North American neo-conservative continentalist movement that began in the 1970s and scored its first victory in 1980 with the election of President Reagan, and put the icing on the cake with the election of Brian Mulroney in Canada.

[Translation]

What has happened since the election? We have witnessed the impact of the Government's continentalism. First, they terminated FIRA. Then they made cutbacks in funding for the arts. What is the result for the economy? Since September, the Conservatives have simply approved all FIRA applications still pending.

Then came the summit. Two basic issues were on the agenda. First of all, acid rain and the damage it does to our buildings, the air we breathe, the water in our lakes, and our forests. Initially, President Reagan only had a report in mind—

● (1110)

[English]

But, Mr. Speaker, Brian got tough. In the earlier days of negotiations leading up to the summit meeting in Quebec City, he said through his officials: "Ronnie, a report is not good enough. The people of Canada are sensitive to the need for

definite action on acid rain. Therefore I can't, as Prime Minister, go back merely with a commitment to make a report". So he laid down the law. On behalf of the people of Canada he said that rather than having only a report we must do something decisive. We got something decisive: we got a further study.

Over 3,000 studies have been done on the problem of acid rain, but the decisive new leadership that we have in Canada now on the important problem of acid rain tells the Americans that we need 3,001 studies. He went even further. He said: "You appoint an envoy on your side, Ronnie, and we'll appoint one on ours. Of course, we will not give them any mandate to take effective action and we won't give them any budget. We will pay them a dollar a year and they will get a lot of media attention. A year from now they can come back and tell us how much worse the problem has gotten because nothing was done. Then we'll have a look at it again".

I would like to say to the Government of Canada that the people of Canada are fed up with this kind of action. Our buildings are literally decaying. Our beautiful lakes are dying. Our forests are being multilated and our health is threatened. In the face of this they propose another study with an envoy added who will make a report. What an envoy they have selected for Canada, "Mr. Decisiveness" himself, Bill Davis. I want to say something about—

An Hon. Member: Look at his election results.

Mr. Broadbent: We on this side of the House measure success not simply by election results but in terms of principles that people fight for.

Mr. Clark (Yellowhead): Remember the Constitution, Mr. Principle.

Mr. Broadbent: There are a lot of indifferent and uncaring jerks who have been elected around the world. That is not our definition of success.

Let us consider Mr. Davis' record on acid rain. This is the man who is going to stand up in Washington for Canada's interests on acid rain. First consider Ontario Hydro, Mr. Speaker. It is the third largest producer of acid rain in North America. Four years ago Ontario Hydro had a level of emissions reaching 600,000 tonnes. The Ministry of the Environment ordered it to cut this deplorable level of emissions to 300,000 tonnes by 1990. How did this Ontario Crown corporation responsible to Bill Davis' Government respond? Hydro said that it would instal the scrubbers necessary to make this possible, but then decided not to. Consequently, Hydro's production of emissions actually increased last year by an additional 4,000 tonnes. There is a wonderful record of a Crown corporation under the responsibility of Bill Davis!

● (1115)

Let us consider Inco in the Province of Ontario. Inco happens to be the largest producer of acid rain in North America. In 1970, Inco was producing 5,200 tonnes of sulphur dioxide per day. This was increasing health damage to people in this province and indeed in the United States. It was destroying our forests and polluting our lakes with those emissions day after day. What did the Ontario Government do under Bill Davis, that man of decisive action and commitment who is now going to speak to the United States Government on behalf of Canadians? The Government set out its standard in 1970 with the objective that the level of emissions should be reduced to 750 tonnes by 1978. In 1980, two years beyond the target set by the Government, it was producing three times the amount of the level of 2,500 tonnes set by the Conservatives. The Government had approved that level as a maximum, which was to be lowered to 1,950 tonnes by 1983.

The present performance of Inco seems to have made some progress if one considers it on an annual basis and compares it to recent years. However, if we consider the fact that there have been cut-backs in production as a result of massive lay-offs, the limited gains, that are nowhere near the standards set by the Government, virtually disappear.

I have said publicly that there are a number of things that Mr. Davis, as Premier, has done that have been good for the Province of Ontario. However, I suggest to the Hon. Member opposite who raised questions that Mr. Davis is the last person in the world to be fighting on our behalf about problems with acid rain, in this province or anywhere else.

I regret that the Prime Minister, who has talked about the importance of Parliament, could not be here on such a decisively important occasion following the summit. He spent a wonderful 48 hours parading in Quebec City. This debate flows directly from that summit and will involve the Leader of the Opposition (Mr. Turner) and the Liberals as well as our Party. He ought to have been here for this important occasion.

Rather than set up another study calling for another report on acid rain, with an envoy whose credentials are not the best, to put it euphemistically, the Prime Minister ought to have told President Reagan that since Canada is prepared to put up a certain amount of money for this study, the Americans should contribute the same proportionate amount.

While I praise the Government for its decision to deal with acid rain, I am talking about bilateral relations. As I said the other day, the Prime Minister has decided to be a kid brother to Ronald Reagan instead of a good neighbour. He should have told the President of the United States that since his country has produced half of the acid rain problem that exists in Canada, the very least it should do as a nation is put up proportionately what Canada has put up to address this problem. In other words, he should have said that the United States ought to have put up somewhere between $1 billion and $1.5 billion to show the people of Canada that they want to be a good neighbour to Canadians. Such a message by the Prime Minister would have been a demonstration of some kind of Canadian leadership—not to demand more of the Americans but to demand proportionately what we are prepared to do ourselves.

● (1120)

I do not think the ink had dried on the negotiating papers leading up to the statement that was to be made on acid rain before we had an official from the State Department already saying to American journalists: "Don't be taken in, fellas; President Reagan has not changed his position on acid rain at all". There has been no departure in terms of policy for the Americans on acid rain, no change; it was all one massive PR exercise.

It seems to me the Canadian Government realized who it was dealing with when it comes to acid rain. Mr. Reagan has all the sensitivity in terms of the environment that you could expect of a man who said not many years ago when he was a politician in California and the problems of the forests in California were brought to his attention: "When you have seen one tree, you have seen them all". There is a man who is sensitive to the needs of the environment; his name, Ronald Reagan.

I am saying that our approach is not good enough. We should have demanded proportional action, and if we did not get it our Prime Minister could have come back with dignity. He could have said: "I went to bargain with the Americans. I did my best. We have our act together on acid rain here. We asked them to do proportionately what we did, but they said no". " I regret" he could have told us, "that we have decided to agree to disagree. I promised the people of Canada that I will continue with the struggle to get the Americans to pay their way, to do their share and to stop putting their garbage on our side of the fence". He could have come back with dignity even if he had lost the particular battle, as we do from time to time with our strong neighbour to the south, and he would have maintained the respect of all Canadians who are concerned about acid rain. Instead, he attempted to do a great smokescreen exercise, a PR exercise, that is worse than useless because it leaves the impression that something might be done with acid rain when it will not deal with the issue one bit.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I want now to turn to the second part of our resolution, and that concerns the issue of star wars. This brainchild of President Reagan and a handful of his advisers was first launched upon the world a year ago this week, as a matter of fact.

Mr. Deans: Two years ago.

Mr. Broadbent: Two years ago.

Mr. Clark (Yellowhead): That is the first mistake.

Mr. Broadbent: There he is, the master of facts, the Secretary of State for External Affairs (Mr. Clark). We will hear his brave contribution in a minute. A couple of years ago this scheme was proposed by President Reagan. Almost the whole world knows about it now. It is a plan to destroy ICBMs and intermediate range missiles before they reach the target. That is the scheme. It is also a scheme that is likely to involve the spending of some $70 to $100 billion between now and 1993 in the United States, according to the priorities set out by President Reagan.

The important point about this scheme is that it came from Mr. Reagan and a handful of his advisers. It was attacked by the Republicans in Congress. It was attacked by the Democrats in Congress. It was attacked by defence experts. It was attacked by church groups. It has, in fact, been attacked by western allies of the United States, who have temporarily kept quiet, as being either totally irrational as a concept for defence on the one hand, or destabilizing on the other, or both.

John Lamb, Executive Director of the Canadian Centre for Arms Control and Disarmament, when he was echoing a widespread sentiment by defence experts on both sides of the Atlantic Ocean, said this about it:

> It is clear that star wars would severely upset the balance of East-West deterrence.

Even our late and unlamented former Minister of National Defence said last fall in one of the early give-aways that it would "fundamentally change the strategic relationship". If that does not mean it would be destabilizing in terms of East-West discussions in *détente*, I do not know what else it could mean.

● (1125)

The recent debate in Canada has focused on the link between star wars and our own defence policy, particularly with the updating of the DEW line of the North Warning System.

Mr. Speaker: I regret to advise the Hon. Member that his time has expired. He may proceed at this point only with the unanimous consent of the House. Is there such unanimous consent?

Some Hon. Members: Agreed.

Mr. Broadbent: Mr. Speaker, I appreciate the consideration of all Hon. Members of the House. Of course, we will reciprocate in terms of the other principal speakers.

When it comes to discussions of the star wars project and its linkage, or potential linkage, with the updating of our own DEW line, U.S. officials have repeatedly said that there was a linkage. On the other hand, Canadian Cabinet Ministers have repeatedly said the opposite. I would just like to put some of these comments on the record.

On January 16, Secretary of Defense Weinberger said that star wars, if deployed, would have to be backed up by an updated DEW line. He saw a linkage. The former Minister of National Defence, the Hon. Member for Cumberland-Colchester (Mr. Coates), said just about a week later that there was no connection between star wars and the DEW line. Act three—Paul Nitze, key adviser on defence matters in the United States and a distinguished gentleman, said on March 6 that he acknowledged there could be a connection between star wars and the DEW line in the future. Our own Secretary of State for External Affairs, who always has his facts right, then

said: "There is absolutely no connection between star wars and the DEW line". Richard Burt, a man who advises Canadian journalists, in doing what is called a backgrounder on the visit of President Reagan to our country, said: "Oh yes, there is a connection between star wars and the DEW line". Then when a reporter said: "Oh my goodness, the Canadian Government said the opposite", Mr. Burt said: "Oh my goodness, I made a mistake". Of course, the mistake was not what he had said in terms of its actual accuracy; his mistake was an error in judgment—he told the truth and he was not supposed to be telling us what it was all about.

As the Prime Minister always likes to do, I will leave the last word on this matter to President Reagan. Just yesterday President Reagan made an incredible speech, in many ways, on the eve of his departure from Canada. He included the following:

> We look forward to the possibility of sharing new developments in SDI technology with Canada.

He certainly sees some kind of possible or potential link arising from the openness of the Government of Canada, not the people of Canada, toward this project.

Mr. Clark (Yellowhead): You are unbelievable.

Mr. Broadbent: I hear the Minister saying that I am unbelievable.

Mr. Clark (Yellowhead): Yes, indeed. I am prepared to have a referendum on it.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I wish he would get hold of the article released yesterday by Mr. Genscher, the Foreign Secretary of West Germany, who has raised many questions about star wars. If that does not cause him to think a little more, maybe he would look at the one by Geoffrey Howe, the British Foreign Secretary, who is certainly saying one thing privately to other members of NATO which expresses his serious concern about the star wars initiative and indeed is saying things publicly which express a great deal of concern about the project. We would like to see this coming from the Government of Canada, not simply from Great Britain and West Germany.

The points are very clear. Star wars is a destabilizing concept and initiative. It was opposed not only by Canadians; it was opposed, to his credit, by Walter Mondale in the United States. It has been opposed by many defence officials in the United States. It has been opposed by men and women around the world who want the Soviet Union and the United States to start de-escalating the armaments race instead of getting it going on an even higher track. The Government of Canada either has to be naive about this or misleading, or both, and the people of Canada can make their judgment. In either case, the people of Canada do not want any connection with the star wars project.

• (1130)

I want now to conclude my observations. I say as a person who has spent some time studying Canadian history and has just made a very brief reference to virtually every Conservative Prime Minister since Confederation, that there is a new drift. There is a clear departure from the past Conservative traditions. I say that this continentalist drift that is under way must be stopped.

Canadians do want to be good neighbours. We do want to be good friends. However, we recognize seriously that while our destinies are indeed connected, we must continue the struggle of our ancestors in this nation to build on our part of the continent a nation clearly linked by history and geography with our American friends and neighbours, but a nation clearly in command of its own political, military, economic and cultural decisions. Previous Conservative Governments in our history have understood that, in the final analysis, maintaining good relationships between neighbouring nations of unequal power requires constant vigilance on the part of Canada. It requires independence of thought, action and program. The new Conservative Government either does not understand this or, more alarmingly, does not care. The new Conservative Government has embarked upon the most radical change in Canada-U.S. relations in this century.

Misunderstanding the nature of loyalty, it is forgetting, as Escott Reid pointed out in a moving article in today's *Citizen*, that the loyal ally must at times oppose with all its determination the particular policies of its neighbour. Misunderstanding our own real cultural, economic and defence needs, the Conservative Government is prepared to leave us adrift on the tumultuous North American seas in the naive hope we can survive without a chart. Misunderstanding its obligation to provide confident leadership to Canadians, the new Government has decided to follow an American President. I urge strong support for the motion before the House.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker—

An Hon. Member: Act two.

Mr. Turner (Vancouver Quadra): I do not know whether the crowd will stay for the third act.

Mr. Lawrence: What crowd?

Mr. Turner (Vancouver Quadra): The Hon. Member for Durham-Northumberland (Mr. Lawrence) points out that the Conservatives are huddled around their Minister to try and give the appearance of some cohesion for the television cameras.

I have observed with great interest, as has the Hon. Member for Oshawa (Mr. Broadbent), the events of the last weekend in Quebec City. One is always pleased and gratified to see written another chapter in the long and friendly history of relations between Canada and the United States.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): One must look carefully in order to assess the real importance of these meetings for Canada. What are the real and tangible achievements for the country? How significant are they?

I would like through you, Mr. Speaker, to congratulate the Prime Minister (Mr. Mulroney) on having been in exceptionally fine voice on Sunday night. He, as you well know, Sir, is second to none in public life in his ability to carry a tune, but I want to echo what the Hon. Member for Oshawa has said. I would have thought that, having represented this country in imperial, almost presidential style over the weekend, he would have been here in the House of Commons to reply to the motion of the Hon. Member for Oshawa.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I grant that in strict jurisdiction, the Secretary of State for External Affairs (Mr. Clark), who is here with his small, carefully huddled coterie behind him, has jurisdiction over the debate, but the Prime Minister should be here. I want to draw to the attention of Your Honour that the Prime Minister has not participated in a debate in this House of Commons since Leader's Day at the opening of Parliament. It is all very well to have the photo opportunities with the new presidential seal. I suppose the reason he does not want to come in here for debate is that he cannot put that seal, under our rules, on his desk to speak. It has been tried before.

One is left wondering if there was not in all the events of last weekend somewhat less than might have met the eye. There was surely an event programmed primarily, in the words of a former President of the United States, to play in Peoria—Peoria, Illinois. My question is will it work in Weyburn, Saskatchewan? Will it resonate in Rimouski, Quebec?

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I have looked over the lists of the so-called agreements arising from the singing summit, and I would say that had there been another duet at the close of the meeting—and I am not surprised there was no encore—the song would not have been "When Irish Eyes are Smiling", but rather another well-known song, not Irish but American, "I Got Plenty of Nothing".

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): From the attitude of the Government, the second line of that song would have been especially appropriate, and I wish the Prime Minister would have broken off into one of the well-known solos of his. That second line is "And nothing's plenty for me". You got it, Mr. Speaker!

In a more serious sense, with the greatest respect, we have witnessed in the past two days another example by this Government and this Prime Minister of what I call cosmetic politics where appearance takes precedence over reality, style over substance and package over policy. It is an approach to government that seems directed more by desire to placate, a need to please, an urge to be loved, than the ability to order priorities and a willingness to make choices.

There is no doubt that in an increasingly dependent world, Canada and the United States enjoy a special, unique relationship. Many would say that that relationship is not only unique, but historically very special, and I agree. Our two countries share similar values, many interests and, while geography has made us neighbours, as the late President John Kennedy used to say, history has made us friends. We do not, however, share every interest. There are differences and they too are real and important. Underlining those differences should not be interpreted as traces of anti-Americanism, but as a real regard on behalf of the people of Canada to exercise our own priorities and our own preferences.

With respect to what President Reagan wanted for last weekend's meeting, what did he want? Clearly he wanted a continuation of what he had already got from this Government over the last six months—the abolition of FIRA, the dismantling of the National Energy Program, a renewal of our Radar Distant Warning System in the North, whether it is part of star wars or not only history will judge—

Mr. Clark (Yellowhead): Lloyd Axworthy has already judged it.

Mr. Turner (Vancouver Quadra): We have an amendment where we have taken our judgment because we believe what has happened, but you have not shown us—more Canadian troops for NATO; more study but no action on acid rain; and an example in Canada that the so-called nuclearology, and I am using American words, does not extend from New Zealand to North America.

• (1140)

We know what the President wanted because he told us. We know what he obtained. He obtained some of those things he perhaps deserved, and I do not criticize all of them in all of their aspects. But the question before this House is, what did we get? What did Canada get? For that matter, what did we want? We were not told what it was we wanted. We never saw the agenda. We in the House were never given a statement regarding Canada's priorities. Perhaps we should have wanted real and tangible progress on trade relations, but clearly the Government has not got its own act together regarding how far it wishes to go with the United States on free trade. Our country was not in a position to push this matter.

We on this side of the House, members of this Party, are in favour of enhancing and advancing our goal of better neighbourhood. We are in favour of improving our trade relationships and exploring new relationships with the United States in a way that does not yield or sacrifice our Canadian manufacturing base or employment base. Those things are vital for jobs.

If we had a choice of neighbours, looking around the world, who would we rather have as a neighbour? Would we rather

be situated beside the Soviet Union or Mainland China? We are situated beside the most friendly group of people on the face of the earth and a great neighbour, I concede that. The point is that that relationship is an overwhelming one. Every Prime Minister of the country has had an opportunity to describe it. Yes, let us go for more trade but not at the expense of the independence of our foreign policy, the independence of our defence policy, our political sovereignty, our economic integrity or our cultural integrity. That is what worries us.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We feel that those principles might well have been breached over the weekend in Quebec City. Who was the big winner? I suppose I would put St. Patrick, the patron saint of Ireland, first. He was the undoubted winner.

The Prime Minister loves to weave tales about his modest upbringing as the barefoot boy from Baie Comeau. He likes to recall to his official biographer how he once sang for the then publisher of the *Chicago Tribune* who came to Baie Comeau to inspect his fiefdom, the Quebec North Shore Paper Company. The Prime Minister, as young Brian, used to sing American-Irish ditties for the colonel for which he would receive the odd $20. Well, the Prime Minister was singing for his supper again over the weekend. He is still singing.

The Prime Minister had his cap in hand. As a matter of fact, "Cap" got out of hand, did he not? The Minister of National Defence (Mr. Nielsen) and the Secretary of State for External Affairs had a lot of trouble with "Cap" until they finally got his CTV interview straightened out.

In any event, there was such a great atmosphere at the meeting. It is too bad it had to be interrupted by a bit of work. Not much work was done but some business got taken care of. There were advance press releases just to loosen up the party so they could have a good time. I am sorry the good time had to be interrupted by two hours' work.

The Prime Minister did a lot of preparatory work in order to get a deal on acid rain. He began by saying the kinds of things the U.S. administration loves to hear. He seems to think that the United States Government could make a case for taking no action. He told U.S. officials that our record on acid rain was not as good as theirs. He said we had to go to the table with clean hands. We on this side of the House have dealt with this matter before. My colleague, the Hon. Member for Davenport (Mr. Caccia), has dealt with it very explicitly.

The Prime Minister threw our cards away before he ever got to the bargaining table. Never mind that we had a program to reduce sulphur dioxide emissions by 25 per cent by 1990 and 50 per cent by 1994 and the U.S. had no such program. Never mind that the United States produces 19.6 million tonnes of nitrous oxide per year while we produce only 1.7 million tonnes. The Prime Minister gave the President of the United States an easy way out. He threw away our bargaining chips before he ever got to the table.

After laying that solid groundwork, the Prime Minister did try to recover. In preparation for the Summit meeting, the Minister of the Environment (Mrs. Blais-Grenier) announced a plan to spend $300 million over the next 10 years to combat acid rain. The Hon. Member for Oshawa has been very explicit with respect to acid rain. Real progress in this area is measured by the definition of standards as goals. It is measured by agreement on regulations to promote those goals and the expenditure of money to meet those standards. We did not get any of that. Instead, we got special envoys and we will have more study and more talk.

We will have another year of Bill Davis, Mr. Environment himself. I will not repeat the words of the Hon. Member for Oshawa, but how about the record of Ontario Hydro? How about the record of Inco? With that sense of patriotism, a $1-a-year man who is probably overpaid at that—

Mr. Broadbent: Yes, 99 cents overpaid.

Mr. Turner (Vancouver Quadra): I would like to know from the Secretary of State for External Affairs what commitment the Prime Minister received from William Grenville Davis in terms of time. How much time will he dedicate to this particular enterprise?

Mr. Broadbent: He can do it in Florida.

Mr. Turner (Vancouver Quadra): He can always discuss the matter over baseball training with the Blue Jays in Florida. The Secretary of State for External Affairs just nodded, indicating that he would like to join that particular enterprise.

[*Translation*]

Mr. Speaker, we also support the second part of this motion which concerns the position of the Progressive Conservative Government on the American star wars project.

However, I would like to make it clear that unlike the New Democratic Party, we believe in the need for solidarity with our NATO partners. We are not in favour of Canada's withdrawing from this organization. We are not isolationists. We are committed to our allies. We support the terms of this motion, but our support is not unqualified. However, although our approach is entirely different from the approach taken by the NDP, it also differs from the perspective taken by the Progressive Conservative Party.

[*English*]

We believe in supporting our friends and we believe in honouring our obligations. Of course, we will give our friends the benefit of the doubt. However, being a friend means having the courage to tell a friend the truth in times of stress regarding areas in which there is no doubt. We believe in speaking out to both superpowers regarding constructive dialogue in the search for an end to the arms race. This is why we suggested in an earlier amendment that the Strategic Defence Initiative be put on the agenda at Geneva for discussion between the two superpowers.

With regard to the Strategic Defence Initiative, or star wars, endorsed by this Government in its final communiqué, it means from our point of view telling our friends that there can be no more destabilizing element in the peace negotiations or in the escalation of the threat of confrontation than that particular initiative of the United States. That is why we want it on the agenda.

The Prime Minister has said that this view is anti-American. He knows nothing could be further from the truth. What is the connection between this and the new North Warning System and the possible deployment of nuclear weapons on Canadian soil? We were not shown the treaty. We were not allowed to discuss it. The Minister of Defence refused to appear before the committee. We are getting three clear answers from the Government: yes, no and maybe.

My friend the Hon. Member for Oshawa has referred to the various statements of Ministers and of the Prime Minister. I need not repeat them. What is said depends on what day of the week it is and on whether it is said in the House, outside in a scrum or in the luxury of those new refurbished offices. It depends on the Minister to which one speaks and whether or not he cleared his comments with "Cap", the United States Secretary of Defence. If he has not cleared his comments with "Cap", it depends on whether or not he has managed to get a restatement of those comments from the United States Secretary of Defense in time.

On a broader subject but still relating to the motion, successive Liberal governments have made our relationship with the United States the greatest economic relationship in the world. Americans are not only our best friends, they are also our best customers. However, it is a partnership. It is a mutual relationship of client, customer and merchant. It is an equal relationship. Americans are not only our best customers but, as we never hesitate to remind them, we are also their best customers.

As I said earlier, I believe we should improve our sense of neighbourhood. We should enhance our trading potential with the United States but never at the expense of our sovereignty, the independence of our foreign policy or our economic and cultural integrity.

• (1150)

I want to say that the shopping list which was attached to the communiqué was obviously designed to protect this Government from not having included a particular item on the agenda. In 1984, the level of our bilateral trade was more than $150 billion across the board. Canada enjoyed in 1984 a record trade balance with the United States of $16.6 billion. I want to underline to you, Sir, and to the Government, that this trade surplus was achieved at no expense to Canadian sovereignty and without concessions in defence and in our environment.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): What we want to know is how the Government plans to build on that achievement. As a result of the meeting in Quebec on Sunday, Canadians are really no closer to knowing what the Canadian Government will do to gain new markets in the United States. We are no closer to exploring avenues of enhanced trade with the United States. Primarily, I suppose, that is because although the President may have been willing to open up the borders completely, we do not know what the Government's position is. We do not believe the Government has a position and we would like to some day hear what its position is. In order to protect jobs in Canada's vital industries, in manufacturing as well as in our resources, Canada must seek to enhance that trade with the United States and, indeed, with every country.

Speaking as the Hon. Member for Vancouver Quadra, I am particularly concerned with the Pacific Rim. But what did we get from the summit conference, from those two hours of paltry meetings? We got only a promise of more study. The time for Mr. Reagan to further open trade with Canada is short. There is new protectionism in the United States in the Congress, and even though the President may be powerless to resist by the time his mandate starts to run out, the President is now enjoying the full flower of his massive victory in the electoral collage. But his time will run on and his influence with the Congress will increasingly diminish. I think every Hon. Member in the House will know how that happens. The President may be powerless by the time the Prime Minister has gotten his act together and has come up with complete measures to help us in the Congress.

There is a fundamental gap in the thinking of the Prime Minister. He says proudly that the President will go to bat for Canada with Congress. We understand what he means. Americans certainly understand what he means. But I feel that the Prime Minister has struck out. I believe the Prime Minister does not understand the American system, the separation of powers, the independent jurisdiction of the Congress. It is the Congress which is threatening our steel industry. It is the Congress which is threatening our lumber exports. I want to tell Your Honour that this is why the President, wearing a green tie, said—and I enjoyed the remark—"Prime Minister, I am green with envy at your majority in the House of Commons". So am I, as a matter of fact.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Why did he say he was green with envy? Because he knows that whatever this Government finally decides to do, if it decides to do anything, it can impose on this Parliament. But the President of the United States does not have that power. Here is the gap in the thinking of the Prime Minister. We throw the cards away—FIRA, defence, the environment, foreign policy, the National Energy Program—and we hope that the President will be able to influence the Congress. We should deal with the Congress before we throw those cards away.

It was a great weekend, Your Honour. The summit conference has taken place. You are sitting in a green chair. The bands have stopped playing and—I don't know whether Kipling wrote these words—"the tumult and the shouting died"

for this particular exercise. But the real issues remain. There is an agenda between our two nations which is still largely unaddressed. I would point out to Your Honour that in the real world of international affairs, even between the best of friends the celebration is the culmination of a successful negotiation. The celebration, the blarney, the good fellowship, the song, should never be a preamble. The negotiations have not been concluded. We have not achieved a great deal. I want to say that while the summit conference was indeed great "show biz", the Government did not deliver for the country.

It is for this reason that we support the tone of the motion of the Hon. Member for Oshawa. We would, however, like to make it a little more explicit, so I add this amendment—

[*Translation*]

—seconded by my colleague, the Hon. Member for Saint-Maurice (Mr. Chrétien):

[*English*]

That the motion be amended by deleting all of the words after the word "rain" and by adding the following:

", and by allowing a one-year moratorium before any concrete action is taken by the United States despite the express wish of millions of Canadians and Americans; and

(b) the failure to make specific that Canada would not participate in any way in the star wars project of the United States and, especially, the failure to obtain ironclad guarantees that no nuclear arms will be stationed or deployed in Canada.

Mr. Speaker: The question therefore before the House is the amendment. The Hon. Secretary of State for External Affairs (Mr. Clark).

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let me begin, if I might, by saying to the Leader of the Official Opposition (Mr. Turner), as someone who has suffered through that position and knows all of its delights and limitations, that I thought he delivered today a very amusing and careful speech. Indeed, at times I thought it was even a slightly wistful speech, and I can understand that. I was particularly pleased to hear his remarks about the relations between Canada and the United States. I can only say, Mr. Speaker, that if he votes today as he says he believes, he will vote against the motion and in favour of the very successful summit conference which was held on the weekend between the President of the United States and the Prime Minister of Canada.

I should make two comments about the observations which were raised by the Leader of the Official Opposition. First, I would simply make it clear to him again, as I have tried to do before, that the question of weapons in space is already very much on the agenda at Geneva. I am pleased to hear his words about that important question again. I can assure him that we in the Government, as any concerned people throughout the world, hope that progress might be made on the question of weapons in space in the Geneva negotiations.

My second point has to do with the question of guarantees that there would be no nuclear arms stationed on Canadian soil. I was rather surprised to hear a Liberal Leader use again the phrase "iron-clad guarantees". I did not think he would have the nerve to use that word after Marc Lalonde. However, the word is back in the Liberal vocabulary. I can assure the Leader of the Official Opposition, as I have assured this House of Commons on several occasions previously, that under agreements which he knows well there is a guarantee, there is a commitment, that any Canadian Government would have the right to refuse the stationing of nuclear weapons on our soil, and that this Government, if we believe that to be in the interests of Canada, would refuse the stationing of nuclear arms in Canada.

Some Hon. Members: "If".

Mr. Broadbent: If.

Mr. Clark (Yellowhead): The word "if" is raised, and raised with particular force by the Leader of the New Democratic Party. Yes, we expect to exercise our judgment. That is what a Government of Canada is all about. We will not be motivated by blind anti-Americanism, as is the Leader of the New Democratic Party. His mind is made up. He says, "If, if, if", and I recall the attitude he adopted during the great constitutional debate, a debate which spoke to the history and the nature of this country. Indeed, it was a debate which put to the test the degree to which he would respect or betray the interests and wishes of the people of western Canada who had sent the great majority of his caucus here to the House of Commons. He said "if, if, if," until the question became clear and then he cut and ran. He buckled and betrayed his Party, western Canada and Quebec, and showed his colours.

• (1200)

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We heard in the speech of the Leader of the New Democratic Party (Mr. Broadbent) a familiar recitation of what we already know. He does not like Bill Davis. He does not like Ronald Reagan. He does not much like the American people.

Mr. Broadbent: Did you listen to the speech?

Mr. Clark (Yellowhead): So he expressed that sentiment again and again and again, as he has done time and again in this House and across the country. Indeed, he followed a quite disturbing pattern of distortion. He misquoted so often it was difficult to keep count. He misquoted me, he misquoted President Reagan, he misquoted Assistant Secretary Burt, he misquoted Ambassador Nitze and Secretary Weinberger. He quoted Mr. Genscher and Mr. Howe out of context. Indeed, he misquoted almost everyone who has spoken on this. But he knows better because the record is there and the Leader of the NDP, for whatever purpose, is deliberately distorting the record of what was said.

I think his purpose is clear. The Leader of the NDP will do literally anything for a headline. Just last Friday, for example, he associated me with the tragic death of the security guard at the Turkish Embassy. That won him a headline.

Mr. Broadbent: I wrote the headline, did I?

Mr. Clark (Yellowhead): That won him a headline. Just days before, seeking other headlines, he quoted half the statement of U.S. Assistant Secretary Richard Burt. He did not quote the whole statement. He would not quote the whole truth. That, Sir, is a shoddy standard for the Party of Woodsworth, Caldwell and Douglas.

Some Hon. Members: Shame!

Mr. Clark (Yellowhead): Many of these issues, particularly modern defence issues, are complicated and troubling. There is room for honest difference and there is a need for honest debate. That is why I brought the proposal for the North Warning System before a committee of this House for examination, the first time that had been done.

Ms. Jewett: For 64 minutes.

Mr. Clark (Yellowhead): That is why my officials and I stayed in our place, but the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) was not in hers. That is why officials and I stayed in our place in committee until the committee chairman received no more questions. That is why I recommended and have undertaken to have the renewal of Norad studied by that Committee, starting a full year before the deadline. That is why we are preparing the first parliamentary review of Canada's international relations in Canada's history.

There is no precedent for bringing Parliament into the debate like this. It has never been done before. However, if I have a duty, as I believe I have, to invite debate, then I believe Opposition Parties also have a duty, a duty to respect the facts, contribute genuinely to the formulation of policy appropriate to our modern sovereign country, and a duty not to abuse positions of trust in this Parliament by creating false fears.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Now, Sir, we have had a most successful summit at Quebec.

Some Hon. Members: Oh, oh!

Mr. Broadbent: What did we get?

Mr. Axworthy: Now there is a misunderstanding.

Mr. Speaker: Order, please. In fairness, the previous two speakers were listened to.

Mr. Clark (Yellowhead): Mr. Speaker, it is perhaps important to make the point in this House, where the Government enjoys, as the Right Hon. Leader of the Opposition noted, a substantial majority, that this is not the first time the issue of relations between Canada and the United States arose in Canada. It arose during the election campaign. The undertaking to improve relations between these two free and sovereign nations was a major part of the election campaign. It is a question upon which Canadians cast their judgment. They did so in favour of a significant improvement in relations between Canada and the U.S. The summit is a demonstration that we are meeting our commitment to the people of Canada significantly to improve relations between the two free sovereign nations which share the northern half of this continent. That is being done in a way which fully serves and fully advances Canadian interests—I will elaborate on that later as will other Ministers—and which enhances Canadian sovereignty. My colleague, the Minister of National Defence (Mr. Nielsen), the former Member for Yukon, recalls—

Mr. Turner (Vancouver Quadra): Former?

Mr. Clark (Yellowhead): Excuse me, the perpetual Member for Yukon, recalls—

Mr. Axworthy: He now represents Alaska.

Mr. Nunziata: You are the former Prime Minister.

Mr. Clark (Yellowhead): I just heard an intervention from—what is Mr. Nunziata's riding?

Ms. Copps: York South-Weston.

Mr. Clark (Yellowhead): York South-Weston. Well, we are all better off not commenting on the Hon. Member for York South-Weston (Mr. Nunziata).

When the Deputy Prime Minister and Minister of National Defence first came to this House as the Hon. Member for Yukon, he took with him on a trip once into the north of Canada the then Minister of Northern Affairs regarding an agreement which had been signed at that time. Under the terms of that agreement, as the Minister has made clear before, the state of our sovereignty was so weak Canadian Ministers had to seek the permission of American officials to have access to joint facilities on our soil. This agreement on the North Warning System, and indeed the spirit which has inspired the preparation of this summit, says we have had enough carelessness about Canadian sovereignty. It is time now for this country to affirm and advance our sovereignty. It is written into the North Warning System, as it was not before, and it inspires all of the actions followed by this Government in taking note and taking advantage of the fact that there has been a maturing of Canadian self-confidence over the years. We are now able, more able than we might have been before, to stand as equals with our friends the Americans and not live always in perpetual fear of them. We are our own people and this Government is prepared to admit that fact and act on it with pride.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I think it is important to note—and the Right Hon. Leader of the Opposition made reference to this, perhaps wistfully—that the personal relationship between the President of the United States and the Prime Minister of Canada could not be better. That can and will pay important dividends for Canada. It already has and it will in the future. It is clear now, if it was in doubt before, that on the great issues of freedom which are a source of division in the

world, Canada is not neutral. We are renewing our partnership with the U.S.A. on a number of fronts. We are reasserting our membership in, and commitment to, the North Atlantic Treaty Organization.

There is clear evidence of strong public support for this approach. It was clear in the most recent public opinion polls. It is clear, I would judge, when Members of Parliament from all Parties go home and speak frankly with their constituents. As I will be saying again later, we believe this fact will give Canada a much more credible place and role in international affairs.

As my colleague, the Minister of the Environment (Mrs. Blais-Grenier), will be saying later today, we have broken in this summit a three-year deadlock on acid rain. We have established a political process to provide a political result. A common problem, Sir, requires a common solution. The problem is not at the scientific level. It is not even at the environmental level. It is at the political level in the United States of America. We believe that the artistry of two powerful political personalities with influence and access to the leaders of the nation will help mobilize the necessary political consensus in the U.S. to get results.

• (1210)

That is what we are after. That is what we have been doing. Without a joint process we will never get results. That is where we were before Quebec. There was no movement. There were no results. That is why what has happened on acid rain marks a significant step forward for Canada, the United States and all of those who are concerned about the safety of our lakes, our livelihood and the fight against acid rain.

[*Translation*]

Mr. Speaker, we must not forget that the success of this meeting in Quebec City is also due to the fact that the meeting took place in the "Vieille Capitale". The Quebec summit is both a Canadian and international achievement and was held in Quebec City, which has a very special character all its own.

During the past decade, the international news on Quebec centred mainly on the state of discord within the Canadian family. The summit has changed all this. It has revived Quebec City's international reputation as the city where Roosevelt and Churchill met and where the UN Food and Agriculture Organization was established. It has also revived Quebec City's international reputation as a Canadian city that is proud of its distinctive character.

For years, Ottawa has treated—

Mr. Chrétien: What about Montebello?

Mr. Clark (Yellowhead): We are hearing a voice from the past, the voice of the former Minister, the voice of the architect of a policy directed against Quebec, a policy that resulted in a dramatic rift within this country.

Mr. Speaker, for years Ottawa has treated Quebec with contempt. The message at the time was clear: if anything important was to happen in Canada, it would happen in Ottawa. Times have changed. The Government is treating the people and the Government of Quebec with respect as full-fledged members of our Canadian family. And when important events are scheduled, we have no hesitation in showing our pride in Quebec, and in showing that pride to the whole world.

The summit symbolizes the fact that Quebec is part of the Canadian family, that it is respected and unique, a source of pride and vitality. President Reagan recognized this yesterday in his speech. It is too bad that the NDP has immediately taken this opportunity to censure the Quebec City summit.

[*English*]

The Leader of the Opposition made reference specifically to questions of trade. They are obviously questions of deep importance. In the communiqué of the summit there is a declaration on trade which reflects the strong personal commitment of the two Leaders to create a more secure, predictable environment for trade.

More specifically, I will go over the points that have been agreed to at the summit and their importance to Canada. There is a specific commitment by the President and the Prime Minister to halt protectionism on cross-border trade in goods and services. I will deal with that for a moment, just in passing, to elaborate on the importance of that to Canada.

Members of the House will know, to our apprehension, of the crises that we have faced in recent months with regard to copper, steel, saltfish, softwood lumber and a growing list of products. There are protectionist forces growing in the United States. The International Trade Commission in that country has to approve applications for what is euphemistically called relief, but what means protection in the United States. The applications to that commission doubled in 1984. There is a trend at work which will be dangerous for Canada unless it is stopped.

The Leader of the Opposition suggested that the President does not have, or may lose, the power to help Canada in that regard as his term progresses. In Quebec this weekend the President of the United States affirmed clearly and specifically in writing that he is going to use that power to help Canada be safeguarded against protectionist sentiments in the United States of America. That means jobs and security and a greater sense of growth and possibilities in this country. That is an agreement and commitment which should be celebrated by all Members of the House who genuinely care about jobs in the Canadian economy.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): There is an agreement that there will be measures adopted to enhance access to each other's markets. A program has been launched to carry on the exploration for a means to facilitate and increase not only trade but also investment. This is highly important and I think

the Leader of the Opposition would understand this even if the Leader of the New Democratic Party would not. There has been a stronger and clearer commitment on the part of both countries to work together for a stronger multilateral trading system and to use the combined influence of Canada and the United States, working with other countries in the world, to strengthen and protect the multilateral trading system.

There has been a commitment to reinvigorate Canada's role in defence, and thereby to strengthen our control of our own defence. There have been attempts again today to pretend that the North Warning System somehow involves Canada in the Strategic Defence Initiative of the United States. That, Sir, is false. The question will be raised as to what guarantees there are that the North Warning System will not somehow be changed to serve other purposes. There are these guarantees. First, we wrote into the agreement a guarantee of sovereignty, an expression of Canadian sovereignty that was not there before. We have the guarantees of consultation. We have the long-standing and reaffirmed guarantee that before there is any action taken that would affect Canadian policy there will be the right of the Canadian Government to decide. That is clear. That was reaffirmed. That is a protection against the transformation of the North Warning System into any other kind of system.

The fear that is expressed is that somehow or other this radar system would be transferred into a part of the Strategic Defence Initiative. That is simply impossible. It is technically impossible. We are talking about an earth-based system modernizing a 25-year-old radar network. North Warning has no capacity or capability against ballistic extra-atmospheric missiles.

Mr. Axworthy: But it complements it.

Mr. Clark (Yellowhead): It can be used only against Cruise and manned bombers.

Mr. Axworthy: Why don't you use your head? Don't be so stupid. Don't be so silly.

Mr. Clark (Yellowhead): It is technically impossible to do what the Member for Winnipeg-Fort Garry (Mr. Axworthy) and others are trying to create fear in Canada about. It is technically impossible.

Some Hon. Members: Hear, hear!

Mr. Axworthy: You are a dummy. You guys better start thinking. You've got your head in the sand.

Mr. Speaker: Order, please. I regret to inform the Hon. Secretary of State for External Affairs that the official time has expired. He may proceed with unanimous consent of the House.

Some Hon. Members: Agreed.

Mr. Axworthy: His time expired long ago.

Mr. Broadbent: It's terrific entertainment, keep going.

Mr. Clark (Yellowhead): Mr. Speaker, I appreciate the courtesy of the House. I have just outlined the facts that make it impossible for the North Warning System to become part of SDI. I know that facts can always be ignored or can be given a false and sinister twist. You can create fear about anything. You can create fear about fluoride in the water. You can create fear about Margaret Laurence being taught in the schools. You can create fear about radar in the Canadian north. In the face of arguments like that it is fair to ask precisely what the Opposition Parties would do to replace a northern radar system that has holes in it.

Some Members of Parliament, particularly the Member for Winnipeg-Fort Garry who likes to speak from his seat and to interrupt debate in the House, have suggested that we should leave this system for further study. It has been studied for nine years.

Mr. Kindy: So has acid rain.

Mr. Clark (Yellowhead): The Senate committee said in a report that the present system would allow the Soviet Union to fly bombers, largely undetected, into the heart of North America and to launch an attack virtually without warning against command and control of our communications centre. That is the situation which exists now. No one seriously disputes that. So people who ask for more studies are asking that the holes in our north grow larger. What would they do about these large holes in our north? Would they ask the Soviets to please not send missiles or their bombers until we finish our study? Or would they ask the Americans to look after our north for us? To do the first is to sacrifice our security. To do the second would be to sacrifice our sovereignty.

• (1220)

This is not a lecture series to the Socialist International. We are talking here about Canadian sovereignty and Canadian security in a world where deterrence is the best defence. Deterrence requires warning. If the warning does not work, the system does not work and the temptation is larger for missiles to be shot through the holes in our roof—missiles whose targets would be Canadian cities and Canadian individuals as well as American cities and American individuals.

No one in the House likes to think of missiles being fired at any target. But missiles exist—Soviet missiles targeted at us and western missiles targeted at the Soviet Union. Until we find a way to remove them we must find practical ways to discourage their use. The system of mutual deterrence works. None of the missiles has been fired precisely because it was known that warning systems would warn and allow deadly retaliation. This world is dangerous enough. We should not increase the danger by weakening the warning system that deters attack.

We have in this agreement a commitment to strengthen political level consultation on all security issues; on defence issues, on arms control issues, on defence economic co-opera-

tion. We are being consulted closely. We have stressed the importance of those consultations for alliance solidarity.

We are a full partner in NATO and, as the declaration underlines, the strength of our alliance rests on the "unique and individual contributions of its sovereign members in the pursuit of our common goal of peace with freedom". We do not intend to behave as some kind of a bystander in NATO. We seek to enhance our influence in NATO councils and we are doing just that.

Some Hon. Members: Hear, hear!

Ms. Jewett: Just what Reagan wanted.

Mr. Clark (Yellowhead): We have, as a specific result of this summit, improved defence economic co-operation, strengthening existing arrangements, reducing impediments, stopping the erosion that has occurred. We have important statements regarding arms control, statements strengthening joint research—

Mr. Axworthy: Reagan was very good.

Mr. Clark (Yellowhead): —references to multilateral arms control forums as well as bilateral.

Mr. Axworthy: Reagan was great on that.

Mr. Clark (Yellowhead): I would hope that Members of Parliament who profess to be interested in these questions would read with some care the declaration.

Mr. Axworthy: You sure had an influence on Reagan.

Mr. Clark (Yellowhead): In this communiqué we have a statement on the adherence by Canada and by the United States to the ABM Treaty that I think should be noted with care by Members of the House. I want to read that portion of the declaration signed by the President and the Prime Minister:

> In this regard, we agree that steps beyond research—
>
> In strategic defence initiative:
>
> —would, in view of the ABM Treaty, be matters for discussion and negotiation.

Mr. Axworthy: Just like this weekend when we gave everything to Reagan.

Mr. Clark (Yellowhead): That solemn commitment should make clear—

Mr. Axworthy: Negotiation on our knees? Is that the idea?

Mr. Clark (Yellowhead): It is increasingly difficult, even for as practised a parliamentarian as me, to be able to make the point that I believe needs to be made in the face of constant interruptions, particularly from the Member for Winnipeg-Fort Garry (Mr. Axworthy). I can only conclude that he does not want to know what has been agreed. I can only conclude that he does not want to know the facts.

He has been concerned in the House, for whatever reason, about the degree to which there would be adherence to the ABM Treaty, about what might come from the Strategic Defence Initiative. He has an undertaking, written and signed by the President and the Prime Minister, that indicates the prominence and the central role of the ABM Treaty in this question.

We also have in the statement a very important Canadian addition and flavour with regard to regional conflict, with the encouragement and support of the strengthening of multilateral and international mechanisms for the peaceful resolution of disputes, promoting, as the communiqué states:

> Each by our distinctive contributions, the social, economic and political development essential to the achievement of a stable and enduring peace.

That is consistent with traditional Canadian policy and attitudes toward regional conflict.

These are advantages that are tangible and well known. They were won by the summit at Quebec. Some of them may have a dramatic impact on vital Canadian issues; on jobs, trade and on the very life of our lakes and our forests.

But already the argument is being made that in exchange for these tangible advantages to Canada, friendship with the United States somehow costs us influence; influence with developing countries—

Mr. Broadbent: Who made that argument, Joe?

Mr. Clark (Yellowhead): —or with the Soviet Union, influence in Europe, influence with international organizations or elsewhere.

Mr. Broadbent: Who said that?

Mr. Clark (Yellowhead): Before accepting that simple black and white view of the world, I invite Canadians to examine two kinds of evidence. First, in reality, did the fact that our relations with the United States were strained give us any extra influence elsewhere? Canada has historically been able to take advantage of our influence as a non-colonial, respected middle power. That tradition was begun when no one questioned our friendship with the United States, when everyone accepted that two democratic neighbours would be friends. Our influence internationally has to do with the nature of Canada, not just with the nature of our relations with the United States.

It is worth asking what actual concrete progress was made in disarmament, in development or in relations with any region that would be threatened now. In the interest of honest debate, let those who argued that there is a high cost indicate specifically what that cost is.

Ms. Copps: Jobs.

Mr. Clark (Yellowhead): Jobs, says the Member for Hamilton East (Ms. Copps).

Ms. Copps: The steel industry. Did they deliver on steel?

Mr. Clark (Yellowhead): What we have now in this country is a deep and grave threat to the security of Canadian jobs because of protectionist measures in the United States. If the Hon. Member from Hamilton had been watching, she would now—

Mr. Speaker: Order. With due respect to the Members who are barracking on the side, I am being asked by one side to tell the Member who has the floor to be quiet. Surely that is an improper request. With great respect, the Member is entitled to be heard.

Mr. Axworthy: We are waiting for him to say something reasonable.

An Hon. Member: Ask him to say something useful. She is asking him to say something.

Mr. Speaker: Let me suggest to Hon. Members who are still barracking that when they seek the floor later in the day they should expect exactly the same treatment from Members opposite, and not complain.

Mr. Clark (Yellowhead): Mr. Speaker, I regret to note that the disrespect shown Ministers speaking on this side is also shown the Speaker of the House of Commons. I would hope that that practice would not continue.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Let me reply to the Member for Hamilton East who shouted a comment from her seat. She is quite correct that what is at issue here is jobs. The threat to jobs is the growing protectionist pressure in the United States. As a specific result of the summit at Quebec, we have a guarantee that the President of the United States will come to the defence of Canada against protectionist influence in that country. That means protection for jobs in this country and that is one of the reasons we believe it is important to have good relations with the President of the United States.

The second kind of evidence is to see, in these last six months since the people of Canada voted dramatically and emphatically for an improvement in relations between Canada and the United States, whether Canada's admitted friendship with the United States has in fact limited our influence elswhere. That friendship did not stop Canada from playing a leading role in bringing relief to Ethiopia, although the regime in that country is deeply disliked by the United States. It did not stop the Prime Minister from having a highly successful meeting in the Caribbean. We have demonstrated to our NATO allies that they have two strong friends in North America, not just one. We have provided our unique expertise in peace-keeping to the Contadora countries in Central America. We have been invited by all sides to help in the Sinai. We are working from within to reform the organization of UNESCO, an organization the United States has left. We are making our independent review of the appropriate policy toward South Africa. The Prime Minister has already had a most productive meeting with Mr. Gorbachev, and within weeks I will be undertaking the first visit to the Soviet Union by a Canadian Foreign Minister in twelve years.

• (1230)

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We are convinced that a constructive relationship with the United States will not only strengthen our postion here at home but also in the councils of the world. Our voice, our role, and our influence will benefit because we will be more credible. Strong nations are rejected. Confident nations are listened to.

Mr. Broadbent: You are neither.

Mr. Clark (Yellowhead): We know there has been a burgeoning of confidence in this country. It may not be shared by the Leader of the New Democratic Party, and that question was judged in the election when his Party lost seats and this Government was given a dramatic majority almost unparalleled in our history.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We know there has been an assertion of confidence in this country. As for Canadians who might have been worried in the past—

Mr. Broadbent: They are more worried than ever.

Mr. Axworthy: For good reason.

Mr. Clark (Yellowhead): —that our culture was too weak to stand up to the influence of the United States, we know that that sense of vulnerability has been replaced by a new sense of Canadian confidence. We know that that can be turned to Canada's advantage, not only as it has been in our relations with the United States but also in the role we intend to play as an active influence on events internationally.

We are here as a Government elected by a self-confident Canadian electorate. We are here as a Government determined to express that self-confidence. We began that expression in the summit at Quebec. We intend to carry it on in other aspects of the international policy of Canada. I would hope there will be a greater demonstration of confidence in Canada by Members of this House. They can begin that by voting against the motion today and by voting for the success that was found in the summit between the President of the United States and the Prime Minister of Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to take advantage of this opportunity to comment briefly on the motion before the House today.

I think we have had some interesting speeches, but first of all, I would like to consider several comments made by the Secretary of State for External Affairs (Mr. Clark), who

astounded me by the way he referred to the Prime Minister's initiative in inviting the President of the United States to Quebec. He should have realized, before he rose in the House, that when a few years ago we received the heads of State of seven major Western countries, we received them in Quebec, at Montebello, and not only President Reagan, but also the President of France, the Prime Minister of Great Britain, the Chancellor of West Germany, the Prime Minister of Japan and the Prime Minister of Italy. What you did on the weekend is nothing compared to what we did in Montebello. As they say, it was small beer compared with what we did in the riding of the hon. lady sitting across the way from me. Why didn't she rise and tell the House: My riding was well served when we received all those international figures in the riding of Argenteuil-Papineau, and Quebec City on the weekend was just small beer.

Now I think this is all part of the image, and I think there is cause for concern because the present Government is basically a public relations Government. It is a lot of show, but when you dig deeper there is no substance. Nothing at all. Obviously, everybody falls for the old public relations trick. They say we are great friends with the Americans. Of course we are friends with the Americans, and we will remain so. However, there is a price that one does not pay in politics. There is a price, a very important one. Here in Canada, in the past five years, we have succeeded in keeping this country together, despite a great many problems. We had the referendum. We patriated the Constitution. We gave Canada a charter of rights and freedoms, and what is happening now? Canada's own sovereignty is being jeopardized by this irresponsible desire to be close to the Americans. As my leader said a few minutes ago: What, since September, have we received from the American Government in return? Of course President Reagan is happy to be here. If I were the President I would be very happy too, because since September he has had everything he wanted—

An Hon. Member: Right on!

Mr. Chrétien: —in every area. And what did we get in return? Nothing! The Prime Minister is being praised for his qualities as an able negotiator. Since when does a negotiator show his cards to his opponents, and say: Are we going to be friends? You are a nice man, Mr. Reagan. We helped you, so you are going to help us.

[*English*]

Look at the reality, Mr. Speaker. They speak about free trade, that great virtue of free trade. On January 28 this year the President of the United States, the same Mr. Reagan, put a ban on products made in Canada. They were not to go to the United States because of a problem in the United States with sugar production. They were complaining about the fact that Canadians had taken advantage of the American market strictly on a commercial basis. What did they do? They placed a restriction on our goods. No more products from Canada. I can go on about steel and any other sector.

Americans talk free trade. My Leader was absolutely right in what he said. I was Minister of Trade, Secretary of State for External Affairs and Minister of Finance. One deals with the White House. The Americans are always very nice to us. It is in their interests to be very nice to us. They all do that, but I will give you an example of how the Americans act, Mr. Speaker.

I remember when we had a problem in trade. Canada had a minimum deficit of $2 billion that year in tourist trade. I went to the United States. I spoke to the Secretary of Commerce, Juanita Kreps, and I spoke also with Vice-President Mondale. I told them that when Americans come to Canada for a convention they cannot deduct from their expenses their expenditures in Canada, but Canadians who go to a convention in the United States can. I asked them why they couldn't do what we did. The Americans all agreed with me that what they did made no sense, but there was nothing they could do in the White House because two Senators representing a border state said they would not go along with a change unless Canadians did something for the Americans in the State of New York. At the time there was a television problem at the border, a completely unrelated matter.

Goodwill was there. Vice-President Mondale said the situation made no sense. Everybody agreed. But it took years to resolve it. That was at a time when we had a deficit of $2 billion every year in tourist trade.

Mr. McDermid: When you get along there is no problem.

Mr. Chrétien: I am just explaining the difficulty. It is easy to have a nice little talk with the President of the United States, but because of the division of power in that state the White House can pass the buck to the Representatives or the Senators and wash their hands of it. Here in Canada the Prime Minister, especially having 211 Members, can do anything he wants. He can even abolish the Senate if he wants. We have to be realistic and face the reality of what is going on.

I would like to go back to the problem of defence and the agreement of last weekend. I feel strongly about this. The Leader of the New Democratic Party named all the statesmen. When officials are questioned and when they react on the spur of the moment, they tell us, that they might deploy something here. We are for a change in the system. We are not opposed to it. We have said that many times. The DEW line has to be replaced. We need a new system in the north that will plug the hole. We do not disagree with that. We negotiated and we agreed with that. The question we are asking is whether it is linked to star wars. Caspar Weinberger said that twice. Paul Nitze and other officials said the same thing. It was always on the spur of the moment, and that was logical.

• (1240)

The Minister rose a moment ago and said that it was just a warning system. I agree. But when will he explain that a large portion of the committed money will be spent to build airstrips

in the north? Why airstrips? A radar system does not need huge airstrips. Why will they build a series of major airstrips there? We would like to know. Is it just to receive Twin Otters? I have been in the north many times in my life and they cannot even land Twin Otters on the tundra.

Mr. Turner (Vancouver Quadra): It is for Erik's plane.

Mr. Chrétien: Erik can land any plane on any lake, so he does not need big airstrips. No one is giving us an explanation.

We want to know the views of the Americans over the long term. It is very easy for us to say that we will have the right to say no, but what will our position be after we have let them spend money to build airstrips and to instal infrastructure. Can we go to them later on and say: "Don't use it, we don't like it"?

At the beginning of my political career I remember very well what happened with the Bomarc. There was an agreement. It was signed in good will with the Americans, and so on. When Mr. Diefenbaker realized that there was to be a deployment of the Bomarc in Canada, he said that it was not what he had intended and he backed away. At that time we said that if we had signed the agreement we had to respect our word. I remember I had a problem about voting on it myself. I talked with Mr. Harkness, a great gentleman, and asked him whether we were committed. He said: "Mr. Chrétien, a Tory I am". There was no greater Conservative in spirit or at heart than he. He said that Canada had given its word and that he had to accept it. That was why he resigned from Cabinet. When that agreement was signed in 1957, no one knew exactly what would be the consequences. However, it took Canada 22 years to get out of it. It was only last summer that the last Bomarc left Canada. Now we have no nuclear warheads on our soil.

What are we doing now? In the north we are letting them build large airstrips. Mr. Weinberger said over the weekend that the missiles, the defense weapons, would be located where it was best. He said that it might be in the United States, on ships, or in Canada. Of course it will be in Canada, if they need it.

What will be the position of the Minister of National Defence (Mr. Nielsen) or the Secretary of State for External Affairs (Mr. Clark)? Will they say that they have changed their minds, that they let them build airstrips but they do not like it? They will have to condition themselves. They have rightly said "if it is in the best interests of Canada". When they use the word "if", they are telling the Americans that they are open to their move. The question is not "if". Are we or are we not in favour of the deployment of nuclear arms on Canadian soil? There should be no compromise on that. If the decision is yes, they should say yes. They should tell the truth rather than create conditions where we do not know what will happen. We want the truth.

I know why they said "if". It is because in their own minds there could be some situation where they will have no choice. This is why Canadians are disturbed at the moment. We want candour in that regard. If they can make an argument that because of our commitment to NATO and NORAD we have to make Canadian soil available for defence, that strategically Canada has to become the battleground of a nuclear war, let us accept it. Some other countries have accepted deployment on their soil. Germany, despite the controversy, has accepted that. Great Britain has accepted that. In Canada we have been unanimous in the House; even today the Government told us that it was opposed to the deployment of any nuclear arms on Canadian soil. When it makes such a statement, it has to take the step to ensure that it never happens. This is why we are critical of the Government, because of its ambivalence in that regard. It is not to score political points; we want to know the truth.

Some comments were made again this morning which indicated that facts have not been given to Canadians on this very important issue. We learned not long ago from a leaked document in the United States that some of its strategy included the use of some of the bases in Canada, that some of our bases, like the one at Cold Lake, could be used for that purpose. If there is an emergency and in their strategy they decide to use Canadian soil, we will not be in a very good position to tell the Americans not to use these bases or these airstrips into which they have put billions of dollars to develop them in the north. These are the questions we want answered. It is the future of our country.

Why are we opposed to SDI? It is not new. When President Reagan announced the program some two years ago, there was discussion in the House about this new development and we unanimously condemned SDI. Why?

Mr. Turner (Vancouver Quadra): It was led by Mr. Trudeau.

Mr. Chrétien: Yes, Mr. Trudeau, and it was seconded by the Leader of the Opposition and so on. Everyone commended Mr. Trudeau at that time for his peace mission. Why are we opposed to SDI? It is because we believe it is a new escalation. The Russians will not let the Americans do it and not match it. When we were in government we had to make some very difficult decisions. We permitted testing of the Cruise missile in Canada. We were in favour of the two-track policy. We had an impression, or even a conviction, that the U.S.S.R. had gone ahead, so we decided to conduct more tests in an attempt to arrive at an equilibrium between the quality of armaments on both sides.

What is the other side of the two-track policy? After we have virtually reached that plateau, suffocation is supposed to come, reduction is supposed to come. SDI is against this idea. It is a new step forward. It has always been like that since 1941. It has always been a research program. When the Manhattan project was developed during the war, it was a research program.

At this time I am reading a book on Truman. Days before he dropped the bomb on Hiroshima, there was a debate in the U.S. administration as to whether it should explode the bomb in the Bay of Tokyo and not hurt any people. It would have

told the Japanese that the Americans had the bomb but they would not have had to use it. At the beginning of the program most scientists who wanted to develop the bomb hoped that it would never have to be used. But it was used. I do not know what they are up to with SDI. I am not a scientist. There is much controversy about it around the world at this time, not only in Canada. The external affairs minister for England talked about that. Everyone talks about it. There has been a lot of pressure. Everyone comes onside eventually, but everyone has a lot of apprehension about it. We have apprehension. What worries me is what happens after a mistake is made.

Again in Quebec City yesterday, Defence Secretary Weinberger said: "Of course, it might be in Canada". We could have attributed that to an error, to a slip of the tongue a few months ago, but he said it again yesterday. Two weeks ago a press reporter asked Paul Nitze about it and he said "Of course". After that they clarified it. It is an indication that in the minds of the Americans they have no doubt. Of course, they say they will respect the jurisdiction of Canada. Of course, Margaret Thatcher could have said no to deployment. Of course, the Germans could have said no to deployment eventually. Some are still trying. However, when we create the climate or the environment, we are trapped and the pressure is on us.

● (1250)

That is exactly why we are asking the question. If it is for the good of Canada and if it is rationally explained to us, we might say yes; but as a Canadian I believe we are making a fundamental mistake in playing our cards like that. It is one thing to say to the Americans that they are welcome in Canada, that Canada is for sale and so on, but look what happened with the flow of capital in September. It has not flowed south-north, it has flowed north-south.

Look at the market. In one week there was such an outflow of capital from Canada, for many reasons, that the Government had to borrow $2.5 billion. Why? It was because American money was leaving Canada and we had to buy Canadian dollars. We had no choice. That is the reality.

As my Leader said a few minutes ago, the Americans are our best friends. What do we expect from our best friends? We expect respect and truth. I do not need anybody to pat my back. I hope my friends will come to me and tell me the truth. Those are real friends.

Very often we can be useful to the Americans, if we are not seen as the fifty-first state. We can be useful because we are a different country. We have access to some countries to which they do not.

I remember the last day I was Minister of Finance in 1979. I signed an agreement with Algeria. I asked why they wanted to do business with Canada. They told me it was because Canada is the only country in the world which could give them North American technology in French. Some 40 countries around the world have French as their first or second language. They look to Canada. Any Member of this House who travels abroad knows that they do not receive the same reaction when they show their Canadian passport. That is because we have a credibility of our own. The Americans are different. Some people look at them as having imperialist ideas. I do not look at them in that way. I do not say that they have. However, some people do believe that.

Canadians do not have any ambition like that. Canadians can go anywhere in the world with a different approach. Sometimes that can be very useful. We have not done everything that has been accomplished since 1867 to end up in 1985 wondering whether one day we will still be a country. You cannot rest all your faith for the future on Washington. If all decisions are made there, one day the urge will be for Canada to be there. On that day, it will be over: we will become the fifty-first state of America. That has been the history of this world.

Integration should come slowly. What would be the price to pay for that? With my personal cultural background, I believe that would be the end of the French fact, like it or not. There are more people who speak Spanish or Italian in the United States than there are people who speak French in Canada. When we want to have our rights protected there—

[*Translation*]

An Hon. Member: Speak in French!

Mr. Chrétien: I speak in French a lot more often than anyone of you people.

And there lies the danger. We have not been fighting for 111 years to build a country just to end up tomorrow morning . . . because we might just have economic benefits if we were very close to the United States. Nonsense! Right now, 83 per cent of our trade is with the United States, but we have always made sure that our own sectors were protected. When we negotiated the auto pact, we made sure there would be something in it for Canada—

Mr. Turner (Vancouver Quadra): And it was reciprocal!

Mr. Chrétien: —along with—it was reciprocal—control mechanisms. You can do all the business you want with the United States but, as the Leader of the Liberal Party said a few minutes ago, the interests of Congress often differ from those of the White House. Oftentimes the United States have protective measures which the central Government cannot—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. Is there unanimous consent to allow the Hon. Member to continue his speech until one o'clock?

Some Hon. Members: Agreed.

An Hon. Member: Continue in French!

Mr. Chrétien: Interests do differ. Governing the United States is not an easy task. I have had dealings with American Governments for 17 years and I witnessed the frustration of their administration. Administering Canada may be difficult,

but nowhere near as much as administering the United States. More often than not protective measures are taken by American States, and when that happens there is practically nothing the central American Government can do about it. That is the kind of experience we have every day. For instance, the enforcement of American extraterritorial legislation which we are regularly faced with and about which the administration does not do anything.

Another recent problem which I want to raise in the House today—good relations are fine, but Canadian interests ought to come first—concerns a Canadian bank that was forced to break another country's law to meet the requirements of the American administration.

[*English*]

A few months ago there was a situation in the United States where the Bank of Nova Scotia was forced to break the laws of a third country in order to avoid United States personnel being put in jail. What kind of friendship is that? What about our own integrity?

We had the same problems in the uranium cartel. The Americans were asking the Canadian company to do certain things. Foreign companies with the head office in the United States and a branch in Canada could do things which the law of Canada did not permit them to do. There are a lot of these situations. When you go there and say "I am a nice guy, I will sing along with you", you must remember that the Americans are tough bargainers. They are not kids. They have seen people before and they know the difference between a smile and strength. They always respect strength.

It is easy to have parties and it is sometimes easier to make people laugh, but when you talk about a country like Canada which has had great success with the Americans, you have to be sure that they know that we are neighbours and not assimilated within the system. It is very frustrating when you talk to those who take Canada for granted all the time. They do not like us to ask any questions. They are offended if we do ask questions.

There is not one week when I do not pick up a magazine which shows politicians blaming the administration for this and for that. There is not one day of the week when there is not a split in the White House on policy. Therefore, should we as Canadians not be able to say what we think? What kind of maturity is that? I am sure that the President of the United States would rather have a good, frank, open discussion on an issue than to have a pat on the back. I am sure that he would listen to a good argument. Do not kid yourselves, the Americans love Canada, but they will invest in Canada only if they can make a buck. If they are going to lose money, they will not come here.

What we are very disappointed about is the lack of candour and the naivety of the Government. If the Government wants to make a deal with the Americans on SDI and wants to make Canada available for nuclear armaments, other countries have done it. Germany, England, Italy and other European countries have done it. There is no shame to it. However, do not try to have it both ways. If you do not want it, say so. Do not create a situation where they will have the absolute right eventually to say it was not written down, but we created the condition whereby they could come if they wanted.

If you do not want to have somebody at your home on a Saturday night because you want a quiet evening, do not invite a bunch of your friends to come for a beer! Do not invite them if you do not want them. I have had that experience a few times.

It is a serious problem. The people of Canada want candour. They want the truth. If we act as a senior partner with the Americans and we treat them as an equal, even if we are smaller in terms of population, they will respect us. However, if we just play to their cue, if we just go and sing for them, they will be nice to us, but eventually we will lose our independence. Canadians from sea to sea have put too much into building a society that is different, one that is our own, that we shall never be assimilated into the United States. We are too proud to be Canadian.

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—ECONOMIC COMMISSION FOR EUROPE—SIGNING OF PROTOCOL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the mandate given to Messrs. Davis and Lewis on acid rain includes "identifying efforts to improve the U.S. and Canadian environments". It is hard to say which efforts need to be identified after all these years. In any case, it would be a serious mistake for the Government of Canada at this point to hope that, one year from now, Messrs. Davis and Lewis will deliver on their mandate without help. Actually they need a lot of help. Their efforts have a chance to succeed if the United States will sign, next July in Helsinki, the ECE protocol on acid rain which contains a provision to cut smoke-stack emissions by 30 per cent by 1993.

From now on, Canada should launch an initiative aimed at those friendly nations ready to sign the protocol urging them to press the United States to become one of the signatory parties. The Prime Minister (Mr. Mulroney) has failed to

convince President Reagan on the acid rain question. The next step is for the Secretary of State for External Affairs (Mr. Clark) to help Canada generate international support for our cause. If the Americans can be convinced to go to Helsinki to sign the protocol, then the foundation will have been laid for a Canada-United States agreement.

Between now and July, the focus on acid rain must shift to the international scene. Twenty nations, including Canada, have already agreed to sign—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

CANADIAN NATIONAL RAILWAYS

ANNOUNCEMENT OF LAYOFFS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the announcement made yesterday of a further 474 layoffs by the CNR, on top of the 225 announced earlier this month, makes a mockery of the promise of Conservative Members that their election would result in jobs, jobs, and more jobs. It also exposes once again the lies the CNR told its employees about all the work that would be waiting for them if only the Crow rate were changed.

I understood that the Minister of Transport (Mr. Mazankowski) had undertaken to speak to the President of the CNR, and VIA, about the earlier layoffs, on the basis that cancelling coach work in anticipation of new equipment might prove to be shortsighted, particularly in light of the rail passenger services that are to be restored this year. That layoff has now been compounded by another equally short-sighted move on the part of the CNR.

When is the Government going to take charge of the CNR and order it to stop putting its short-term accounting needs ahead of the economic future of the country? The rolling stock is there to be repaired. If the Government has any confidence in its own economic policies, then why not prepare for that future, build up a fleet of rolling stock, keep people working, and families anxiety-free, and avoid the pathetic absurdity of having even more Canadians out of work when, as is so clearly the case with car men and other railroaders, there is work that could be usefully continued?

* * *

TERRORISM

SEIZURE OF TURKISH EMBASSY—TRIBUTE TO OTTAWA POLICE FORCE

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, many of us celebrated the Feast of St. Patrick on Sunday, and some celebrated in splendid colour in Quebec city. As we refreshed our Irish heritage, we acknowledged the credit that St. Patrick deserves for his saintly efforts to bring the peaceful word to Ireland. His risks were high and sometimes violent, but he did his job and met his challenge.

Last week in Ottawa an unacceptable terrorist attack took place at the Turkish Embassy that resulted in the tragic loss of life of a Pinkerton's security man, Mr. Claude Brunelle, and caused serious injuries to the Turkish ambassador, Ambassador Kirca. The Deputy Prime Minister (Mr. Nielsen) spoke of the co-operative actions between the RCMP and the Ottawa Police Force. That is true, but I would like to underline the fact that the Ottawa Police took most of the risks in response to this unpredictable act of violence.

Protection of embassies in Ottawa is a federal responsibility, but any criminal offence that takes place within city property, whether it be public or private, federal or international in nature, in the Province of Ontario has traditionally become the immediate responsibility of the local police force. Within three minutes of being called, the Ottawa Police were on the scene. Constable Michel Prudhomme saw Ambassador Kirca lying on the ground and risked his own life by jumping a fence to pull the ambassador to safety.

A four-hour standoff ensued, under the command of Staff Inspector Wilfred Longchamps of the Ottawa Police. The terrorists were then arrested by his SWAT team, with no further loss of life. I am proud of the quick, efficient, brave and professional actions of the City of Ottawa Police. They did their job and also met their challenge. Let us give credit where credit is due.

Some Hon. Members: Hear, hear!

* * *

POLITICAL PARTIES

LEVEL OF SUPPORT FOR NEW DEMOCRATIC PARTY DEFENCE POLICY

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, just six and a half months ago the people of Canada were engaged in a general election. The Progressive Conservative Party made its position very clear regarding defence. Conservative Members made it clear that we intended to spend more on NATO and our defence forces, and to increase the size of our standing army. In the same election campaign the New Democratic Party had a peace platform which was in great contrast to ours.

As a result of that election campaign, the Conservative Party gained an unprecedented number of seats in the House of Commons and the largest popular vote as well as the largest percentage of the popular vote. In contrast, the New Democratic Party lost eight seats in the West, and lowered its popular vote and the percentage of that popular vote campaigning on its defence platform.

Now that members of the NDP are in opposition, they would almost have the people of Canada believe that the Government of Canada is violating the popular will, when that will was made clear just seven months ago. It would appear

that members of the New Democratic Party agree with democratic institutions and democratic decisions only if they conform to their position.

* * *

ACCESS TO INFORMATION

PREMIER'S TRIAL—*ORDER PAPER* QUESTIONS

Mr. John Nunziata (York South-Weston): Mr. Speaker, with respect to the internal investigation being undertaken by the RCMP into the Hatfield affair, Hon. Members should know what the Solicitor General (Mr. MacKay), as an opposition Member, had to say about the Liberal access to information Bill. On January 29, 1981, the present Minister said:

> There must be a genuine willingness in this place to give information on a reasonable basis with reasonable time limits to Hon. Members.

In particular, the Solicitor General complained about the delays he was encountering with respect to getting answers to questions on the *Order Paper*. He said that the delays were not in keeping with the spirit of the access to information legislation. At that time the Hon. Member said to the Government:

> If you're going to talk the talk, you have got to walk the walk.

Canadians want to see the Solicitor General walk the walk. They want to see how committed he is to the noble principle of access to information.

Yesterday I placed over 200 specific questions relating to the Hatfield case on the *Order Paper* in an attempt to get some answers. The Canadian people, and particularly the people of New Brunswick, want some meaningful answers to questions in regard to this case, and they want them soon. They do not want secret meetings and secret internal reports, where the administration of their system of justice is concerned. I call on the Solicitor General to make public immediately the RCMP's internal investigation into the Hatfield affair.

* * *

[*Translation*]

EXTERNAL AFFAIRS

QUEBEC SUMMIT MEETING—ECONOMIC RESULTS

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, during the past few days, this country has witnessed important events on the international scene.

The summit meeting held in Quebec City was conducted very successfully by the Right Hon. Prime Minister. I want to congratulate the Prime Minister who was a source of national pride and who deserved the admiration of Canadians the world over, whatever certain Members of the Opposition may think. I felt very proud to be a Canadian and to belong to a country that was making a long-awaited return to the international scene. The cordiality and spirit of co-operation that pervaded the meeting between the two heads of State, Mr. Reagan and the Right Hon. Prime Minister, will be a decisive factor in determining the future of our two countries.

Coming from a riding where there is a very strong military presence, I was particularly pleased with the agreement ratified by the President of the United States and the Prime Minister of Canada on upgrading the North Warning System. Over the years, our DEW line and Canadian Pine Tree line radar systems have become vulnerable. It is a good thing that Canada will be one of the best protected nations in the world in case of a conflict. Not only was this upgrading strategically desirable, but it will also inject more than $7 billion into our economy, with 88 per cent coming from the United States.

Mr. Speaker, I am justly proud to be a Quebecer and a Canadian, and to represent part of our Canadian community in this House.

* * *

[*English*]

EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—SUCCESS OF QUEBEC SUMMIT MEETING

Mr. Gordon Taylor (Bow River): Mr. Speaker, finally Canada has had a summit with the U.S.A. that was positive. The two leaders, of Irish stock, reached seven important agreements, one of which tackles all aspects of acid rain.

The Liberals are red faced; their 16 years in office saw acid rain pollution get worse and worse. No wonder they are green with envy. The NDP, of course, continue to specialize in bashing the Americans. Both the Liberals and the NDP are so negative that they refuse to see anything good in anything done by the Tories or the Americans.

The Liberals and the NDP do not speak for Canada. The Progressive Conservative Party was given that responsibility after the people heard and analysed its policies on acid rain, defence, and trade. They rejected both opposition Parties.

At the summit the Prime Minister (Mr. Mulroney) reflected the thinking of the vast majority of Canadians when he stood firmly and four square for the sovereignty of our nation, for international security, and for the upgrading of our northern radar system. All of these things strengthen our sovereignty. Canadians are a proud people, and we refuse to kowtow to any nation.

● (1410)

Canadians are proud of you, Mr. Prime Minister, and of your Ministers, and as for the harping of the Liberals and the New Democratic Party, forget it. The best way to describe that is in the words of the poet: "All is yellow to the jaundiced eye".

S.O. 21

CANADIAN BROADCASTING CORPORATION

EFFECT OF BUDGETARY CUT-BACKS ON REGIONAL PROGRAMMING

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the cut-backs in CBC funding represent not only broken promises but disrupted services and lost opportunities. Regional programming has been especially badly hit, some regions more so than others. Newfoundland and Labrador have suffered some of the worst blows with the closing of the Gander station and the reduction of half of the sation in Labrador City.

The cuts in Gander have since been rescinded, showing that the CBC is able to respond with good sense to public outcry. It is time now for the cuts in Labrador City to be rescinded. Because of those cuts there will be no local TV programming whatsoever for a substantial area with no commercial stations.

Isolated parts of Canada vitally depend on the CBC. These are not the areas which should be cut. We have a national public broadcasting system. Its duty is to serve the whole of the country, including small and distant communities. It is a fact of life in Canada that services to such areas are costly for the size of the population served, but that is our country. Patriotic duty requires us all, urban and rural, south and north, to support necessary services for all parts of Canada.

It is time for this Parliament to send a message to Monsieur Juneau and the CBC to restore regional programming, rescind the cut-backs in Labrador City, and get on with the job of uniting Canadians.

* * *

GOVERNMENT EXPENDITURES

RENOVATION OF MINISTERIAL OFFICES

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, since the election of September 4 the Government has embarked upon a program of cost cutting. It has cut assistance to the unemployed, terminated grants under the Canadian Oil Substitution Program, increased fees for farmers, and threatened to cut universality. You name it, it cuts it.

In the same period of restraint, some six months, Cabinet Ministers have embellished their Taj Mahal offices on Parliament Hill. Here are some examples of the cost of these office renovations. The Minister of Public Works (Mr. La Salle) has spent approximately $10,000 renovating his office. The Minister of National Health and Welfare (Mr. Epp), who is responsible for universality, spent $22,327. The President of the Treasury Board (Mr. de Cotret) spent $7,887. The Minister of State for Fitness and Amateur Sport (Mr. Jelinek) spent $13,496. The Minister of Consumer and Corporate Affairs (Mr. Côté) spent $7,950. And the Minister of State for Mines (Mr. Layton), whoever that is, spent $17,712. A total of $130,000 has been spent in this manner. An amount of $173,000 was spent to purchase new cars, and $30,000 was spent on car rentals. That is a thrifty Government for you, Mr. Speaker.

* * *

[*Translation*]

EXTERNAL AFFAIRS

QUEBEC SUMMIT MEETING—RESULTS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I would like to comment briefly on the brilliant success of the Quebec City summit.

By placing our relationship with the United States in an atmosphere of trust and friendship, the Prime Minister of Canada has given a new impetus to Canada-U.S. relations.

This decision clearly demonstrates and consolidates the politics of reconciliation initiated by our Government within our Confederation and in our relations with our neighbour to the South. By eliminating irritants between our two governments, we will increase investor confidence and promote trade between our two countries.

This meeting gave the Prime Minister an opportunity to show his guests the unique character of Quebec and the restored unity of Canada.

The 24-hour summit has accelerated the taking of steps that may lead to major decisions and definite results. The meeting was a productive one in terms of expanding trade and settling the acid rain issue. With respect to pollution and the threat it represents to the environment, the President to the United States has acknowledged the extent of the problem and mentioned the need to protect our common environment.

Where trade is concerned, there is a commitment to promote the cause of more open and multilateral trade. Initiating a freer basis for trade in goods and services cannot be other than beneficial to the Canadian economy.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—ACID RAIN ISSUE—QUEBEC SUMMIT MEETING

Right Hon. John N. Turner (Leader of the Official Opposition): Mr. Speaker, you were in the chair this morning when I spoke in the House setting forth our views of the meeting of the Prime Minister with the President of the United States.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I am glad we got that out of the way early, Mr. Speaker. I regret very much that the Prime Minister was not in the House this morning for the debate. I might remind him that he has not spoken on an issue since Leaders' Day at the opening of this Parliament. However, I want to congratulate the Prime Minister for setting a great tone in Quebec City. But what did we really achieve? Why was the Prime Minister unable to persuade the President of the United States to agree to mutually enforceable standards and regulations, and a significant commitment of money, toward cleaning up a mutual problem, namely, the poisoning of our air by the acid rain across our borders? Why was the Prime Minister forced to settle for a face-saving one-year moratorium instead of some immediate action?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am sorry I missed my right hon. friend's speech this morning. He said I have not spoken very often in the House. I try to speak on serious motions.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The hon. gentleman asks about acid rain—

Mr. Broadbent: And you don't take acid rain seriously.

[*Translation*]

Mr. Mulroney: —acid rain impasse broken.

[*English*]

"Reagan and Mulroney break three-year impasse".

[*Translation*]

The summit! The first agreement on acid rain.

[*English*]

I think that is the kind of—

Some Hon. Members: Order.

Mr. Mulroney: —progress which had been lacking. There was a complete deadlock for three years—

Mr. Broadbent: Now it's just dead.

Mr. Mulroney: —and we managed to break the deadlock, to appoint remarkable people as our envoys and do something which the poor and rather pathetic Liberals failed to do for years, namely, to begin the process of rebuilding our economies and our environments together.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I don't think you have fallen for that attempt to rewrite history.

APPOINTMENT OF ENVOYS

Right Hon. John N. Turner (Leader of the Official Opposition): I suppose I should admire William Grenville Davis for volunteering, as a dollar-a-year man—

Mr. Blackburn (Brant): That's all he could get, too.

Mr. Turner (Vancouver Quadra): Maybe he is overpaid at that. I don't know what he is supposed to do. But could the Prime Minister tell us why we need more research and more study? If the Prime Minister has already convinced the President of the United States of the gravity of the situation, then why are we not getting action? Why just two envoys, with a one-year moratorium?

Right Hon. Brian Mulroney (Prime Minister): I am surprised, Mr. Speaker, that the Leader of the Opposition would feel it advantageous to disparage Bill Davis, one of the most outstanding public figures in the country.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Having done such damage to his own Party, the Leader of the Opposition is now ensuring, by comments like that, that the New Democratic Party will form the Official Opposition in Ontario after the next provincial election.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Can you guarantee that?

Mr. Mulroney: If my right hon. friend cares to read the leading editorial in *Le Droit* this morning:

[*Translation*]

No one in his right mind would have thought that the Quebec City summit would result in joint Canada-U.S. action on the pollution sources responsible for acid rain ... The appointment of the ex-Premier of Ontario, Bill Davis and the ex-Secretary of Transportation of the United States, Mr. Drew Lewis, is exactly what we hope to see.

[*English*]

I think there was an acknowledgement by all reasonably objective people, that we inherited a very serious, complex matter. We initiated—

Mr. Blackburn (Brant): You still have it.

Mr. Mulroney: Yes, indeed, because only the tooth fairy and the New Democratic Party would believe it goes away by invective.

Some Hon. Members: Hear, hear!

Mr. de Jong: No, just a little bit of backbone.

● (1420)

Mr. Mulroney: Oh, I knew I was going to miss you while I was away for a week, but I did not know how much.

We introduced a national program designed to clean up our acid rain. I think it is widely regarded as an outstanding initiative, and we are going to try to proceed that way with our neighbours to clean up our common environment.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Prime Minister almost broke up before he finished that particular

sentence. If the game is to read newspaper headlines, I have one from *The Globe and Mail* this morning by Ronald Anderson—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): —which says "Mulroney wasting mandate in vacillation and indecision".

Some Hon. Members: Hear, hear!

ABSENCE OF GOVERNOR GENERAL

Right Hon. John N. Turner (Leader of the Opposition): I recognize that the Prime Minister, out of friendship for the President, and in admiration of Mr. Reagan's presidential style, has now adopted his own imperial coat of arms which he carries around with him and props up for every speech. But the Prime Minister is not yet the President or Chief of State. The Queen has her own representative in this country, and I want to ask the Prime Minister why he was so discourteous as to fail to invite the Governor Genral, who represents the Head of State of this country, to meet the American Head of State, being the President, particularly when the Prime Minister entertained the President in the Governor General's own residence in the Quebec Citadel? What is the reason for this particular lack of civility on the part of the Prime Minister?

Right Hon. Brian Mulroney (Prime Minister): If the Leader of the Opposition had trouble with the name Anderson, imagine what he would do with Hnatyshyn.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: A real Canadian name.

Mr. Mulroney: I carry around a podium; he should carry a dictionary.

With regard to the insignia, it is one and the same Canadian insignia that Mr. Trudeau used, so there ought not to be any great concern about it.

I want to tell my right hon. friend, because I know he is aware of the esteem, indeed affection, that I have, as do we all, for Her Excellency the Governor General, that I can say that she was consulted throughout by me, and that she very kindly offered the use of the Citadel for a signing ceremony during what was a working visit, not a state visit.

Some Hon. Members: Oh, oh!

Mr. Mulroney: It was a working visit and her staff, headed by Mr. Butler, were there. As I have had the occasion to do many times, I have conveyed my thanks to Her Excellency for this gracious gesture.

Mr. Chrétien: Mr. Speaker, talking about newspapers, I think that I was not too proud—

Mr. Speaker: Order, please.

Mr. Chrétien: I am not using it.

Mr. Speaker: Order, please. Let me take this moment to say that I think the newspaper clippings are about even and we might leave it at that, please.

Some Hon. Members: No.

Mr. Speaker: Order, please. I do not think we need to start newspaper wars and escalate them until we get to a big one. May I indicate to all Members, please, that they should know that the production of documents in the House by way of display is not permitted. May I just simply indicate that?

Some Hon. Members: Oh, oh!

Mr. Speaker: With great respect to those who choose to barrack again, I did not cut off the Right Hon. Leader of the Opposition when he did the same thing. I am trying to say that I would appreciate, please, no more of it from either side.

Mr. Chrétien: You know I will not use it. I just wanted to say that, after a summit like that, I think the cartoon in *La Presse* today indicated exactly what is happening in Canada. There is the American flag, and they have added a little Maple Leaf to it. With the kind of servility we have seen over the weekend, that is exactly what we can expect from people about the future of Canada.

* * *

NORTH AMERICAN AIR DEFENCE

NORTH WARNING SYSTEM—CONSTRUCTION OF AIRSTRIPS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, talking about serious problems, I would like to ask the Prime Minister a question. We all agree that we need to upgrade the DEW Line in Canada and we need the North Warning System. We all agree that we need some surveillance. But can he explain to Canadians why there will be a series of airstrips built everywhere in the North, while under the DEW Line system we did not need these airstrips? Is it for skidoo races? Is it for fishing trips?

Mr. Turner (Vancouver Quadra): Yukon Erik's plane.

Mr. Chrétien: Or is it to welcome some offensive or defensive armaments from the Americans, to be used in Canada's North in the future?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am—

Some Hon. Members: Leader.

Mr. Clark (Yellowhead): —pleased to be able to correct the misimpression of the Hon. Member who spoke earlier in the House. Those airstrips are there to service radar aircraft which are larger than the Twin Otters that the Hon. Member was suggesting today we should be using to defend our North.

[*Translation*]

CONSTRUCTION OF AIRPORTS IN NORTH—PURPOSE OF UTILIZATION

Hon. Jean Chrétien (Saint-Maurice): Can the Minister convince the House or convince Canadians that if he lets the U.S. spend hundreds of millions or even billions of dollars to build much bigger airports in the North, these will never be used for defence purposes but only by planes from time to time in order to service these radar stations, something we have not had to do in the past 25 years, since the DEW Line has worked perfectly well without building airports at each Northern station?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, once again I would like to point out that an agreement exists between Canada and the U.S., giving the Canadian Government the right to refuse the entry of nuclear weapons here in Canada. We in the Progressive Conservative Government want to exercise that right in case of a state of emergency. The former Minister has indicated that such a situation was not necessary in the past, and I agree, but as we have so often said, and I believe he will acknowledge this, there have been changes in the Soviet threat. The system that was set up for our defence is no longer adequate. We must have a system that is adequate in the light of present threats.

* * *

[*English*]

EXTERNAL AFFAIRS

ACID RAIN—CANADA-UNITED STATES ACCORD

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister on the accord that he has signed with President Reagan, and it concerns acid rain as well. Before the meeting in Quebec city took place, the Government of Canada indicated that its position was a call for action. The American position, before the conference, was that they wanted further studies. I understand that in negotiations there has to be some give and take, but my question is simply this. Why did the Canadian Government do all the giving and the American Government do all the taking? Why did the Canadian Government end up accepting the American position completely?

Right Hon. Brian Mulroney (Prime Minister): The answer, as my hon. friend knows, is that the suggestions in his question are false. I assume that he placed them in that context inadvertently because he will recognize, as a senior Member of the House and someone concerned with this issue, that in point of fact it was on hold, unfortunately, for the last three years. Nothing had been done at all.

Mr. Blackburn (Brant): Thanks to the United States.

Mr. Mulroney: Absolutely nothing. I think, if my hon. friend agrees that it is a serious issue, he should listen to the answer.

Mr. Blackburn (Brant): I was on that committee for four years.

Mr. Mulroney: Oh, he is getting the answer he wants from his seatmate, so thank you very much.

Mr. Blackburn (Brant): I knew you didn't have it.

• (1430)

CONTENT OF ACCORD

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister, who does most of his research by reading newspaper clippings, just might have read the report signed by all members of the committee, including Conservative members, which said that the problem with acid rain in North America lies on the American side of the border. That was said by all Members representing all Parties.

During the past 24 hours some 77,000 tonnes of acid rain have fallen somewhere in North America. Could the Prime Minister explain to the House of Commons why he signed an accord with the United States that does not commit them to spending one more penny, to passing one more regulation, or to changing the situation one bit? As a result of this accord, a year from now we could end up with the same amount of acid rain coming from the other side of the border as comes today. Why did he so completely sell out Canadian interests on this issue?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend says that we could end up in an unacceptable situation a year from now. He may be right, because when you conclude agreements in the real world you do so on the basis of good faith and a mutual commitment. We have an acknowledgement, for the first time, of the commonality of the problem, which never existed before. We have an acknowledgement from the President of the United States that a joint program is required to resolve it. We have the appointment of two very high-ranking—which is widely acknowledged—emissaries to present programs and to help both Governments develop the consensus that is required, certainly on the American side. I think that in Canada we are generally agreed on the manner in which we would like to proceed.

If my hon. friend is fair at all, he will acknowledge that there was serious and substantial progress made on a highly complex and volatile issue. While he may be right if there was bad faith, we may turn out to be right in having taken these steps which will ensure clean air for Canadians and Americans as well. That is the beginning of the process.

Some Hon. Members: Hear, hear!

CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, one thing was very clear. Right after the ink was dry on the negotiation papers in Quebec city a senior official, or spokesperson for the State Department, said that President Reagan had not changed his position on acid rain one bit since arriving in Canada.

The Government put up $150 million to take action on this joint problem with the United States, for which we on this side complimented the Government. What did the Prime Minister ask of the American Government? We know that he ended up with nothing, but what did he open with? Did he ask the Americans to put up a comparable amount, such as $1.5 billion? Did he ask them to put up $600 million, or $200 million? What kind of action did the Prime Minister demand of the United States to protect our interests in acid rain, half of which problem is due to the United States of America?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I agree that half of the problem is due to the United States of America. We, as a national Canadian Government, sensitive to environmental questions, have responded for our half with the most massive undertaking ever announced by a national Government in Canada.

Some Hon. Members: Hear, hear!

Mr. Broadbent: What did you ask for?

Mr. Mulroney: We then went further and initiated the beginnings of a process that I believe, with hard bargaining, will result in substantial—

An Hon. Member: We don't have forever.

Mr. Mulroney: Yes indeed, it is a process that is going to take a little while. As the editorialist in *Le Droit* said, only if you believe in Santa Clause would you believe it would be otherwise. We don't believe in Santa Claus. We know that it is tough sledding. We know it is a serious problem, but we are ready to make that commitment and to make this project work on behalf of all Canadians.

Some Hon. Members: Hear, hear!

* * *

NORTH AMERICAN AIR DEFENCE

UNITED STATES STRATEGIC DEFENCE INITIATIVE—RESEARCH PROGRAM

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. In the past the Prime Minister and many of his colleagues have said that there will, in no way whatsoever, ever be an involvement by this country in the star wars or SDI program. In the joint communiqué from the summit meeting in Quebec there was an announcement that we would now be engaged in new joint defence programs. The President of the United Sates also put forward, in his luncheon address, an invitation for Canada to become involved in the development of the new technology.

Does this indicate that Canada is negotiating with the United States for an involvement in the $25 billion R and D program that is now under way in the United States? Will he give us assurances in the House that no Canadian firm, or subsidiary of any foreign firm operating in Canada, will in any way, shape, or form be involved in anything to do with research, development, or manufacture of star wars technology?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there has been no such request by the United States, no such invitation, and no such negotiation. For some time, including during the time when the Hon. Member was a Minister of the Crown, Canada has been involved in space research with the United States. Most Canadians were very proud of the Canadarm project. Most Canadians are very proud of Marc Garneau. Most Canadians would be alarmed by the suggestion of the Member for Winnipeg-Fort Garry that we should turn our back on any involvement with any kind of peaceful space investigation. I give the assurance to the Hon. Member that Canada will continue to respect and to be bound by, our commitment to the ABM treaty.

GOVERNMENT POLICY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I recognize that the Governor General was not invited to the Quebec meeting, but I thought surely the Secretary of State for External Affairs would be there. If he was there, he would know that in the luncheon address of the President of the United States he clearly put forward an invitation to this country to begin sharing in the technology related to the star wars development. Furthermore, the communiqué enunciates that we will now be involved in negotiations in the sharing of it.

I did not ask him about Marc Garneau or the space station. I asked him whether it is the clear policy of the Government that we will not be involved in any way, shape, or form in the research and development work or activity related to the star wars technology. Can we have that assurance from the Secretary of State for External Affairs, rather than the tippy-toe dancing that he has been doing for the last few months?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have answered that question.

Mr. Axworthy: No, you haven't.

Mr. Clark (Yellowhead): I presume that, if the Hon. Member has any interest other than mischief, he would want to know that Canada intends to honour our obligations under the ABM treaty. Not only do we intend to honour them, but we now have a document signed by the President of the United States and the Prime Minister of Canada which reaffirms the

intention of both Canada and the United States to respect the ABM treaty in so far as SDI is concerned.

Mr. Axworthy: Are we going to do R and D though?

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S MEETING WITH UNITED STATES PRESIDENT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and arises out of the so-called Shamrock Summit. The Prime Minister will recall some of the accolades that he received for his rendition of "When Irish Eyes Are Smiling".

Some Hon. Members: Hear, hear!

Mr. Blaikie: Given the inaction on the acid rain front, next time they meet we will all be able to join with him in a rendition of "Raindrops Keep Falling On My Head".

Some Hon. Members: Oh, oh!

Mr. Blaikie: Given that the Canadian position is to act on acid rain and the American position is to study acid rain, and given that he came out of the meeting agreeing to study acid rain rather than to act on it, how can he maintain, with any kind of credibility, that he did not cave in to the American position on acid rain?

• (1440)

Right Hon. Brian Mulroney (Prime Minister): I had not planned to sing today, but I would respond to an ovation.

Some Hon. Members: Oh, oh!

An Hon. Member: Sing your answer.

Ms. Mitchell: You're very cute, Brian.

Mr. Axworthy: Where's your tin cup, Brian?

Mr. Mulroney: I think many objective commentators—

An Hon. Member: It's serious.

Mr. Mulroney: I know it is a serious question. I can tell, because the Hon. Member has his vest on.

Some Hon. Members: Oh, oh!

Mr. Mulroney: When I see a socialist with a three piece suit, I know it is important.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I think objective reporters and commentators everywhere have recognized and pointed out two matters. First, Canada has made a remarkable effort to clean up its own act. It is long overdue, and we recognize that. We have brought together, with the provinces and the private sector, a massive plan to clean up our own problems in these areas. I think that objective observers also recognize that we have set in place a framework in which this can be done on a continental basis as well.

APPOINTMENT OF CANADIAN ENVOY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, why on earth would the Prime Minister think it is significant to appoint the former Premier of Ontario, Mr. William Davis, as Canada's envoy in this respect, when it was the actions of the Ontario Government in the early 1980s cancelling scrubbers that were intended for Ontario Hydro generating plants that contributed to the degeneration of the political climate around acid rain originally, and produced part of the deadlock that the Prime Minister is so fond of speaking about?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, now I will have to change my mind. After that, the NDP will come third, again and again, in Ontario.

In point of fact—

Mr. Guilbault (Saint-Jacques): Fascinating.

Mr. Mulroney: I think there is a general—

Ms. Copps: We are waiting for the answer.

Mr. Mulroney: I came back from the summit early, because I just could not be away from that voice.

I think it is generally recognized that there is a political problem, and it is important that we have people of independent reputation and accomplishment, with access to the President of the United States and the Prime Minister of Canada, because this is fundamentally a political problem.

Mr. Lewis is recognized, as a former Secretary in Mr. Reagan's Cabinet, as a man of great accomplishment, influence, and access to the President. Mr. Davis is recognized by all objective Canadians, including members of the Opposition who have learned to acquire a healthy respect for him, as an outstanding Canadian who will do a great job for Canada.

Some Hon. Members: Hear, hear!

* * *

TRADE

PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, in the absence of the Minister for International Trade, I will address my question to the Prime Minister. There must have been more substance in the discussions between the Prime Minister and the President during the summit that we have seen in the reports or in the releases. At least we would hope so.

I want the Prime Minister to know that we on this side of the House want him to succeed in his relationship with the United States, and to see concrete measures take place with respect to acid rain and see major breakthroughs in trade. We all know that we have not seen them yet.

Let me give the Prime Minister this opportunity to tell us whether he dealt with the issue of saltfish quotas which has created a loss of jobs in his own riding, and upon which immediate action could be taken by the President? Did he discuss with the President immediate action on restrictions placed on foodstuffs containing sugar, which are creating hundreds of lay-offs in this country and will create many more?

While it is fine to conduct an examination of irritants, there are steps that must be taken now in order to put people back to work and find new jobs for Canadians. It is not enough to examine, discuss, and have task force studies.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for what I suppose are his words of modest congratulations. I tell him that I shall remember him with affection, because that is the first word of support that the Government of Canada has received with regard to its relationship with the United States of America from the Liberal Party since September 4.

Some Hon. Members: Hear, hear!

Mr. Mulroney: It is the first word we have had in support of an ally.

Mr. Turner (Vancouver Quadra): You weren't here this morning.

Mr. Mulroney: The Leader of the Opposition said that I was not here this morning. I am sorry that I missed that outstanding speech, but I will read it as soon as I go home tonight.

Mr. Axworthy: Another broken promise.

Mr. Broadbent: Another sacred trust.

Mr. Mulroney: We dealt with saltfish, foodstuffs, steel, timber, and asbestos. I believe I can say to my hon. friend from Saint-Henri-Westmount that we dealt very specifically with those concerns that trouble him and have troubled me.

Mr. Johnston: I am glad that they were dealt with, but Canadians have not yet had a concrete yardstick with which to measure the results. I hope we will hear more about what those results might be in the coming days.

* * *

FINANCE

BUDGET DATE INQUIRY

Hon. Donald J. Johnston (Saint-Henri-Westmount): My supplementary question is directed to the Minister of Finance. We have seen a series of good show pieces. While this is not intended as any kind of criticism, the Prime Minister must surely rank amongst the great impresarios that we have seen in this country.

Mr. Turner (Vancouver Quadra): There should be an amusement tax on the Prime Minister.

Mr. Johnston: Recognizing the importance of unemployment, interest rates, and giving economic direction to the country, will the Minister of Finance dispel the rumour which I heard this morning on the CBC, that the Government intends to defer its budget, not in the interest of the problems of the economy but in the interest of Mr. Miller who is rumoured to be holding an election in the month of May? Will he tell us that the budget timetable will in no way be affected by the political exigencies or imperatives of the Premier of Ontario?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not sure that I can think my way through the rambling question which the Hon. Member just laid out in the House. However, if I may comment on the gist of it, I will say that nothing that is happening in the Province of Ontario will deter or delay anything that we may be doing in terms of economic policy with this Government. I know that the Liberal Party is quite concerned about the expectations of an election in the Province of Ontario, but it will have nothing to do with the timing of a budget.

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NORTH AMERICAN AIR DEFENCE

NORTH WARNING SYSTEM—UNITED STATES POSITION

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of National Defence. If Canada and the United States have entered into such a new era of co-operation and understanding, why did U.S. Secretary of Defense Weinberger, Whitehouse spokesman Larry Speakes, and President Reagan, all make statements clearly showing that they do not understand that Canada wants to update the North Warning System but wants no part of ballistic or Cruise missile defences? Why is there this confusion from Washington which we heard last week and even on the weekend?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, there is no confusion except the confusion that exists in the minds of the Hon. Member and his colleagues in that Party, and in the—

Mr. Blackburn (Brant): I heard them say that on television.

Mr. Nielsen: I can read as well as the hon. gentleman.

Mr. Broadbent: All of the reporters and 90 per cent of the people.

Mr. Nielsen: I can read as readily as the hon. gentleman. They are not going to get away with this attempt at confusing

the issue by trying repeatedly to establish the linkages that they have failed to establish, that have been repeatedly denied by the Secretary of State for External Affairs, by the Prime Minister, by myself, and by the official statement of the Secretary of Defense.

Allow me to read that statement for the record, in order to give some balance to what the hon. Member is saying. In the transcript of his remarks, Secretary Weinberger said: "Well, we would want to do the most effective things we could and we do. We would not do anything that in any way interfered with the sovereignty of Canada as a nation. Canada obviously, as a sovereign nation, would make its own decision."

Mr. Blackburn (Brant): It sounded to most Canadians that those gentlemen from Washington who made those statements first and then corrected them, were asked to correct them. By whom, we don't know yet.

CANADA-UNITED STATES AGREEMENT

Mr. Derek Blackburn (Brant): Over the weekend the Minister of National Defence signed the agreement along with the Prime Minister. Did they put back into that agreement the clause that was taken out with respect to not participating in an active way in ballistic missile defence, which the Liberals allowed to be taken out of the NORAD agreement of 1981? If that were included in the new agreement that was signed on the weekend that would clear it up completely. All I am asking is was it included or put back in?

• (1450)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that was cleared up long ago. I do not know where the Hon. Member has been. The Secretary of State for External Affairs has repeatedly responded to that question.

Mr. Broadbent: He just got back.

Mr. Nielsen: The Member is even confusing two agreements, the NORAD agreement and the agreement that was signed over the weekend in the city of Quebec, which I will be tabling at the appropriate time this afternoon.

With respect to the preamble to the Hon. Member's question, what he was doing was citing from page 5 of the transcript of Secretary of Defence Weinberger's remarks, and I am quoting from page 6. I see no inconsistency if the whole is read in a positive way, and if the Hon. Member has any regard for the truth.

Some Hon. Members: Hear, hear!

Oral Questions

CANADA POST CORPORATION

HOME DELIVERY REQUESTED FOR NEW RESIDENTIAL PROJECTS

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is for the Minister responsible for the Post Office. Will the Minister re-establish the guidelines for door-to-door postal delivery service established by the last Conservative Government that, when a new subdivision or apartment building is more than 75 per cent occupied, and when the streets are paved, door-to-door postal delivery would commence, so that purchasers of new homes do not have to wait up to four years for postal delivery? Or, if necessary, will the Minister introduce a change to the Canada Post Corporation Act to mandate minimum service standards for door-to-door delivery to new developments?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I want first to thank the Hon. Member, and all of my colleagues, for the representation.

Some Hon. Members: Oh, oh!

Mr. Beatty: I want to indicate to the Hon. Member that the Corporation is anxious to extend service as much as is possible. Obviously the trade-off it has to make, at a time when there is a $200 million deficit in the Corporation's accounts, is between enhanced service on the one hand and increased costs on the other.

The Corporation's estimates are before a committee at the present time. I would welcome any input from Hon. Members on ways in which that trade-off could be made, and where they feel the priorities should be. Obviously the first commitment that must be made by the Government, in addition to ensuring adequate service, is ensuring that the Corporation is run on a business-like basis and that we begin to bring down this deficit.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

DOMTAR—GOVERNMENT'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. I can assure the Prime Minister that even if he was in a party mood on the weekend, the people of Windsor who are worrying about Domtar certainly did not feel like singing. Today, Mr. Speaker, people representing the interests of the Eastern Townships are in town and in the visitors' gallery, waiting for an opportunity to meet the Prime Minister. Further to his answer on March 6 of this year when he said he would be delighted to meet intervenors from the Eastern Townships any time, I want to ask the Prime Minister why he sent the Member for Sherbrooke with a message to the people of the Eastern Townships that he would not be meeting with them today? Has he changed his mind since March 6?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, considering the fact that I arrived late last night from Quebec City and was away from the House due to my trip to Moscow last week, I did not realize my schedule was full for today and tomorrow, but I would be delighted to meet our friends from the Eastern Townships.

I can also inform my hon. friend that since the matter was raised in the House, we have been involved in serious talks with the Government of Quebec, with the co-operation of my Government colleagues and Members from the area, and through the Government with Domtar, and we hope to be able to find a way to resolve this problem.

As far as... Well, if you want to listen to the Acting Liberal Whip who is chatting in the back, go right ahead, but if you want a serious answer, I would be delighted to meet not only with people from the Eastern Townships but also with my hon. friend and all Members from Township ridings who are interested.

INQUIRY WHETHER PROPOSAL MADE TO DOMTAR BY GOVERNMENT

Hon. Jean Lapierre (Shefford): I have a supplementary, Mr. Speaker.

Mr. Speaker, I am going to take the Prime Minister at his word. I can inform him that the people from the Eastern Townships are there, that I am available all afternoon, and that we will wait for his call.

Mr. Speaker, the Prime Minister said that they were negotiating with Domtar. On Friday, no official contact had been made with Domtar. I would like to know who is telling the truth at this point. Yes or no, has the federal Government made a proposal to Domtar or is the company ignoring the federal Government's proposals? Yes or no, has the Prime Minister, through his Ministers, had any contact with Domtar with a view to making the company a serious offer? Yes or no?

Right Hon. Brian Mulroney (Prime Minister): Has the Liberal Member become the president and chief executive officer of Domtar? Is that what he is saying? Because I can inform the House that Domtar's principal shareholder... Yes, but if you do not mind, this is a serious and complex case, and we are dealing... And my hon. colleague from Shawinigan knows perfectly well how complex it is. We are going to work together with the Government of Quebec and Domtar to do something useful, instead of putting on a political show. I can inform them... I did not know these gentlemen were here, but I can inform them that I would be delighted to meet with them, and I hope the people from the Eastern Townships realize what we have to put up with from the Opposition every day. I would be delighted to see them right after Oral Question Period. It will be a pleasure.

[*English*]

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Prime Minister will have noticed a certain stench of hypocrisy and broken promises in the House today. He promised during the election campaign that he would be introducing an all-Party committee to review government appointments, but we found out yesterday that the Prime Minister brought out the same old Liberal approach, and we now have 13 new Tory bagmen swilling at the public trough as a result of their appointments to the board of Air Canada.

Mr. Hnatyshyn: You should have been in Saskatchewan during NDP times.

Mr. Riis: I have a question for the Prime Minister. If these people were not appointed simply for their Tory affiliations and being bagmen for the Party, how could he justify someone like Fernand Roberge playing a role on the board of Air Canada, one of Canada's most important Crown corporations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, with regard to that, the people of Canada voted for a change—

Some Hon. Members: Oh, oh!

Mr. Broadbent: And you had a choice.

Mr. Mulroney: The Hon. Member may be certain that there will be changes. That he can be certain of. The Hon. Member asked about quality. For example, Peter Bawden, the owner of one of the most successful executive airlines in Canada, was appointed to the board; David Angus, an outstanding transportation lawyer with an international reputation; Ralph Fisher, a senior partner in Laventhal and Horwath and a very distinguished leader of the Jewish community in Canada. This is the quality of individual we are putting on boards.

With regard to the appointments, we have appointed people like Lloyd Francis, Stephen Lewis, Sylvia Gold, Bruce Phillips, Gerard Laforest to the Supreme Court, Jocelyne Pelchat-Johnson appointed to the board of Petro-Canada. We have reappointed Judge François Laporte to the court in Montreal, and there is the appointment of Hélène Baillargeon-Côté. I can tell my hon. friend that today we appointed Richard J. Doyle, a very distinguished former editor of *The Globe and Mail*, to the Senate of Canada.

Some Hon. Members: Hear, hear!

Mr. Riis: Mr. Speaker, so much for Senate reform and all that phoney blarney about being anxious to change ways. So much for Senate reform, Mr. Speaker. It is the kind of hypocrisy which the people of Canada got sick of. They thought they had made a change, but in fact they have not made a change.

AIR CANADA—APPOINTMENT OF WOMAN AS DIRECTOR

Mr. Nelson A. Riis (Kamloops-Shuswap): I want to ask the Prime Minister a precise question, Mr. Speaker. He indicated the qualifications of some of the appointments made to the board of Air Canada. Last night one of the appointments to the board, Gayle Christie, said that she guessed she was appointed because she knew how to drive a car.

Some Hon. Members: Oh, oh!

Mr. Riis: At a time when there are 1.5 million out of work and when the people of Canada are wanting some kind of strong leadership, and not this pork-barrelling patronage hypocrisy, will the Prime Minister explain to us what kind of a signal that gives to the people of Canada when he makes that appointment, and the best qualification with which Gayle Christie can come up is that she knows how to drive a bloody car?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, not only is that inaccurate, but it is a slur against one of the most outstanding women in Canada.

Some Hon. Members: Hear, hear!

• (1500)

Some Hon. Members: She said it.

Mr. Mulroney: Gayle Christie was elected Mayor of the Borough of York in Toronto. She is a very accomplished woman.

This Government has appointed more women to more senior positions than its predecessor at any time, and we are proud of that.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I can say that within six months as Prime Minister I have made more non-partisan appointments than any of my predecessors, than any of them.

Some Hon. Members: Oh, oh!

Mr. Mulroney: If you care to examine it objectively, you will see that no Prime Minister has appointed non-Party members to such high decision-making functions in such number. I am proud of the fact that we have proceeded with such non-partisan nominations, and we are going to make more of the quality of Mr. Doyle, Gayle Christie, and others.

Some Hon. Members: Hear, hear!

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CLERK OF PETITIONS' REPORTS

SEIZURE OF FOOD PRODUCTS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Vancouver-Kingsway (Mr. Waddell) on Monday, March 18, 1985, meets the requirements of the Standing Orders as to form.

Turkish Embassy Security

GIFT OF WARPLANES TO TURKEY

Mr. Speaker: The petition presented by the Hon. Member for Hamilton East (Ms. Copps) on Monday, March 18, 1985, does not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

NORTH AMERICAN AIR DEFENCE

TABLING OF AGREEMENT WITH UNITED STATES

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I would like to table in both official languages the exchange of notes and memorandum of understanding constituting an agreement between the Government of Canada and the Government of the United States of America on the modernization of the North American Air Defence System, signed at Quebec City on March 18, 1985.

* * *

ADMINISTRATION OF JUSTICE

TABLING OF TREATY WITH UNITED STATES

Hon. John C. Crosbie (Minister of Justice): Mr. Speaker, pursuant to Standing Order 46(2), I am pleased to lay upon the Table of the House a copy in both official languages of the treaty between the Government of Canada and the Government of the United States of America on mutual legal assistance in criminal matters, signed at Quebec City on March 18, 1985.

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TERRORISM

STATEMENT ON SECURITY AT TURKISH EMBASSY

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, when on March 15 I rose on a point of order. I indicated that I would initiate an investigation into possible approaches to the Government made since February 13 by officials of the Turkish Embassy in Ottawa regarding the security of their embassy. This investigation has established that the Government was indeed approached more recently than mid-February. Nevertheless, the investigation has also established that the RCMP acted immediately to increase their vigilance. In short, although Ministers were not

directly involved with these contacts, the RCMP were, and the RCMP took action immediately.

There were two further contacts between Turkish and Canadian officials after mid-February. On February 22 there was a conversation between a representative of the Turkish Embassy and the Office of Protocol of my Department. That conservation dealt primarily with a separate issue concerning international terrorism, but the Turkish representative took the occasion to reiterate concern about the threat perceived to security of the embassy. That conversation was reported directly to the RCMP.

The second conversation occurred on March 5, when the RCMP visited the Turkish Embassy at their own initiative to discuss with embassy staff internal security provisions. At that meeting a representative of the Turkish Embassy discussed with the RCMP the level of threat to the embassy.

Before I made the statement in the House on March 14, I asked for detailed information on all contacts between Turkish officials and our Department. I was not told of the conversations that had taken place on February 22 and on March 5. As soon as I learned of them on March 15, I came back to the House to make my statement on a point of order.

Neither conversation conveyed a warning of a specific attack and neither provided new information going beyond what the Turkish authorities had given us in mid-February.

As I said last Friday, I respect this House and, once again, I apologize for inadvertently having conveyed incomplete information to the House. But I can assure the House that the missing information did not materially affect the assessment of threat to the security of the Turkish mission, and that in both cases the communications from the Turks were taken fully into account.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to begin my brief reply by thanking the Secretary of State for External Affairs (Mr. Clark) for making a copy of his statement available to me during Question Period.

What emerges from a reading of this document is a picture of worried Turkish diplomats in this capital trying in one way and another to obtain increased security, seeking to meet with members of the RCMP to convey their concerns and seeking to meet with the Office of Protocol of the Minister's Department, again trying to receive increased security. If I can quote from a Minister in the Turkish Assembly again giving special warning to Canada, he asked that specific threats be responded to by increased levels of security.

The Minister has not succeeded in bailing out the Government on this one by the statement he has made. A few days ago in the House, on March 13, the Deputy Prime Minister (Mr. Nielsen) indicated, as reported on page 2969 of *Hansard*, that increased security was provided at the Turkish Embassy. What the Secretary of State for External Affairs has said today is slightly different from what was in the written statement I received. What he said was that the RCMP took action immediately in the sense of increasing security, as the Deputy Prime Minister has said.

This allegation by the Government that increased security is contradicted by the facts. It is contradicted by people of Pinkerton's who indicated that no change at all occurred as a result of the review of security which took place 30 days before the incident.

I think the Government owes it to the House to come clean with us and, if it claims that the RCMP took action and that increased security was provided, it should indicate what was done. Their assertions and their attempts to bail themselves out are contradicted by others who I think ought to be believed. I want to ask whether the House is being misled by the statements which have been made on this occasion, in addition to what increased security was provided to these worried Turkish diplomats who were attempting to obtain it.

The RCMP provided a report to the Government which I commissioned but did not receive. It was given to the new Government. That report for increased security sat with the Government for six months without being taken to Cabinet, according to the Solicitor General (Mr. MacKay).

I also feel entitled to ask whether there were measures recommended by the RCMP which were not put into effect by the Government, which were not responded to positively by the Government.

Mr. Speaker: With great respect, I have to advise the Hon. Member that he may have a moment later to put questions, but the time for his statement under the traditions of the House has expired, without unanimous consent of the House to continue. Is there unanimous consent?

Mr. Kaplan: I have one final question.

Mr. Speaker: The Hon. Member indicates that he has one short matter. I am sure the House is agreeable.

Mr. Kaplan: Between the attempts by Turkish diplomats to bring their concerns to the attention of an apparently indifferent Government, did any Turkish diplomats ask to see the Secretary of State for External Affairs or the Solicitor General?

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, in his statement the Minister apologizes "for inadvertently having conveyed incomplete information to the House". The Minister did not convey incomplete information. What was told to the House was wrong; it was not a matter of being incomplete. The Minister and the Deputy Prime Minister (Mr. Nielsen) categorically denied that there had been, subsequent to the meetings which they affirmed did take place between Government representatives and the Turkish Embassy, any other meetings of any kind to discuss security at the Turkish Embassy. Therefore, it was not a matter of incomplete information, I say to the Secretary of State for External Affairs (Mr. Clark); it was a question of wrong information.

• (1510)

Frankly, I am angry at the tone of the statement, that the Minister would suggest that some kind of appropriate action

was taken after the Turkish Embassy made it known (a) to Ministry officials and (b) to the RCMP that they had reason to believe that there was an increased threat to their embassy. For the Minister to suggest that some kind of appropriate action was taken is again wrong. There was no action taken of any substance.

There was one guard at the embassy in advance and there was one guard after the information was conveyed to the Minister or the Ministry and the RCMP. That guard was not adequately trained. That guard was not given additional back-up. That guard was not provided with additional support in order that he could do the job that he was being inadequately paid to do.

It is with a sense of frustration that I listened to and read the Minister's statement. I would have accepted it if the Secretary of State for External Affairs had simply said that he had been given wrong information, that he apologized and that the information that he had subsequently been given was in fact consistent with what Opposition Members had been suggesting took place. However, to try to colour it in such a way as to make it appear that there was some kind of deliberate action taken either by the RCMP or by the Ministry in response to a plea for help from the Turkish Embassy is to deny the truth in the instance.

I also want to say to the Minister that given the level of protection that was afforded, given that there was a clear state of high alert as a result of the Orly airport trials and the pending trials here, given that that had been conveyed around the world by the Turkish Government, given that that had been on the agenda of the world security services of Interpol and therefore on the agenda of our security service, what was done was wrong and what is being said in the statement is unacceptable.

Mr. Waddell: Mr. Speaker, I would like to pose a question to the Secretary of State for External Affairs (Mr. Clark). I am told on fairly good authority that after the demonstrations which occur on, I think, April 24, an Armenian day of celebration, there is frequently a high alert and demonstrations. I understand that either last year or the year before after such a demonstration, the Turkish ambassador came to the then Secretary of State for External Affairs with the actual rock that had gone through the window of his embassy and landed on his writing desk. He took it to the previous Liberal Government and indicated "I need more protection, especially around this period of April 24". I want to know if the Secretary of State for External Affairs can confirm that, whether he has seen that in his report. Can he indicate what the Ministry will do in the future around April 24 at the time of those kinds of demonstrations to protect the Turkish Embassy, so that those kinds of things will not happen again?

Mr. Clark (Yellowhead): Mr. Speaker, I think you will agree that it would be inappropriate for me to comment on matters that might have happened regarding former Ministers and former administrations. I can say that I know nothing of that situation. I cannot report more fully on it.

With regard to the situation of the Turkish Embassy here and elsewhere, the House knows of the extreme sensitivity of that question. We have taken actions at the Turkish Embassy which in the middle of February last year the Turkish Embassy deemed to be satisfactory. Naturally we are going to look at the matter again. The Hon. Member would not want me or anyone else in this House to discuss details of security arrangements in ways that might increase the danger for individual embassies or individual representatives of other countries in Canada or elsewhere.

Mr. Robinson: Mr. Speaker, my question relates to the suggestion that the Canadian Security Intelligence Service, pursuant to its mandate to deal with terrorism and suspected terrorism in Canada, may not have alerted the RCMP, responsible for the enforcement of the law, to the heightened sense of danger which was posed in the circumstances surrounding this particular incident. I want to ask the Secretary of State for External Affairs (Mr. Clark) specifically whether CSIS did inform the RCMP and of the fact that they viewed this as a very serious matter. If CSIS did inform the RCMP of that, what specific steps did the RCMP take to respond to that heightened degree of concern on the part of CSIS?

Mr. Clark (Yellowhead): Mr. Speaker, for reasons the House will understand, I do not propose to discuss publicly specific steps that have been taken or might be taken, because that kind of discussion could very seriously jeopardize the security of the people we are trying to protect. Indeed, it could have the consequence, which no one here would intend or want, of putting them into greater danger. I indicated in my statement, and I repeat it now, that when information came to the attention of the Government, while to my great regret Ministers were not informed, the RCMP was informed and acted.

Mr. Kaplan: Mr. Speaker, I want at this time to repeat briefly questions that I asked during my statement because they have not, understandably, been addressed yet by the Minister. When the Minister says that the RCMP took action immediately, does he mean by that that the level of security at the Turkish Embassy was increased?

Mr. Clark (Yellowhead): Mr. Speaker, I mean that the RCMP took action immediately. I am sure that the former Solicitor General, as a former Minister of the Crown responsible for security activities, would not want me to get into detail on the floor of the House of Commons as to exactly what action was taken. He should know better than others that action that might have been taken in the case of an urgent situation there might also be taken in others. To reply to that kind of question would indicate patterns of response by the Government of Canada that would have the effect of putting in danger the very people we are trying to protect.

Mr. Kaplan: Mr. Speaker, I might ask—

Mr. Speaker: I am in some difficulty. The Hon. Member for York Centre (Mr. Kaplan) for one question.

Turkish Embassy Security

Mr. Kaplan: Mr. Speaker, I am assuming in my question that there is a new level of security right now and that the matter I am asking about is a matter of historical and political interest, but not relevant to the level of security in the Turkish Embassy right now. I would hope that after the terrorism the Government would have learned its lesson and that the security will be different.

I want to ask the Minister as well, as I did in my earlier remarks, whether any Turkish diplomats tried to see Members of this Government during the last month, this period when the worried Turkish diplomats were trying frantically to get this Government to do something to increase their security.

Mr. Clark (Yellowhead): Mr. Speaker, my Parliamentary Secretary had a meeting with the Turkish ambassador on February 27, a 45-minute meeting in which this matter was not raised. I had a meeting with the Turkish ambassador, among other ambassadors who were present at a meeting called for another purpose which I convened, at which this matter was not raised.

This is a question, of course, on which all Members of the House should both keep their tempers and remember their responsibilities. I simply repeat to the Hon. Member opposite that I think it would serve no one's interest, certainly not the interest of those diplomats we are trying to protect, for us to publicize on the floor of the House of Commons the patterns of protection or the patterns of security that are put in place in this country.

Mr. Speaker: I will take the last two questions, the Hon. Member for York South-Weston (Mr. Nunziata) and the Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Nunziata: Mr. Speaker, whatever pattern of security was put into place, it is obvious that it failed and failed miserably, to have one Pinkerton guard guarding the embassy. I would like the Secretary of State for External Affairs (Mr. Clark) to explain what appears to be a very obvious inconsistency. The RCMP inspector in charge of VIP protection in Ottawa stated that there was no stepped-up security prior to the incident because there was no intelligence information indicating that it might be needed. That is from the *The Globe and Mail* of March 13, 1985. Here we have the Secretary of State for External Affairs saying that there was stepped-up security. We have the RCMP inspector saying that there was no stepped-up security because there was no intelligence available.

● (1520)

Can the Secretary of State for External Affairs clarify the obvious inconsistency? Could he also indicate whether the RCMP, when it was given this advance warning, advised the Solicitor General (Mr. MacKay) of the advance warning and whether the Security Intelligence Service was involved and was advised of this advance warning?

Mr. Clark (Yellowhead): Mr. Speaker, I repeat that it does not advance the interests of the people we are trying to protect for the Hon. Member or others to engage in fishing expeditions on the floor of the House of Commons that might result in the publication of information that would jeopardize the security of the people whom we are trying to protect.

I say to the Hon. Member, who is new here, that there are certain standards in this House of Commons and one of those standards, as I am sure he will observe, is that when there appears to be a discrepancy involving the word of an Hon. Member, the word of the Hon. Member is accepted. I have given my word by answering the question that was raised by the Hon. Member.

Mr. Deans: Mr. Speaker, I have one final question to put to the Secretary of State for External Affairs (Mr. Clark). The RCMP were aware of the Turkish Embassy's concerns, and as I understand it, there was also additional information available to them with regard to the level of threat which was in existence not only in Canada but in other parts of the world at the time the Turkish Embassy brought to the attention of the RCMP its concerns about its own security. Does the Secretary of State believe that the actions taken by the RCMP in response to those threats, given the professional nature of that force and the responsibility it has not only to enforce law and order but to protect diplomats in Canada, were adequate?

Mr. Clark (Yellowhead): Mr. Speaker, as I have said before and as the Deputy Prime Minister (Mr. Nielsen) has said, no one would pretend that response was adequate when security arrangements were breached. We all know that. We deeply regret that.

I suppose that the response that is in question, the response that troubles me, has to do with the response of the Leader of the Opposition (Mr. Turner) and the response of the Leader of the New Democratic Party (Mr. Broadbent), who were genuinely invited by the Prime Minister of Canada (Mr. Mulroney) to co-operate with us in this most sensitive matter, a matter which has traditionally been the subject of co-operation between Governments and Opposition Parties. They refused to take part in that kind of common action to try to deal with a major security problem. Instead of helping us solve the problem, the Opposition Parties have been trying to find ways to raise questions in the House of Commons which would not help the diplomats but which could have the effect of helping the terrorists.

Mr. Deans: That's nonsense. That is insulting.

Mr. Hnatyshyn: Sit down.

Mr. Deans: Sit down. You're a disgrace. That's insulting to say a thing like that. You know damned well we are trying to protect the people involved. Don't you dare say things like that.

Mr. Hnatyshyn: Well, why don't you co-operate?

Mr. Deans: We were never given an invitation.

Mr. Hnatyshyn: Of course you were. You refused.

Mr. Deans: I did not refuse. I asked for an invitation in writing.

Mr. Speaker: Order, please. Have the House Leaders finished holding a discussion on the floor of the House of Commons? Would the Hon. Secretary of State for External Affairs like to finish his answer?

Mr. Clark (Yellowhead): Thank you, Mr. Speaker. As I said, that response was one that I found troubling. It may have been a response that occurred in the heat of debate in the House of Commons. Those things occur. Certainly on behalf of the Government, I say that I hope that the Leaders of the Opposition Parties will reconsider their responsibility in this matter and help Canada offer adequate protection to diplomats who are representatives here.

Mr. Speaker: I indicated before that I would take no further questions. I am afraid that at this point I must by our traditions cut off the question period.

Mr. Waddell: Point of privilege.

Mr. Nunziata: Point of privilege.

Mr. Speaker: I indicated already that that would be the end of the question period. On a question of privilege, I recognize the Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. Waddell: Mr. Speaker, I rose during this question period to try to ask what I thought was a reasonable question, one that might help the Minister. I wonder if the Minister might backtrack a bit on his remarks which accused the opposition of aiding the terrorists. There is room for—

Mr. Speaker: The Hon. Member is putting me in difficulty. He has what is clearly in his mind a legitimate question. I have already indicated, however, that in my judgment the time for questions has expired. I believe he is trying to use a point of order to introduce another question for what in his mind is good reason. Clearly, he has not raised a point of privilege, if that is the point he is making. He is really trying to continue debate through another vehicle.

Mr. Lawrence: Mr. Speaker, I rise on a point of order. I wonder if, before you cut off question period in the future, you could at least give some indication that you wish to know if anyone else in the House wishes to raise a question. Some of us on this side of the House, even though we do not continually pop up like jack-in-the-boxes, do have valid questions to ask. It is rather unfair, if I may suggest, Sir, that you cut everyone off if there are only two Members on the Opposition side who wish to ask questions.

Mr. Speaker: I accept the suggestion of the Hon. Member. I also suggest that Hon. Members who wish to ask questions might rise in their places to seek the floor. The only way the Speaker knows who wishes to ask a question is by seeing Members rise.

Turkish Embassy Security

Perhaps I could take 30 seconds to explain the procedure to the Hon. Member. At the end of Statements by Ministers, the Speaker normally allows some questions but with very strict time limits. The only way the Speaker can know whether to allocate supplementary questions or not is by knowing how many Hon. Members wish to rise.

With due respect to the Hon. Member, my practice has been, as I have indicated before, that I look for all Hon. Members who wish to rise as soon as possible so I can make a list and try to get everyone in the time that is available. If Hon. Members would prefer in future that I indicate that I am coming to the end of the question period and would now make a final list, that will still not change the fact that the time allowed will be over very shortly. I would be happy to consider the suggestion made by the Hon. Member and I take it in the spirit in which it is offered.

Mr. Keeper: Mr. Speaker, I rise on a point of order. I wonder if you could give us some guidance by allowing the Secretary of State for External Affairs (Mr. Clark) the opportunity to backtrack from his accusation that the Opposition was aiding the terrorists. I am sure he would welcome that opportunity.

Mr. Speaker: He is a Minister of the Crown and knows his opportunities under the rules. He is also a Member of the House of Commons and will rise if he chooses in debate to say something else. I suggest that the Hon. Member has not raised a point of order and I think he knows it.

Mr. Nunziata: Mr. Speaker, I rise on a point of privilege. The Secretary of State for External Affairs (Mr. Clark) has accused the Opposition of aiding the terrorists. That is totally inaccurate and wrong. By so doing, he is affecting each and every Member of the Opposition. It seems to me that the Secretary of State for External Affairs should be asked to retract those erroneous statements.

Ms. Copps: Libellous.

Mr. Speaker: That is not a question of privilege; I think the Hon. Member knows that. I am sure the Hon. Member is fully aware, given his experience in the House, that that is not a question of privilege. If the Hon. Member is attempting to make a point of order with regard to what he believes to be unparliamentary language, that would be a different issue.

The Hon. Secretary of State for External Affairs has said what I take it he believes in his view to be a fact, and therefore it is a matter of debate as to whether or not actions or words are interpreted in certain ways. That can therefore not be a question of privilege.

Mr. Clark (Yellowhead): Mr. Speaker, as I listened to the exchanges across the floor, I realized that it is clear that an interpretation is being put on my words that I did not intend. What I intended to say was two things: first, the public discussion of the details of security does not protect diplomats but does aid terrorists. We do not want to encourage that, nor I believe does anyone in the House want to encourage that.

Second, these matters are of extreme sensitivity and in past parliamentary practice have been a subject of discussion involving Opposition Parties to work out ways in which the country could respond. I repeat the observation that I made earlier that we would welcome that kind of co-operation from the Opposition Parties in helping protect ambassadors in this country.

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. It has long been clear that it is not proper to impute to any Member or Members unworthy motives for their actions in a particular case. While the Secretary of State for External Affairs (Mr. Clark) has just risen to make some remarks which may suggest that he is withdrawing the aspersions he has cast on the motives of Hon. Members who raised questions about the Government's mishandling of the Turkish Embassy affair, I repectfully suggest that he has not done so sufficiently to fall within the rules of order.

● (1530)

I respectfully ask you, Mr. Speaker, to rule that he should follow the rules in this regard, because what he is attempting to do is not only contrary to the rules but he is attempting to say that Hon. Members of this House have less right to discuss an important matter than the people of this country through the press, and that is wrong.

Mr. Speaker: I will be more than happy to read the "blues" and to determine whether in fact a disorder has occurred. I can tell the Hon. Member what I heard the Secretary of State for External Affairs say, and I am prepared to admit that I have been known to be wrong at least once in my life. What I thought I heard the Minister say was a statement to the effect that actions or statements appeared to have an effect—if that is the one which was described—but I heard no claims, at least at first blush, of imputing motives as a result of that. Now I am prepared to check the "blues". I can assure Hon. Members that had I heard such aspersions or imputations of motives, I would have been on my feet requiring the words to be withdrawn. If I have missed it, I will be happy to look for it in the "blues".

Mr. Clark (Yellowhead): On the same point of order, Mr. Speaker, I do not want to delay the House, but my recollection about what I said—and my "blues" will reflect the same as yours—was that I intended to cast no aspersion on the motives of Hon. Members. This is a matter of great seriousness. We treat it that way and I trust and expect all Hon. Members of the House will do the same.

* * *

PETITIONS

CONTADORA NEGOTIATION PROCESS

Mr. Jim Fulton (Skeena): Mr. Speaker, I have two very brief petitions to table in the House today which have arisen out of a human rights conference which was held in Smithers over the weekend. The first petition is signed by a large number of residents of British Columbia and other parts of the country calling on the Government to endorse the Contadora negotiation process which is crucial in terms of what is going on in Central America today.

CALL FOR RELEASE OF CANADIAN CITIZEN IN BRAZIL

Mr. Jim Fulton (Skeena): The second petition, Mr. Speaker, arose at the same human rights conference at Smithers and is signed by a number of Canadians calling on the Government to expand its attempts to obtain the release of a Canadian citizen named Roberto Starita who has received the endorsation of the new President of Brazil to be released but the federal police have not yet released him. Canadians are urgently seeking the co-operation of the Government in obtaining his release.

PROTOCOL TO CONTADORA PEACE TREATY

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I have the honour of presenting a petition from citizens of Edmonton, parishioners of St. Charles Catholic Church, St. Patrick Catholic Church and Sacred Heart Parish Church, in which the petitioners submit to this House their concerns about the slow progress toward peace in Central America, and in which they call upon the Government to sign the protocol to the 1984 Contadora Peace Treaty.

[*Translation*]

SPOUSES ALLOWANCE PROGRAM

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I have the honour of presenting a petition on behalf of the people of my riding of Saint-Michel-Ahuntsic. I am referring to the Centre Claude Robillard Senior Citizens' Club. They are concerned and worried about the position taken by the Government and the Minister of National Health and Welfare (Mr. Epp) on Bill C-26.

They ask the Government to review its position and to provide the spouse's allowance program for single Canadians between 60 and 64, without discrimination on the basis of marital status.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the following questions will be answered today: Nos. 257 and 262.

[*Text*]

EXECUTIVE EXCHANGE PROGRAM

Question No. 257—**Mr. Dingwall:**

What government departments have an Executive Exchange Program?

Hon. Walter McLean (Secretary of State): I am informed by the Public Service Commission as follows:

The Public Service Commissionm has sole responsibility for the Interchange Canada Program, which it administers on behalf of Treasury Board Canada. This program is open to all federal government departments and agencies that fall under the Public Service Employment Act.

WESTERN DEVELOPMENT FUND

Question No. 262—**Mrs. Sparrow:**

1. On what date was the Western Development Fund created and from what source were funds allocated?

2. What was the (a) total sum allocated to the Fund (b) purpose of creating the Fund?

3. In what manner were the monies accumulated in the Fund allocated?

4. What is the present status of the Fund?

Hon. Barbara McDougall (Minister of State (Finance)): 1. The Western Development Fund was first announced in the Budget of October 28, 1980. Initiatives associated with the fund were to be financed out of general budgetary revenues. The Fund was established partly in recognition of the increased revenues that were anticipated under the National Energy Program.

2. (a) The October, 1980 Budget referred to $4 billion earmarked for the Fund, and made an initial allocation of $2 billion over the three fiscal years 1981-82 to 1983-84.

(b) The Fund was intended to provide for initiatives in such areas as the Western grain handling and transportation system.

3. The Budgets of November 12, 1981 and June 28, 1982 revised, reprofiled and assigned the Fund to specific initiatives, including western transportation and native economic development.

4. The Fund as such no longer exists, since the initiatives it was to provide for have been undertaken.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

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

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

Some Hon. Members: Agreed.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NON-CONFIDENCE MOTION—CANADA-UNITED STATES RELATIONS

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

That this House condemns the Government's failure in bilateral relations with the United States with particular reference to:

1. the failure to obtain an agreement from the United States to make a commitment to early action on its share of environmental damage due to acid rain; and

2. the failure to make specific, that Canada would not participate in any way in the star wars project of the United States.

And the amendment thereto of Mr. Turner (Vancouver Quadra):

That the motion be amended by deleting all of the words after the word "rain" and by adding the following:

", and by allowing a one-year moratorium before any concrete action is taken by the United States despite the express wish of millions of Canadians and Americans; and

(b) the failure to make specific that Canada would not participate in any way in the star wars project of the United States and, especially, the failure to obtain ironclad guarantees that no nuclear arms will be stationed or deployed in Canada.

Mr. Speaker: At the time the House adjourned we would normally have been in a question and comment period. If there are no questions and comments, we shall resume debate.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I rise to speak in support of the motion moved by the Hon. Member for Oshawa and seconded by the Hon. Member for Hamilton Mountain (Mr. Deans) which is critical of the Government for a number of reasons pertaining to the recent summit meeting between the Prime Minister (Mr. Mulroney) and President Reagan. I would like to concentrate on that aspect of the motion which has to do with acid rain.

I would like to begin by saying that I implied in Question Period, Mr. Speaker, that is, by coming out of the summit meeting in the way the Prime Minister did with an agreement to the appointment of high level envoys from each country who would be responsible for a mutual study of the problem of acid rain, the Prime Minister in effect conceded to the American view of the acid rain problem. It is as simple as that, Mr. Speaker. The American view, well known and not hidden, is that more research needs to be done on acid rain and that no action should be taken until there is more conclusive evidence that acid rain is actually as harmful as many people say it is. That is the American position. Perhaps I should say that that is the position of the present American administration and of President Reagan because, clearly, there are different views of the acid rain problem within the United States itself and it is somewhat inaccurate to talk continually about the American position as if it was totally homogeneous.

The position as expressed by President Reagan has been that more research is needed and that action at this time is not

appropriate. The position of the Canadian Government, to its credit, is to act to reduce acid rain. I say "to its credit" because it has become a kind of knee-jerk response on the part of the Government to accuse us of always being negative. I was not negative some weeks ago when the Minister of the Environment (Mrs. Blais-Grenier) made the announcement with respect to the action the Government was going to take with respect to acid rain. I hope people will keep that in mind and that my criticisms at this point will be more credible for that having happened.

The fact is that the Canadian position is to act to reduce sulpher dioxide emissions by making federal money available in concert with provincial and industry money, and we hope that the Government will see through that commitment and negotiate the kinds of agreements which need to be negotiated in the very near future. We will then see an actual empirical reduction in the tonnage of acid rain which is falling here in Canada from Canadian sources.

The Prime Minister said he wanted to go to the bargaining table with clean hands—or at least with cleaner hands because it is an imperfect world—and he did that. He acted on the nitric oxide emissions from automobiles. He went to the bargaining table with a few cards to play. Even though some persons maintain that he threw them all away, I would say he had a few cards to play and it was going to be interesting to see what he came up with, not only on the basis of what action the federal Government had taken itself with respect to acid rain but also in terms of the new relationship with the United States promised by the Prime Minister. What happened? The Canadian position was that action was needed. The American position was that more study was needed. And we came away with a study. To me that means that we accepted the American position.

In my view, Mr. Speaker, and in the view of the New Democratic Party, it would have been far better and more in keeping with the kind of mature relationship, about which the Prime Minister likes to speak when he is speaking about Canada-U.S. relations, for the Prime Minister to have come out of the meeting and told us that they couldn't agree on acid rain, that the President still feels that it is not the kind of problem which demands action, but that we do and we are going to continue to act on a national basis to clean up our sources of acid rain, and that we hope in the long run our continuing action in this respect will finally be persuasive to the Americans. That would have been a much more honest and responsible course of action when talking about Canada-U.S. relations. Instead we have come away with what is obvious to everyone but the Government itself: a cosmetic process designed to save the Prime Minister from having to face up to the fact that he could not get anywhere with the President. Better to have said so. It would not have been such a horrendous failure. It would have been horrendous in the environmental sense but not potitically. In my view, that would have been much more acceptable.

• (1540)

The problem is that the Prime Minister has himself in a little bit of a box, given the rhetoric he has been employing on acid rain for the last little while. As is the wont of all political Parties, we tend to blame our political opponents for everything. The Prime Minister has got himself into the position, either through not being totally familiar with the history of the problem or for partisan political reasons, or a combination thereof, of trying to pretend that the deadlock in acid rain negotiations between Canada and the U.S. is completely the fault of the former Liberal Government. With all due respect to the fact that many things can be blamed on the Liberal Party of Canada, the fact is that the blame for acid rain ought to be distributed a bit more evenly.

I refer Members of the House to the last report of the Subcommittee on Acid Rain which was brought back into existence near the end of the last Parliament. It produced a report called *Time Lost: A Demand for Action on Acid Rain.* This is a unanimous report of an all-Party committee, and I quote from the section on Canada-U.S. relations:

> Unfortunately, the political will needed to tackle the problem is lacking in the United States.

Mr. Gurbin: It was.

Mr. Blaikie: It goes on:

> A solution to the acid rain problem must be based on a continental pollution control strategy.

They say:

> —we now felt that the only useful approach to make to our American neighbours would have to be political, inasmuch as the diplomatic initiative had foundered on the intransigence of the Reagan Administration.

In summarizing the events it also points out that there were agreements in place and processes which had begun prior to the election of President Reagan in 1980.

When the Prime Minister said that this expression of concern about acid rain that he obtained in Quebec City from the President was an entirely new thing, well, it is not entirely new from the point of view of successive American administrations. That concern was expressed prior to the election of President Reagan. If anything is new at all, it is that the Prime Minister got those few sentences out of President Reagan. But I maintain that, in view of the fact no real action was agreed to, nothing new has happened and the President felt, out of politeness and in response to the fantastically acquiescent way in which the Prime Minister treated him, that at least he owed the Prime Minister a few utterances with respect to acid rain.

What the Prime Minister has been unable to say, at the Quebec summit or elsewhere, is that there is American culpability here. That has been documented time and time again by members of the various committees set up in this House to study the problem. All we want is a little honest talk about the disagreements which exist between the President and Canadians about acid rain.

In speaking about that, I would just like to say a word about what I think friendship with the United States means and what real friendship is all about. I want to begin by saying that the U.S.A. is one of Canada's greatest friends and neighbours. No one is arguing about that. What is at issue is the nature of the friendship. It seems to me that real friends can disagree with each other and still maintain respect for each other. Real friends have a responsibility which sometimes other nations do not have, and it seems to me this is the view of our Party about friendship with the U.S. Sometimes it is only your best friend who can tell you that you acted like a bully at that party the other night or you have been treating someone unkindly, or you really ought to think about the way you are behaving. These are the kinds of things that real friends are for. That is the kind of influence friends can have on each other.

I think this Government misunderstands that nature of friendship and loyalty. As the Hon. Member for Oshawa (Mr. Broadbent) said earlier, loyalty and friendship have a lot to do with being willing to be openly and honestly critical, and that is all we ask of the Prime Minister with respect to acid rain. That is what we ask of him with respect to other areas where Canada should be playing a leading role in being constructively critical of American foreign policy, whether it be in Central America, on the arms race or whatever.

I want to express my own concern about the repeated accusation of anti-Americanism which we hear from the Government benches every time we do not agree with the Government's position concerning Canada-U.S. relations. There are millions and millions of American who do not agree with President Reagan's position on acid rain, or his position on star wars or Central America. Are they anti-American? If we live in a community of democracies where we are free not only to criticize our own Government but the Governments of our neighbours and friends, surely we should be able to speak our mind about what is going on in the United States without being accused of anti-Americanism by this Government. For God's sake, the United States itself abolished the Committee on Un-American Activities; let us not turn the Canadian House of Commons into a committee on un-American activities so that whenever members of the Opposition rise to say they do not agree with the position taken by the Government they are accused of being anti-American. Surely we can have a higher level of debate than that. That is the kind of debate we should be pursuing.

Many of the questions pertaining to Canada-U.S. relations are questions of immense international importance, whether they have to do with the global environment we all share or with the future of the planet itself in terms of the arms race. We ought to be able to have a decent, open and honest debate about these issues without being charged with anti-Americanism.

There are many very serious environmental questions outstanding between Canada and the U.S. The one that comes most quickly to mind is Great Lakes water quality and the fact that seven to eight million Canadians could well be on the verge of having their water supply seriously damaged by the leakage of toxins into the Niagara River system from dumps situated on the American side of the border. Action needs to be taken on that front. We need to be firm. We are standing on firm ground on these issues. We do not have anything to apologize for. Surely we ought not to be apologetic for the fact that we are concerned about the drinking water supply of seven to eight million Canadians.

I have been to the U.S. many times and I know a good many Americans, and I think they respect people who stand up for themselves. They respect people who are open, frank and who say just what is going on and what they want people to do. They are not going to be impressed by a lot of back-slapping and head-patting and all the other sorts of things that went on in Quebec City. When it comes to questions of the environment in particular, we are on very firm ground indeed and we should be as frank and honest with the Americans as is necessary in order to get them to see that we are deadly serious about their taking action to reduce acid rain emissions that are crossing our border from their country. We must show them that we are deadly serious about cleaning up the Great Lakes. Of course, we could have better created the impression that we were deadly serious about the quality of Great Lakes water if we had not had the cancellation of the herring gull egg program. Nevertheless, these issues must transcend the day-to-day mistakes of the Government, and we therefore still have a very strong moral case for speaking to the Americans about that.

● (1550)

I would like to say a final world about the greatest environmental issue of them all. I know that others will be speaking about this. Hopefully, the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) will be able to speak later this afternoon on questions pertaining to security and disarmament. In the final analysis the greatest environmental question of them all is that of nuclear war. It is the prediction of many experts now that any significant nuclear exchange would result in what is called nuclear winter. It would result in environmental damage which would make our concerns about acid rain and toxins in the Great Lakes pale in comparison.

I listened with great interest to the Hon. Member for Saint-Maurice (Mr. Chrétien), the former Secretary of State for External Affairs in the Liberal Government. He said that if we create the environment that he believes the present Government is creating by signing these agreements with the Americans with respect to defence, when we get the call saying they want to deploy nuclear weapons on our soil we will not be in a position to say no and that we are kidding ourselves if we think otherwise. Mr. Speaker, we have that environment in Canada.-U.S. relations now. It was created by years and years of Liberal Government. We have been put in a position whereby we are not able to have an independent foreign policy because we are so vulnerable to American action and response, whether economic or otherwise. The Americans play hardball when they want to get their own way with respect to the National Energy Program or whatever it happens to be. They

have a history of being very tough with regard to their own national self-interest.

Over the years we have not developed an economy or a stance with regard to foreign policy which enables us to act independently on short notice. We can thank the actions of successive Liberal Governments for that. The response of the Conservative Government to the environment created by the Liberals is to accept it. They simply say that that is the way the world is and instead of struggling against that reality they accept that environment and do their best within it.

We see this attitude not only with respect to foreign policy but also with respect to foreign investment, and a number of other fronts.

The Conservative policy is not to struggle against the dependence which has been created over the years by successive Liberal administrations, but to accept it as the way the world is and to try to do their very best within it for Canadians. That is a legitimate policy option, but we do not agree with it. We say that in the long term we must struggle against that dominance of our economy and the disability that we have acquired over the years to act independently on the world stage. We invite Canadians to do that by supporting our policy. The Government is quite right in saying that at this point in time it has the mandate. However, we also have a mandate to put forward the alternative view. We must keep reminding Canadians that there is a different way to do things and that we do not have to accept these international realities as if they were the weather which we cannot do anything about.

The world is in part created by human beings. Our social and economic realities are the result of human choices. The world can be changed, but only when and if Canadians join with us and others who are concerned to change the world in that way. That is what we are up to. We are not up to any anti-Americanism or low level carping on a day-to-day political basis. We are trying to make the point that there is an alternative way to exist in the world as Canadians and as a country. We are going to continue to do that, Mr. Speaker.

Mr. Duguay: Mr. Speaker, for some time today I have been getting a lesson on the nature of friendship. The lesson includes comments like, "real friends cannot disagree", that we on this side misundertand the nature of friendship, and that we on this side are accusing those on the other side of anti-Americanism.

I would like to tell you, Mr. Speaker, and other Members in the House about the nature of friendship. Members opposite have said today that when you sit down to negotiate with the Americans you must remember that they play hardball and that you have to watch them. They say that you have to be tough with the Americans or they will take advantage of you. The Leader of the New Democratic Party (Mr. Broadbent) said this morning that Mr. Davis was the wrong person to choose to fight with the Americans on acid rain. Mr. Speaker, those on the other side have a lot to learn about the nature of friendship if they start out with the assumption that they have to fight with the other side in order to accomplish objectives which they share. You cannot start out by assuming that your friends are wrong and that you are going to fight with them, if you ever hope to accomplish anything.

Mr. Blaikie: Mr. Speaker, what the Hon. Member for St. Boniface (Mr. Duguay) has said confirms the fact that there are two different views of what the relationship between Canada and the United States ought to be. I assume the Hon. Member for St. Boniface would admit that there are people in this House who are friends but are on opposite sides of an issue, and who, when they are dealing with an issue, can be very tough, firm and critical, but do not feel that their friendship is endangered. I am making the same argument about relationships between countries and between politicians on either side of the border. In the final analysis, it is a question of maturity.

The Hon. Member puts a very pejorative interpretation on words like "tough" and "firm" and on observation that the Americans play hardball. They do. They have a history of being known for the tenacity with which they stick up for their own self-interests. I must say that sometimes I have been envious of that. I can at least say of Americans that they do stick up for their own interests. Sometimes I am critical of those interests, but the fact of the matter is that they do stick up for their own self-interests. They have not been the international patsy that Canada has sometimes been with regard to its own self-interest.

Mr. Dingwall: Mr. Speaker, I have a question for the Hon. Member, whom I consider to be a friend. Although we may agree to disagree, we can still ask questions of one another. Perhaps he could outline for the House the views of his Party with regard to the fact that the Prime Minister (Mr. Mulroney) has made much of the fact that he has appointed a former First Minister from Ontario as the special envoy to carry Canada's case with regard to acid rain.

• (1600)

I have some concerns, as do my constituents, about his track record as it relates to acid rain. The steps he took as a provincial first Minister perhaps do not provide confidence and assurance that Canada will be sufficiently represented so that we will get a very meaningful agreement with the United States about curbing acid rain.

We heard some musings from the Hon. Member for Saint-Boniface (Mr. Duguay). Does the Hon. Member or his Party know what assurances the Prime Minister sought from the President of the United States with regard to acid rain? It seems that many people in the country, including those in the news media, are not aware of what the Prime Minister actually sought in terms of consummating the agreement with the United States. Perhaps the Hon. Member could comment on those two points.

Mr. Blaikie: Mr. Speaker, the fact is that we do not know what the Prime Minister asked of President Reagan with respect to acid rain. If the Prime Minister received what he

asked for, I suppose that might be called a success. However, we hope that he at least asked for more than what is in the agreement.

The Prime Minister told me in the House before the summit that he would not tip off any New Democrats about what he would ask from President Reagan. So far he has not tipped off anyone and the summit is already over. I presume he did not even tip off the President because he is unable to tell us what commitments he requested but did not get. We do not know what the Prime Minister actually asked the President.

With respect to the appointment of the former Premier of Ontario, I tried to point out earlier in Question Period that he was responsible for cancelling an initiative which would have seen the first use of scrubbers in Canada. That initiative was regarded with a great deal of political enthusiasm in the United States but was then cancelled by Ontario Hydro when William Davis was Premier of Ontario.

Under Premier Davis, we saw an accumulation of concern about acid rain throughout the 1970s. At the same time we saw an accumulation of acid rain with no action taken on that front by the Ontario Government. There was much talk and many initiatives that were eventually cancelled and never came to fruition.

Although former Premier Davis is a distinguished Canadian in many other respects, he has hardly made a name for himself with respect to environmental issues. It is an indication of how seriously the Prime Minister regards this issue.

Remember that when he was asked by the Leader of the Opposition (Mr. Turner) why he did not take part in this debate, the Prime Minister said that he only comes in when it is a serious motion. I suggest that that shows a great deal of contempt for Parliament and a great deal of contempt for the whole issue of acid rain. Today's motion follows a major summit between Canada and the United States. It is a motion by one of the Parties in this House and is worthy of his comment. That contempt, combined with the appointment of Premier Davis for a dollar a year to work on acid rain for the Government, shows that he does not take acid rain problems seriously.

Mr. Gurbin: Mr. Speaker, the Member for Winnipeg-Birds Hill (Mr. Blaikie) produced a publication from the Subcommittee on Acid Rain entitled *Time Lost*. For the record, I think it is clear that no one from the Government has indicated anything other than concurrence with that report. In fact, that report formed the basis for much of the action that has been taken by the Minister of the Environment (Mrs. Blais-Grenier) and the Government. Within the short period of six months, it has produced an action plan that I suggest is unequalled in the world with respect to the issue of emissions and the acid rain control problem.

This publication is also a testimony to the action of the previous Government. In 1977, the then Minister of the Environment, Roméo LeBlanc, indicated that this was a time bomb that was ticking. From that time until the publication of that book, approximately seven years, there has been little or no constructive action. Within six months of our taking office, owing particularly to the ability to co-operate and consult in a friendly manner rather than in the inflammatory way of the previous Minister of the Environment, we have been able to establish an action plan. We have been able to establish a relationship which includes the appointment of ambassadors who will be able to carry on with that important and constructive work.

Mr. Blaikie: Mr. Speaker, the Hon. Member is not being exactly true to the record as it exists in *Time Lost*. What this document does so well is to distribute the blame. It does not try to blame all of the problems on the Liberals or on President Reagan. It states that there was some action taken in 1977 and 1979 that led to certain memorandums, intentions and understandings which then fell through after the election in 1980.

The Government makes the claim that strategy employed by the previous administration did not result in any change in the American position. While that is true, the fact is that the position of the American administration was one of "intransigence" and that also has to be taken into account.

Therefore, I would not agree with the Hon. Member that the Government has concurred in the recommendations and the views of this report totally. The one thing that the Government is not able to say and the Prime Minister was not able to say in Quebec was that intransigence on the part of the American administration was part of the problem. If the Prime Minister had the ability to say that, we would know that he is the mature friend and Prime Minister of a sovereign nation that he would have us believe he is.

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I shall try to outline what the present Government has been able to do about the environment in just six months. I cannot respond to every point raised by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), because the Hon. Member talked about so many different things that his speech was no longer about acid rain but a kind of mish-mash of herring gull eggs, Canada-U.S. relations, the defence system, quotes from what was said by the Hon. Member for Saint-Maurice (Mr. Chrétien), and U.S. domination of the Canadian economy. That is more or less the kind of dialogue we have going back and forth across this House, and we have reached the point where in trying to make its position known, the Government is caught up in a completely illogical debate in which the meanings of words are twisted and situations misrepresented, all of which is thoroughly confusing to Canadians who are not getting the access to information they should normally have through *Hansard*.

I want to make it perfectly clear that I am not going to discuss the philosophical aspects of friendship. I am not going to discuss herring gull eggs, something we have been talking about for the last six months. I am not going to talk about the defence system, since that is not my field. I am not going to quote the Hon. Member for Saint-Maurice because I do not

think he should be quoted, since he is not an expert on the subject. And I am not going to talk about the domination of our economy, because I think our economy is alive and well. According to the latest polls, Canada's gross national product is performing far better than in other countries, unemployment is going down, and the situation should make us optimistic about the months to come, and that is what Canadians have been telling us in these polls. They are very satisfied with their Government, despite protests to the contrary by our New Democratic Party colleagues who are green with envy.

● (1610)

Mr. Speaker, on February 5 of this year, using an approach that has now become identified with this Government and that sets us apart from the previous Government of 15 years of confrontation, an approach characterized by conciliation and negociation, thanks to this entirely new style of government, we were able, within just a few months, to achieve with the provinces who are not our enemies but our partners, and we said so quite clearly after the election on September 4, and they believed us and they agreed to work with us, so that with the provinces, we agreed to proceed to a reduction in sulphur emissions, and each province agreed to set quotas to reduce sulphur emissions in Canada.

When the agreement was made public, the Liberal critic for the environment and the NDP critic said, substantially, that there was nothing to it. We thought there was a great deal to it, and our colleagues... The Hon. Member of the New Democratic Party was obviously supporting the motion presented by the Liberal environmental critic. In any case, I fail to see any clear distinction between the two parties, because they are nearly always saying the same thing, acting as a team and asking questions or supporting each other motions. It was very good timing, Mr. Speaker, because the motion condemning the Government for its failure to take action with respect to the environment came the day before, exactly the day before the public announcement of the Canadian environmental clean-up program, a plan that does not have its equal in any country. So I very much appreciated the timing of my hon. colleague, the Liberal environmental critic. I thought it was most appropriate and almost miraculous, and I said to myself that as long as we have an Opposition that is following the Government's business that closely, we will not have to worry.

That is what we have done. An agreement was signed with seven Canadian provinces, while the Western provinces which are less affected by sulphur emissions offered us their active support, so that this was a Canadian consensus. Immediately after the February 5 agreement, we continued to develop at the federal level, the federal plan to clean up acid rain pollution. That enabled us on March 6 to unveil this program under which $300 million are set aside to solve the acid emission problems. It required—a very easy task since we always proceed as a team—the cooperation of twelve federal departments or agencies. On March 6, when we made this program public, the media were practically unanimous in their praise, saying that no other country had come up with such a program to fight acid rains.

So what did they say about it? They did not say: There is nothing there, we had already said so. They told us that the program was already on file and that the Liberal Party would have made it public had it not lost the election. I began to wonder why the Liberal Party and its critic, the former Minister of Environment, who had this program ready on file during their 15 years in office, did not see fit to offer it to Canadians, but chose instead to wait until their September 4 defeat to say: Well, we had that program ready. In any event, Canadians do not pay much attention to such highfaluting statements, and we were widely commended for having come to grips with the acid rain issue. As it happened, we did manage to put the acid rain issue at the top of the agenda of a historic summit. Mr. Speaker, it was the first time since 1943 that a President of the United States and a Canadian Prime Minister got together in Quebec City, the first time, 42 years later, that acid rain was one of their priorities. So what do we hear in the House today? That the Canadian Government could not care less about acid rain, that it is indifferent, that the matter is not important, and so on. This is the kind of debate the Opposition wants to have in the House.

The President of the United States and our Prime Minister meet in a historic summit, and the first working session of the two men deals with acid rain. I would remind you, Mr. Speaker, that the matter of acid rain had been in limbo for at least four years. The Conservative Government can certainly not bear the blame for inaction on the part of the United States in the past four years. We get things going in six months and, through the dynamism of our Prime Minister, we succeed in calling a historic summit meeting. President Reagan agrees to put the acid rain question on the agenda. The first statement at the first working session shows that Canada and the United States see eye to eye with respect to this very complex matter which has been lying on the shelf for four years. The two men then announce the appointment of two envoys whose prestige and visibility no one can question, not even our colleagues of the Opposition.

Here are some of the remarks made by newspaper editorialists whom I consider as being very deserving and very wise people. Here is what editorialists like Jean-Louis Roy, Michel Roy or *Le Droit*'s Alain Dexter have to say: Those two men are outstanding lobbyists. The two men, President Reagan and Prime Minister Mulroney, have just given a powerful lobby to environmentalists. They have given them two prestigious and highly-regarded men who will look exclusively into this issue, who will combine their efforts to seek a way out of the acid rain deadlock between the United States and Canada. Indeed, it must be acknowledged that the deadlook is due in part to the behaviour of the former Government which approached every problem as if it were a conflict. It was a never-ending guerilla.

They would go to the United States and insult everybody within hearing distance. They were interviewed on television only to voice further insults, and then they were wondering why joint decisions could not be reached.

Now, these two men are well thought of in both countries. It is recognized, in editorials that they surely will hasten the debate on pollution control.

This is what Mr. Roy has to say: We welcome the appointment of two great artists. Why does he refer to them as artists? Because the acid rain issue is no longer something that should be discussed by representatives of the scientific community. Quite simply because scientists have told us all there is to know about acid rain, and there is not much dispute at that level. This is why these two men, experienced as they are in the ramifications and complexity of politics, are asked to debug the issue over the coming year and entrusted with an extremely interesting responsibility. Mr. Davis and Mr. Lewis will be expected to consult on the statutes and regulations pertaining to pollutants.

Canada will be consulted on its own statutes and regulations that govern pollutants, and will be in a position to give its version, its assessment of the regulations. They have been entrusted with the responsibility of enhancing co-operation in research endeavours and here I want to refer to a research report submitted by the Royal Society of Canada to the Environment critic of the Liberal Party when he was Minister of the Environment, in which it was emphasized that research on acid rain was in a terrible mess. This was not said by me, but by the Royal Society of Canada. Clearly, the Environment critic has not said much about that, nor did he try to clear up the mess research on acid rain was in at the federal government level when he was a minister of the Crown and a member of Cabinet.

Therefore, the two appointees will have to discuss at length the question of research, to secure in their respective countries co-ordination of research endeavours and the interrelationship of research activities in both countries. They will also have to look for means to widen the exchange of scientific information in order to avoid duplication, I assume, and make a survey of all of the initiatives taken to improve the Canadian and American environment.

These two men of distinction would not have accepted the responsibility of dealing with that issue simply to sweep it under the carpet. They are men of action. They have accepted the job because they know how important it is for the environment in their respective countries, because they are convinced that they will be able to break the deadlock to which we had come because of the previous government, and to propose concrete initiatives during the upcoming year. They will be facing powerful lobbies, especially from South of the border. They will also be facing powerful unions.

The acid rain problem is tremendously complex, first because it involves huge amounts of money, and secondly because it could affect thousands of jobs. Those are aspects that are not to be taken lightly. And a whole year to try and find ways to arrive at solutions that will safeguard jobs and ensure depollution, after having had a government that did nothing for 15 years, is something that is quite acceptable in my view.

These two men are therefore both exceptional people and the former Ontario Premier, Mr. Bill Davis, is not the type to accept, to use the words of the editorial writer:

—simply to go through the motions in this regard.

The same editorial writer also said: What it was logical to except from the Quebec meeting on the issue of acid rain was that its basically political character would be recognized. For the first time, the American President, without saying so, but by his actions, has put an end to the research process, has recognized the problem of acid rain, recognized that it exists and that it is a problem common to the United States and Canada, and has agreed to appoint a prestigious envoy, who is also a personal friend of his to try to make some progress on this issue.

Therefore there will be a powerful lobby to support the efforts of environmentalist groups, which would of course have preferred us to go further. I recognize that if the problem of acid rain could have been solved in a day or two, it would have made me very happy. However, since the former Government took no action in this regard during 15 years although it made many statements on the subject, it seems to me that we have made enormous progress in achieving all we have in a period of a little over six months since our taking over.

Mr. Speaker, the climate of the negotiations is most important, because if there is a favourable climate and agreement between the negotiators, as well as mutual respect, then it is certain that progress will be made in any deadlock and those who, like myself, have been involved in negotiating labour contracts and in labour relations know that the climate of any negotiations should never be underestimated. This is true where countries are concerned, as the Hon. Secretary of State for External Affairs (Mr. Clark) obviously knows and is always displaying, and it is also true as far as relations between the provinces and the Federal Government are concerned. This is why, in recognizing this principle through our actions, we were able to achieve quite incredible results in a very short time.

• (1620)

[*English*]

Mr. Caccia: Mr. Speaker, I would like to thank the Hon. Minister for her grade three public school essay. She attempted to rewrite Canadian history according to the latest Progressive Conservative theology. I will ask her a few questions, and she can choose which ones she wants to answer. Of course, we on this side of the House are very flexible and leave the choice to her.

What are the views of the Hon. Minister with respect to the fact that environmental groups across the country, for the first time since the election, are not supportive of the Progressive Conservative Government decision on acid rain? Why is that? Does she really consider it progress, if she compares the statement of President Reagan in Quebec City on Sunday who said just about the same things on acid rain as he did in 1981 when he visited Ottawa? Why, in her view, did the Prime Minister (Mr. Mulroney) and President Reagan sidestep the issue, decide not to give leadership on acid rain and allow, in a way, the National Coal Association to win? The Executive Vice-President of that Association, Danny Ellerman, was quoted as saying that acid rain "is a subterfuge". The President of that Association, Carl Bagge, was quoted a month ago in *The New York Times* as congratulating the Prime Minister for his stand on acid rain. Is that not a strange source of praise? Perhaps the Minister could explain why the Prime Minister failed to give leaderhip on this matter by giving away Canada's bargaining position two months ago?

Did he draw the President's attention to Canada's record on a 25 per cent reduction in emissions between 1980 and 1990? Did he draw the attention of President Reagan to our commitment on March 6, 1984, to which the provinces and the federal Government unanimously agreed, to cut it by a further 25 per cent? Did he make use of the memorandum of intent which was signed by Canada and the United States on August 5, 1980? Did he draw the President's attention to the fact that on research Canada spends, on a per capita basis, twice as much as the U.S.? Did he draw the attention of President Reagan to the fact that SO_2 emissions or smoke-stack emissions in the U.S. are over five times those in Canada and that nitrogen car emissions in the U.S. are over ten times those in Canada?

Finally, what does the Minister have to say about the fact that the Prime Minister, having gone to Quebec City on his environmental knees and instead of putting the acid rain question squarely on the table with President Reagan, chickened out on Sunday and yielded to U.S. pressures? He admitted that research was still needed, taking a position with which no Canadian would agree. Not even the prestigious U.S. National Academy of Sciences would agree with that position. He agreed with further research, which is the last thing he should have done. Were Mr. Davis and Mr. Lewis given a task under the agreement? This bears upon what the Minister just said on the question of research. Why were they given in the mandate, among other things, the assignment to improve co-operation between the two nations in research efforts and to pursue ways to increase exchanges of relevant scientific information? The Minister has the choice to answer.

● (1630)

[*Translation*]

Mrs. Blais-Grenier: Mr. Speaker, I have just discovered a new approach in my hon. colleague. Now that he can no longer attack the Government since we have done much more than he did when he was a Minister, he is asking questions. I shall try to reply to all of them.

As far as the first question is concerned, unlike the Liberal environment critic, I do not try to take credit for initiatives which are not my own. It would never cross my mind to say that a Canadian program as significant as the one which was announced was part of my plans when I was in the Government if I had not implemented this program myself, because I would be admitting that I was doing nothing as Minister of the Environment. I think that this is exactly what the environment critic was doing. When he was Minister of the Environment he did make statements but nothing else. If the action plan was one of his projects, it is unfortunate for him and it shows that he was not very effective as a Minister. As for me, after putting together the Canadian action plan, I succeeded in having it approved by all my Cabinet colleagues, and six months later, it was made public. There it is.

This morning or yesterday, the environment critic quoted the President of the United States and suggested that the President had said nothing more than on his visit to Canada on March 11, 1981. Therefore I went back to *Hansard* and read what the President of the United States said at that time to see whether progress had been made or not. Having been a research professor, I love doing research. In *Hansard* for March 11, 1981, we can see that Mr. Reagan said exactly the following about acid rain, and I shall quote him in English:

[*English*]

We have continued our efforts begun with the Great Lakes Water Quality agreement of 1972 to protect our joint heritage in the Great Lakes. We want to continue to work co-operatively to understand and control the air and water pollution that respects no borders.

[*Translation*]

The Environment critic infers from that quotation that Canada made no progress at the summit in Quebec City. I will say quite frankly that if we never made any other progress than that made in Quebec City, I would still be quite pleased with our record compared to that of the former government. I think that the U.S. President has taken a great step forward since his 1981 statement.

As for environmental groups which disagree with our approach, some are old friends of the former minister. Once again, I will quote an editor but I do not want to blame anyone. This commentator declared: We were quite surprised at the reaction of some environmental groups and I will skip the names when the name of both envoys was announced. I quote: "Those organizations seem to have reacted too quickly when they sharply criticized the decision of Prime Minister Mulroney and President Reagan to ask two exceptional politicians to take part in the debate on acid rain". Without blaming environmental groups, I find that criticisms were made rather too quickly. Let us give to these distinguished envoys the chance to meet, which they will do so within ten days, and to develop an action plan. Then we may criticize them.

[*English*]

Mr. Blaikie: Mr. Speaker, I have a comment and then a question. The Minister of the Environment (Mrs. Blais-Grenier) said that after 15 years she did not know how one more year would make much of a difference. There are two things with respect to that. When we are talking about just one year, we are obviously talking about more than one year. Even if some highly significant agreement came out of the discussions between Bill Davis and Mr. Lewis of the United States, that would be an agreement to do something later than a year from now. We are not just talking about one year; we are talking about a number of years.

Something else the Minister should keep in mind when we are talking about this problem is that acid rain is the kind of environmental problem which is cumulative. The year at the end of 15 years is much more significant than the year at the beginning of the 15-year period. The Minister should try not to think in purely numerical terms about the kind of time-frame that we may be working in with respect to acid rain and a number of other environmental problems. I invite her to reflect on the nature of time as it pertains to environmental questions like this.

I have a question for her. How can she maintain that the appointment of these individuals to study acid rain was a consensus position? She used the word consensus. Presumably a consensus position is one that you arrive at after you have had two different positions. You arrive at a position that is not the same as either of the two original positions. I want to know how she can call it a consensus if the Canadian Government had the view that acid rain was something that had to be acted on and the Americans had the view that it was something that should be studied, and we agreed to study it. That is what the Minister calls a consensus. That is what I and many other people call a concession, not a consensus.

[*Translation*]

Mrs. Blais-Grenier: Mr. Speaker, I suggest that the Hon. Member should buy himself a pocket dictionary to carry around constantly with him. Where did he get the notion that it would be impossible for countries to use negotiations to reach a compromise? A compromise is a common position arrived at by people holding different views initially. And how could this paralyze the action of a good government? I feel that the government should be commended for breaking a deadlock which had existed for nearly four years.

I suggest that a compromise is reached for pragmatic considerations. We had recognized that because of the complexity of the issue and the interests involved, it was necessary to focus on it for a while and entrust it to two senior officials with direct access, one to the President of the United States, and the other to the Prime Minister of Canada.

I think nobody can rightfully claim that this was not a way to recognize the seriousness of the matter; moreover, I know that the word "compromise" simply does not exist in the NDP dictionary.

[*English*]

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, returning to the first part of the New Democratic Party motion today expressing our concern about possible future linkage between the development of star wars and the uses to which our new Early Warning System may be put and the related matter of the stationing of nuclear weapons on Canadian soil, let me first say a word or two and try to make as clear as I possibly can what our concerns are regarding the moedernization of the DEW Line, now called the North Warning System.

If it were indeed today and for all time a radar system purely used for detection and the communication of information, I do not think any of us would have any great concern. However, when in fact the modernization of the DEW Line is seen by the authorities in the Pentagon as having what they describe as collateral benefits for the development of the President's Strategic Defence Initiative, as star wars is formally called, we are very concerned indeed.

The Secretary of State for External Affairs (Mr. Clark) said this morning that we were sowing fear in the country because of our concern. Quite frankly, The Canadian public is already concerned about the possibility of the escalation of the nuclear arms race and indeed the militarization of outer space. We have not created the concern. The concern has been generated over several years now, and particularly since the President first announced two years ago the possibility of the militarization of space and the extension of the arms race into space. I think it is important to reiterate that. This lies at the root of the concern of the public. It is bad enough having an arms race on land, at sea and in the air, but when it is extended into space, with all the uncontrollable and destabilizing elements that would then be involved, surely the public is quite justified in being concerned.

● (1640)

As I have said, we are not dreaming up the idea that there is a relationship between the modernization of the DEW line and future collateral benefits, to use the words of the Pentagon, for star wars. We have read about these things. In a question to the Minister of National Defence (Mr. Nielsen) to which he did not respond, I asked whether or not he had actually read the minutes of the hearings of the committee on armed services of the United States Senate which occurred last spring and again last fall.

It was from reading the minutes of the hearings held before the U.S. Senate committee on armed services that I first realized fully how the Strategic Defence Initiative of the President was to be aided and abetted by certain other developments down the line. I am not saying that this will happen tomorrow. It will happen down the line. After all, star wars is at the research stage now. We have never said that anything would happen tomorrow.

The testimony recorded in those minutes to which I refer explicitly states that both the space shuttle and the modernization of the DEW line would provide collateral benefits to the

Strategic Defence Initiative as it becomes developed and deployed. As Hon. Ministers would discover if they were to read the reports of the Senate committee, there is no question in the minds of the committee members of the United States Senate committee on armed services that the President's Strategic Defence Initiative will go through to deployment. In fact, they conclude their remarks by saying that the committee wants to contribute to making the president's vision a reality.

When the United States Secretary of Defense said on television the other day that missile launchers might in fact be located in Canada, he was only referring to what will happen down the line when Canada gets further and further involved in the Strategic Defence Initiative. The Secretary of State for External Affairs (Mr. Clark), quite rightly, went on to point out that Secretary Weinberger had said that these missile launchers would not be placed in Canada without Canadian consent. This question of consent only confuses the issue even more.

Before I say a few words on that matter, which very much affects the arguments the Secretary of State for External Affairs and the Minister of National Defence have been making, let me put on the record the words of Sir Geoffrey Howe regarding the entire star wars concept.

It is clear that this Government has accepted research into star wars and has accepted what the President deems to be the frontier of a ballistic missile defence. I have not heard anyone from the government side, let alone the Prime Minister (Mr. Mulroney), deny their support for the concept of a ballistic missile defence. Indeed, this morning the Minister came quite close to saying that if such a defence is contrary to the ABM treaty, there would have to be negotiations presumably to work our way out of that treaty.

Sir Geoffrey Howe, the Minister of Foreign Affairs for the United Kingdom, has very grave reservations indeed about the development of star wars. As reported in the Ottawa *Citizen* of March 16, he said the following at a meeting last week:

"the enormous technological expertise and potential of the United States" is very great.

He paid tribute to that technology. I am only reading the parts of the article which are in quotes because I have not yet read the full speech. He then went on to say:

"there would be no advantage in creating a new Maginot Line of the 21st century, liable to be outflanked by relatively simpler and demonstrably cheaper countermeasures."

He went on:

"We must make sure we are not developing what might prove to be only a limited defence against weapons of devastating, destructive force," . . .

"We must be especially on our guard against raising hopes that it may be impossible to fulfill."

He then went on to discuss the holes in the dike or the holes in the Maginot Line of the Strategic Defence Initiative of President Reagan. He asks:

"Would these holes in the dike," . . . "produce and even encourage a nuclear flood?"

We all feel that we in this House have not had a sufficient discussion of the implications of star wars on the strategic balance and indeed we have not had sufficient discussion of its technical feasibility let alone its strategic desirability. I gather from the BBC news that Sir Geoffrey Howe's remarks are the top story in the United Kingdom today joined with the story of very similar remarks made yesterday by the West German Foreign Minister, Hans Dietrich Genscher, who was again questioning both the technical feasibility and the strategic desirability of star wars.

Again our Ministers will say to us that they have only approved the Reagan initiative so far as research is concerned. The Minister from the United Kingdom and West Germany are questioning the research. That is the point I wish to get through to our Ministers. We and the NDP are not the only ones questioning the research. Foreign Ministers of the United Kingdom and West Germany are questioning it because they do see it as being destabilizing. They do see it as changing the entire strategic balance. They do see it as being an escalation of the arms race into space.

The Minister said that he came before the committee to discuss this matter. He came before the committee for 64 minutes. He said that he was asked no more questions after that time. Unfortunately I was ill on that day and could not be present. I read the minutes very carefully. I will take this matter up with him again when he comes before the committee. However, at page 42 of the minutes of February 14, he did say:

The question has been raised whether or not more questions should be asked. I am in the hands of the committee on that question and will look forward to hearing from the chairman.

The Chairman tells me that he did ask the Minister to come before the committee, that he phoned the Minister's office many times to ask him to come to the committee prior to the signing of the North Warning System agreement, and that the Minister declined to come before the committee as did the Minister of National Defence. It is a little excessive on the part of the Secretary of State for External Affairs for him to say that he gave the committee all the time it needed and wanted. We desperately wanted more time with the Minister, but he did not oblige us by coming on any one of the three days last week on which I am told by the Chairman he was asked to come.

● (1650)

On the related matter of the North Warning System, which is also embodied in the Liberal amendment of our motion, the matter of nuclear weapons on Canadian soil, again I want to make it absolutely clear to the Minister that we are trying to address this as carefully and as clearly as we can. I know he is as well. Indeed, I took down his words exactly this morning. The Secretary of State for External Affairs said this morning that in the agreement there is "a guarantee that any Canadian Government would have the right to refuse the stationing of nuclear weapons on Canadian soil". I have two points: first, that is not what we are asking. What we are asking, which is quite different, is a commitment from the Government now

that nuclear weapons will never be stationed on Canadian soil. The Minister must know that by the time a crisis exists, or an advanced alert comes about, there is no time to be consulted. A country has no option at that stage. I am not talking about a state of war. I am talking of a state of crisis.

Does one imagine that the B-52 bombers, loaded with Cruise missiles, which are supposed to scramble from their base in California to Cold Lake, Alberta, at the moment an alert is signalled are going to be held up until the Canadian Government agrees? If that is the case, then I want the Minister to tell us that the United States has agreed to hold up any stationing or sending of nuclear missiles to Canadian soil on the B-52 bomber or in whatever other way until we have said OK. The Minister has not told us that that is what will be done because, quite frankly, Mr. Speaker, that is not what would be done.

Hon. Members will remember what happened when Mr. Nixon called the state of alert in 1974. There was no consultation, nor would there be, nor can there be, at that late stage. The Minister said there would be consultation before there would be any deployment of nuclear depth bombs at Comox and Greenwood. But one has to make some preparations, as the chief of our own general staff said, for the acceptance of those nuclear depth bombs. One has to make some preparation at the bases, as he himself quite rightly pointed out when he was interviewed on this.

So the Minister in a sense is deceiving us when he says that the Canadian Government would have the right to refuse the stationing of nuclear weapons on Canadian soil. That right is not an option which in practice we would have should a time of crisis arise. So what I am asking the Minister, if he does not agree with what I have just said, is to tell me exactly how we would be consulted in the instances I have just given. If he cannot do that, then would he give some assurance to us now that nuclear weapons will never be stationed on Canadian soil?

The Minister asked today why he should have brought the North Warning System agreement to the House of Commons. Other agreements in the past had not been brought to the House of Commons, so why should there be, therefore, any public discussion through the Parliament of Canada? I found that a very alarming statement. In the first place, it is inaccurate. After all, the NORAD agreement was brought before the House. Mr. Diefenbaker did not want to do that. If one goes back to the 1958 debates one will see that Mr. Diefenbaker did not want the NORAD agreement brought before the House of Commons. But he finally agreed and it was brought before the House, chiefly because his Secretary of State for External Affairs of that day argued him into bringing it before the House, which is more than I can say for the present Secretary of State for External Affairs.

The NORAD agreement was brought before the House, it was debated and it was voted upon, so there is a precedent. Furthermore, when the Conservatives were in opposition they argued, at least my hon. friend from Victoria, whom I see here today, argued, that one of the most significant developments which should have come before the House of Commons when the Liberals were in power was the framework agreement which enabled the testing of Cruise missiles. The Hon. Member for Victoria (Mr. McKinnon) and I were quite energetic about it, and other Hon. Members of the Conservative Party, I am sure, were equally concerned that that agreement did not come before Parliament. Yet today and yesterday both Ministers refused any further meetings with the committee. Sixty-four minutes was enough. They have refused to hold hearings where Canadians and other experts in the field could be heard on the long-term implications of the modernization of the DEW Line for the Strategic Defence Initiative, as well as the possibility or otherwise of Canada really having a choice in refusing nuclear weapons on its soil. Instead of doing that, instead of bringing it before committee and allowing experts to talk and explain, they passed it as quickly as possible through Cabinet in order to sign it with President Reagan this past weekend.

President Reagan was, of course, delighted. In fact, as I considered the whole weekend, I could not help thinking that our Prime Minister was like the young man who is taking the boss home for dinner. That is the way he behaved during that whole weekend. He did not at any point give me the confidence or the feeling that he was even asking the right questions.

An Hon. Member: You would rather he had insulted him, I suppose.

Ms. Jewett: No, I would not want the Prime Minister to insult him. I don't believe in insulting people myself and I don't believe he needed to insult him. But I think all Canadians should be pretty concerned that he did not ask the kinds of questions I am asking today and for which we have never had answers from either the Secretary of State for External Affairs or the Minister of National Defence. I would like to hear from both, their comments on what Sir Geoffrey Howe is saying as well as what Hans Deitrich Genscher is saying.

The Canadian Government and the Prime Minister did not challenge the President of the United States, as far as I can discover, on any American positions, even that on Central America, about which I would have thought this Government had at least a somewhat different view from President Reagan. I have now decided that it does not. It cannot have. President Reagan made that incredible lunch-time speech yesterday, blasting away at Nicaragua once again—which he has been doing for the last weeks—supporting the Contras, and we just sat meekly by. We, who have provided expertise for the Contadora peace plan, knowing full well that the President of the United States is doing his very best to scuttle that plan, do not say a word to President Reagan.

In the midst of the arms negotiations in Geneva between the United States and the U.S.S.R., President Reagan made the most vehement, almost blasphemous, references to the position of the U.S.S.R. which I ever heard. I thought, by the way, Mr. Speaker, it was an insult to come to Canada and make those kinds of remarks about the Government of Nicaragua, the support for the Contras, and the Soviet approach toward arms control. He made those remarks, I suppose, Mr. Speaker, only

because, as in the case of star wars, he knew that he had our Prime Minister in his pocket.

Mr. Deputy Speaker: Questions or comments?

Mr. McKenzie: Mr. Speaker, I would like to point out what the Canadian people are really concerned about. The Hon. Member for New Westminster (Ms. Jewett) might want to trust the communists, but I am afraid that there is enough evidence at hand to know that we cannot trust the communists. We can see that from their actions in Afghanistan where they burned children in front of their parents. They dropped booby-trapped toys which blew off the hands and fingers of children. So we have serious doubts about taking their word—

• (1700)

Mr. Deputy Speaker: Order, please. I would ask the Hon. Member to comment on the speech of the Hon. Member for New Westminster-Coquitlam (Ms. Jewett).

Mr. McKenzie: The speech dealt with star wars, and what we and the Canadian people are concerned about is the star wars equipment on both sides, not just that of the United States. We want both sides to abandon their star wars equipment, not just the United States. The reason the U.S. has to develop the star wars equipment is to keep up with the U.S.S.R. We hope that at the top they will both agree to disband everything and get rid of all nuclear weapons as well as chemical weapons.

Russia has a number of types of star wars equipment. They have RORSAT, a radar ocean-reconnaissance satellite. This is an advanced piece of weaponry. It can probably detect destroyer and aircraft carrier-size ships in good weather. The Russians also have ERORSAT, which is another electronic intelligence ocean-reconnaissance satellite and which is used with RORSAT for detecting and tracking of naval vessels in open or coastal waters. If we are to sit back and do nothing and allow them to develop this kind of equipment, we will have nothing with which to protect ourselves. We would be absolutely vulnerable. The ERORSAT is the Soviet-based space system which is possibly most capable of sea target detection, so you can see they are way ahead of us. They also have ELINT III. This is the third generation electronic intelligence satellite. They operate in a record playback mode and can locate pulsed emitters to a best accuracy of about 10 kilometres. They can detect radars on operating air fields if they use pulsed emitters and possibly provide an after-the-fact assessment of the location of airborne warning and control systems. The Russians also have the advanced ELINT, and experts anticipate deployment of that system by the end of 1985.

I do not understand the NDP and its position that it is just the United States that we have to concern ourselves about. We have to concern ourselves about the Warsaw Pact countries with nuclear and chemical weapons, as well as star wars equipment, and we have to be sure we can defend ourselves against their advanced development. So we in the Conservative Party want to see disarmament on both sides, not unilateral disarmament. Criticism should be levelled also at the Warsaw Pact countries. They are the ones who are ahead of us. I have never spoken to any Canadian who wants just us on this side to disarm. We know that that would be absolute suicide. That would be the end of us for all time.

There is no such a thing as not having to co-operate with the United States. The majority of Canadians now understand why we have to test the Cruise missile and they understand why we have to do research into star wars. It is because of the Warsaw Pact build-up. So it is a two way street. If we did not have to develop star wars we would have all the money in the world to wipe out acid rain. We want to wish the negotiators the best of luck on this question, but we want both sides to disarm.

The Secretary of State for External Affairs is going to Russia in a couple of weeks and I am sure he will be discussing our concerns with the Russians. We want them to eliminate their star wars equipment and chemical warfare weapons and all the rest. We want disarmament on both sides, not just this side.

Ms. Jewett: Mr. Speaker, I am delighted to hear the Hon. Member say that. I am more than delighted because, as he probably does not know, the U.S.S.R. is not advanced at all in star wars technology compared with the U.S. Indeed, most American experts in the field will concede that. The Hon. Member has said they both should stop their star wars development. Boy, am I ever in favour of that. We are all in favour of that, so I am glad to see he is on side.

Mr. McKenzie: You finally said it.

Ms. Jewett: That is exactly what we want to see. He probably does not realize that the U.S. would not dream of stopping, but I am glad to see that he wants them to stop, as well as the Soviet Union.

Mr. McKinnon: Mr. Speaker, I listened carefully to the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) and I would like to comment on comments she made about the speech that was given by Geoffrey Howe, which she seemed to support in its entirety. I am curious as to whether she has read the London *Times* which blasted Foreign Secretary Sir Geoffrey Howe and said that his speech was "mealy-mouthed, muddled in conception, negative, and, in effect if not intentions, a wrecking amendment to the whole plan". The newspaper said, "he had handed Mr. Gorbachev all the best lines with which to oppose SDI and drive a wedge between Europe and the United States". It went on:

> With the Geneva talks beginning and Mr. Gorbachev poised to exploit the historic Soviet aim of decoupling Europe from America, it is indeed astonishing that the British government chooses this moment to be so negative about what ministers know is the core of the Reagan administration's strategic philosophy.

We have not yet got late enough news to know whether the Government of Britain supports Mr. Howe in his speech.

The other news that is breaking is that Belgium, after a very great deal of soul searching, has decided to deploy the Cruise missiles, which is another thing bitterly opposed by the Hon.

Member. I am curious as to why she seems always to be on the same side of these difficult decisions, that is in favour of the position taken by the U.S.S.R. and opposed to the one taken by NATO.

Ms. Jewett: I do not think the Hon. Member means to suggest that Sir Geoffrey Howe is a closet communist. That is about the way he sounds. As the Hon. Member knows, the fact is that a major speech of that kind would require the prior approval of the Prime Minister of the country. Unless there has been a slip-up, I would assume that the speech he made had the Prime Minister's approval.

As to the Belgian question, there is no doubt in my mind that it was a very difficult decision for the Belgian Government to make. One can see this from what I think was 100,000 people who marched in protest on Sunday. I would not say, given the outcry from the populace over the decision, that it is a decision that they will be able to keep. They may have to change that decision or there may even have to be a change in government.

I am sure the Hon. Member, because we have talked about these matters many times, would agree with me that there is always and must be in our society an interaction between what governments do and what the strong feelings of people are. At the same time, there is an attempt to have an intellectual discourse and, quite frankly, I do believe that is what Geoffrey Howe was doing. He was asking if we want a Maginot Line in space. Surely the Hon. Member is not suggesting that we should not ask those questions and try to find answers. Surely not.

Mr. Deputy Speaker: Resuming debate with the Deputy Prime Minister and Minister of National Defence (Mr. Nielsen).

Mr. Caccia: I rise on a point of order, Mr. Speaker. I apologize to the Minister but I just want to raise with you the question of whether or not it might not be more in keeping with parliamentary practice, this being a day devoted to the Opposition, to allow the Official Opposition to have three speakers, as has the NDP. If we move over to the government side, and looking at the clock, they would then have more speakers than the Official Opposition by the time this debate ends. I am pointing out to you, Your Honour, the desirability of recognizing a speaker on our side.

• (1710)

Mr. Deputy Speaker: I realize this is an Opposition Day, with the main motion being that of the NDP. So far we have had five speakers from the combined opposition Parties and only two from the Government. That is why I recognized the Deputy Prime Minister. However, there will most likely be some time left. At that time the debate will be closed with a speaker from the Official Opposition. I recognize for debate the Hon. Deputy Prime Minister and Minister of National Defence.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I want to address the North Warning System element of this debate. I want to do it in the political context in which the discussion is taking place this afternoon. Contrary to the belief of the Hon. Member who has just resumed her seat, I will be appearing before the Standing Committee on Thursday at or about 3.30 in the afternoon. I sincerely hope that she will not be ill at that time so that she will be able to be present and put forth whatever questions she did not have the opportunity to put forth because of her absence when the Secretary of State for External Affairs (Mr. Clark) appeared before that committee.

I would like to open my remarks today, Mr. Speaker, with the following quote:

> Canada is a veteran of the two world wars and of Korea. We have acquired our national sovereignty honourably, in important measure through the enormous sacrifice of generations of Canadians who with genuine courage—and in many cases, with their very lives—spoke for our unshakeable commitment to freedom, our unquenchable belief in democracy. Having thus acquired our independence, we shall surrender no part of it any time in any circumstance.

That was the Prime Minister (Mr. Mulroney) speaking at Quebec City over the weekend. That is the stance of the Government with respect to the several questions which members of the Opposition, and others outside of this place, have been raising in order to sow fear and doubt in the minds of Canadians with respect to the real purpose of NWS.

The Member who just resumed her seat said herself that she would not be alarmed, as most Canadians would not be alarmed, if the purpose of NWS was radar surveillance. I see her nodding in affirmation from where she is standing behind the curtains. However, she will not accept that NWS is exactly that. In upgrading and modernizing NWS we are precisely replacing the system that is in place. The assistance which that system gives to civil aviation is a dimension which has not been addressed. If the Hon. Member had flown as many hours as I have in the north using that system, she would have a different view. That is all that NWS is intended to do and will do.

What the Leader of the NDP (Mr. Broadbent) has called the most radical change in Canada-U.S. relations in this century, in reference to the Quebec summit, is simply a return to the civility and readiness to live up to responsibilities that are implicit in treaties that this country has been a party to for many years. As co-signers of NORAD we undertook certain defence obligations embracing the defence of this continent and of the free world. We are living up to those commitments. The only radical change is that our Government is acting as though we intended to live up to those arrangements and to be active and participating partners in our own defence.

I need only refer you to history, Sir, to indicate the very short shrift of those nations which have left the responsibility of their defence to others. That is precisely what the NDP is advocating. If we have learned one thing from history, it is that countries which lose interest in their defence come to lose their liberty, freedom and independence. That is what they are advocating over there. They are advocating the hands-off approach. They believe that we can put off the fact that we are now living in a nuclear age. The NDP appears to believe that

Canada can sit on its hands and leave its defence and, I presume, the defence of the free world, to the United States. It believes that we can have a free ride. That is not what we believe. I do not think that attitude will commend itself to the majority of Canadians. The Government intends to meet its obligations.

Some Hon. Members: Hear, hear!

Mr. Nielsen: I almost saw the halo of the hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) slipping down around his eyes as he was breast-beating in his haste to dissociate himself and his Party with any thought that they would have any anti-Americanism seeds in their bosoms. However, with them that is a fact. It is a course of irreponsibility, in my view, and it is difficult to discern any difference between the defence posture of the NDP and that which I heard outlined in TASS according to news reports of yesterday.

I think it is equally regrettable that the Leader of the Official Opposition (Mr. Turner), whose Party has paid lip service to NATO and whose Government approved each and every defence arrangement leading up to the summit, should now adopt an irresponsible attitude of partisanship. That is precisely what they were doing today as came forward in the speech of the Leader of the Official Opposition. No matter how hard they try, they cannot wipe out the past participation of that Party in the arrangements that he was criticizing today. His position can be summarized very simply. It is not a strong principle sustained by strong men.

At least the position of the Leader of the NDP is clear. He distrusts the Americans and everything they stand for. That, at least, is consistent. It has always been the policy of his Party, no matter how much the Member for Winnipeg-Birds Hill hastens to scurry away from that position at this late date.

I can only describe the position of the Leader of the Official Opposition as an enigma wrapped in obscurity. He approves our objectives. He whole-heartedly supports closer relations. He wants to live up to our responsibilities. He is just put out because we were the ones to do these things. He and his Party had 10 years in which to do them but they did little or nothing. When the Liberal Party left office, relations with the United States were at their lowest ebb since 1812. His attitude of trying to ride in both directions at the same time is certainly not conducive to creative relations. What is really eating their hearts out, Mr. Speaker, is that the summit in Quebec was a success, that there was real progress made. That is what is eating them.

As an aside, I would indicate that the summit has done more than any other single event in my recollection to sow the seeds of national unity in this country. He again trotted out the Trudeau dictum of even-handed justice to both superpowers. This demonstrates once again the Liberal party's inability to draw the line between our friends and those who have not demonstrated the kind of friendship and understanding of western democracy that we expect from friends. In the very next breath, he said, "Of course the Americans are our friends". We agree with that. However, where we seem to part company is that we intend to give our friends the benefit of the doubt.

● (1720)

As I have already mentioned, there is some excuse for the NDP, given its traditional distrust of the Americans, but there is no excuse for the carping, critical, uninformed and petty attitude of members of the Official Opposition. I would ask them, in all sincerity, to look around the world and gain a perception of present realities and future opportunities.

Canadians are entitled to a real and honest appreciation of the real problems of our time. What we got from the Leader of the Official Opposition was warmed over Trudeauism. Tom Axworthy may be gone but his spirit lived on this morning in the sorry, sad diatribe of the Leader of the Official Opposition.

The Prime Minister of Canada and President Reagan confirmed in Quebec honest and positive policies and progress between our two countries. They confirmed that friends and allies must work together. They confirmed that friends and allies must be honest with each other. They confirmed that friends and allies must make real efforts to keep lines of communication open. That was a historic restoration of a relationship which has been allowed to wither and die under 16 years of Liberal office.

At Quebec, the Prime Minister addressed himself to the realities of which Canadians are all aware each day of our lives and took steps to restore a relationship of civility and honest endeavour between Canada and the United States.

The benefits of that epochal action will flow into every phase of our economic and commercial life in this country in the months ahead. No amount of carping and criticism from the NDP and no amount of nostalgic posturing—for it can only be called that—by the Leader of the Opposition will alter the fact that a powerful blow for Canadian sovereignty was struck at Quebec over the weekend. Our Government has taken a step forward in history while the Grits are dragging their feet and the NDP is at least dragging its prejudices, if not something worse.

The majority of Canadians will understand and approve what took place because they have more confidence in Canada and more confidence in friends and allies than either of the two discredited Parties on the opposite side of the House. It cannot be emphasized too often that the Strategic Defence Initiative is, first, a research project and, second, strictly an American initiative which will go on whether Canada or any other country approves. To attempt to tie in, as they have done in their very motion, SDI with an updated radar warning system in the North, is about as logical as to say—and I am certainly not advocating this—that issuing Canadian troops with Enfield rifles constitutes a back-up for SDI.

Obviously the Opposition strategy now is that any defence development, whether it is in aircraft, in tanks, in ships or in guns, will immediately be described by them as a back-up to SDI. I think they should get their minds out of Hollywood movies and deal with these important matters as they really are. This applies again to the Official Opposition above all and

particularly to former Ministers sitting over there now who were present and who actively contributed when the system and agreements were put together.

It would be, on reflection, very useful to see what they are really saying in the Official Opposition as well as in the NDP. On the one hand they say that if it is only a radar system, they have no cause for alarm. But then they proceed methodically and for their own motives to provide the linkage in order to create the fear—

Ms. Jewett: It is right here.

Mr. Nielsen: No matter how many documents—

Ms. Jewett: From the U.S. Senate.

Mr. Nielsen: —the Hon. Member holds up, no matter how often she says it, she will have to appreciate that sooner or later she must accept the word of myself, the word of the Secretary of State for External Affairs and the word of the Prime Minister that there is no linkage between the two systems.

Ms. Jewett: Why don't you read this?

Mr. Nielsen: I don't care how many times you say it—for the Liberals to be advancing that nonsense, it is—

Ms. Jewett: It is unbelievable.

Mr. Nielsen: Yes, it is unbelievable that that kind of political posturing should be done by the Hon. Member with no justification whatsoever. She is telling us not to proceed with NWS and not to proceed with updating our radar surveillance in this country because there may be a linkage with SDI. She is really saying that there should be no updating of that radar system. Her Party is saying that Canadians should not be operating that system and should not be maintaining that system. She is saying, "So what, 11,500 jobs? What the heck". That is what it will mean in jobs for Canadians.

Ms. Jewett: Now we are on jobs.

Mr. Nielsen: She is saying, "So what for industrial and commercial spinoffs that will result from this project." All it is doing is bringing a woefully inadequate, costly to maintain, radar system up to date. Sooner or later she will digest that.

Ms. Jewett: Why don't you talk about missile launchers?

Mr. Nielsen: Right now, I can tell her that, given the present system, and knowing the system, there are gaps in it which would permit intrusion of our air space without any knowledge on the part of Canadians.

What she is saying as a result of her Party adopting the position that they are advocating is that we should not under any circumstances ensure that Canadians know who is coming into our air space. She does not realize that it has nothing to do with space.

I believe that Members should not delude themselves into believing that such systems are not operating in other countries. One only has to recall the Korean airliner to know very well that they do operate in other countries. It is not a quantum leap to arrive at that conclusion.

The simple fact is that whether we do it with the Americans or not, the North Warning System must be updated. That decision was reached and that work was done, going back nine years, long before SDI was even thought of.

Hon. Members must realize that they must at least start to accept responsibility, to discuss these matters in an intelligent and coherent way without trying to diffuse and confuse an issue such as NWS by linking it with SDI.

I wish I had the time because I would like to demonstrate to the Hon. Member and others, who probably have limited experience in Arctic flying and Arctic navigation, the value that radar has in flying over 1.3 million square miles of Arctic where compass unreliability is at its highest. I think that if the Hon. Members were exposed to that kind of experience, certainly as crew members they would have some appreciation of the civil aviation dimension that is inherent in an efficient, well operated radar surveillance system, which is what NWS is.

● (1730)

I close, Sir, as I began by reminding Hon. Members of the words of the Prime Minister in Quebec calling our attention to the fact that we are a veteran of two world wars and Korea, that we have acquired our national sovereignty honourably and, in important measure, owing to the enormous sacrifice of generations of Canadians who, with genuine courage and in many cases with their very lives, ensured that we would be able to function in this mode discussing matters such as this. Once again, let me caution Members that countries that do not pay attention to history and its lessons, that neglect the defence of their country, that lose interest in the defence of their country, are very soon the victims of the loss of their liberties, loss of their freedoms, loss of their independence and, indeed, loss of their country.

Some Hon. Members: Hear, hear!

Mr. Fulton: Mr. Speaker, I have one very short question which requires a very short answer. Would the Minister of National Defence (Mr. Nielsen) tell us whether he supports the use of AECL funds for the development of nuclear power for the North Warning System? Would he support the powering of the North Warning System sites with nuclear power in both the Yukon and the Northwest Territories?

Mr. Nielsen: Mr. Speaker, as far as I am aware, I think that the Hon. Member is alluding to the so-called nuclear battery, which is very much in the experimental stage. At the moment the power source for the system itself has not yet been determined.

AECL quite independently is working on research into the nuclear battery. What that will lead to we do not know. We

are in the world of hypothesis. I am not going to venture a yes or a no answer to a question about a nuclear battery that may not ever come about or a radar system that will function on power generated from quite a different source. At the moment I would expect that the conventional sources of supplying power are those contemplated, but that could change.

Mr. Fulton: Mr. Speaker, in the most recent Congressional Budget there is a suggestion that two of the sites in Canada will be powered in 1986-87 with the nuclear generation system that is being developed in Los Alamos. Following completion of testing in Los Alamos, if it is suggested for implementation at those two or more sites, would the Minister of National Defence support that kind of powering for sites north of 60?

Mr. Nielsen: Mr. Speaker, I think I have enough problems looking after our own budgetary problems and have very little spare time to be studying the budgets of other countries. I can tell the Hon. Member that, regardless of what might be displayed in the budgets of other countries, we will make the decisions on behalf of Canadians in Canada for Canada.

Mr. Gurbin: Could the Minister of National Defence (Mr. Nielsen), insofar as is possible in this forum, describe the limitations that are present in the current system? I understand the gaps, but could he explain more fully what other limitations the system might have that we now have in place?

Mr. Nielsen: Mr. Speaker, the big limitation is in the millions of dollars per year maintenance because the system is outmoded and inefficient.

There are, as the Secretary of State for External Affairs described, holes in the atmospheric roof that have to be plugged. Those are mainly in central and eastern Canada and in the High Arctic adjacent to those areas. But given the modernized NWS that is contemplated, there will be a tight and total surveillance capacity over the entire air space of Canada. It is meant and intended to be for the defence of Canada in asserting our sovereignty over that air space so we know what aircraft are intruding into that air space and so we can make decisions with respect to that intrusion. But gaps there are and those gaps will have to be plugged and will be plugged by the modernization of the system.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, there is quite a contrast between the glowing terms with which the Deputy Prime Minister (Mr. Nielsen) describes the Quebec meeting last weekend and the comments by a conservatively inclined newspaper of Toronto, *The Toronto Sun*. The column written by Claire Hoy, from which I will quote briefly, just to put things back into a different perspective at least, reads:

> Like a small child tugging at his mother's skirts for attention, Prime Minister Brian Mulroney yesterday took our natural intercontinental friendship with the U.S. into the uncomfortable realm of mindless obedience to a powerful parent.
>
> The so-called Shamrock summit—is supposed to demonstrate how two relatively equal sovereign states can resolve their common differences.
>
> Instead, it has all the appearance of an American master being greeted by a panting Canadian lapdog, wagging his tail furiously hoping to have a few bones tossed in his direction.
>
> The first and most important bone was an agreement by the two leaders to name former Ontario Premier Bill Davis and former U.S. Transportation Secretary Andrew Lewis as special envoys to resolve the joint issue of acid rain.
>
> The appointment is instructive because it demonstrates how stage-managed this event is, and underscores the fact that if you want to defuse the volatile political issue, nobody could bury it better than Davis.

This, of course, is by way of background commentary. I would not want to elaborate further in that direction. What I would like to do briefly is to bring to your attention the fact, as a result of the announcement on acid rain over the weekend, for the first time this Progressive Conservative Government is facing an environmental community of non-governmental groups which, for the first time since election, are not supportive of the Conservative Government decision on acid rain.

Why is that coming about for the first time? Evidently there is profound disappointment and not only just within the ranks of non-governmental groups.

President Reagan, if you look at the record, said in Quebec City just about the same on acid rain as he did in 1981 when he came to Ottawa. Can that be called progress? I suppose in Progressive Conservative terms that can be called progress, but the Conservatives will be alone with that kind of assessment.

In Quebec City the Prime Minister and President Reagan failed to give leadership on this important question. They side-stepped the issue and really the winner on that day was the National Coal Association. The Executive Vice-President, Danny Ellerman, speaking on acid rain said, "Acid rain is a subterfuge". This is the same Coal Association whose President, Carl Bagge, wrote to the Prime Minister of Canada (Mr. Mulroney) some weeks ago complimenting him on his stand on acid rain. Isn't that a strange source for praise, Mr. Speaker?

The question is, why did the Prime Minister fail to give leadership? Why did he give away Canada's bargaining position two months ago? Why did he not draw to the attention of the President that smoke-stack emissions in Canada are 4.6 million tonnes compared with 26 million tonnes in the United States, theirs being over five times ours and we being downwind of theirs? Why did he not bring to their attention that in terms of research in Canada we spend on a per capita basis twice as much as the U.S.? Why did he not bring to their attention that in terms of car emissions, tonnage per year, U.S. emissions are ten times ours? Did he make any use of the memorandum of understanding which was signed in August 1980? Why did he feel he had to go to Quebec City on his environmental knees instead of putting the issue squarely to President Reagan for solution because it can only be dealt with at the political level?

● (1740)

Scientific communities in Canada and in the United States have agreed that there is enough scientific knowledge to move with a decision. This statement was made back in 1983 by the United States National Academy of Sciences. In essence, the Prime Minister agreed to further research.

It is quite clear from the interventions this afternoon that the Progressive Conservative Government is desperately trying

to rewrite history and to convince the Canadian public that the acid rain story began on September 4, 1984. It might be worthwhile to put on the record the fact that on August 5, 1980 the memorandum of intent on acid rain between Canada and the United States was signed. It raised a lot of hope, and quite rightly so. We thought we could continue in the fine tradition of settling trans-boundary environmental issues jointly, as we did with Lake Erie and on many other occasions. Efforts followed, but when it became evident that not even William Ruckelshaus, in charge of the Environmental Protection Agency in Washington, could convince his own Government to proceed with a control program in the winter of 1983-84, we had to make a decision on our own. On March 6, 1984, provincial and federal Ministers of the Environment jointly decided to go for a cut of 50 per cent by 1984. On March 20 of the same year, here in Ottawa, nine friendly and similarly inclined nations joined us in a declaration whereby we would commit ourselves to a minimum cut of 30 per cent by 1993. In May of that year, the Department of Energy, Mines and Resources, through its Minister, produced a paper for the modernization of non-ferrous smelters, indicating how a reduction in emissions could be achieved. In June of that year, the political commitment was renewed again in Ottawa. Also we had the satisfaction in Munich of seeing the number go up from 10 to 20 nations committed to join in the 30 per cent cut by 1993.

The focus is now shifting away from Ottawa and Washington. Apparently it is in the hands of Messrs. Davis and Lewis. We should ask ourselves what will bring Americans to the negotiating table to cut down SO_2 emissions. There are only two considerations which one has to keep in mind. Either the U.S. Government will be motivated by domestic economic considerations—and evidently those considerations have not yet emerged in their political mind—or by international pressures by the international community urging the United States administration to join this minimum group of nations willing to cut down the emissions by 30 per cent by 1993.

We have an opportunity between now and next July in Helsinki when EEC member nations will be meeting to sign the protocol. I urge the Government to pay attention to this opportunity. It is through that group that we might be able to bring the United States Government to the table to join with us in the cuts.

Mr. Deputy Speaker: Order. It being 5.45 o'clock p.m., it is my duty to interrupt these proceedings and put every question necessary to dispose of the business of supply now before the House in accordance with Standing Order 62(9). Accordingly, the question is the following one. Mr. Broadbent, seconded by Mr. Deans, moves:

That this House condemns the Government's failure in bilateral relations with the United States with particular reference to:

1. the failure to obtain an agreement from the United States to make a commitment to early action on its share of environmental damage due to acid rain; and

2. the failure to make specific, that Canada would not participate in any way in the star wars project of the United States.

In amendment thereto, Mr. Turner (Vancouver Quadra), seconded by Mr. Chrétien, moves:

That the motion be amended by deleting all of the words after the word "rain" and by adding the following:

", and by allowing a one-year moratorium before any concrete action is taken by the United States despite the express wish of millions of Canadians and Americans; and

"(b) the failure to make specific that Canada would not participate in any way in the star wars project of the United States and, especially, the failure to obtain ironclad guarantees that no nuclear arms will be stationed or deployed in Canada."

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour of the amendment, please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed, please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the amendment (Mr. Turner (Vancouver Quadra)), which was negatived on the following division:

(*Division No. 14*)

YEAS

Messrs.

Allmand	Frith	Manly
Althouse	Fulton	McCurdy
Axworthy	Garneau	Mitchell (Ms.)
Baker	Gauthier	Murphy
Benjamin	Gray (Windsor West)	Nicholson (Miss) (Trinity)
Berger	Guilbault (Saint-Jacques)	Nunziata
Blackburn (Brant)	Heap	Orlikow
Blaikie	Henderson	Parry
Boudria	Hopkins	Penner
Broadbent	Hovdebo	Prud'homme
Caccia	Isabelle	Riis
Cassidy	Jewett (Ms.)	Robichaud
Chrétien	Johnston (Saint-Henri-Westmount)	Robinson
Copps (Ms.)	Kaplan	Rodriguez
Deans	Keeper	Rossi
de Jong	Killens (Mrs.)	Skelly
Dingwall	Lapierre	Turner (Vancouver Quadra)
Finestone (Mrs.)	MacLellan	Waddell
Foster		Young—56.

NAYS

Messrs.

Beatty	Blais	Browes (Mrs.)
Bertrand (Mrs.)	Blenkarn	Cadieux
Binns	Bouchard	Cardiff
Bissonnette	Bourgault (Mrs.)	Carney (Miss)
Blackburn (Jonquière)	Boyer	Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
	Brisco	

Messrs.

Champagne (Champlain)
Chartrand
Clark (Yellowhead)
Clark (Brandon-Souris)
Clinch
Coates
Cochrane
Collins (Mrs.)
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Daubney
de Cotret
Desjardins
Domm
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Ellis
Elzinga
Epp (Provencher)
Fennell
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gérin
Gervais
Graham
Gravel
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Howie
Hudon
Jacques (Mrs.)
Jardine
Jepson
Joncas
Jourdenais
Kempling
Kilgour
Kindy
King
La Salle
Lawrence
Layton
Lesick
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Mantha
Marin
Masse
Mayer
Mazankowski
McCain
McCrossan
McDermid
McDougall (Mrs.) (St. Paul's)
McKenzie
McKinnon
McKnight
McLean
McMillan
Merrithew
Minaker
Mitges
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Paproski
Pennock
Peterson
Pietz
Plourde
Porter
Ravis
Redway
Reimer
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Suluk
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Weiner
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise
Witer—156.

Mr. Speaker: I declare the amendment to the motion lost.

Mr. Deans: Mr. Speaker, unless there is some reason for Members to change their mind, I think the same vote could be recorded on the main motion.

Mr. Speaker: I sense a disposition on this matter.

Mr. Hnatyshyn: Mr. Speaker, as much as I enjoy votes these days, I will agree with the proposition being put forward. I love those votes!

Mr. Speaker: The Hon. Member for St. Catharines (Mr. Reid) on a point of order.

Mr. Reid: Mr. Speaker, I was not here for the first vote, but I wish to be counted for the second vote.

Mr. Benjamin: The question is, Mr. Speaker, which way does he want to be counted?

Mr. Speaker: I think the Member indicated he wanted to be counted the same way as the gentleman beside him was counted.

Mr. Benjamin: We can't assume that.

The House divided on the motion (Mr. Broadbent), which was negatived on the following division:

(Division No. 15)

YEAS

Messrs.

Allmand
Althouse
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Broadbent
Caccia
Cassidy
Chrétien
Copps (Ms.)
Deans
de Jong
Dingwall
Finestone (Mrs.)
Foster
Frith
Fulton
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Isabelle
Jewett (Ms.)
Johnston (Saint-Henri-Westmount)
Kaplan
Keeper
Killens (Mrs.)
Lapierre
MacLellan
Manly
McCurdy
Mitchell (Ms.)
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Orlikow
Parry
Penner
Prud'homme
Riis
Robichaud
Robinson
Rodriguez
Rossi
Skelly
Turner (Vancouver Quadra)
Waddell
Young—56.

NAYS

Messrs.

Beatty
Bertrand (Mrs.)
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bourgault (Mrs.)
Boyer
Brisco
Browes (Mrs.)
Cadieux
Cardiff
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Chartrand
Clark (Yellowhead)
Clark (Brandon-Souris)
Clinch
Coates
Cochrane
Collins (Mrs.)
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Daubney
de Cotret
Desjardins
Domm
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Ellis
Elzinga
Epp (Provencher)
Fennell
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gérin
Gervais
Graham
Gravel
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Howie
Hudon
Jacques (Mrs.)
Jardine
Jepson
Joncas
Jourdenais
Kempling
Kilgour
Kindy
King
La Salle
Lawrence
Layton
Lesick
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Mantha
Marin
Masse
Mayer
Mazankowski
McCain
McCrossan
McDermid
McDougall (Mrs.) (St. Paul's)
McKenzie
McKinnon
McKnight
McLean
McMillan
Merrithew
Minaker
Mitges
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan

Messrs.

Oberle	Schellenberg (Nanaimo-Alberni)	Stevens	Vincent	Wilson (Swift Current-Maple Creek)	Winegard
O'Neil	Schellenberger (Wetaskiwin)	Stewart	Warner	Wilson (Etobicoke Centre)	Wise
Oostrom	Scott (Victoria-Haliburton)	Suluk	Weiner		Witer—157.
Paproski	Scott (Hamilton-Wentworth)	Tardif (Mrs.) (Charlesbourg)			
Pennock	Scowen	Taylor			
Peterson	Shields	Toupin			
Pietz	Siddon	Tremblay (Québec-Est)			
Plourde	Sparrow (Mrs.)	Tupper			
Porter	Speyer	Turner (Ottawa-Carleton)			
Ravis	Stackhouse	Valcourt			
Redway		Vankoughnet			
Reid		Vézina (Mrs.)			
Reimer					
St. Germain					
St-Julien					

Mr. Speaker: I declare the motion lost.

It being 6.16 p.m., this House stands adjourned until tomorrow at two o'clock, pursuant to Standing Order 2(1).

The House adjourned at 6.16 p.m.

HOUSE OF COMMONS

Wednesday, March 20, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

CULTURE

NECESSITY TO PROMOTE CULTURAL ACTIVITIES

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, history and contemporaries may judge governments by how they promote cultural development and growth and how they encourage artistic endeavour. Governments come and go, but the artistic achievements, the works of art produced during their mandate remain as witnesses of history.

Although the present Government has not been in power long enough to leave any tangible proof of its support for the arts, it is certainly not on the right track. If the recent cut-backs in federal expenditures on culture are any indication of the Government's intentions, I am convinced that this Government is prepared to preside over a massive erosion of this country's impressive cultural achievements.

Mr. Speaker, perhaps this Government could not care less how it is judged today or in the future on its contribution to the cultural life of this country, but as a Member of this House and as a Canadian citizen, I have no wish to live in a culturally arid climate nor to leave a worthless legacy to future generations. I therefore urge the Government to do everything in its power to enrich our cultural life now and for future generations.

* * *

[*English*]

CANADA DEPOSIT INSURANCE CORPORATION ACT

PROTECTION OF LONG-TERM DEPOSITS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I would like to bring to the attention of the Government, as I brought to the attention of the former Government about a year ago, the fact that there is a very serious omission in the Canada Deposit Insurance Corporation Act, which was amended and passed into law on April 27, 1983.

We are all aware that the amendments, among other things, raised the amount from $20,000 to $60,000 that one could have on deposit in an account that would be insured against the possibility of a bank, trust company, or other institution in which the funds are deposited, going bankrupt. The Act, as it now reads, applies to funds in savings accounts, and also to fixed deposits for five years or less. However, funds on deposit that are locked in for a period of more than five years are not included and are not protected by the Canada Deposit Insurance Act.

I believe the vast majority of Canadians are unaware of this and believe that their funds are perfectly safe and protected if the term of fixed deposit is more than five years. Therefore, I call upon the Government to make this information readily available to Canadians, and to change the Canada Deposit Insurance Act so that it applies to all deposits, regardless of the number of years during which deposits are in place.

* * *

FEDERAL-PROVINCIAL AFFAIRS

DELAY IN SIGNING ERDA AGREEMENT WITH BRITISH COLUMBIA

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, according to the Vancouver *Sun*, Premier Bennett said that the 19 Conservative MPs from British Columbia "must fight for British Columbia in a caucus of over 200. They have to fight their colleagues for very limited federal dollars". He implied that they do not seem to have much influence with their own Government, and asked New Democrats to join in the fight. Although Premier Bennett has not communicated directly with us, I want to assure him that we will continue to fight, as we have in the past, for a fair share of federal dollars.

In spite of the demonstrated need in areas such as forestry and tourism, British Columbia is now the only province not to have an economic and regional development agreement with the federal Government. Earlier, Quebec signed a five-year $1.8 billion agreement. On a proportional basis, British Columbia should get $650 million. Why the long delay? Is it because the federal Government is not willing to put up the dollars for British Columbia despite our 15 per cent unemployment rate? Or is it because the provincial Socreds want to siphon money from reforestation to support election gimmicks such as the deficit on Expo '86? Or are both Governments simply playing games? The economic crisis is destroying individuals, families, and communities in British Columbia. Any help the federal and provincial Governments can give must be given now.

Mr. Speaker: I regret to advise the Member his time has expired. The Hon. Member for London West (Mr. Hockin).

S.O. 21

THE DISABLED AND THE HANDICAPPED

HANDBOOK FOR PARENTS

Mr. Tom Hockin (London West): Mr. Speaker, it is with great feeling that I tell the House today of two constituents of mine, Terry and Tannis Jarvis, who, by their strength and determination, learned to cope with a situation that most of us cannot begin to imagine.

Three and one-half years ago, when their son Taylor was diagnosed as having a handicap, Terry and Tannis, like so many Canadian parents, were faced with the realities of raising a handicapped child. In their efforts to help parents like themselves to learn to cope with their initial confusion, frustration, and fear, they worked long hours to produce a free handbook entitled You Are Not Alone. This is a parent-to-parent handbook that gives their experiences, useful information, and valuable advice. It is unique because it was written by the parents themselves, not by psychologists, sociologists, or other specialists in the field.

This handbook was published by a provincial Government. I commend it to the House and express the hope that the Government of Canada will see fit to translate it and distribute it free, so all parents of handicapped children, regardless of the province in which they live, can benefit from it.

* * *

CULTURAL AFFAIRS

CALL FOR INCREASED FUNDING

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the arts and cultural industries speak to and of the heart and soul of our great country. They are vitally important to our national spirit, our sense of identity and belonging, and this I see as their primary purpose. Apart from this important contribution to our society, they are also important in material terms. The Government may or may not understand and appreciate the non material contribution of the arts to our society, but I do expect it to comprehend the economic and employment benefits which the arts and the cultural industries offer to our economy.

This is a vital and growing sector of our economy, Mr. Speaker, and the recent cuts to the cultural sector are therefore short-sighted, not only in purely cultural terms but in economic terms as well.

• (1410)

If the Government does not understand our hearts and minds, it does profess to understand the bottom line. If for no other reason than sound economics, I urge the Government to increase, not decrease, its investment in this rewarding sector of our society and our economy.

[*Translation*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—ACTION PLAN ANNOUNCED BY GOVERNMENT

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I would like to say few words about the major environmental protection program that will be aimed at reducing acid rain by 50 per cent between now and 1994 and at eliminating more than 45 per cent of hydrocarbon emissions between now and the year 2000.

The action plan announced by the Minister of the Environment (Mrs. Blais-Grenier) is the most ambitious program Canada has ever known. It has no equivalent anywhere in the world.

During the next decade, the offensive against acid rain in Canada will cost the Government more than $300 million. The previous Administration lacked the moral energy and political will to go ahead with such a plan.

In accordance with the strategy that has been announced, the Progressive Conservative Government is going beyond the conventional ecological rhetoric to take concrete action. Incidentally, this decision is part of an on-going process of co-operation with the provinces and especially with industry.

In view of the extent of the damage caused by acid rain, our Government has acknowledged its responsibility for the future of this country and has decided to take action to protect the health, well-being and economic heritage of present and future generations of Canadians.

Mr. Speaker, Canada, a medium-sized nation, by giving concrete proof of its desire to take action in this area, was able to convince the President of the United States, who has acknowledged that acid rain is a joint problem for which joint solutions are necessary.

* * *

[*English*]

CULTURAL AFFAIRS

LOBBY AGAINST FUNDING CUT-BACKS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, the artists of Canada have chosen the first day of spring for their march on Parliament Hill. Artists have lobbied before, notably when the Liberal Government a few years ago made important cuts in arts funding. But this marks an important step forward in size, representation, and vigour of the protest.

These artists and arts groups are not only fighting against arts cut-backs, but for better, adequate, above poverty level funding for the arts.

The arts community have convinced Canadian public opinion not only of the justice of their cause but of its practicality. Expenditure in the arts means jobs for Canadians and business opportunities for small businesses, especially in tourism. It is

healthy for the Canadian economy, as well as being absolutely vital for the Canadian soul.

Yet what has been the Government's response to this resurgence of artistic organizing? The Prime Minister (Mr. Mulroney) refused to meet with them. He will use artists, and indeed even be an artist, as in the gala performance in Quebec earlier this week, but when artists come to Ottawa to discuss the very serious matter of adequate support for an independent Canadian culture, he is too busy.

Spring is the season of rebirth. Let us hope that this spring the artists of Canada will convince the Government of the need for reformulation of its policies on culture.

Uppity artists, on behalf of the NDP caucus I say: "Welcome to Ottawa".

* * *

THE ECONOMY

BANK OF CANADA ANNUAL REPORT—CONTROL OF PUBLIC EXPENDITURES

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, the long run effect of deficits can be a major obstacle to economic and financial stability. That verdict, given yesterday by Gerald Bouey in his annual report as Governor of the Bank of Canada, may seem like plumbing the depths of the obvious. But it does not seem a bit obvious to the political parties, organizations, and corporations, two of which we have heard from today, that continue to barrage the Government with demands for grants and subsidies. They are still convinced that the Government of Canada has the best credit card in the world, because they think it never has to be paid.

That is why there is a cancer growing in our economic body. It is the cancer of uncontrolled public debt. Only deep therapy can give us the cure, and that is why the House should support government policies that are designed to control expenditure and reduce debt. If Canada does not do that, we will be like passengers on the *Titanic*, speeding toward the iceberg.

* * *

CULTURAL AFFAIRS

IMPACT OF BUDGETARY CUT-BACKS

Mr. John Nunziata (York South-Weston): Mr. Speaker, the heart of our cultural and artistic community is being threatened by this insensitive and anti-Canadian Conservative Government. On November 8 last the Minister of Finance (Mr. Wilson) announced reductions in federal spending, the details of which were provided by his colleague, the President of the Treasury Board (Mr. de Cotret). The reductions in cultural programs were a major blow to the arts and cultural industries, yet if one examines them closely they have no real impact on the level of over-all spending or on the deficit. In other words, little was made in the way of savings, but a great cost to our cultural life was exacted.

• (1415)

The arts and the cultural industries are important to Canadian society in terms of their primary role and purpose. They are also important to our economy. To make such small savings at such a great cultural and economic cost is, in my view, false economy of the first order.

The Government must understand that federal support to the arts and the cultural industries is a sound investment, and must begin enhancing that investment now. The arts and the cultural industries are important contributors to Canadian society and the Canadian economy, and merit recognition as such on the part of the Government. I strongly urge the Government to reconsider the reductions and reinstate meaningful levels of support to cultural activity. To do otherwise is to pierce the very heart of our nation.

ORAL QUESTION PERIOD

[*English*]

CULTURAL AFFAIRS

FUNDING OF AGENCIES AND COUNCILS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am sorry the Prime Minister is not here today. I was going to wish him a happy birthday.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Since I cannot be in the House tomorrow, I would like to take this occasion to wish my colleague, the Hon. Member for Oshawa, a happy birthday today, and to say that he has my good wishes.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): It just goes to show that I am the only guy around this House getting younger.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I want to put a question to the Deputy Prime Minister in the absence of the Prime Minister. During the election campaign the Conservative Party told the Canadian Conference of the Arts, and I quote the words of the declaration from the Conservative Party, "we are committed to maintaining federal funding for the agencies and councils in line with inflation". In effect, the Conservative Party promised during the election that even if the Tories cut the deficit they would not cut support to the arts and the cultural community.

Despite that firm commitment given to the Canadian cultural community, why have the funds been slashed by the Minister of Finance? In the case of the CBC, despite a commitment to integrity and independence, why has there been a breach of that integrity and independence, and why is that slashing

being co-ordinated by three political commissars under the régime of the Minister of Communications?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, without the poor administration of the previous Government it would have been easier to deal with this matter. This Government was elected, first of all, to clean up Canada's public finances, something the previous Government was not able to do.

Some Hon. Members: Hear, hear!

Mr. Masse: As soon as the new Government took up its duties, the Minister of Finance was obliged to make important and basic decisions in accordance with the mandate we were given. All government departments were therefore asked to review a number of programs in order to help the Minister of Finance do his job.

Considering the importance to this government of the cultural sector of this country, we found that, although it seemed necessary to make a number of cuts within my own portfolio, it was nevertheless very important to ensure that the cultural institutions of this country receive the help they need from the Government. That is why the average budgetary cutbacks in the Communications portfolio have been lower, on average, than in government departments as a whole.

BUDGETARY CUTBACKS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister referred to his colleague, the Minister of Finance. This question is directed to the latter.

It is a fact that the arts in this country have exceptional job-creating potential. Considering the poor performance of the Minister of Finance in creating jobs, why did he make such drastic cut-backs in the arts in Canada, when he is all too well aware of the importance of Government support in terms of job creation?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, we are well aware of the significant link between job creation and arts and culture. In recent years, employment in Canada's cultural industry has shown a stronger rate of increase than the national average, and bearing this in mind, Mr. Speaker, in co-operation with those responsible for other Government departments, including my colleague, the Minister of Employment and Immigration, we are taking steps to ensure that—and this will be a first—the cultural sector will be able to take advantage of job creation programs in this country, thus receiving assistance that was long overdue and which the previous Government had never thought to offer them.

EQUITABLE TREATMENT FOR DIFFERENT REGIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if the Minister insists, I will ask him a question. Why is the Minister making the Western and Atlantic Regions bear the brunt of these budgetary cut-backs? The Minister took a $19,000 trip in a private plane to British Columbia, to inform the cultural community in Vancouver that the Government considers it does not have the means to waste that money on the arts. I am using his words. So, finally, Mr. Speaker, when does the Minister intend to treat Canada's regions more equitably?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, when we took over from the previous Government, we inherited a number of major problems, including the fact that for years, the previous Administration had refused to conduct a necessary and essential dialogue with the provinces on an area of particularly shared jurisdiction, namely the cultural sector. In September we had to get this dialogue started again. Unlike the previous Administration, I visited each provincial capital, to ensure that when a meeting was held with the provincial ministers and the Federal Government this year, all the provinces would be present, and, not like previous years, only a few provinces, and as a result, in Vancouver—since you referred to my trip—for the first time since 1980, all the provinces were present around the table, something you had never been able to do for years. That is the difference, Mr. Speaker.

* * *

• (1420)

[*English*]

NORTH AMERICAN AIR DEFENCE

NORTH WARNING SYSTEM—CONSTRUCTION OF AIRSTRIPS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Right Hon. Secretary of State for External Affairs. Yesterday, when I asked him questions on the North Warning System, in his reply he said that those airstrips in the North were there to service radar aircraft. In the memorandum of understanding on air defence I have read that steps will be taken to allow fighter interceptors and AWACS operations, and to have alert hangars, POL storage, missile and ammunition storage, and other necessary airfield upgrades.

Some Hon. Members: Oh, oh!

Mr. Chrétien: Has the Minister read the agreement before coming into the House? If so, when will he rise in the House and admit that the agreement, signed with the Americans this week, will create a sophisticated series of military air bases in the Canadian North, without informing Canadians in advance?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that interpretation by the Hon. Member is incorrect. His question yesterday had to do with "a series of airstrips built everywhere in the North", to quote his question as reported in *Hansard*. There are in fact two types of airstrips being affected by the developments.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): I am not sure whether the Member from Toronto, the Hon. Member for York South-Weston, who has become the spokesman on standards and morality for the Liberal Party, wants to give me the opportunity to answer or wants to continue to heckle.

• (1425)

There are two types of airstrips that are being affected in the North in the area described yesterday in the question of the Hon. Member. The first has to do with modifications which will allow aircraft carrying radar to be stationed. The second has to do with the possibility of upgrading airstrips in the far North to allow interceptor aircraft—NORAD aircraft, aircraft not armed with nuclear weapons, aircraft carrying only conventional weapons—to go into the North in the event of an alert so that if we detect something flying over our territory we can send up aircraft to find out exactly what it is. Surely the Hon. Member would believe that that was prudent.

CANADA-UNITED STATES AGREEMENT

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, when you carefully read the agreement you find that there is much more that has been written there. There are possibilities of making some changes at any time in this agreement between Canada and the U.S.A. Where it states in the program that there will be alert hangars, for example, that means in military terms that there will be airplanes there on an alert basis 24 hours a day with pilots in their cockpits.

Some Hon. Members: Oh, oh!

Mr. Chrétien: Will the Minister not admit that he is giving this House of Commons some double standard answers, and tell us the truth? If they want to give the Canadian territory to the American Government for operational purposes, he should admit that. We will discuss that, but we cannot accept that they are trying to hide the truth from the Canadian people.

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, yesterday the Hon. Member was going to have us operating our radar defence with Twin Otter aircraft exclusively in the North. Today he is living in some fantasy land where we are going to have fighters where there are pilots sitting in the cockpits 24 hours a day. He is living in some kind of fantasy land. The fantasy that he is describing has nothing to do with the agreement that was signed. It has nothing to do with the facts. The facts have been spelled out clearly. I wish the Hon. Member would stop abusing his position in this House of Commons in a way that creates fear in the country.

* * *

[*Translation*]

CULTURAL AFFAIRS

RECOGNITION OF CANADIAN ARTISTS' CONTRIBUTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Communications. Over the weekend the Prime Minister used the talents of Canadian artists for the gala performance in honour of President Reagan. Unfortunately, he has decided that he did not have time to meet with the same artists today and discuss their problems. My question is this: Would the Minister finally acknowledge the contribution of Canada's artistic community and reconsider the budget cutbacks?

Hon. Marcel Masse (Minister of Communications): For the first time in our country's cultural and economic history, Mr. Speaker, the cultural community will be invited to participate fully in this weekend's Canadian economic conference. The Prime Minister is now busy preparing that meeting.

Secondly, I had a meeting this morning—and another one is slated for this afternoon—with the representatives of the Canadian cultural community. I fully share their concerns and sentiments with respect to their place within Canadian society.

In addition, I discuss with them some of the programs being prepared by my Department in cooperation with colleagues in other Departments. I can assure you that the Prime Minister is giving due consideration to cultural circles and that he has challenging ideas for them.

REQUEST FOR RESTORATION OF FUNDING CUTBACKS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister had to take three minutes to say no!

[*English*]

Mr. Speaker, I have a question for the Minister of Finance whose responsibility it was ultimately for proposing these cut-backs. It was 50 years ago this year when we had a Conservative Government which recognized the need to take government action to protect and enhance Canadian culture by creating the CBC, an action which we applaud. Does a modern Conservative Government not recognize that in a country swamped by a nation to the South, with 10 times as many people and much more wealth, we need to have a significant increase in contribution to the arts? If he does recognize that, will he take steps to restore those mindless cuts affecting the cultural community?

● (1430)

[*Translation*]

Hon. Marcel Masse (Minister of Communications): In answer to the question concerning the CBC, Mr. Speaker, I would suggest to the Hon. Member that the Government follows in the footsteps of its own Party. The CBC was created by a Progressive Conservative Government, it was supported by a Progressive Conservative Government in Mr. Diefenbaker's time, and it will continue to get the assistance of this Progressive Conservative Government, Mr. Speaker.

That being so, we do want to maintain the mandate of the CBC, with the participation of Canadians. In our estimation, Government assistance to the CBC cannot be channelled through negative or positive budget operations. The problem as the Government sees it is that it is necessary to review the system—

Mr. Speaker: I regret—

[*English*]

REGIONAL CBC PROGRAMMING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, this is a last effort to get a positive response from one of the people responsible for over-all government policy, either the Minister of Finance or the Deputy Prime Minister, to a question concerning the arts. By the way, I would say to the Minister that it was a traditional Conservative Government that created the CBC, and a modern Conservative Government that will destroy it. That is the difference.

The problems for the artistic community are even greater in the regions, and therefore there is a need for financial assistance to be channelled to the regions by the central Government. In particular, a major regional outlet for CBC programming in Labrador City has been cut completely, and also the toll-free line—

Mr. Speaker: Order, please. Does the Hon. Member have a question?

Mr. Broadbent: I will come right to the last part of my question. The toll-free line has been removed affecting artists in B.C. and Atlantic Canada as well. Will the Government restore that toll-free line, and restore the local programming in Labrador City?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, when it comes to drafting policies consistent with regional interests, I agree that the previous Government never gave much thought to that aspect of Canada's cultural issue. With that in mind, and to depart from the established trend, when we announced a review of Telefilm Canada policy last week in Toronto we did take into consideration the legitimate and sensible concerns of Canadians. For the first time, Telefilm Canada will keep such matters in mind.

As for administrative decisions made by such autonomous agencies as the CBC and the Canada Council, I will make note of the Hon. Member's suggestions and convey them to management.

BUDGETARY CUTBACKS—POSITION OF PROVINCES

Mr. Marcel Prud'homme (Saint-Denis): Before last year's election, Mr. Speaker, the Progressive Conservative Government made original and unmistakable commitments to increase funding in real dollars for federal cultural programs and expand the federal Government's over-all investments in that sector. The Minister told us that all provinces were represented in Vancouver. Is the Minister trying to tell us that all provinces endorsed the budgetary cutbacks imposed on the artistic community that had expressed its confidence on September 4?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the question of my colleague is twofold. First, the Progressive Conservative Party has been elected for a four-year mandate and I am convinced that, with the help of my colleagues, we will be able to honour our election commitments.

Second, during the conference where all provinces were represented, relations between the federal Government and the provinces were the major topic of discussion. Since such gatherings were not all that frequent when the previous Government was in office, they could not be aware that such relations between the provinces and the federal Government can be productive. We made sure that we would get together to consider the problems which budgetary cutbacks might create in some regions. After that meeting, I had the opportunity to meet the CBC president, among others, to explain some of our difficulties, and he will do his best to correct the situation.

Mr. Speaker: I regret to interrupt the Minister, but his answer is too long. Supplementary question?

MINISTER'S POSITION

Mr. Marcel Prud'homme (Saint-Denis): You will note, Mr. Speaker, that my questions are short and direct.

An Hon. Member: And so they are!

Mr. Prud'homme: The Minister is ever pleased to tell us that he is an honourable son of the Progressive Conservative Party and that he has no intention of killing the CBC. We happen to know as well that he is a genuine product of the Union nationale.

Can the Minister tell us—

Some Hon. Members: Question!

[*English*]

Some Hon. Members: Question!

Mr. Prud'homme: The question is simple. Will the Minister—

Some Hon. Members: Oh, oh!

Mr. Prud'homme: If you will kindly shut up, I will put my question.

Mr. Speaker: Order, please. Now might be a good time for me to ask everyone in the House to listen to all the questions and all the answers, so that all the questions and all the answers can be heard. Would the Hon. Member finish his question?

Mr. Prud'homme: Very simply, will the Hon. Minister stand up and fight for the artists, the arts communities, and the art industries? Will he become the champion and stand up to the Minister of Finance and the President of the Treasury Board? That is his duty as Minister of Communications.

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, having done the first thing I was asked to do—to stand up—I can reassure my colleague in the House and tell him that since September we have been cooperating with Cabinet Ministers, the members of the Progressive Conservative caucus and the provinces as well, something with which the Liberal Party is quite unfamiliar. However, the cultural field particularly is still shared jurisdiction in Canada, and the provinces have a leading role to play in cooperation with the people and the community involved. It is in that sense that I have never said anything negative whatsoever concerning the meetings held by artists throughout Canada. Those meetings were important to us.

GOVERNMENT NON-INVOLVEMENT IN AFFAIRS OF CULTURAL ASSOCIATIONS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Minister of Communications. The Minister promised he would support the principle of Government non-involvement in cultural agencies. However, he has cut the budgets of independent agencies like the CBC and the Canada Council, and increased funding for his own department. Does the Minister see any contradiction between his so-called support for Government non-involvement and the fact that he is attacking independent agencies?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I do not quite understand the logic of the Hon. Member's question. There are a number of agencies that have had no budgetary cutbacks: the National Library, the Public Archives, the Canada Museums Construction Corporation Inc. and the National Museums of Canada. These are only some of the agencies which for various administrative reasons have had no budgetary cut-backs of any kind. Just because some agencies have had cut-backs does not mean that a department does not have the right to proceed with sectoral increases for departmental personnel. I fail to see the logic in the Hon. Member's question.

● (1440)

[*English*]

LEVEL OF FUNDING

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, indeed, the Minister has said something very revealing. He does not understand.

He seems to take the arm's length relationship to mean that because he does not tell the Canada Council to accept one artist's grant and deny another artist's grant that he is respecting it. But he is taking money away from the independent agencies and putting it into his cookie jar. Does he understand that the arts community regards that as a betrayal of Conservative promises? He promised there would be increases in arts funding. He also promised to consult and to maintain—that is, his Party did on his behalf—the arm's length relationship.

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, from the outset the Government made it clear that it favoured an arm's length relationship with the cultural agencies. The Government has taken steps to consult with the members of this sector in a way that has never been done before. The Government has taken steps to maintain normal and positive relations with the provinces. The Government, through its other departments, has made it possible for members of the cultural sector to apply for certain programs. The Government has taken steps to maintain close liaison, as was shown today by my colleagues, many of whom met members from the cultural sector. The Government has made a commitment to keep its promises, and the steps we have taken to date are part of that commitment.

* * *

[*English*]

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, yesterday I posed a question to the Secretary of State for External Affairs, asking if this country had any intention of becoming involved in the research and development program which is related to the American star wars efforts. At that time he refused to give Parliament an answer.

In reading the memorandum of understanding, both Clauses 1(c) and 20(a) give a clear answer: the two countries will join efforts in relation to the research and development of technology, including space-based technology.

An Hon. Member: That's right.

Mr. Axworthy: We finally have one Conservative Member who is prepared to address the truth. The same memorandum states that the two countries will be engaging in joint research on advanced defence systems.

Contrary to every statement which was made by the Secretary of State for External Affairs and the Prime Minister prior to the signing of the agreement, why is the Government now preparing to enter into agreements and negotiations with the United States to involve this country in the star wars research and development program?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are not.

CANADIAN POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, If that is the case will the Hon. Minister please explain—and perhaps his colleague will also confirm—why they have increased the allocation to the Defence Industrial Productivity Fund by over one-third this year? Will he give assurances—and perhaps the Minister of Regional Industrial Expansion will provide the answer—that any grant which is applied for under that program will be carefully screened to ensure that no product, research, or prototype will in any way be involved in the American star wars program?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member, for at least the second day in a row, has been asking a question as to whether the Government of Canada has been invited and has accepted an invitation to take part in space research under the Strategic Defence Initiative. The answer to that question is there has been no invitation and, consequently, there has not been a response.

Mr. Axworthy: Will you?

Mr. Clark (Yellowhead): We are now getting another question from the Member's seat. It is a question from the source of his thoughts.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The answer to the question is that the Government of Canada in the future, as the Government of Canada did in the past, will be engaged in space research. It was, when the Hon. Member was a Minister of the Crown, and it will be in the future. Our involvement in space research will always be consistent with the principles of the ABM Treaty.

[*Translation*]

REGIONAL ECONOMIC AFFAIRS

DOMTAR—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion concerning the Domtar workers and the future of that Quebec community where Domtar investments are located. Yesterday, in answer to a question concerning the Domtar issue, the Prime Minister indicated that he hoped to be able to find a way to solve this problem. Is the Government now prepared to help the Domtar project, which will affect the future of 5,000 jobs in that area? And when will the Government announce its decision?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, we have nothing further to announce today with respect to the Domtar situation.

[*Translation*]

Mr. Cassidy: Mr. Speaker, I have a supplementary. Will the Minister ever have anything to announce concerning that important project in the Province of Quebec which concerns 5,000 jobs? Or will tomorrow's answer be the same as today's, and that of the day after tomorrow the same as today's? This means that you will be saying no forever.

[*English*]

Mr. Stevens: Mr. Speaker, in due course the Hon. Member will have everything revealed to him.

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PORNOGRAPHY

IMPORTATION OF PORNOGRAPHIC MATERIAL

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister of Justice. The Minister will know that very recently the courts have struck down a Section of the Customs Tariff Act which has been used for 117 years to control the importation of pornography to Canada. Can the Minister tell us now what action, either in the short term or in the long term, the Justice Department proposes to take to prevent the flooding of pornography into our country?

Hon. John C. Crosbie (Minister of Justice): Mr. Speaker, the Department of Justice is now considering whether an appeal should be launched in connection with that court decision.

Mr. Penner: Get on with it.

Mr. Crosbie: Don't rush me now; I am a bit slow.

Some Hon. Members: Oh, oh!

Mr. Crosbie: You are the rudest group I have ever seen in opposition.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, we are considering a further alternative, in the form of an amendment, which would be proposed to the House. In any event, a decision as to which course we will follow, or whether we will follow both courses, will be made in the next day or so. We will likely be inviting the co-operation of Members opposite in our battle against pornography. We know we have the assistance of the NDP, but we do not know about the Liberals.

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TERRORISM

PROTECTION OF TURKISH EMBASSY

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Yesterday he, and the Deputy Prime Minister in the past, claimed that protection was increased in early March at the Turkish Embassy. They have been contradicted by Inspector Paradis, who is the RCMP officer in charge of VIP security in Ottawa, by Pinkerton's, and by the Turkish Government, who all say that nothing changed. The Secretary of State for External Affairs has told us that we have to accept his word against theirs and that no details can be given because of national security. I ask him how would national security be affected by giving details of security arrangements in the recent past, when those security arrangements have been changed and when the present arrangements are very different and much upgraded?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not think it is in anyone's interests to discuss hypothetical questions on the floor of the House of Commons, or to respond to an invitation—

Ms. Copps: Was it a hypothetical death?

Mr. Clark (Yellowhead): The Hon. Member for Hamilton East asked if it was a hypothetical death. I hope that she has a sufficient sense of standard to get up in her place at the end of this Question Period and apologize for that uncalled for remark.

Some Hon. Members: Hear, hear!

• (1450)

Mr. Clark (Yellowhead): Mr. Speaker, we deeply regret that death. We are trying to prevent other incidents of that kind. I hope we can have the co-operation of the House of Commons.

SECURITY ARRANGEMENTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I think if the Hon. Minister wants our co-operation in providing adequate security, he will have it. But I do not see how he can call my previous question hypothetical. I think the family of the Canadian victim and the Turkish Government are entitled to know what security arrangements were changed and what the changes were. That is not hypothetical, and answering that question would enhance the national security of Canada, not detract from it.

Mr. Hnatyshyn: That is why Trudeau calls you politically naive.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Turkish officials know. I do not think it is helpful to have everyone else in the country know what provisions might be put in place to protect the Turkish or other embassies in this country.

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INCOME TAX ACT

INVESTMENT TAX CREDITS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Minister of Finance and concerns Section 127 of the Income Tax Act. Potential tax revenue lost to the federal Treasury resulting from recent court decisions which permit investment tax credits to be taken on third party cash rebates is in the tens of millions of dollars. Will the Minister, in his upcoming Budget, take steps to close this very serious loophole?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am very much aware of the court case and its implications. It is something that I am looking into right now. I cannot say at this point whether that will be addressed in the forthcoming Budget, but we are looking very closely at the implications to make sure that loophole is closed.

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AGRICULTURE

INSPECTION SERVICE CHARGES

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture, who, along with the Minister of Finance, has imposed some $23 million in cuts on the agricultural inspection service. They intend to impose an additional $35 million in direct charges to farmers and processors instead. Since his own departmental briefing papers show that farm output will be reduced as a result of this action, why did he pursue the cost recovery program for horticulture and pedigreed seed growers, in the clear knowledge that both agricultural production and jobs would suffer?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think the Hon. Member is perhaps premature in reaching this conclusion. We indicated that indeed there was a proposal and

that we are in the process of consulting with people in the industry. We are negotiating with them, and in fact I am meeting the national groups, particularly those more sensitive than others and those which are in a lesser position to make a contribution toward the cost recovery proposal. I have indicated from day one that we are going to meet and work out a satisfactory conclusion. When we have done that I am sure the Hon. Member will be quite surprised.

MINISTER'S POSITION

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, could the Minister then explain why those same briefing notes suggest that the amount of money involved should not be given out, that there should only be discussions so that the steam from the affected groups will be dissipated?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I do not make my final decisions based on the information contained in my briefing notes. They are for my information. I have always taken the approach of sitting down at the table with the various groups, discussing with them on a one-to-one basis, and arriving at a mutually agreeable decision, rather than being instructed by my briefing notes.

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CULTURAL AFFAIRS

REQUEST FOR INCREASED FUNDING

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Finance who, I hope, will not interpret my statements as being anti-American. They are, on the contrary, pro-Canadian, unlike the Minister of Communications.

Last night on *The Journal* the Minister of Communications said: "Arts and culture are part of a renewal in this country and we must work with other countries towards that renewal." Bearing in mind that we are already competing with a tidal wave of American culture, and Canadian artists are in difficult financial straits at the moment, will the Minister live up to his pre-election commitments and provide federal funding, in fact increased federal funding, for the cultural agencies in Canada?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I thought I had fully answered that question. It stands to reason that the cultural groups have expressed their views and their concerns. I can assure the Hon. Member that this Government is very sensitive to those aspects, and as our programs and policies develop we will take those concerns into account, after consultation, and bring forth adequate solutions.

[*English*]

GOVERNMENT POLICY

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I wanted to ask my question of the Minister of Finance, but since the Minister responsible for the Gong Show has responded I want to say to him that during good times the arts and cultural communities are left out. During bad times they are the first ones to be cut. Does the Minister think it fair that 250,000 Canadian men and women, who are depending upon federal wage and other subsidies, have their funding cut so devastatingly, when spending in the Prime Minister's Office is increased by 54 per cent and spending in the offices of Cabinet Ministers is increased substantially? Is that fair to the arts and cultural community?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, let me first answer the first part of the Hon. Member's question. Had he been more heedful of such questions when he was in government, perhaps the Liberal Party policies might have been more to the point.

Concerning the second part of the question, 50 per cent of which at least is based on rumors or falsehoods, let me tell him just the same that in these difficult times mostly caused by his government when in power, the Progressive Conservative Government will do its utmost to make sure that the cultural groups will contribute in a more positive way to Canada's economic revival.

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF DIRECTORS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Deputy Prime Minister who will recall the rather pathetic attempt by the Prime Minister yesterday to justify the pork-barrel appointments—

Mr. Hnatyshyn: We thought Stephen Lewis was a good appointment.

Mr. Riis: —of 12 new directors of Air Canada. No wonder our Crown corporations lose money when they are run by a bunch of political hacks as opposed to people with experience and dedication.

The Minister will know full well that on or about April 1, April Fool's Day, the Government will be making new appointments to the board of Canadian National Railways. Will the Deputy Prime Minister assure this House and the people of Canada that this new set of appointments will be made on the basis of competence, experience and expertise, as opposed to simply carrying a Conservative Party card?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, in all cases all things are taken into consideration, and certainly competence is at the very top of the scale.

Mr. Blackburn (Brant): That automatically excludes the Tories.

PHONE CALL INQUIRY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in light of the fact that there are few Conservatives left in the country who have not received a patronage appointment, will the Deputy Prime Minister be prepared to accept phone calls from those individuals who have not yet obtained a political appointment?

Some Hon. Members: Order.

Some Hon. Members: Sit down!

Mr. Speaker: The Hon. Member for Nepean-Carleton on a question.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. It is Members' time. If they want to ask questions, they can ask questions, but first they have to be quiet.

The Hon. Member for Nepean-Carleton on a question.

* * *

CANADA POST CORPORATION

REQUEST FOR REOPENING OF POSTAL MUSEUM

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, my question is directed to the Minister of National Revenue. Mr. Minister, could you tell us—

Some Hon. Members: Order.

Mr. Tupper: —what action the Canada Post Corporation is taking to reopen the Postal Museum, and could you advise us, as the Minister responsible, whether you would be willing to arrange a meeting between postal officials and interested Members of this House?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, both the Hon. Member who posed the question and the Hon. Member for Ottawa-Carleton have very strenuously argued in support of maintaining the Canadian Postal Museum. The Corporation is very strongly committed to maintaining the Museum if at all possible. As the Hon. Member is aware, the need for new parliamentary accommodation has put strains on the present facilities. René Marin, President of Canada Post Corporation, has indicated to me that he would be pleased to meet with the Hon. Member and other colleagues who have concerns in this respect, and also to convey their concerns to the Board.

Point of Order—Mr. Gray (Windsor West)

• (1500)

Mr. Speaker: One question, from the Hon. Member for Glengarry-Prescott-Russell.

* * *

THE SENATE

APPOINTMENT OF RICHARD J. DOYLE, ESQ.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister. It is with regard to the appointment yesterday of one Richard Doyle to the Senate. Is the Deputy Prime Minister aware that Mr. Doyle is the only living person in the country to have been found in contempt of Parliament by a unanimous resolution of the House of Commons passed on December 22, 1976? If so, could he tell the House how the candidacy of such an individual will enhance the upper House of our Parliament?

Mr. Chrétien: That's a tough one.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): It is not tough at all. It is surprising that it should be raised by the Hon. Member at all because it is certainly not in keeping with the practices, customs, or procedures of this place to cast any reflection on Members of the other.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, March 19, 1985, meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

UNPARLIAMENTARY LANGUAGE OF RIGHT HON. JOE CLARK

Mr. Speaker: The Hon. Member for Windsor West (Mr. Gray) indicated he wished to raise a point of order at this time.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to raise a point of order. It pertains to certain words used during Question Period by the Secretary of State for External Affairs (Mr. Clark). These words were used by the Secretary of State for External Affairs in reply to questions put to him by Hon. Member for Saint-Maurice (Mr. Chrétien). In replying to the Hon. Member for Saint-Maurice, he said that the Member was abusing his position in the House.

I want to refer you, Mr. Speaker, to Citation 320 of Beauchesne. It reads as follows:

It has been ruled unparliamentary to refer to a Member as—
(b) abusing his position in the House.

I call upon you, therefore, Mr. Speaker, to apply this ruling of long standing and ask the Minister to withdraw these words because, rather than abusing his position in the House, the Hon. Member for Saint-Maurice was carrying out his duty of calling to account the Minister and the Government for their failures and contradictions. He thereby was upholding the highest standards of the House, and therefore deserves commendation rather than being the victim of unparliamentary language from the Secretary of State for External Affairs.

Some Hon. Members: Hear, hear!

Mr. Foster: Withdraw.

Mr. Speaker: The Hon. Member for Windsor West raises a reference to Beauchesne which is quoted and cited accurately. I must, therefore, ask the Right Hon. Secretary of State to withdraw the offending words.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I hereby do.

ROUTINE PROCEEDINGS

[*Translation*]

EXTERNAL RELATIONS

FIFTEENTH ANNIVERSARY OF FOUNDATION OF L'AGENCE DE COOPÉRATION CULTURELLE ET TECHNIQUE À NIAMEY

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I would be remiss in my duty if I did not mention an anniversary which is especially important for all French-speaking Canadians. Indeed, l'Agence de Coopération culturelle et technique is celebrating today the 15th anniversary of its foundation in Niamey, Niger. Canada is one of the charter members of this francophone Agency which includes 37 countries, Quebec also being considered as a participating government since 1970 and New Brunswick since 1977. Truly the Agency is a privileged means of federal-provincial cooperation on an international level.

I would like to take this opportunity to emphasize Canada's attachment to the great francophone family of which it has the chance to be a part, just as it is a part of the Commonwealth. We sincerely wish that the Agence de Coopération culturelle et technique, as well as the many non-governmental and professional organizations of the French-speaking world will continue to promote a dialogue between various cultures and greater cooperation among French-speaking countries, which will lead to a better mutual understanding.

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, on behalf of the Liberal Party of Canada, I am happy to underline the 15th anniversary of the foundation of l'Agence culturelle et technique in Niger. A Liberal Government was in office when the Agency was created and we are very proud of this. It would now be a good thing if this cooperation could be extended throughout the country.

In her comments, I noted that the Minister underlined the participation of Quebec and New Brunswick. I have a question to ask her in this regard. Could she tell the House whether she is now negotiating the participation of other provinces, such as Ontario and Manitoba, which have a large French-speaking population?

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, on behalf of the New Democratic Party, it gives me pleasure today to note the 15th anniversary of the foundation of l'Agence de coopération culturelle et technique. We hope that this major Agency will continue its important work in the future.

Let us also hope that this cooperation will help us to find answers to the problems common to all French-speaking countries, such as poverty, unemployment and the threat of nuclear world war. Let us hope that, working together through l'Agence de coopération culturelle et technique, we shall be able to solve these problems as quickly as possible.

Once more, on behalf of all my colleagues of the New Democratic Party, congratulations to the Agency and good luck for the future!

[*English*]

Mr. Speaker: With respect, I take it that the statement from the Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens)—

[*Translation*]

—was a question and at this point I can treat it as a question if the Minister will answer questions, because a brief question period is now allowed.

Mrs. Vézina: Mr. Speaker, it is a fact that Quebec and New Brunswick are participating countries, and I am following developments very closely in that area because this comes under my responsibility. And I will be open to any potential participation from provinces representing other parts of the Francophonie.

Mr. Speaker: The Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens) for a supplementary.

Mrs. Killens: Mr. Speaker, is the Minister ready to initiate the necessary negotiations with the Provinces of Ontario and Manitoba?

Mrs. Vézina: Mr. Speaker, I would really have to look into the matter as it now stands and if negotiations are in order, I will be pleased to initiate them.

Mr. Speaker: Other questions? No.

[*English*]

PETITIONS

ELIGIBILITY FOR SPOUSE'S ALLOWANCE

Mr. George Henderson (Egmont): Mr. Speaker, I have the honour to present to the House a petition on behalf of concerned Prince Edward Island citizens who ask the Prime Minister (Mr. Mulroney) and the House to take steps to remedy the discrimination and social injustice that will be suffered by single, separated, or divorced Canadians who are not eligible for spouse's allowance. They ask that an amendment be made to Bill C-26 to extend eligibility to all Canadians between the ages of 60 and 64 who have needs identical to those already eligible for spouse's allowance.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I am pleased to present a petition on behalf of a number of residents of the constituency of Laval-des-Rapides who are asking that Bill C-26 be extended, and the Spouse Allowance Benefit granted to all single persons in need, whether separated or divorced.

[*English*]

CLOSURE OF NATIONAL POSTAL MUSEUM

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a petition submitted by a number of residents of the Ottawa area who are concerned with the closing of the National Postal Museum on Wellington Street. They call on the Minister of National Revenue (Mr. Beatty) to intervene and ensure that the postal museum is retained, to find a new location near Parliament, if it is to move from 180 Wellington, and to ensure that its staff continues to serve the public in their present capacity.

[*Translation*]

HIGH TECHNOLOGY AND RESEARCH

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I have the honour to present a petition signed by students of my constituency who would like to see somewhat larger grants awarded, especially in this Youth Year, to students majoring in high technology and research.

• (1510)

[*English*]

PORNOGRAPHIC EXPLOITATION OF CHILDREN

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I have the honour to present a petition from the St. Charles Garnier Catholic Women's League in Kelowna who are concerned about the easy availability of pornographic magazines, books, videos and movies, as these materials are degrading not only to women but to all human beings.

The Catholic Women's League of St. Charles Garnier in Kelowna wish to protest against the exploitation of children by this industry and ask the Government to work for a more clearly defined wording of the Criminal Code concerning pornography.

CALL FOR DELAY IN PASSAGE OF BILL C-24

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have the honour to present a petition on behalf of a number of petitioners who say that the Canadian Home Insulation Program and the Canadian Oil Substitution Program provided Canadians with financial incentives needed in order to promote energy conservation. They feel that these programs have had considerable success in reducing Canada's dependence on oil and natural gas. They say that energy conservation is the cheapest form of energy supply, the most environmentally sound and the most labour intensive.

They pray and call upon Parliament to delay second reading of Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, for six months in order that those Canadians who wish to take advantage of the oil substitution program have fair and ample time in which to do so.

SEVERANCE PAY DEDUCTIONS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the duty and honour to present a petition of some 680 residents of the Ear Falls area who, in availing themselves of their ancient and undoubted right to present a grievance, humbly pray and call upon Parliament to allow laid off employees to keep their severance pay and receive unemployment insurance benefits without deductions made for severance pay.

CALL FOR DELAY IN PASSAGE OF BILL C-24

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise today to present a petition on behalf of a number of residents of Burnaby who are most concerned about the elimination of the Canadian Oil Substitution Program and the Canadian Home Insulation Program.

The petitioners call upon the Government to at least delay the axing of this important program for six months in order that they might have an opportunity to take advantage of this very important energy conservation measure.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present a petition on behalf of several Ontario residents calling on the Government to extend for six months imposition of Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act. Such an extension for six months would allow those residents of Ontario to take advantage of what has been a very beneficial conservation program.

Mr. Simon de Jong (Regina East): Mr. Speaker, I also have a petition from several residents of the Province of Ontario who are petitioning Parliament to postpone the passage of Bill

C-24 for six months so that more citizens can take advantage of this important Oil Substitution and Conservation Program. Therefore, to the House of Commons and Parliament assembled, the petitioners of the undersigned residents of the Province of Ontario now avail themselves of their ancient and undoubted right thus to present such a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide a remedy.

* * *

MISSING CHILDREN SEARCH ACT

MEASURE TO ENACT

Mr. Howard Crosby (Halifax West) moved for leave to introduce Bill C-230, an Act to require assistance in the search for missing children.

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

Some Hon. Members: Agreed.

Mr. Crosby: Mr. Speaker, in moving the introduction of this Bill requiring assistance in the search for missing children, let me briefly explain that the real purpose and intent of the Bill is to focus parliamentary attention on the plight of Canadian parents and families who search, often in vain, for missing children.

The Bill would ensure the assistance of police officers and searchers and encourage the participation of other agencies and the public. The Bill is not a solution but demonstrates that legislative action is possible.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the following questions will be answered today: Nos. 79, 209 and 246.

[*Text*]

CANADA PENSION PLAN

Question No. 79—**Mr. Young:**

Did the Canada Pension Appeals Board decide that the splitting of Canada Pension Plan credits on divorce was not enforceable before the courts and, if so, is it the intention of the Department of Health and Welfare to recommend legislation to provide that the splitting of such credits be made mandatory?

Hon. Jake Epp (Minister of National Health and Welfare): The Pension Appeals Board has ruled that, where there is a separation agreement or consent judgment between the parties in which they waive further claims against each other, these waivers may constitute a relinquishment of Canada Pension Plan pension credits, and that the Minister may be precluded from dividing pension credits on the application of one of the parties in such cases.

The implications of this Pension Appeals Board decision and the various options for possible changes to the Canada Pension Plan will be considered by the Government in the context of pension reform. The option suggested by the question is one being given serious consideration.

SOCIAL BENEFITS

Question No. 209—**Mr. Guilbault (Drummond):**

1. Does the Government intend to protect the social security of Canadians and enshrine the principle of helping the neediest?

2. Is it government policy that Canadians' savings will not be used to cut the deficit, that they will continue to receive their pension cheques and that universality as defined will be maintained?

Hon. Jake Epp (Minister of National Health and Welfare): 1 and 2. As outlined in the Child and Elderly Benefits Consultation Paper, tabled in the House of Commons on January 28, 1985, the Government will be guided by the following principles in its review of social benefits:

(i) The concept of universality is a keystone of our social safety net. Its integrity must not and will not be called into question.

(ii) The concept of a means test to determine eligibility for selective benefit programs is not appropriate. Eligibility for these programs, such as the Child Tax Credit and the Guaranteed Income Supplement, will continue to be determined on the basis of income.

(iii) Any savings which may result from program changes will not be applied to a reduction of the deficit.

BORROWINGS FROM CANADA PENSION PLAN

Question No. 246—**Miss Nicholson:**

1. As of January 1, 1985, what was the aggregate amount of outstanding borrowings from the Canada Pension Plan by the Province of Ontario?

2. Since 1965 to date, by year, what amount was borrowed?

3. Has any capital been repaid and, if so, how much and on what date?

4. Since 1965, by year, what was the total amount of interest paid?

Hon. Barbara McDougall (Minister of State (Finance)): I am advised by the Department of Finance as follows:

1. $14,633,710,000.

2. See below.

2. Fiscal Year	Amount Borrowed 000
1965-66	$ 20,110
1966-67	332,587
1967-68	375,902
1968-69	411,993
1969-70	445,777
1970-71	476,038
1971-72	498,328
1972-73	536,357

1973-74	606,592
1974-75	701,797
1975-76	784,084
1976-77	812,840
1977-78	851,058
1978-79	915,916
1979-80	987,943
1980-81	1,037,872
1981-82	1,268,736
1982-83	1,235,751
1983-84	1,200,847
1984-85*	1,133,182
	$14,633,710

3. Nil.

4. See below.

4. Fiscal Year	Amount of Interest Paid
	$ —
1965-66	5,758,290.15
1966-67	25,005,545.70
1967-68	48,492,116.45
1968-69	78,162,642.55
1969-70	115,534,751.82
1970-71	153,485,596.35
1971-72	190,124,382.00
1972-73	231,389,703.03
1973-74	281,052,440.03
1974-75	343,322,900.96
1975-76	415,532,986.77
1976-77	492,386,651.73
1977-78	568,750,235.65
1978-79	661,539,228.80
1979-80	776,363,468.35
1980-81	921,260,952.40
1981-82	1,127,996,655.20
1982-83	1,289,928,273.60
1983-84	1,214,853,876.65
1984-85*	

* Period April 1, 1984 to January 31, 1985

[*English*]

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

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

Mr. Speaker: Shall all the Notices of Motions stand?

Some Hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

DISPOSITION OF BILL C-32 ON SECOND READING

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I mentioned to you that there have been negotiations

between representatives of the Parties with respect to the passage at second reading and reference to committee of Bill C-32, an Act to amend the Fisheries Act.

It is my understanding that an agreement has been reached to send the Bill to committee without a recorded division this afternoon. In order to accomplish this, it is understood that the Hon. Member for Comox-Powell River (Mr. Skelly) will be given 15 minutes in which to conclude his remarks on second reading of the Bill. The Hon. Member will seek and be given consent of the House to withdraw the amendment to the motion for second reading of the Bill.

As well, it is my understanding that consent of the House will be given to permit the Hon. Member for Egmont (Mr. Henderson) three or four minutes in order to sum up his Party's position with respect to second reading of the Bill.

Finally, consent will also be given to permit the Hon. Parliamentary Secretary to the Minister of Fisheries and Oceans (Mr. Gass) to regain the floor and speak for approximately two to three minutes in conclusion of second reading debate.

If the House agrees to this proposition, it is my intention to call Bill C-32 as the first order of business at this point in time. At the conclusion of debate on this Bill, we will revert to the sequence we had before us previously.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Hon. House Leader has quite accurately and extremely lucidly indicated the agreement that we did in fact work out in order to accommodate the Government's desire to have the Bill go to committee early. If you were to ask for unanimous consent, I think there is no doubt that my colleagues would give it.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my one proviso is that if the Member for Egmont needs more than three or four minutes to make his point, I take it that the House would be patient. The same would apply to the Hon. Parliamentary Secretary. We are ready to allow him more than four or five minutes because we know the importance of this Bill.

Mr. Speaker: In fact, the Chair wondered what it should do when it heard times like two, three or four minutes. However, I take it there is unanimous consent for the matter being proposed as a House order?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FISHERIES ACT

MEASURE TO AMEND

The House resumed from Tuesday, March 12, consideration of the motion of Mr. Fraser that Bill C-32, an Act to amend the Fisheries Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

M. Speaker: Pursuant to the agreement arrived at moments ago, I will recognize the Hon. Member for Comox-Powell River (Mr. Skelly).

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the important and interesting Bill we are debating today would confer on the Minister of Fisheries and Oceans (Mr. Fraser) the absolute and unfettered right to allocate fish without guidelines or restrictions. The Minister thought he always had that right until the court cases last year indicated that the law was deficient and he could not in fact allocate fish. The court went even further and indicated that the Constitution may determine that a law to amend the Fisheries Act to give him the right to allocate fish may be deemed *ultra vires*.

At present, allocation and the determination of who gets access to the resource is at the heart of the management of the fisheries. During debate on this Bill the Minister has argued in the House and in committee that since he always had that right, the House should automatically give him that right again. I suggest that no legislature should give any Minister this kind of almost absolute or unfettered power to allocate between groups without some guidelines.

● (1520)

I think the key thing is that even the Party in power in the past has put up many complaints against unregulated or unfettered opportunities of Ministers and the Government to determine the lives of people so drastically. We should clarify that this kind of power to determine who has the access to the money that that resource develops, who will be pushed out of that industry, or whose shares will be diminished or capability impaired, should not be given to the Minister or to the Government without some guidelines. What we would like to establish in this House and what user groups would like to establish is that the Minister should put on the record in writing what those guidelines would be.

There is a second interesting aspect to this Bill. The reason this Bill is being given second reading today is that when we hit an impasse in four days of debate, the Government and the Opposition realized it was not in the continuing interests of the people of Canada to hold up the business of the House of Commons. There were some serious questions and contentious issues to be dealt with. The Minister offered to adjourn debate and move this issue into committee for a period of time so we could examine the contentious issues. They were examined in detail.

The Minister has in his possession a summary of the important issues that would form the guidelines. It is my understanding that he has made a commitment to put something in writing on the guidelines that would form part of the records to determine the process of allocation. That is extremely important. It should not be construed by anyone that this Bill is proceeding for any other reason than that of the Government having acted with reasonably good faith and in a constructive and positive way.

The Government adjourned the debate. It did not use closure. It moved the Bill to committee to discuss the contentious issues. It resolved some of the issues but left the most important ones yet to come. This arrangement would not form a commitment to deal expeditiously with this Bill in committee, or a commitment to deal expeditiously at report stage or at third reading, without having something substantial from the Minister. This should be a very clear message from the Opposition, one that will be reinforced by the other Opposition Party here, namely that second reading is given on the basis that we recognize a constructive move was made.

There are four points that must be resolved, and the user groups essentially agree. First, a guideline must state that user groups currently into the industry must have a place in that industry. This allocation gives no indication of that. They must have an opportunity to earn a living from that resource. This Minister must place on the record that his unfettered right to allocate will not impair their position or remove those user groups from the resource.

Second, there must be a board, an agency, made up of user groups. That board should be representative of user groups accountable to the user groups and would be involved in an advisory and co-management process with the Minister. This move formed part of the election campaign promises of the Conservative Party. It makes absolute sense in the fishing industry. The Minister must make some statement in his guidelines on this particular agency and how he will move toward it.

The third consideration in the guidelines must include the communities, especially on the west coast of Canada in British Columbia, that depend on the fisheries. I keep coming back to the example of Alert Bay but certainly I include Bella Bella, Klemtu, Bella Coola, Port Hardy, and Campbell River. These places are all seriously dependent upon the fishing industry.

There must be a representative agency by which those communities have input into such things as the fishing plan, the over-all policies of the Department and have some effect and influence on the Government as the federal Government impinges on the economies of the communities. That must happen, and I think it is clearly understood by the Minister. We will be waiting for a response to recognize that and put such an agency in play.

Fourth, native participation must be defined. Native participation at traditional levels in the commercial industry, the question of aboriginal rights and the question of land claims must be looked at. We are not asking for a definitive answer. What we are looking for is what the Minister's game plan is in

terms of the participation of the native people in a resource extremely important to them and to the economies of their communities.

I think the goodwill with which we approached second reading is something that can be worked on again. Some in this House were reluctant to see that precedent, but we worked in committee through some of the most contentious issues while this House went on conducting the business of the people of Canada. I think this is much healthier than what happened in the last Parliament when adjournments, petitions and ringing of bells tied up this House for months. This move was very constructive. I think it will be worth continuing.

We are extremely apprehensive about working on this level with the Government. In this regard I point out to the Minister of Fisheries and Oceans and to the Minister of Employment and Immigration (Miss MacDonald) the rank patronage appointments that have taken place. They are being watched. The people of Canada are being given that information. We will continue to pound on it. It is extremely negative for the Government and it is extremely negative for the Opposition to become involved. We are not interested in such boards made up of patronage.

Let me mention also the Canada-U.S. treaty in which documents were provided to the House after the treaty was signed and it was full, as far as we are concerned, of serious errors and short-comings. The Prime Minister (Mr. Mulroney) admitted that prior to going to Quebec City.

There is one other thing I want to mention. This Bill was slapped on us just before the herring season began. There was almost an attempt to blackmail this House into passing it quickly, otherwise the fishery would collapse. It did not. The under groups were able to bring the fishery together and have executed it very well without giving the Minister the kind of absolute or unfettered authority that he is asking for in this Bill.

There is no commitment to move quickly through committee. There is no commitment to move rapidly on third reading nor on report stage. There is a recognition by the Opposition that the Government has made a very positive move and as a result the Government has this Bill in committee and further progress will be made on the basis of good will from the Minister responding to the four questions here, and certainly questions the other Opposition Party will raise. I think on that basis, should the Minister agree to put some of those things on the record, that will give people some confidence as to where they are going. Then we can look forward to some solid progress on the remaining stages of this Bill.

Mr. Gass: Mr. Speaker, I have a question for the Hon. Member. My understanding was that the previous speaker was going to lift the six-month hoist amendment that was moved earlier.

Mr. Skelly: Mr. Speaker, I understand that was part of the unanimous consent given to the entire package of matters which dealt with the six-month hoist and the fact that we would be allowing this Bill to go to committee.

The Acting Speaker (Mr. Charest): It is also the understanding of the Chair, pursuant to what had been said at the beginning, that the amendment had been withdrawn with unanimous consent. We shall now resume debate. The Hon. Member for Egmont (Mr. Henderson).

Mr. George Henderson (Egmont): Mr. Speaker, I will be very brief. As my colleague, the Hon. Member for Comox-Powell River (Mr. Skelly) mentioned, this is sort of an historic situation inasmuch as we did have a motion that would hoist the Bill for six months, then a commitment by the Minister that he would attend the committee, meet with the committee, adjourn the debate on Bill C-32 in order to go to committee, and then come back to the House to complete second reading. In this way we were not taking up the time of the House for other business.

• (1530)

There certainly has been co-operation on the part of the Minister and the Parliamentary Secretary in this particular case. They have done a very good job of negotiating in the dilemma with which we were faced for a short period of time. Of course, that encourages good will on the part of the Official Opposition and the New Democratic Party. This is why we are here today with this particular Bill.

The previous speaker mentioned the four areas about which we have some concern. One of them is the global allocation of fish stock, certainly on the West Coast, in the Pacific fishery. Other areas of concern are a mechanism for consultation, some recognition of the input from fishing communities on both coasts, and native participation.

We recognize that it is very difficult for the Minister to be specific about some of those questions. We in the Official Opposition are not asking for specific allocations. We are asking for the Minister's view of how the allocation of resources will be managed. Also there are a couple of legal questions; there may be many more when we get to committee. I hope the Minister will appear when the Bill is in committee, together with his legal advisers.

There have been different interpretations of the Bill. While it will clearly give the Minister the necessary authority to allocate and regulate the fisheries in tidal waters, it may not allow him to allocate stocks, for instance, in the inland waters of British Columbia, namely the water between Vancouver Island and mainland B.C. In the Johnstone Strait, the Strait of Georgia and Juan de Fuca Strait, there is a tremendous amount of fishing and often very conflicting quota requests among different user groups.

In May of last year, the case of *The Attorney General of Canada v The Attorney General of British Columbia* was before the Supreme Court of Canada. That court ruled that that body of water was owned by the province, because when British Columbia entered Confederation, the western boundary of the province was the eastern edge of Vancouver Island. If this is correct, the Minister can only regulate the fishery in that water on conservation and protection grounds. Only the

province can allocate the resources. Certainly there should be clarification in that regard. Perhaps there will have to be another amendment to cover the situation.

I have talked with a number of user groups in British Columbia and have heard that Bill C-32 is worded in such a way that, once passed, the Minister would have unlimited power with no defined restrictions whatsoever. Perhaps the Bill should include the provision of some principal body—and this is what my colleague talked about—to oversee regulations passed by the Minister and with the power to veto any regulation deemed unfit or not in the best interests of the fishing industry. One of my main concerns in speaking on legislation, especially Bills with the powers of this one, has been about how regulations flow from legislation passed in the House. It is only fair to give it good scrutiny in committee if the legislation is to meet the objectives of the Minister and provide him with the powers within the meaning of the Act. We may have to take a look at it in that regard.

I am pleased, as are members of the New Democratic Party, to see this Bill move into committee. I hope the Minister, the Parliamentary Secretary and members of the Standing Committee on Fisheries and Forestry will continue to show the co-operation and good will we have seen over the last few days in committee. It is only with co-operation and good will that the Bill will progress and we will achieve the objective we are trying to achieve—to have legislation which first of all provides benefits to those most adversely affected; that is, user groups, fishermen, processors and workers.

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, as has been indicated by the two previous speakers, a sort of unorthodox situation has occurred both inside and outside the House within the last few days. A great deal of good will has been demonstrated in the Standing Committee on Fisheries and Forestry as we have dealt with this particular Bill. We on this side of the House are very pleased that the Bill has received approval in principle from all Parties. The fact that all Parties accept the main principle underlying the Bill indicates that the Government needed to clarify the powers to undertake the social and economic management of the fishery. This is a reflection of the excellent session of the committee when the Minister appeared last Thursday. In point of fact, the Minister appeared before the committee for three and a half hours. He did an excellent job of trying to answer in a very straightforward manner the questions posed by committee members.

What has emerged over the course of the full debate is a recognition by all Parties that confirmation of the management powers outlined in the Bill, including the power to allocate among user groups and gear types, is absolutely essential to the successful management of a complex, modern fishery.

It is urgent that any uncertainty concerning the statutory basis for the Government's allocation decisions be removed, especially in light of the imminent opening of the West Coast salmon fishery. The Minister and the committee will work very hard to give the Bill the necessary review and return it to the House with the least possible delay.

Mr. Skelly: Mr. Speaker, I concur in the remarks of the chairman of the standing committee and of the Parliamentary Secretary. Members of the committee have done an excellent job in trying to find ways to co-operate and get things done. In principle we agree with what has been said by the Parliamentary Secretary; however, I should like to add two points.

There was some serious question about Section 2.1(d) which governs the problem of inland waters. It is my understanding the Minister indicated that he would be prepared to drop that particular subsection. Also there were some questions about the corresponding French and English wording in the Bill. It is my understanding that some response will come about and if an amendment was required it would happen.

Mr. Gass: Mr. Speaker, there were discussions between myself and the Hon. Member yesterday on those two items, Section 2.1(d) and the discrepancies which may exist between the French and English printing of the Bill, as well as the interpretation of the English and French versions of it. Departmental officials are looking at those two items and the Minister is considering the implications of subsection (d).

Mr. Skelly: Mr. Speaker, the indication of urgency, as was mentioned, during the herring season obviously did not come to pass. In terms of the urgency in the salmon season, I would suggest that we probably have a couple of months before this starts to become a problem for the Minister. Could the Parliamentary Secretary acknowledge that we are not pressed, that user groups and the Department are working on fishing plans, and that undoubtedly it will unfold in much the same way as the herring season? Would he acknowledge that it is likely the Minister will have it in time?

Mr. Gass: Mr. Speaker, I hear what the Hon. Member is saying. I agree that the concern for the herring fishery did not materialize, but I do not agree specifically with the idea that we have a lot of time and that there is no urgency in dealing with the Bill. I believe, as does the Minister, that there is some real urgency in getting the Bill through and having this settled.

There is a potential for serious problems in the fishing ground with the salmon fishery. A group plans to fish as early as the middle of April. Therefore, we believe there is urgency attached to this Bill. We will try to find every reasonable way of accommodating the concerns of the Opposition in trying to get this Bill through as quickly as possible.

● (1540)

The Acting Speaker (Mr. Charest): Questions or comments? Resuming debate. Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is as follows: Mr. Fraser, seconded by Mr. Hnatyshyn, moves that Bill C-32, an Act to amend the Fisheries Act, be read the second time and referred to the Standing Committee on

Fisheries and Forestry. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Fisheries and Forestry.

* * *

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed from Monday, March 18, consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-234, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be now read the second time and referred to the Standing Committee on National Resources and Public Works; and the amendment of Mr. Cassidy (p. 3072).

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, you will recall, I am sure, that the other day when I started to speak in the House I had about a minute of my 10 minutes, so I will assume that I have eight or nine minutes left.

In looking at the impact of what the Government is proposing to do, there are three reasons, in my judgment, why the measures that are being taken are inappropriate. The first reason is that the program has indeed been of some considerable benefit. The program has given home owners an opportunity to upgrade their residences. It has benefited the general desire on the part of everyone for conservation.

There is no evidence that I can see that the program has been abused. The moneys made available, at least under certain parts of the Bill—my colleague from Brampton-Georgetown (Mr. McDermid) looks at me. If there were abuses, they were on the part of those who provided the service, not on the part of those who received it. I believe the home owners themselves took advantage of the program to the extent that it was available.

The moneys that were made available were taxable. Therefore, not even the full cost must be borne by the treasury of the country. For that reason, initially, I would say that the program makes sense. There are large numbers of people in the country who would take advantage of the program were it to be extended. We as a whole would benefit in the long run from the conservation of depletable energy resources that would naturally flow from their taking advantage of the program.

The second point is that it did create employment. It created employment in a number of small businesses that otherwise would have found themselves in serious difficulty. There is no question in my mind that in some aspects of the program there certainly were abuses by those who provided the service. In the insulation area the work frequently was not up to standards that we would have expected. In some instances not only was the Government short-changed, but the individual citizens were short-changed as a result of plain, ordinary, bad workmanship, not a reluctance to live up to the obligations.

Nevertheless, the program did provide employment for a large number of people. It provided employment at a time when employment was desperately needed. I do not think we have got past that stage today. There is still the need for employment opportunities for large numbers of people who could continue to be involved in the provision of services that are compensated for under this program. Keep in mind that we still have close to 1.5 million unemployed.

Taking into account that the normal employers in the country are not employing as many people as they did in the past, it would make more sense, in my judgment, to continue to fund this program from the employment point of view rather than to have those people on unemployment insurance, which could well be the case. If you take into account that many of the people who will not be employed as a result of terminating the program may well end up unable to find alternative employment, and if that is true, they will end up on unemployment insurance temporarily and perhaps ultimately on some other form of social program. There is very little benefit derived by society as a whole from forcing that kind of end result.

My judgment would be that from the point of view of maintaining opportunities for employment, this program ought to be at least extended, if not kept in place permanently. I would be prepared to concede that it might not be necessary to keep it in place permanently. There would come a time in the not too distant future where the number of citizens or families who would like to take advantage of it would be small. As more people use it, the need would become less and less. Ultimately the program would come to an end in itself. It comes to an end simply by virtue of the way in which it is structured. I would say to the Minister that from that point of view, in addition to the first, it would make some sense to extend it.

We have asked for a six-month hoist. We ask for it for what I think are legitimate reasons. The main reason, I suppose, is that, come the end of this month, one part of the program will terminate. Quite clearly, it will be awfully difficult in the normal course of events for the work to be undertaken in the winter.

If I were going to terminate a program such as this, I would suggest that the termination should be set off until the fall. That would allow for all of the summer period, which is a period of relatively high unemployment. I understand, Mr. Speaker, that I have just about used up my time. I will be very brief on closing.

If we were to allow it to extend over the summer, much of the work could be done in that period of the year when heating plants are not in use. It is possible then to open up buildings for the purpose of insulation and renovations. From that point of view, in addition to the other two, the program should be extended. I would urge the Government not to terminate it this week or next week, but rather set a date such as October 1—

I'm picking a date off the top of my head. That would allow the spring and summer months for the work to be done and then to effectively terminate it as at a time when people will have had an adequate lead time and the opportunity will have been there for the work to have been done.

• (1550)

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, the amendment before the House today would postpone consideration of this Bill for six months. I welcome this opportunity to take part in the debate on this amendment, and I believe my constituents in Bourassa will understand the consequences of this motion. Mr. Speaker, the House will recall that CHIP, the Canadian Home Insulation Program and COSP, the Canadian Oil Substitution Program, were introduced between 1973 and 1977. Perhaps we should recall what the situation was in 1973 to fully understand the gravity of the economic problems that heating costs were creating for Canadians at that time.

The price of oil was increasing quite rapidly, and at the time, most Canadian homes had oil heating, so that heating bills were becoming a problem.

Mr. Speaker, being a truly responsible Government, we thought it would be a good thing to persuade Canadians to upgrade the insulation in their homes and to substitute for oil other forms of energy such as gas, electric power and wood, which have become very popular for home heating. CHIP, the program referred to in Bill C-24, was used to give grants to home owners who were taking steps to conserve energy.

[*English*]

The decision of the Government to abolish this program is not very easy to take. It may be right to say that Canadians must now take up their responsibilities and should insulate or change from oil to other sources of energy themselves if they so wish. I feel that a part of our obligation as parliamentarians is to tell Canadians how we see problems and issues and how better to deal with them.

There are two good programs in place which benefit ordinary Canadians, particularly those of low and middle income. Of the nearly five million residences that were targeted to use the insulation program, only about 2.5 million have done so. Other home owners have indicated an interest in proceeding with these programs after having heard from neighbours how well they work. These programs are primarily aimed at saving oil and thereby heating costs.

[*Translation*]

Mr. Speaker, this Government has now decided to do away with these two programs. It has the right to do so, since it is in power, but that does not mean I agree with its decision, and I think many Canadians do not agree either, because eliminating these two programs will cause problems for a number of Canadians.

Mr. Speaker, I do not want to elaborate too much on this point, but it would be a good thing if the Government could extend these programs at least until September 30, 1985, so that many contractors and consumers who have already applied for a grant under the program to convert their heating systems can take advantage of the program, and this would also help Canadians to save money. We have had a long, hard winter. Many Canadians have not had a chance to carry out this conversion. We suggest that the Government give these people a chance to take care of this during the spring and summer months.

Mr. Speaker, in concluding, I simply wish to say that we in the Official Opposition strongly urge the Government to reflect on the advantages of extending these two programs, which I think would be worthwhile for many Canadians.

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the New Democratic Party has moved a six-month hoist on Bill C-24 because Bill C-24 is very unfair. I will give you an example, Mr. Speaker, of what I mean by its being very unfair.

When these programs were instituted, they were to continue until 1990. I would like to read into the record a letter indicating that arresting the COSP program now is very unfair. I received a letter from one of the communities in my riding. Its contents are indicative of what is happening right across the country. In fact, there are many areas of the country in which small communities have not yet been serviced by gas lines. The letter to which I refer came from the Clerk-Treasurer of the Township of Hagar and is addressed to the Minister of Energy, Mines and Resources (Miss Carney). The letter reads as follows:

Dear Madam:

The following resolution was passed by the Council of the Corporation of the Township of Hagar at their regular February 19, 1985 meeting.

"Moved by Councillor T. Beamish, seconded by Councillor R. Chartrand that since Northern and Central Gas hs proposed to serve the Villages of Markstay and Hagar with natural gas in the fall of 1985, and the COSP is scheduled to terminate on March 31st, 1985. Therefore the Township of Hagar request the Honourable Patricia Carney to extend the COSP to enable our residents to avail themselves of the grant and that copies of this resolution be sent to our local MPs."

We trust that you share our concern and urge you to give this matter your kind consideration.

That is only one example of the unfairness that will be perpetrated on the public by the premature arresting of the COSP program. There are communities right across the country that have not yet been serviced by gas lines but will be—

Mr. McDermid: But never will.

Mr. Rodriguez: The Hon. Member says they never will. I just put one such case on the record. An unfairness to one is an unfairness to all. Perhaps the Hon. Member does not understand that principle. Perhaps his community received the grants and his people took advantage of the grants. However, there are many people in small communities who, because of

the programming of the gas companies, do not enjoy that service.

When the Bill was first presented in the House, it went through second reading and committee stage and was approved within a couple of hours. I would like to put on the record the words of the then Conservative energy critic, the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton), spoken at the time this program was instituted. I am reading from page 11099 of *Hansard* for June 30, 1981. At that time, the Hon. Member said:

I do not think there is any question that the House in general understands and supports the purpose of the oil substitution program—

It is a good philosophy to get as many people in the low technology systems as possible to move away from the consumption of oil. It is particularly good, if the alternative is cheaper not only than the present price of oil but the future price as well.

The Hon. Member concluded his remarks by saying:

I want to conclude by congratulating the minister again for bringing this legislation forward and allowing us to ask him some questions. I hope he will consider the suggestion that I have made to improve the legislation and make it available to all Canadians.

The Government is now moving to take that program away from a great many Canadians. He went on:

If so, we could achieve this conversion from oil to other energies more rapidly than this bill by itself.

Those were the words of the Hon. Member for Qu'Appelle-Moose Mountain who, to my knowledge, is always concerned about conservatioan and always looking for alternative energy sources.

COSP has served Canadians very well and it could continue to serve them very well. In my riding office I receive a great many phone calls from people who wish to convert and have placed orders for gas furnaces. Because of the acceleration of orders due to the premature announcement which was made by the Government to cut the program, manufacturers cannot supply the demand. Therefore, the people are not able to instal because the $800 grant is paid after the installation and inspection.

● (1600)

If we look at the history of the program, it has proven to be very efficient in the conservation of oil, which is a finite resource. It was not so long ago, in the early and mid-1970s, that we were wringing our hands and saying that we had to conserve energy because oil was running out. Canadians became very conscious of that. This program was a response to that concern. It attempted to get Canadians to use natural gas. We are told that there is a large surplus of natural gas. It is interesting to note that the provinces which took advantage of COSP were Ontario, Quebec and the provinces in Atlantic Canada. Those areas primarily depend on imported oil, which is priced higher than domestic oil. Canadians in those areas have taken advantage of COSP and converted to natural gas, which has helped to conserve the finite petroleum resources of Canada.

The evaluations of COSP and CHIP have shown that the programs have been helpful, not only in the conservation of energy but also in the whole area of job creation. The Government ran its election campaign on jobs. These programs have created thousands and thousands of person-years of employment, yet the Government is cutting the programs. One must ask, why? Why is the Government at this time cutting programs which have shown their usefulness in the evaluations which have been done by the Department of Energy, Mines and Resources? I have the suspicion that the Government is cutting COSP so that Canadians will once again consume oil. In fact, it may be in the interests of some to convince the Government that Canadians must once again consume oil. It may be that the louder voices, and the influencing factors on the Conservative Government, are its friends in the oil patch.

Mr. McDermid: Not true.

Mr. Rodriguez: The Member opposite says that is not true. He protests too much. Why would the Government eliminate a program which, obviously, has been beneficial to Canadians? Surely, if it looked at the net benefit of keeping people working, paying taxes and buying goods and services—and the Government will get its money back because the COSP grants are taxable—it would not cut the program. I have the suspicion that it is a Machiavellian move by the Conservative Government once again to have Canadians consume oil. It is wasting a finite resource. I think the Government should be ashamed of itself. It should consider the reasonableness of the motion to hoist the Bill for six months.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I welcome this opportunity to take part in the debate on a motion presented by our friends next door, to postpone consideration of this Bill for six months.

Mr. Speaker, Bill C-24 will have a disastrous impact on many regions in this country. You know as well as I do that in the Eastern Townships, for instance, where natural gas became available only a few months ago . . . Everybody knows people are by nature reluctant to change—except perhaps at election time—and when the natural gas pipeline was extended, the dependence of a region, and especially a province like Quebec, on a single source of energy was significantly reduced. However, I think that people were all counting on the oil substitution program to convert to natural gas, and since they were sure the program would be in place until December 31, 1990, no one bothered to have this done in the middle of winter.

If we consider the Government's decision, Mr. Speaker, it was motivated far more by fiscal year-end considerations than by any consideration for the interests of taxpayers and especially Canadian home owners. Deciding in November to axe a program in March, when the program involves home renovation, does not make sense. Everybody knows that not many Canadians are going to do any major changes in their homes in the middle of winter, especially if those changes involve converting the heating system. I am sure that in my hon. friend's riding, people do not change their heating systems in the

middle of a February snow storm. That is why the March 31 date, selected only to do for the benefit of the Minister of Finance (Mr. Wilson), makes no sense at all.

This program was quite successful and could have done a lot more good, but unfortunately we now find out that it will be terminated. We noticed today that not one of our colleagues on Government benches was honest enough to tell the Government or the Minister of Energy, Mines and Resources (Miss Carney) that the date she chose does not make any sense at all. I am pleased to see the Minister of Public Works (Mr. La Salle) who is a construction expert and who will certainly agree with me that it is impossible to change heating systems in the middle of winter. By arbitrarily picking March 31 as the deadline, the Minister of Energy, Mines and Resources has shown that the requirements of the Minister of Finance mean more to her than the interests of Canadian consumers. We are therefore confronted with an impossible situation—consumers cannot get all the materials they need even if they are anxious to take full advantage of the program before the deadline.

As my colleague said earlier, I did get some letters. Many companies, municipalities and individuals are quite upset about this arbitrary deadline. They are really upset about this unilateral Government measure. We have heard the concerns expressed by Ontario or Ottawa electrical contractors' associations, not to mention those of many consumers, but what is even more upsetting, Mr. Speaker, is that the Minister of Energy, Mines and Resources, supposedly most concerned over energy conservation, said in a speech delivered in Vancouver last March 8 that those energy conservation programs are no longer a priority for the eighties.

Mr. Speaker, you know as well as I do that energy conservation . . . We are witnessing laxity in Canada and within the Government, and there is nothing certain about the future in the energy sector. We are deluding ourselves if we think that because things are going relatively well right now, and I underscore the word relatively, we cannot take decreasing oil prices for granted, nor can we see anything meaningful in the fact electricity costs will continue to rise, like 2.5 per cent in Quebec this year. I think that Canadians would be well advised indeed to conserve as much energy as possible. It is in that sense that the arbitrary decision of the Government seriously undermines the oil substitution program and gives short shrift to the notion of Canadian self-sufficiency with respect to a sole source of energy.

● (1610)

The program was set up in the first place to ensure that Canadian consumers would no longer be dependent on only one resource. Canadians have become used to the idea that they ought to diversify their energy requirements, but all of a sudden somebody pulls the plug. That is why I support the amendment introduced to put off for six months the measure advocated by the Minister of Energy, Mines and Resources. If the amendment is adopted, the deadline will be pushed back to October 1, so that the work can be done this spring and summer. When the date was announced in November, it was easy to say that people had lots of time.

An Hon. Member: How much would it cost?

Mr. Lapierre: How much would it cost? The whole country would save as well. My colleague opposite asks how much it would cost, but I would like to know whether he is trying to tell me that we ought to drop the CHIP program as well. He can suggest that because most houses in his riding have been insulated.

An Hon. Member: That is not what I said, I asked how much it would cost.

Mr. Lapierre: In my opinion. Mr. Speaker, when it comes to energy conservation, when it comes to helping Canadian consumers—

An Hon. Member: A $200 billion deficit!

Mr. Lapierre: My colleague from Bellechasse, I believe, or somewhere around there, is saying that we do not know what saving is all about. Before blaming Opposition Members, he should look at his own colleagues and tell them that they can set an example and start saving in their own offices. The President of the Treasury Board (Mr. de Cotret) is here and I am sure he would be able to tell you to what extent he thinks that his Cabinet colleagues are asking for too much with their inflated budgets.

Mr. Speaker, it looks as if our friends on the other side have a selective memory. Restraint is the last of their concerns when the armed forces are concerned, restraint is the last of their concerns when they want to boost our NATO contingent, restraint is the last thing on their minds when the PMO is involved, restraint is a foreign word, particularly when the Minister of National Defence (Mr. Nielsen) is let loose, but when ordinary Canadians are concerned, well that is where savings will come from. Restraint is the least of their concern when they consider granting tax breaks to such corporations as CP and Algoma Steel. As recently as two weeks ago, they granted a $200 million subsidy, and now some of our hon. friends opposite have the gall to claim that they cannot afford to help a Quebec firm. We have had just about enough of this kind of selective memory, Mr. Speaker. Either they are serious about the economy—

Mr. McDermid: What about Domtar or Dominion Tire.

Mr. Lapierre: My hon. friend wishes to attack Domtar. I know that some members of the Conservative caucus are against Domtar. I know also that these members do not understand anything about the Quebec situation or the East-

ern Townships economy, Mr. Speaker, and I hope that you will do your utmost to instruct and enlighten them.

An Hon. Member: It is going to be difficult.

Mr. Lapierre: Mr. Speaker, I think it would be a problem, since the Hon. Member has been in the House for many years.

Mr. Speaker, to get back to the subject of today's debate, I would urge our friends opposite who know about saving energy and who are acquainted with the construction industry, to vote in favour of this amendment, which is strictly an appeal to common sense. I think we can rise above partisanship on an issue like this. Why eliminate this home insulation program half way through? The objective was five million homes, and 2.5 million have been insulated. Now they want to cut the program! Mr. Speaker, we are only half way there. If the program were allowed to continue as planned by the previous Government, we would be able to congratulate each other as soon as the program's goal was achieved, and, I repeat, without partisanship, because the people who truly stand to benefit would be our fellow Canadians. Mr. Speaker, I think it has been amply demonstrated here in the House that this Bill was improvised, that the Government did not consider the constraints of the construction industry and did not consider the needs of Canadians, and I know that our friends opposite will want to reconsider, in the light of the information we have given them today in the course of this debate.

I know, Mr. Speaker—

The Acting Speaker (Mr. Charest): The Hon. Member's time already expired a minute ago.

[*English*]

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I welcome this opportunity to speak on Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, because I think that although these two particular measures have not received a great deal of attention, they tell us a lot about the direction in which the Government wants to take us in terms of our energy future.

As you may know, Bill C-24 seeks to implement two measures planned in the November 8, 1984 economic statement by the Minister of Finance (Mr. Wilson): the early elimination of these two energy conservation programs. We are opposed to this Bill and that is why we have been putting up speakers and have moved the six-month hoist. It is also why we are giving the Government trouble when it comes to trying to get this Bill through the House in a hurry. We think more attention should be paid to just what the Government is up to when it comes to our energy future and where its priorities lie.

I note, for instance, that we see the cancellation of conservation programs and the cancellation of research into alternative energy sources, yet we see no indication whatsoever of any willingness on the part of the Government to be critical of another energy option imposed upon us by successive Liberal Governments. That is, Mr. Speaker, the whole nuclear energy option.

I recall that when the Conservatives were elected in May of 1979, one of the first things they were going to do was begin a parliamentary inquiry into the whole nuclear fuel cycle, the economics of nuclear energy and its environmental aspects—the whole works. I recall at that time being very positive about the willingness of the Progressive Conservative Party to initiate this inquiry into what, in my view, and I think their view also at the time, was a Liberal boondoggle involving hundreds of millions of dollars being spent on the nuclear option in this country with little or no public accountability and even less public debate.

In 1979 we had an indication that there was going to be an inquiry into the nuclear industry, but what have we got from the Progressive Conservatives after their election in 1984? We have no indication that that critical attitude towards the nuclear fuel cycle has survived the years between 1979 and 1984 at all. The one time I asked the Minister of Energy, Mines and Resources (Miss Carney) whether or not she would be taking up the commitment made by the Progressive Conservative Party in 1979 and initiating such an inquiry, and this was before Christmas, she said she would have to talk to AECL first. Mr. Speaker, it is not out of the question to talk to AECL about it, but it is certainly somewhat suspect that the Minister made no commitment to talk to anyone else about the advisability of having an inquiry into the nuclear fuel cycle.

Mr. McDermid: Are you for or against it?

Mr. Blaikie: Why did she not indicate that she would talk to the Canadian coalition on nuclear responsibility or the host of other groups concerned about the industry? The Hon. Member for Brampton-Georgetown (Mr. McDermid) asks me whether I am for or against it. I do not think it is any secret that I am opposed to the nuclear future which was imposed on us without public debate by the Liberal Government. I thought the Conservatives were too and that is why they wanted to initiate a parliamentary inquiry. That is why I am referring to comments and commitments they made in 1979.

• (1620)

I asked the Minister of Energy, Mines and Resources whether she was going to pick up where the Conservative Government of 1979 left off. She indicated to me that she would talk to AECL about it. She has had nothing to say since then about what AECL had to say. I am almost positive that AECL did not tell her to go ahead with a full-scale inquiry into the nuclear industry. She said that the problem may only be one of marketing. This again reveals an unwillingness on the part of the Progressive Conservative Government, like that of Liberal Governments before, to ask a more fundamental question about whether we should be investing the hundreds of millions of dollars that we are investing into this while neglecting other energy alternatives. The Government has made a specialty of that by almost wiping out research into other

energy alternatives, particularly the research which was taking place under the umbrella of the National Research Council.

I am concerned about the direction that this Bill, taken with other statements of the Government, indicates the Government is moving in. I refer to statements made by the Minister of Energy, Mines and Resources with respect to radioactive waste disposal and the connection between that and choosing a nuclear future over the conservation and alternative energy future which we could have chosen. Instead, they are introducing Bills such as this which terminate conservation programs.

In a letter to the town council of Gimli, the Minister of Energy, Mines and Resources referred to the possible commercial benefits of Canada becoming a repository for the radioactive garbage of countries all around the world. This was in response to a concern expressed by the municipality of Gimli and other municipalities across Manitoba about the possibility of the site at Lac du Bonnet, where the underground research laboratory is presently situated, eventually becoming a radioactive garbage dump.

Instead of posing critical questions about the future of nuclear energy, the problems which it poses and the fact that we do not have to be pursuing this particular option, the Minister of Energy, Mines and Resources can only talk about the commercial benefits of radioactive waste disposal. She says that the problem may only be marketing, without asking the more fundamental question of whether we should be marketing this stuff in the first place.

I just wanted to register my concern and that of a great many Canadians that this Bill indicates that the Government is clearly moving in the wrong direction with regard to our energy future. It is clearly not taking into account all of the things we have learned over the last 10 or 15 years. We have learned that we can have an energy future that is responsible in terms of the environment and in terms of consumption, therefore conserving resources for future generations. The Government should act responsibly toward the public by having a genuine debate about what kind of energy future Canadians want. This is not the kind of policy that the Government is now exercising. One can only regret this. That is why we continue to oppose this Bill.

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I too want to join in this debate and to ask the Government to change its decision to terminate what I believe are many valuable conservation measures that the previous administration introduced. I noted with considerable interest the comments made by the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid). I think it is worthwhile to review very briefly some of those comments. I am sure that if I am not absolutely correct in reading what I believe to be a quote from the Hon. Member, he would certainly rise to the occasion and correct any inconsistencies. I certainly would not want intentionally to mislead the House about what the Parliamentary Secretary has said on previous occasions.

Suffice it to say, Mr. Speaker, that the Canadian Oil Substitution Program and the Canadian Home Insulation Program have given Canadians the opportunity to conserve energy. In many parts of the country this is of paramount importance, particularly in Atlantic Canada, parts of western Canada and in parts of Quebec.

In my own Province of Nova Scotia for a considerable period of time we imported a great deal of oil to use for the generation of electricity. This was done primarily because of geography and the cheap price of oil at one point in time. Unfortunately, the OPEC crisis in 1974 and a host of other events made it virtually impossible for Nova Scotians to rely as heavily as they had on imported oil. Consequently, the provincial and federal Governments of the day consummated various agreements with regard to energy conservation. I am happy to say that a number of those projects worked very well for Nova Scotians with regard to reducing their energy costs.

I believe that these two programs, which were initiated by the former Government, have aided very well the residents of Nova Scotia as well as all residents of Atlantic Canada. They were given the opportunity to take advantage of the government assistance which was necessary in order to convert from the highly-priced imported oil to coal, which is found in abundance in eastern Nova Scotia, or to wood or gas.

I was a bit concerned when the Parliamentary Secretary said that they in the Ministry of Energy, Mines and Resources have received a number of representations proposing that three or four or five extra months be allowed to complete conversions in respect of commitments signed by applicants before March 31 of this year. It ought to be noted that through correspondence, which no doubt the Parliamentary Secretary has reviewed with great interest, the Electrical Contractors Association of Ottawa made a submission in March of this year to the Minister of Energy, Mines and Resources asking that the COSP program be extended to September 30, 1985. I believe their rationale to be legitimate, Mr. Speaker. I have no information or desire to question the integrity or intentions of this particular association. They indicated that the parts which they needed to complete those conversions were not readily available. Surely the Parliamentary Secretary would not want to tell those applicants, who have gone through the formalities to convert, that the national Government is not going to be sympathetic or sensitive to their needs to have the conversions completed.

Mr. McDermid: Why didn't you extend the first time home owners grant? It's the same principle.

Mr. Dingwall: The Parliamentary Secretary is an eager man. He is eager to gravitate to the front benches, and I would think that some day he perhaps might. Perhaps he would be kind and courteous enough to listen to a Member of Parliament who has a different ideology and philosophy than he has.

The fact of the matter is that the Parliamentary Secretary and the Minister of Energy, Mines and Resources have absolutely no regard, no compassion, and no sensitivity whatsoever

for those individuals who believe it necessary to convert from oil to other sources of energy.

• (1630)

It is very clear that the Government is not concerned about the ordinary people who wish to make that conversion in order to reduce their energy costs. That is not a concern of the Conservative Party and that is particularly not a concern of the Parliamentary Secretary. It is not a concern of the Minister of Energy, Mines and Resources (Miss Carney). They do not care at all about Canadians who need a break in terms of their energy costs.

It is the Conservatives who preach compassion for the less fortunate. If the Hon. Minister of Transport (Mr. Mazankowski) were the Minister of Energy, Mines and Resources, I suggest that we would see a different approach to this issue. However, the current Minister of Energy, Mines and Resources has no concern for those Canadians. She is telling Canadians in Atlantic Canada who are faced with the highest energy costs in Canada that there is no way the great national Tory Government of the Prime Minister (Mr. Mulroney) will assist them in this regard. That is the effect of the actions of the Minister of Energy when it comes to the Canadian Oil Substitution Program.

Atlantic Canadians are not being heard by the Government. Government Members are not speaking out on behalf of their constituents. They are not speaking out on behalf of our region. Members on that side of the House are derelict in their duties. When it comes to the Canadian Home Insulation Program, it has provided jobs in my region of the country as well as in Ontario and Quebec. But what does the Conservative Government and the Minister do? They cut, cut, cut. So much for jobs, jobs, jobs.

The Government's actions, as enunciated in the November 8 statement of the Minister of Finance (Mr. Wilson), have clearly shown to the residents of Atlantic Canada that the Government is not concerned about their economic plight. Of course, the Government's actions today as they are being supported by the Parliamentary Secretary, certainly show no concern about the cost that we must incur with regard to energy. The Home Insulation Program, which was administered by Canada Mortgage and Housing, was a very good program that provided new home owners and others with a subsidy toward energy conservation.

I am proud of my region. It is an area where energy costs are soaring rather than being reduced in any substantive way. Subsidies under the Home Insulation Program, therefore, are extremely important to that region. It provides those Canadians in Atlantic Canada with an opportunity for obtaining financial assistance so that they can be warm during the winter months.

Although clearly there is a sufficient number of applicants to take advantage of this program, rather than letting it continue for another two years, the Government unilaterally selected a date—March of this year—to terminate this program. In so doing, it is terminating thousands of jobs upon which small business people across the country depended.

The Parliamentary Secretary, who echoes the sentiments of his Leader and the Minister of Finance, would not want to suggest to the House that he and his Party are not supportive of small business, but by their actions they are terminating a program which has been beneficial not only to the consumer but to numerous small business persons across the country.

I find it somewhat contradictory that the Minister of State for Small Businesses (Mr. Bissonnette) should travel throughout the country to consult with small business individuals and say that he is concerned about enhancing and promoting their businesses while the Conservative Government does not take such action. It is doing the exact opposite.

I say to government Members that what they are doing is wrong. The Government should reinstitute the Canadian Oil Substitution Program and the Canadian Home Insulation Program because they benefit Canadians who are in absolute need of that financial assistance. I hope that the Parliamentary Secretary will use his persuasive abilities to change the attitude of Cabinet Members.

I know that the Minister of Transport would agree to that, if the Cabinet were asked to change that decision.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the Bill before us today illustrates an interesting characteristic of the present Government. The Government, with its overwhelming majority, is one that believes in restraint.

While I believe everyone agrees with restraint, there are different ways to implement restraint. There is sensible restraint, which has several interesting aspects. A Government that would implement sensible restraint would decide on the relevance and efficiency of a program. If it did not meet those requirements, it would be phased out and the resources allocated to that program could be saved and possibly allocated to other programs. That is an example of sensible restraint that has been practised by NDP Government in Manitoba, Saskatchewan and British Columbia.

Another aspect to carrying out sensible restraint would be to make a small investment in order to rearrange an expensive program. This would ultimately save much more money. For example, investing a relatively small amount in trying to prevent a disease rather than spending much more in finding its cure would ultimately save money. In the past, Governments have invested in a program in order to reap larger benefits later on. The Canadian Oil Substitution Program is one such example. Due to the fact that oil was becomimg too expensive and was having negative effects on the economy, the Government made a small investment so that Canadians would ultimately benefit from a restraint program, but it required that initial investment by the Government.

The same situation applies to the Canadian Home Insulation Program. That small investment by the Government reduces the need for energy consumption, which means that this reasonable and relatively small investment ultimately gives a large return.

Restraint also mean the necessity to balance programs and resources with the needs of people. For example, investment in the creation of small business activity would increase employment and therefore reduce unemployment insurance spending and generally improve the vitality of the Canadian economy. That fits into restraint and it is very worth-while and sensible restraint.

● (1640)

Let us take a look at the converse. The converse is what I call Tory-Socred restraint, which says that there is something evil and negative about the Public Service. It says our goal in life, as the Conservatives say, is to chop the public sector.

Mr. Malone: Who said that?

Mr. Skelly: Let us take a look at this Government's colleagues in British Columbia. The Tory-Socred restraint pattern, the Mulroney-Bennett axis, has created a situation in British Columbia where we now have a decimation of the public sector. Those fools removed a sexual abuse team that protected children and attempted to prevent children from being exploited in an extremely savage manner. Some of my colleagues next door giggle at that. That is stupid restraint and I know those individuals would never approve of that type of restraint as the protection of children is probably the primary responsibility of any society. That is stupid restraint, Mr. Speaker. That has been done across the board with health care, education, and in the delivery of many social services and probably it has reduced in British Columbia the quality of education to the lowest level of anywhere in Canada, I would say. There are situations with health care now which are absolutely unbelievable. Emergency health care cannot be effectively delivered in many areas of the province, you cannot obtain surgery. It is interesting that some minor spending in the areas of prevention and home care would bring relief in that day-to-day use of high priced acute care beds would not be required to such a large degree. That is the kind of restraint, the Tory-Socred model. Let us move a little closer to Ottawa to see how it is being applied by the present Government.

Mr. Malone: Are you going to make this up too?

Mr. Skelly: What we have is a situation in Canada where we could encourage the population to reduce the consumption of petroleum and high priced energy products. I am speaking of the simple insulation of a home, retrofitting a home, making sure there is adequate insulation which reduces the consumption of fuel. It does not seem to make sense that a small single act of retrofitting a house can save an enormous amount of money. The home owner saves. In some areas of Canada, in remote areas, and in rural areas, which many of the Members here right now represent, the Government is saying, "No, we are not going to help you, although we realize that your prices for obtaining insulation and for obtaining proper heating fuel in the country is much more expensive than in central Canada". They are drawing a line and, saying that those people who live south of a certain line in major metropolitan areas in Canada will have the benefit of lower prices and reduced costs of transportation, no problem. What you get on the other side of the line is that you have to pay full inflated high prices for your heating. You are told, "Do not retrofit your home, and continue to depend on oil".

If this Tory-Socred restraint were repealed, it would be an act of fairness to those who live in rural and remote areas of Canada. Many Members represent those areas.

This Tory-Socred restraint program is really an attack on employment. It is a labour intensive activity. It is a small amount of money that encourages small entrepreneurs to organize businesses to retrofit homes. It is a fairly substantial business in many areas. I know members of the Conservative Party and of the Government have small contractors in their ridings. By terminating this program they will kill that employment provided by the small businesses and they will decrease the level of economic activity. Unfortunately, this is the kind of thing to which we are pointing. This is a Tory-SoCred type restraint. In many respects it is blind and destructive.

Mr. Stewart: There are no Socreds in Ontario.

Mr. Skelly: We had a comment from across the floor, naive and uninformed, about the political nature of this country.

Mr. McDermid: Quit fighting your brothers' battles.

Mr. Skelly: Unfortunately a Socreds is a Conservative. The restraint mentality is exactly the same.

We have to move forward. We must ask Members in this House this: if they remove the grant will they not in fact cause small businesses in their areas to be harmed? Will they in fact not create unemployment? Will they in fact not create and increase the dependence on high priced petroleum? Will the Government not be required to pay more money for the sake of simply saving a lousy few dollars by cutting an extremely important program, a program that stimulates the economy and saves on scarce and valuable resources? In the long term it puts money in the pockets of Canadians, in the pockets of working people, in the pockets of small businesses, and in the pockets of Government. This Tory-Socred exchange is stupid. It would be my hope that the Government of Canada would reconsider and repeal it.

I know this side of the House will fight seriously on this issue. If some of the more naive Members on the other side have had a problem understanding the situation, I would be more than pleased to answer any questions they might have.

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise in this debate to oppose the adoption of this Bill or at the very least to speak in support of the motion before the House to give the Bill a six-month hoist. I believe this Bill shows the lack of commitment of the current Conservative Government to oil conservation. In fact, it is a blow against the cause of oil conservation and energy conservation generally. This Bill shows also a lack of support by the current Conservative Government for small business. It also shows a very unfortu-

nate lack of support by this Government to the cause of job creation. In addition, it is an example, just one of many I could give, showing simply bad management by this Conservative Government of the country's affairs.

The Conservatives in this debate have readily admitted the value of the Canadian Oil Substitution Program and the Canadian Home Insulation Program when it comes to energy conservation. I understand that earlier in the debate on this Bill the Parliamentary Secretary said that since 1980 "almost one million units in Canada have been converted under the program, representing oil displacement of some 32,000 barrels a day, which is a very significant amount". The Parliamentary Secretary went on to say that "CHIP has provided assistance toward conservation measures in more than 2,500,000 homes. Significant energy savings averaging some 17 per cent have been achieved in the homes that use CHIP". Finally, he said that "between CHIP and COSP we are talking about some 60,000 barrels of oil". It is very clear, Mr. Speaker, as the Parliamentary Secretary said, that "the over-all impact of COSP", and I might add of CHIP as well, "has been beneficial and has obviously helped to bring Canada closer to oil self-sufficiency".

It is typical Tory logic to want to end prematurely a program that has already achieved so much good when it comes to conservation of oil in Canada and which can achieve even more benefit for Canadians if allowed to continue at least for some further period beyond that proposed in this Bill.

I said that the measure before the House shows a lack of support by the current Government for small business despite continued lip-service by the Government being given to the interests and cause of small business, because when we are talking about the kinds of companies that carry out the work of insulation of homes and of converting heating systems from oil to gas or electricity, we are talking about thousands of small businesses across the country. These are the kinds of companies which do this work. These are the kinds of companies which have been benefiting from this legislation. These are the kinds of companies which will be harmed by the termination of the program in the way proposed by the Government in Bill C-24.

● (1650)

The Government has talked over and over again about how it wants to support the private sector, private sector initiative and small business. When it had a definite opportunity to do so, by allowing COSP and CHIP to continue, instead of using that opportunity it did just the opposite and brought in this Bill to choke off prematurely support for the thousands of small businesses involved in the home insulation and energy conservation. Simply put, this is quite wrong but it is also typical of the way the Government says one thing and does something quite different.

I also said that Bill C-24 shows a lack of willingness on the part of the Government to support the cause of job creation. The Conservatives stand condemned out of the mouths of their own Members on this particular important point.

The Hon. Member for Thunder Bay-Nipigon (Mr. Epp) said that when it comes to COSP "we find that for every $1 million spent on COSP, we have 30.5 person-years of employment created". Also he indicated that "between 1981 and 1985, some 16,570 person-years of employment were created and that if you add the home owner contribution, the total employment creation reaches 50,250 person-years". Yet the Conservative Government wants to end that type of useful, constructive and needed job creation.

We are talking about the creation of jobs in a sector where unemployment is and continues to be, unfortunately, all too high. I am talking about the whole area of construction, particularly home renovation and the like. In ending these programs by means of this legislation, the Government will not, in my view, save the money it hopes to save. Instead, it will simply spend the same, and likely larger amounts of money, through the unemployment insurance system. Would it not be better to have people continue doing useful work in home insulation and in changing home heating systems from oil to gas or electricity or even to wood in some parts of the country? Would it not be better to have them spend the money for that purpose than to have people sit in what will likely turn out to be idleness, despite their efforts to find work, and put them into the unemployment insurance system? That will be the result of the adoption of this Bill. It proves what I have been saying about how this measure flies in the face of what the current Government claims is its commitment to the creation of jobs. This Bill will have just the opposite effect. It will have a harmful effect on not only the creation of jobs but on the preservation of jobs in the construction sector, an area which does not need to be slowed down, an area which needs further support and assistance because of the already too high levels of unemployment in it.

I also said that this Bill is unfortunately another example of bad management of the country's affairs by the current Government. I am told that Consumers' Gas, for fiscal year October 1, 1983 to February 28, 1984, received 4,814 applications for conversion to natural gas. From October 1, 1984 to February 26, 1985, the same company received 17,912 applications of which 8,889 were in January and February. Faced with this kind of demand, the industry will not be able to install systems by the March 31 deadline. All this means is that on March 31, there will be many very disappointed people who expected better from the Conservative Government. When it comes to support for home insulation and energy conservation, this Bill shows that they will be getting a great, big zero.

Because of weather conditions in much of Ontario, it has been impossible for digging to be done to open the ground and install gas lines. Also, because of the lack of advance notice of the Government's intention, it has been impossible for companies making furnaces and related equipment, including insulation supplies, to keep up with the demand. Companies like Consumers' Gas and organizations like the Canadian Gas Association say that it will simply be impossible to get the work done by the March 31 deadline or even to cope with the

applications they have on hand. Yet the Bill says that if the work is not completed by the March 31 deadline, it will not be eligible for support under the Canadian Oil Substitution Program.

This is proof of what I said when I made the statement that the way this Government proceeded with this Bill was simply another example of the bad management by the Government of the country's affairs. If the Government is serious about listening to the private sector and about co-operating with business, surely it will listen to the representations of organizations such as the Canadian Gas Association and companies such as Consumers' Gas and, at the very least, grant a further six-month extension before there is an expiry of COSP.

I am sure the same situation prevails in my part of the country, in western Ontario, which is served by Union Gas. If we check with that company, I am sure we will find that it has far more applications than it could possibly handle by March 31.

I am speaking on behalf of tens of thousands of individual Canadians and their families, on behalf of thousands of small businesses, and on behalf of thousands of workers in the sectors involved, when I call upon the House either to reject the Bill or, at the very least, to put it off for six months, so that hopefully some reason will prevail on the part of the Government and it will approach the whole area of oil substitution and home insulation in a more rational and sensible manner and better serve the interests of Canadians than it is doing with this ill-thought out Bill that does not deserve the support of the House or of the Canadian people.

The Acting Speaker (Mr. Charest): Resuming debate—

Mr. Brisco: Mr. Speaker, I would like to ask a question.

An Hon. Member: Sit down.

Mr. de Jong: Don't mess with your Members.

The Acting Speaker (Mr. Charest): Order, please. I have seen the Hon. Member rise. We are now in a period of ten-minute speeches, so I will ask the House if it wishes to resume debate. If the Hon. Member has a question of order, of course that is another matter. Resuming debate—

Mr. Rodriguez: Mr. Speaker, I have a point of order.

Mr. Skelly: What's going on here?

The Acting Speaker (Mr. Charest): Order, please. Does the Hon. Member for Comox-Powell River (Mr. Skelly) have a point of order?

Mr. Skelly: Mr. Speaker, I noticed that the Hon. Member for Kootenay West (Mr. Brisco) wanted to speak but has been pulled down by his colleagues.

Mr. de Jong: That is shameful.

Mr. Gray (Windsor West): Mr. Speaker, I think it is contrary to the theory of freedom of speech in the House for members of the Conservative Party to shout down their own Members.

The Acting Speaker (Mr. Charest): Order, please. Resuming debate, the Hon. Member for Kootenay West (Mr. Brisco).

Mr. Brisco: Mr. Speaker, I simply wanted to ask the Hon. Member what happens in his riding if there is a gas leak or a water leak in the middle of winter? Do they repair the line or do they not?

Mr. Deans: That was a short intervention.

An Hon. Member: That was a question.

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member rose to speak on debate and asked a question. Everyone knows very well that questions are not permitted.

Mr. Rossi: And he knows it, too.

The Acting Speaker (Mr. Charest): Having asked the question, there will not be an answer on behalf of the Hon. Member, and we will now resume debate.

Mr. Skelly: I have a short point, Mr. Speaker.

The Acting Speaker (Mr. Charest): Does the Hon. Member have a point of order?

Mr. Skelly: Yes, Mr. Speaker.

The Acting Speaker (Mr. Charest): Then please say so. The Hon. Member for Comox-Powell River on a point of order.

• (1700)

Mr. Skelly: There is an element of serious concern, Mr. Speaker, and I think the Chair should be in a position to make some recommendations. A Member got up and wanted to speak, but his colleagues pulled him down. Then he wanted to ask a question.

The Acting Speaker (Mr. Charest): Order, please. We will now resume debate.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. The Hon. Member for Kootenay West (Mr. Brisco) got up to ask a question. We are prepared to give him unanimous consent to ask his question, even though it is not part of the rules in this particular section of the debate.

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): There is not unanimous consent.

Mr. Rodriguez: The Tories said no.

The Acting Speaker (Mr. Charest): Order, please. The Members of the House know the rules sufficiently well not to

get into this kind of situation. We will now resume debate on the Bill.

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): Is the House ready for the question? The question is as follows: Miss Carney, seconded by Mrs. Champagne (Saint-Hyacinthe-Bagot), moved that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be now read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Cassidy, seconded by Mr. Manly, moved in amendment thereto:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be not now read a second time but that it be read a second time this day six months hence".

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

The House divided on the amendment (Mr. Cassidy) which was negatived on the following division:

(*Division No. 16*)

YEAS

Messrs.

Althouse
Axworthy
Berger
Blackburn (Brant)
Blaikie
Broadbent
Caccia
Cassidy
Chrétien
Copps (Mme)
Deans
de Jong
Dingwall
Finestone (Mrs.)
Foster
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Isabelle
Jewett (Ms.)
Kaplan
Keeper
Killens (Mrs.)
Lapierre
MacLellan
Manly
McCurdy
McDonald (Ms.) (Broadview-Greenwood)
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Orlikow
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Robinson
Rodriguez
Rossi
Skelly
Waddell—48.

NAYS

Messrs.

Andre
Attewell
Beatty
Bernier
Bertrand (Mrs.)
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Blouin (Mrs.)
Bourgault (Mrs.)
Boyer
Brisco
Browes (Mrs.)
Cadieux
Cardiff
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Clark (Yellowhead)
Clark (Brandon-Souris)
Clifford
Clinch
Coates
Cochrane
Collins (Mrs.)
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crombie
Crouse
Dantzer
Darling
Daubney
de Cotret
Desjardins
Domm
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Ellis
Elzinga
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gérin
Gervais
Graham
Gravel
Grisé
Guilbault (Drummond)
Gurbin
Halliday
Hamelin
Hamilton
Harvey
Hicks
Hnatyshyn
Hockin
Howie
Hudon
Jacques (Mrs.)
James
Jardine
Jepson
Joncas
Jourdenais
Kempling
Kindy
King
Lawrence
Layton
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Mantha
Marin
Masse
Mazankowski
McCain
McCrossan
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
Merrithew
Mitges
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Paproski
Pennock
Peterson
Plamondon
Plourde
Porter
Ravis
Redway
Reid
Ricard
Roman
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Suluk
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tremblay (Québec-Est)
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet

Messrs.

Vézina (Mrs.)	Wilson	Winegard
Vincent	(Swift Current-	Wise
Warner	Maple Creek)	Witer—154.

Mr. Speaker: I declare the amendment lost.

It being six o'clock p.m., this House stands adjourned until eleven o'clock tomorrow, pursuant to Standing Order 2(1).

At 5.57 p.m. the House adjourned.

HOUSE OF COMMONS

Thursday, March 21, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed from Wednesday, March 20, consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be now read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Tom Hockin (London West): Mr. Speaker, it gives me great pleasure to briefly speak on Bill C-24. We have had an excellent debate on this Bill and a large number of Members have spoken on the main motion and on the amendment.

I would like to see this Bill now go to committee. Therefore I move, seconded by the Member for Brampton-Georgetown (Mr. McDermid):

That the question be now put.

The Acting Speaker (Mr. Charest): The problem is that the Member for Brampton-Georgetown has already spoken to this Bill and therefore cannot second the motion. I suggest that the Hon. Member find another Member to second it.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, are you going to give other Members the floor?

[*English*]

The Acting Speaker (Mr. Charest): Order. First, the Hon. Member for London West had been recognized by the Chair. It is his decision who to choose as a seconder. The Hon. Member for Gatineau (Mrs. Mailly) is the seconder.

Therefore the question is as follows: Mr. Hockin, seconded by Mrs. Mailly, moves:

That the question be now put.

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

[*Translation*]

Mr. Gauthier: Mr. Speaker, sometimes it takes a few minutes to understand what is going on in the House, when the Government uses these blockbuster techniques, when it will not give the Opposition a chance to speak to a Bill as important as this one, and when we have a Government that is in such a hurry to do the wrong thing, to eliminate two very necessary and important programs—programs that are very worthwhile for Canadians—and I am referring to the Canadian Home Insulation Program and the Canadian Oil Substitution Program.

[*English*]

Bill C-24 provides for the termination of two very important programs. One is the Canadian Oil Substitution Program which will end on March 31, 1985, which is approximately a week from now. The other is the CHIP program, a very good program that assisted Canadians to better insulate their homes and therefore save energy.

Mr. Caccia: A good Liberal program.

Mr. Gauthier: A good Liberal program, as the Member for Davenport (Mr. Caccia) says. It is a program that was well received and very useful.

The termination date in the existing legislation for the COSP program was December 31, 1990, and for the CHIP program, the end of 1987. The Government has decided to compress the time so that the COSP program will end on March 31 and the CHIP program at the end of 1986.

Government Members, including the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid), who is not here now, have spoken about the use of these programs since their inception. Both have been spectacularly successful. But most people have had an opportunity to take advantage of them. Those are the words the Tories use. These programs are now limited and questionable in their value. Therefore, the Government said it would stop them.

• (1110)

The premise of these arguments, that yes, the program has been successful, most people have used it and the value of it is now questionable, is questionable. This morning I wanted to put a motion before this House before we were frozen, zapped by the Government, into its question be now put motion. I wanted to put to this insensitive Government a proposal that this entire subject matter be referred to a committee for further consideration and understanding.

There are regions of this country in my Province of Ontario, in particular the northern part, where COSP and CHIP have

not had full utilization because the people up north have not had the gas distribution system, the gas lines, that we have had here in southern Ontario. As a result they have not had the opportunity to substitute oil for other energy, such as gas.

I said in my speech last week that gas and electrical contractors are experiencing difficulties in being able to complete the work they have started on conversion programs assisting Canadians who want to change oil furnaces to electrical or gas furnaces before the termination of this program.

We have had some problems with frost this winter, Mr. Speaker. It is a fact of Canadian life that the ground freezes over in wintertime. Gas companies have had trouble getting their pipes to the homes and into the streets in our cities. But this Government does not care. What the hell does it care. Frost, that is just too bad. That is the attitude. We could not cut off the heat in January when it was 20 below zero. We could not cut off the heat in our homes and take away furnaces in order to change over to gas or to other energy forms. That is why COSP should have been prolonged. Let me say welcome back to the Hon. Member. That is why COSP should be extended and fully available to all Canadians.

[*Translation*]

Mrs. Mailly: Mr. Speaker, on a point of order. The Liberal Party Whip referred to the absence or presence of a specific Member of this House. He knows better than that.

[*English*]

Mr. Gauthier: Mr. Speaker, the spokespersons for the Government have also made much of the fact that the intention to end these programs was clearly indicated in the economic statement of the Minister of Finance (Mr. Wilson) on November 8. The intention was there. We all heard him. We all heard him say that the Government was going to cut $4 billion from the federal programs. That was clear. It is the method the Government is using that we do not accept. The Government is doing everything without notice. The Government told Canadians on November 8 in a very abrupt manner that it was going to cut the programs. The Government was saying: "Too bad, Canadians, you did not take advantage of it. Too bad, you are out. If you do not have your contract signed and delivered by March 31, you are out of luck".

What kind of a decision is that, Mr. Speaker. That, to me, is a reflection of the lack of understanding of the Government for Canadian housing problems and for Canadians having difficulties heating their homes. Canadians had zero lead time concerning this program. There was absolutely no lead time given. On November 8 we heard the cut-off was March 31. Bang, that is it. That is how we were told. The Government says it is going to consult. There was no consultation on that. There was no consultation with industry. The Government consulted no one.

An Hon. Member: Wrong.

Mr. Gauthier: CHIP is not as bad as COSP when it comes to lead time. At least the lead time for CHIP is a year or so. The Government gave us time to insulate our homes better. I say thank you very much to the Government. It is very nice of the Government. But how about the oil conversion which saved Canadians 60,000 barrels of oil a day? Figure that out at $35 a barrel, Mr. Speaker. It comes to over a million dollars. That is a lot of money which Canadians actually saved as a result of the oil conversion program and the home insulation program. I think that is good. But because the oil conversion program is good, the Government cuts it off.

• (1115)

When speaking to the Bill on February 28, my colleague, the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan), pointed out to the House and to the Government, if it had ears to hear, that Consumers' Gas in Ontario, which is my province, between October 1, 1984 and February 26, 1985 received 17,912 applications for conversions from oil to natural gas under COSP. You are out of luck, Canadians! The Electrical Contractors Association reports that in the same period 6,348 applications were processed for conversions from oil to electric heating, of which 2,956 were in the Ottawa region. What will happen to those? Nix, nothing. The Government says that the program has been used by most Canadians, that its value has expired. That is nonsense. The Association also reports that there were 2,000 applications in the month of February alone.

I am not inventing these figures; they come from Ontario Hydro, which is a pretty good authority in matters of conversion. That company knows what it is talking about. That was the number of applications in the month of February under COSP, for Canadians to transfer from oil to electricity. It is a good indication that the program has been working and has been accepted by Canadians. It would seem to me that most people have not taken advantage of the program.

At any rate, the figures which I just quoted indicate that we should be sensitive and allow for an extension of the limits on these programs. We have also been told by the Electrical Contractors Association that it is not possible, due to manufacturing shortages, for them to deal with the applications received and that many of these will be and are ineligible for COSP grants. If we have a difficulty with manufacturing because of the demand, then God knows the program has been successful and should be prolonged. I blame the Government for its lack of sensitivity. I say to the Government that it is to be damned for this.

Mr. Rod Murphy (Churchill): Mr. Speaker, in my speech I will make it very obvious that I am speaking about the concerns of people in northern Canada. On March 7, 1985 I wrote to the Minister, pointing out that electrical contractors in my riding know Canadians want to take advantage of the existing program which the Conservative Government is now cutting off. Unfortunately I do not have the time to list the names, since the Government has now cut off debate in the House. Since they are located in communities in northern Manitoba, they will not be able to get the equipment into the communities on time. Contractors have pointed out that they have to bring their equipment from Toronto and from Mon-

treal. Yet because of the increased demand at the present time, they cannot get these supplies, and people in those communities will not be able to benefit from the program.

I raised this issue in the House a couple of days ago in support of the Hon. Member for Vancouver-Kingsway (Mr. Waddell). At that point I heard someone on the Tory side respond: "If they had applied before November 8, they would be okay". Before November 8, those people did not know that the Government would cut those programs. Aside from that, it is obvious to most Members of the House that most Canadians do not want their houses ripped apart in the winter-time. Most people cannot afford to have the temperature in their house go to minus 20 celsius, or in my riding to minus 40 or minus 50 in the winter. Telling people on November 8 that they had to have everything done by the end of March excluded a large number of Canadians from benefiting from this program.

• (1120)

In defence of the Conservative position, some of their speakers have said that a million people have already used this program and that is enough. The fact that a million Canadians have seen these programs as beneficial points out that there is a demand in this country for the off-oil program, that there is a demand for a strong CHIP program to provide home insulation. This Government is limiting those options. CHIP is reduced and the off-oil program is cut off completely.

The point has to be that these are programs which were instituted for the purpose of saving our limited oil resources and to help people reduce their energy costs. Energy costs in Canada for heating are extremely high. This Government, which is willing to continue grants to the large oil companies and tax write-offs for so many corporations in this country as well as allowing the banks to pay criminally low rates of income tax, will not allow the ordinary Canadian home owner to benefit from a program which has been used by so many in the past.

I regret very much that the Government has moved to cut off debate on this matter. This is something that is now getting the public ire. In the last couple of days there have finally been some newspaper articles regarding consumers and corporations involved in the electrical and gas fields coming forward and saying that this program is a benefit to them and that they would like the opportunity to participate in it. Cutting off debate in this House excludes these people from being able to make their point.

The information that I received from the Flin Flon Electric Shop, which I mentioned earlier, is information which I conveyed to the Minister in March of this year. That was when I received their inquiry. Consumers Gas is listed in the Ottawa *Citizen* for today, March 21. Obviously, they are still making their point to the public. In the name of public participation, consultation, co-operation and all the things that this Government made its trademark during the election, why is it cutting off debate?

Why would it not accept the motion that was made by our Party to have a six-month hoist of this Bill to allow people who want the programs that exist at the present time to continue? Why not allow them to take advantage of the Canadian summer to switch from oil to natural gas, hydroelectricity or, in my riding, to switch to woodburning furnaces? Why not allow them that opportunity? This is a program of which the public approves. That is obvious from the use it has had in the past.

Let me speak on the other side of the ledger. Let us talk about the jobs that would be created if this program were kept in existence. If the Government were to change its mind and leave this program in place over the summer, allowing as we suggested six months or another year for the program to be in existence, it would create many, many jobs in small businesses right across this country. There would be a need for electrical parts and, as was pointed out, some communities would require pipelines. There would be a need for gas lines in some cities. A number of small contractors in each and every riding of this country would be employed throughout the summer.

This is a job-creating program which is working at the present time. If the Government is going to make jobs, jobs, jobs, its number one priority, which was another election promise made by the Prime Minister (Mr. Mulroney), why is it cutting a program which not only provides a consumer service, but provides jobs for so many small businessmen, contractors and construction workers at a time when they need work the most?

• (1125)

Unemployment figures are still high. It is obvious that there will not be that much work this summer for a great many of those people. By passing this legislation now, the Conservative Government is guaranteeing that people in my riding, people in Quebec, people in Ontario, people in every province of the country, will be laid off. The Government must take the responsibility for that.

I see that the Minister of Indian Affairs and Northern Development (Mr. Crombie) is present in the House today. I am glad to see him here. He of all people should recognize that many reserves do not have gas lines at the present time. Many reserves do not have adequate hydroelectric programs to provide for electric heat at the present time. These people will not be able to change their heating systems by March 31 of this year. By giving people time to take advantage of this program, we will be providing services to those communities. We will be providing jobs this summer. I think we will be providing some leadership in terms of a fair program which, to use our election slogan, can be taken advantage of by ordinary Canadians.

I see I have only one minute left so I will have to wind up my remarks. It is obvious that in the general program of the Government, the real rip-offs in taxes which benefit large corporations and the reductions in personal income taxes introduced by the Liberal Government for those people at the top of the earnings scale will continue. It is amazing that this one program of which so many ordinary Canadians without large incomes can take advantage is the program the Government has made its number one target in terms of legislation.

There are many reforms that are needed. There are many areas in which we must have responsible government accounting. Why pick on the little guy? Why pick on the widow? Why pick on the person who needs government assistance the most?

[*Translation*]

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I welcome this opportunity to speak to the amendment to Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, because I think this is one of the few programs that has been used to help thousands of Canadians who showed an earnest desire to change their living habits.

Under the Canadian Oil Substitution Program introduced in 1980 by a Liberal Government, taxable grants of up to $800 were available as partial payment for the cost of converting from oil to heating systems operating on natural gas, electric power, propane, wood or other forms of renewable energy. According to the present legislation, the program expires on December 31, 1990. The proposed Bill provides that the deadline will be moved up to March 31 of this year, which is in about a week. We believe that by asking to have the bill withdrawn and referred to the appropriate parliamentary committee, we can make the transition period easier for Canadian consumers.

I must emphasize that Bill C-24 represents a threat for direct action programs. These programs are designed for consumers. They also directly concern families and homeowners. Thus, by their very nature, they have a very special character. Eliminating these programs means that we are going to deprive Canadian families of funds earmarked for them by the Federal Government.

It is important to realize the impact these cuts will have. The Canadian Home Insulation Program is designed for homeowners who want to conserve energy. They can obtain up to $500 to help pay for costs incurred.

As for the Canadian Oil Substitution Program, homeowners have taken advantage of this program to convert from oil to another kind of heating system. The $800 grant was very well received and has been an incentive for Canadians to do the requisite conversion.

● (1130)

The benefits of both programs now extend well beyond the dollar value of the grants. These programs are meant for consumers who are worried about the price of oil for home heating. The people who wanted to take advantage of the programs were counting on an expiry date on December 31, 1990, according to the information given by the federal Government. The problem is, however, that many Canadians who felt that a program set up by the Liberal Government would be maintained by the new Progressive Conservative Government, are now seeing another series of cuts, which of course, translate as lay-offs in the construction industry.

The Government claims that everything will be all right, and that people will still convert their heating system. The Government claims that Canadians are well aware of the options they have as far as energy is concerned. Many are. And they can afford to be because they have been able to take advantage of these programs. However, there are Canadians who will not be able to take advantage of these programs because they were waiting for the weather to get better before starting work on these projects.

The Government must revise its position and postpone consideration of the Bill if it wants to maintain its credibility before the Canadian public. This would give people a chance to have their systems installed, and it would also be more convenient for installers and suppliers of natural gas and heating equipment to install the systems at a time of the year when conditions are more favourable.

The Government, by ignoring requests for extending the program, gives the impression it does not care about the average Canadian. I think Canadians are going to find it very hard to accept the fact that these programs have been scuttled. I do not think the Government has given the needs of the average Canadian enough thought. I do not think the Government opposite realizes that Canadians had great confidence in this program and not just because of the grants. And once again, the people who are going to suffer will be Canadians on set or low incomes and the unemployed.

As Members of the Liberal Party of Canada, we ask this Government to have the courage to accept the amendment we are proposing today, which will allow Canadians who want to take advantage of the program to do so. The program should be maintained so that people will not have to suffer the inconvenience of installing equipment in the winter.

The Government maintains that Canadians will be able to save energy without these programs as well. However, it will soon realize that removing the programs will create a number of problems. It is too bad that the Government insists on making cuts that will affect those Canadians who are most in need.

Why should the Canadian consumer always be made to bear the brunt of such cuts, especially when a number of Ministers have run up interior decorating bills for their offices that are entirely unreasonable.

Mr. Speaker, I do not think the Government should inflict these program cuts on Canadians without giving them prior notice, and I fail to see what the Progressive Conservative Government has to lose by taking a conciliatory stance with the people who elected them on September 4 last year.

[*English*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to speak on this legislation a second

time. I am interested in debating it again because I feel it is important legislation and, if we can make our position sufficiently clear, the Government might reconsider the legislation. It is somewhat discouraging that a motion to terminate debate was moved this morning to bring the legislation to an immediate vote. That indicates that the Government is not listening to what is being said on this side of the House.

It is important for the Government to listen to the arguments of Opposition Members, because we represent our constituents and the views of Canadians. The Government promised to be sensitive to public opinion and the needs of people. The Government could demonstrate its capacity to be sensitive by listening and responding to this debate. But rather than doing that, it has chosen once again to limit debate. It is sad. The Conservative Party for many years has indicated its commitment to parliamentary democracy. One would think that a Party which is committed to parliamentary democracy would be interested in having open debate in this Chamber and using that debate to improve legislation rather than viewing debate as an obstacle to the objectives which it has unilaterally set. But, rather than having respect for the House of Commons and for serious debate, we are getting arrogance and an unbending attitude toward decisions which the Government has already taken, instead of thoughtful reconsideration of the positions which it has already established.

The Government may be encouraging inadvertently the kind of action which the Senate recently took with its second sober thought on legislation which the House had passed. I would not want to see that repeated. I am afraid that if the Government, by virtue of its deafness in regard to reasonable argument, proceeds with this legislation and does not listen to reason, we might be giving more ammunition to members in the other place. They could say that the House of Commons is not really doing its job, that the House has not considered all of the aspects of this legislation, and that they will be forced to take a second sober look at it. That would not be good for Parliament. It is not good government, and it is not good for the people of Canada.

The legislation which is before us today limits the Canadian Oil Substitution Program and the Canadian Home Insulation Program. Both of those programs are valuable and have demonstrated their effectiveness. With COSP, targets were set for the conversion of heating systems in homes from oil to gas, solar or electricity. Those targets were being met. COSP uses the public dollar to encourage conservation and change in home heating systems. That program was working. One has to wonder why the Government chose to eliminate a program which was achieving its objectives. Those objectives were legitimate and served a worth-while public purpose.

Why would the Government cut that program and at the same time substantially increase funding for the Prime Minister's Office? Why does the Government want to spend more on bureaucrats in the PMO than on a program which is serving a worth-while public need? This program helped people to meet the ever-rising cost of heating their homes.

• (1140)

This is a Government, Mr. Speaker, which is moving to deregulate oil pricing in this country. It is seeking to take the ceiling off any future rises in oil costs, which means that Canadians will be subject to the whims of the international market when it comes to the cost of heating their own homes. It is not simply being subject to a free market which responds to the pressures of competition; it is being the victim of a market which is dominated by large mutinational corporations, by a cartel. It is hard to understand why this Government is moving, on the one hand, to remove regulations which seek to protect Canadians from the vagaries of the international oil prices and exposing us to the whims of international measures and, on the other hand, is removing the program which would help us to adjust to increasing oil prices. These are government actions which put the ordinary Canadian in a vice which squeezes him from both sides. This is a Government which allows oil prices to rise at the same time that it takes away the incentives for moving away from reliance upon oil.

When this Government was running for office, it projected an image as a humanitarian party, a party which was concerned about Canadians and which was going to help people. I would challenge Hon. Members on the Government side to rise and explain to Hon. Members on this side how cutting off these conservation programs helps ordinary Canadians. How does removing financial assistance to convert from oil to gas, solar or electricity help people? In what way does that make sense? The move on the part of the Government to cut the Canadian Oil Substitution Program and the Canadian Home Insulation Program is part of an over-all strategy to cut public spending and, by cutting public spending, we will reduce the deficit and somehow, magically, the economy will be revived and everyone will be affluent. There are good reasons to question the cost-cutting strategy of the Government. I see I have one minute, Mr. Speaker.

Mr. Nickerson: No more than a minute.

Mr. Keeper: My colleague says I don't have any more than a minute so I ask him to take up the cause which I have raised in the House today, which is to assist ordinary Canadians who are seeking to cope with the ever-rising cost of oil and home heating. I would ask my Conservative colleague to rise in his place and explain how cutting off the conservation program by this legislation will help people to cope better with these ever-rising home heating costs. One thing that I find disturbing in this debate is the silence from the Government benches.

Mr. Nickerson: We have spoken. It's all down there.

Mr. Keeper: It is not bad enough, Mr. Speaker, that the Government slaps Canadians in the face, but it is silent with regard to explaining why it is doing so.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, several years ago a very important, very famous article was written by a British scientist named Amory Lovins. He put forward a very striking thesis, which was that industrial

nations really have two choices in the development of energy resources. First there is the conventional way called the "hard path", which is the big megaprojects, the large-scale industrial energy projects and the massive capital expenditures into huge developments. He countered that by saying a far more effective use would be what is called the "soft path", which is to begin developing energy conservation techniques which could be localized, decentralized, could be applied with a flexibility to the local community and could be used to create jobs, major savings and to conserve against the undue reduction of our renewable resources.

That was a message and a thought which was well taken at the time. In this country, to our credit, we began some of the most extensive developments of alternate energy programs of any industrialized country in the world. We invested in the National Research Council. We established a new Crown Corporation, Canertech. We invested a lot of money in programs like the Canadian Home Insulation Program and the conversion program.

We recognized that we should not put all of our eggs into one basket, that we should not only try to substantially increase the conventional oil and gas reserves but we should also provide for a much broader, more flexible and diverse system for continuing Canada's self-sufficiency in the energy area. That approach proved to be accurate, Mr. Speaker, and from 1977 through to 1984 we found that across Canada in places like Prince Edward Island, Manitoba, the northern interior of British Columbia and western Canada, with respect to programs which are under debate today, small communities began developing their own individualized energy sources. New firms were started, small businesses emerged to provide for the application of these programs. People went to work.

Not only did these things happen in a conventional manner, but all kinds of innovative ways of converting energy were developed. We really started a new industry in this country. There was an opportunity for new entrepreneurship to emerge, not only in the big cities but in many small towns and communities in more remote regions.

This project was not just energy conservation. It also became the stimulus for the development of a new category of small businesses in Canada. In my own Province of Manitoba, for example, over 100,000 residential units were able to make use of these programs. Several hundred new businesses were started. People were trained in this area. But now the Government, again praying at the sacred font of its so-called cut-back philosophy, is going to wipe that out. It is going to do away with it.

There is no reason or rationale for that. The Minister of Finance (Mr. Wilson) and the Minister of Energy, Mines and Resources (Miss Carney) do not give any reason for doing away with these programs. They just say that everyone has to share the pain equally. We all have to pay for the reduction in the deficit. But why cut this program? Why not cut some other area where we don't have small businesses being created, we don't have the very clear opportunity to provide for alternate energy production, we don't have development of new entrepreneurs across Canada in the small business area and where we don't have, in particular, the remote regions and the small towns being the major beneficiaries?

This is something we see time and time again, Mr. Speaker. This is a Government which is not interested in the average citizen of this country. It is not interested in the small community or in small businesses. Nor is the Government interested, really, in thinking in any kind of innovative way. I don't know who the Government listens to these days. We are told it is consulting but I think it is starting to chase its own tail. I think it is simply drinking its own bath water. Government is not listening to Canadians; if it was, it would not be doing away with this program. It would not be doing away with a program which saves our very precious energy resources.

Canada is using up its energy sources faster than any other country in the world. We have what you would call a mature energy-producing area in western Canada, but not many new fields are being discovered. We have exploratory fields in Hibernia and the Beaufort, but that is expensive energy and hard to get. So why would we be cutting back on programs which eliminate reliance on hard to get and expensive energy resources? Why would we be penalizing the Canadian consumer over the next few decades.

• (1150)

The only reason, and we keep coming back to it, is this curious, almost religious doctrinaire approach of cutting back government expenditures because the Government says that will be the cause of something miraculous. Yet we see this same Government spending $60 million or $70 million on new military uniforms. How can we justify that additional cost when it is compared with the possibility of developing alternate energy sources? One finds it hard to explain because there is no rationale. I am sure that the members of our Defence forces could have gotten along for a few more years with the same uniforms if it meant that Canadian consumers could have converted to a less expensive fuel and continued to reinsulate their homes and commercial buildings. It really defies logical and rational explanation.

This attitude is reflected in other areas as well, Mr. Speaker. What is perhaps most tragic is that the Government, through its cuts in funding for the NRC and other research organizations, has in one fell swoop destroyed Canada's leadership in developing alternate energy. This leadership would have provided us with the potential for new exports as well as the potential for developing new knowledge-intensive industries which would be unique in our country. The Government has taken us from a position of leadership in that field to the position of being a backwater.

It is hard to treat seriously in any way the comments of the Minister of State for Science and Technology (Mr. Siddon) or the Minister of Regional Industrial Expansion (Mr. Stevens), or other Members of the front benches who say they want Canada to be competitive. They say we will increase sales and have economic renewal at the same time that the very basis and foundation for development in those areas has been wiped

away. We had already established that leadership. Other countries came to Canada to look at the progress we were making, but now this Government has wiped that leadership out. It makes no sense for our future energy potential or our ability to create industrial and technological activity which would give us a distinctive place in world markets. It simply begs logical and rational explanation, and we cannot find anyone on the Government benches who has been able to justify this move. There was development going on in the area of conservation in companies in Prince Edward Island, New Brunswick, Nova Scotia, and now in Ontario and Quebec. They were trying to develop that field and all of a sudden we have wiped them out and do not provide any explanation.

That is the problem, Mr. Speaker. This Government has no explanation because, frankly, it has no policies in these areas. It is blindly slashing away at vital ingredients of the industrial and energy make-up of this country in the hope that somehow the Government can justify this move under the blanket theology of the Minister of Finance and in the hope that Canadians will accept it without question. Well, we are here to question it.

What is perhaps most disturbing is that this Government does not even want Canadians to question it, so it brings in a closure motion to stop debate. That is the "big change" that was voted for on September 4. No debate, no discussion, no questioning; take us on faith. The Government does not want us to recognize that the stupidity of cutting a program like this should be examined by Canadians, and it certainly does not want us to examine other programs. The Government hopes we will simply go down a blind alley in blind hope; but we will ultimately stumble into the dark pit we are headed for. The only people who will pay the price will be Canadians.

The Acting Speaker (Mr. Charest): The Hon. Member for Cape Breton-The Sydneys . . . Cape Breton-East Richmond, excuse me.

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, you have to get the Richmond part of my riding correct. There are nine polls in Richmond county and they all went for me.

Mr. Nickerson: They won't next time.

Mr. Dingwall: Perhaps you would like to put a little wager on that and come down and campaign.

In any event, I rise to speak first to the motion and then to the substance of Bill C-24. In reading the motion, I find it to be a bit peculiar that the Conservative Party, who, when they were in Opposition, said repeatedly in this House that they ought not to be the guillotine, has put closure on debate in the House of Commons. What we have is just that, in effect. The guillotine has been used by the Conservative Party of Canada regarding debate on a subject matter which is important to all Canadians and of particular importance to those in Atlantic Canada.

I find it kind of distressing that Members opposite would allow themselves to be sucked in to a motion which has been, I say, conceived and put forward by the Minister of Energy, Mines and Resources (Miss Carney). We have known for quite some time that this Minister's sensitivity, compassion and concern for other regions of the country has not been demonstrated to be meaningful. Members of the NDP have spoken in great numbers in this debate, and I might add with great quality, as have Members of this Party. However, I am a little bit annoyed and disappointed that the back-benchers of the Conservative Party have sat on their hands. Well, perhaps it is inevitable that they would do that. After all, the Deputy Prime Minister (Mr. Nielsen) is issuing the orders. Therefore, there shall be no debate; there shall particularly be no debate which exceeds a reasonable period of time. But we have not even had a reasonable period of time to debate the substance of this motion.

Mr. McDermid: Oh!

Mr. Dingwall: I know the Parliamentary Secretary does not like to hear that because the truth hurts. He can recall with great clarity the numerous occasions when he was in opposition and the Conservatives said you cannot put time limitation on the debating of matters which come before this House of Commons. The Government has transcended the time limitation and in effect put closure on the House of Commons with regard to Bill C-24.

• (1200)

I say to the Conservative Members of Parliament that they ought to be ashamed. Again, it is a clear example of breaching their election promises in terms of parliamentary reform. The Government has not kept any of its promises. It said one thing before the election and is now doing the complete opposite. So much for parliamentary reform.

With respect to Bill C-24, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) explained how a number of small businesses were established as a result of the imposition of the Canadian Oil Substitution Program and Canadian Home Insulation Program. In my constituency where unemployment reached 55 per cent, small businesses began as a result of these programs. These businesses did not hire 1,500 or 2,500 people but they did employ between two and ten individuals who, as a result of this legislation, will be without work.

Moreover, we will be without that type of service. It bears repeating that these two programs assisted in lessening the energy costs of Canadians in Atlantic Canada, a region which has the highest energy costs in all of Canada. These programs benefited small business and stimulated research and development. Their termination will signal to those individuals who are creative and have attempted to be innovative within this sector of our economy that they are no longer wanted. That is what the Government is saying to that sector of the Canadian economy.

This Bill does not appear to Canadians to be fair. I emphasize the word "fair" in view of the fact that the Government is

spending up to $50 million for new uniforms for the Canadian Armed Forces. Where is the logic of the Government? It has no logic. The Government does not know what it is doing. It is operating without an agenda and blindly takes action on whatever program turns up on the wheel, without studying the effects of its actions.

If the Government had a concrete plan with regard to energy and its development, it would recognize the value of the Canadian Oil Substitution Program and the Canadian Home Insulation Program as a means for our nation to reduce its dependence on imported oil. I certainly would not want those regions of the country who are blessed with large surpluses of energy to be prevented from flourishing in that sector of our economy. However, it is equally important that those of us from regions of the country that are dependent on imported oil, through no fault of our own, demonstrate to the Government that we should not be singled out by not having these programs made readily available to us.

The Government says that it is terminating these programs under the auspices of restraint. Yet it has failed to produce the documents that our Party and the New Democratic Party have requested to show the effects of the November, 1984 economic statement on the various regions of this country. My analysis and that of my Party shows that the effect of that mini-budget is devastating to the poor regions of Canada. The gutting of these two programs will add to the misery of those Canadians who reside in the poorer regions of Canada.

In conclusion, I remind the Conservative Party of Canada that it is not sufficient to be led by a Prime Minister (Mr. Mulroney) whose only concern is to make Canada a branch plant of the American economy. Members in the back-benches of the Conservative Party must stand up for the regions of this country and voice their concerns rather than sit on their hands and allow an insensitive and incompetent Minister of Energy, Mines and Resources gut and devastate programs that are of particular benefit to those of us who live in the poorer regions of Canada.

I say shame on the Minister of Energy, Mines and Resources and shame on the Conservative Party of Canada for once again breaching another election promise, both in regard to energy and parliamentary reform.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to speak in this debate because the programs which are being axed by the Government have been of tremendous importance and have helped thousands of home owners in Winnipeg improve their homes and use less energy. Furthermore, these programs have provided hundreds of jobs for people who otherwise would have been unemployed.

I am glad that the Member for St. Boniface (Mr. Duguay) is here because he can confirm the fact that in my constituency, the constituency of the Member for Winnipeg North Centre (Mr. Keeper) and the constituency of St. Boniface there are many homes that were built between 50 and 75 years ago that are very energy inefficient. They use great amounts of fuel, whether it is gas, oil or electricity, due to the insufficient amount of insulation that was installed in those homes.

Despite the proven record of these successful programs, the Government is proposing their elimination. In recent years we have seen the cost of energy double and quadruple. This has had a drastic effect on jobs and the lifestyle of ordinary citizens. When these programs encourage energy conservation, surely any sensible government would encourage and even promote such programs.

The provisions of the Canadian Oil Substitution Program made financial assistance available in order to convert heating systems from oil to a non-oil-fired system. Since we are rapidly coming to the end of the supply of relatively cheap oil that was discovered before 1970, we will have to import oil, begin to produce oil which will be found off the Atlantic coast, in the Arctic or which will be produced by the tar sands. Surely every member of the Conservative Party must realize that when we have to start using that oil we are going to increase greatly the cost of heating our homes, as well as increase the cost of energy use in our plants and factories. Every Member of Parliament should be interested in promoting conservation.

• (1210)

These programs have been very successful. Why has the Government brought in legislation to end these programs? We have not had a single sensible explanation. The only explanation is that the Government wants to save money in the short run. What we will get is short-term gain for long-term pain.

It has been estimated that under these programs we should effect two million conversions of heating systems by 1990. This would mean a tremendous reduction in the use of oil for heating, especially in many of the older homes in our cities and rural areas. They are usually inhabited by people in the low and middle-income levels, people who can least afford the increased cost of heating which they have experienced in recent years and which they will experience again in the next few years, particularly if they cannot convert from oil to gas.

Almost one million units have already been converted. The program is only half completed yet the Government proposes to axe it. As a result of the program that was implemented, we have been saving over 50 million barrels of oil a year. That is oil which cannot be replaced except at tremendous cost to the country and to our people. New oil, which we will probably bring on stream from the tar sands, the Atlantic and the Arctic, will cost the Canadian consumer and Canadian industry users very much more than what it has cost up to now. It has been estimated that each home converted from oil saves the home owner or the renter about $600 a year in heating costs. Why stop a program which has been so successful?

It is interesting to look at the debate and how the Parties reacted to the proposal when the Bill was brought forward in 1981. There was virtually no debate. It lasted not much more than an hour or two and it received the unanimous support of all Parties.

Let me quote a few sentences from a speech made, I presume, on behalf of the then Official Opposition, the

Progressive Conservative Party, by the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton), a former Cabinet Minister in the Diefenbaker Government and one of the longest serving Members in this House. I quote from a speech the Hon. Member made on June 30, 1981, in discussing the Bill which this Government now proposes to end:

> It is a good philosophy to get as many people in the low technology systems as possible to move away from the consumption of oil. It is particularly good if the alternative is cheaper not only than the present price of oil but the future price as well.

I could not have put it any better than the Member for Qu'Appelle-Moose Mountain. It should be obvious to all Canadians that the program which this Government is now proposing to end was and is a common-sense program under which no one can lose, neither consumers nor governments. The only ones to gain are the oil companies which will be able to make bigger profits with much more expensive oil for which we will be paying in the very near future.

I see I have very little time left, but let me deal with one other aspect of the adverse effects that we will get when this program is ended. In converting, jobs were provided for hundreds and thousands of people who are not highly skilled, not expensively trained, people in the main who are unemployed. In converting homes and in insulating homes, hundreds of thousands of people in my city, in other cities and in many rural areas were able to find work and were employed rather than unemployed and drawing unemployment insurance. This program, when it is terminated, will end the jobs of at least hundreds and thousands of people who have been able to find work as a result of these programs.

Mr. Gauthier: Closure.

Mr. Orlikow: We oppose ending the programs and we oppose closure, Mr. Speaker. We know that the program has brought benefits in employment and in the saving of millions of dollars to the people of Canada. We want these programs to continue rather than to end.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, what is being proposed by the Government is a measure that is upsetting a lot of Canadians; and what must also be put on the table is that this proposal is also offensive to the environment. It is a measure that is neither progressive nor conservative. It is a silly measure and it is not helping in terms of conservation nor in terms of protection of the environment. For those Members who are moaning and groaning, I will have to devote a minute or two to explain why that is so.

The measure is in sharp contrast with statements and promises made by the Conservatives on the environment. It is also one that is not in the national interest. I will come to that in a moment. When you are encouraging a program whereby you increase the number of people who will use gas instead of oil, you are reducing nitrogen oxide emissions. This is why I suppose in 1981 the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) supported it, because he understands these things very well. We are decreasing, therefore, nitrogen oxide emissions into the atmosphere which in the Canadian situation is as important, as damaging, as the emissions by cars and light vehicles into the environment for which we have now set a control measure for 1987. This measure, parallel to that, is very important. It has a profound environmental message.

As you know, Mr. Speaker, the program was introduced in 1980 and was to expire by December 31, 1990. Up until now, I am told, we have some one million units that have been converted to gas. That is roughly a saving in imported oil of some 32,000 barrels per day up to today.

● (1220)

Mr. McDermid: Not only to gas.

Mr. Caccia: It may not only be gas, but it was a considerable step forward. It was to continue as a program for another five years. Suddenly we see the boom being lowered and a number of Canadians being upset. The measure before us is an anti-environmental one and is really offensive.

The off-oil program is a central part or component of the program which will amount to a 25 per cent reduction in emissions between 1980 and 1990. Canada put that program into place as part of its commitment to reach a 50 per cent cut by 1994. In doing that, the Government is somehow weakening our commitment to that particular policy.

We should be rightfully proud of that policy because, as was indicated by the Hon. Member who spoke before me, it received the whole-hearted support of the House in 1981 for two reasons. First, it was good for individual homes; and second, it was good for the environment. The environmental aspect of this should not be underestimated.

When this measure is put into place, we will have a very unbalanced approach. We will continue with the Petroleum Incentives Program to explore further in the north for fossil fuels. We will continue with the Petroleum Import Compensation Program, which is meant to encourage the utilization and exploitation of fossil fuels that are harmful to the environment, as I hope we all know.

I see the Hon. Member for Western Arctic (Mr. Nickerson) holding his head. I suppose this is heavy stuff for him. He might as well absorb it in his own interest. We will lose a counterbalancing component by virtue of this decision. It is a regressive decision and an anti-conservative measure by a Party which calls itself "Progressive" and "Conservative". This does not make sense.

The November 8 cuts were deplored by everyone on this side of the House. It would be repetitive to deal with that theme once again, but I am deeply disturbed by the pattern which is emerging here in anti-environmental decisions, of which this is one. It follows the events in Quebec City over the weekend. Evidently, and unfortunately, the Prime Minister (Mr. Mulroney) chickened out of his grandiose commitment of last summer to reduce acid rain. He preferred to hide behind Messrs. Davis and Lewis and to let them pull the chestnuts out of the fire, so to speak, for him.

I do not know where this accumulation of measures will lead. We are receiving—and I am sure it is the same for Hon. Members opposite—letters from Canadians who are concerned about the effect of the cancellation of COSP. Colleagues have already spoken about the difficulties of completing the necessary work in order to carry out the switch. Evidently certain things cannot be done in the midst of winter.

I hate to interrupt the Parliamentary Secretary, who is in charge of steering the Bill through the House, from his profound reading.

Mr. McDermid: I am listening.

Mr. Caccia: We are asking him to reconsider this measure and to see the senselessness and insanity of it, because it is an important component of the over-all strategy. It is an important component of a policy which is in the long-term interests of Canadians.

We know we want to reduce our dependence on imported oil. We know we want to reduce our damage to the environment. As they say in court, "Here rests my case". There is not much one can add to this plea. However, I can see that I have not made a profound impression on the Parliamentary Secretary who continues to read his papers. Evidently he is not interested in the Canadian environment or in providing Canadians with an opportunity to switch. That is what it boils down to; otherwise he would pay attention to this plea.

Mr. McDermid: Mr. Speaker, I rise on a point of order. I think it is improper to refer to what Hon. Members are doing or are not doing in the House. In any event, I assure the Hon. Member that with the volume of his voice, everyone can hear him, no matter what they are doing. We are listening to him most attentively.

Mr. Caccia: I am very assured by the intervention of the Parliamentary Secretary.

Mr. McDermid: If you said something useful, maybe we would listen.

Mr. Caccia: I am always accused of speaking too softly and of being too gentle in my approach. He finds me to be too forceful.

Mr. McDermid: Just noisy.

Mr. Caccia: I find that very strange. I was trying to put across some ideas. Perhaps they have disturbed his sleep, I do not know. Somehow the basic ideas seem to escape him; otherwise he would have dealt with them in his speeches. He and members of his Party, so-called "Progressive" and so-called "Conservative", are ignoring elements of the off-oil program which are both conservative and progressive—it will reduce damage to the environment and it will permit Canadians to conserve and reduce their dependence upon imported fossil fuels. I submit that that is in our national interest.

Mr. Dan Heap (Spadina): Mr. Speaker, I am happy to be able to speak against this closure motion, this time allocation motion. The motion intends, by whatever means, to cut off debate. It is quite unnecessary. The Government should be listening not just to the words but to the points which have been made on this side of the House. It should be showing a willingness to reconsider the mistake it made in introducing this Bill. The Government shows no interest in considering the points which have been made. It simply wants to use its majority to hammer this matter through within the time limits imposed in this motion.

Basically this is part of the mistake which the Government has been following for six months, the mistake of cutting back on money available to the large majority of Canadians with ordinary incomes, including those on low incomes, while increasing directly and indirectly the money available to large corporations, such as the oil companies in this case, and to large investors.

This is simply one element of the program followed by the Government which it claims will bring recovery. So far it has completely failed to show any serious result for ordinary Canadians. Unemployment is where it was, and there is no prospect of any serious improvement. The Government is failing to provide the basic necessary market for goods and services which Canadians could produce if economic institutions permitted them to do so.

• (1230)

With this Bill, the Government is cutting back money available for switching from oil to other forms of heating and cutting back the amount of money available for insulation, which would save oil. It is not proposing to cut back the money for exploration to discover new oil. It is proposing to cut back, through this legislation, the money that would be saved and the oil that would be saved by conservation. While they call themselves Conservatives, they are acting against the principle of conservation.

Many people in my riding have used this program and many more would like to use it. Both the off oil and CHIP programs have had good success so far. Many people have seen the value of them. They have seen what their neighbours have saved and they are interested in taking them up.

Not all these people could do that right away. There are some very low-income home owners in my riding who cannot always take advantage of a program instantly. This winter, with shortages of equipment, it has not been possible for everyone to take advantage. It is a great mistake for this Government to cut off this program. It is a mistake from the point of view of the majority of ordinary Canadians. It may not be a mistake from the point of view of the oil companies, but they do not act in the interest of this country. When the wealthiest sector of industry in this country, except for the banks, asks for bigger and bigger hand-outs, it is not serving the interest of this country. Instead, it is trying to hold this country to ransom.

When in opposition, Members opposite claimed to support the fact that a barrel of oil saved by the actions of small business people, those who do the conversion of the furnaces

and the insulation of the homes, is worth more than a barrel of oil to be found in the Beaufort Sea. It costs less to save a barrel of oil through conservation than it costs to take it out of the Beaufort Sea or out of the tar sands. Furthermore, it provides jobs where they are needed. Very few of Canada's two million unemployed are in the Beaufort or even in northern Alberta. The vast majority are in Canadian cities. That is where the conservation work is to be done, in the cities of Canada. That is where the jobs should be created. That is where there are hundreds of thousands of people willing and able to do this conservation work and save the oil reserves of this country.

It seems that this Government is afraid that there might be some oil left in the ground when it leaves office in a few years. It wants to dig it all, or as much as possible, out now. Some of us think a little farther ahead. Quite apart from who will be the Government, some of us have children and grandchildren. Others expect to have children and grandchildren.

I see the Minister of Indian Affairs and Northern Development (Mr. Crombie) smiling. He agrees with me. I do not know the details, but I am sure he is looking forward to an increase in his descendants. It would be good if we could have some oil for his descendants, for mine, for those of all others here and those whom we represent.

We do not have to be in such a mad rush to take all the oil and burn it. There are excellent conservation programs which, as I say, cost less than digging the oil. It would leave some of the oil in the ground. Perhaps in future it could be developed more cheaply. If it is not needed, let us leave it there. Let us not squander the oil. Then it would be too late to pay people to conserve it.

It has been argued that the Government should not be intervening in this way, that it should let the private home owners do it. For some private home owners, that is all right, they can pay. However, for many it is a borderline question. Without this assistance, they are not likely to do it.

There have been other cuts in the incomes of home owners. The $500 total of tax and other imposts was laid on the people this fall by this Government. That reduced the money available for a project like this. There have been wage cuts; that is, cuts compared to cost of living. A number of people have become unemployed since that time, especially poor home owners. It is those people who should have the continued benefit of this program of changing from oil to other forms of energy and insulating their houses in order to save oil.

What we are asking is simply that the Government withdraw the Bill or make some serious proposal for amendments to it before it leaves this House. We would like some assurance that the Government has listened, not only to the speakers on this side of the House, but to the letters that have come in from both home owners and small business people who believe that this is a good program. It is not only in the interest of the small businesses, their workers and the home owners, but in the interest of all the people of Canada to save that oil. It is also in the interest of all the people of Canada to save the oil used in eastern Canada which has to be imported at a higher cost.

The Prime Minister (Mr. Mulroney) and his colleagues weep daily over the deficit. They use the deficit as an excuse for all kinds of things they do which hurt the people of Canada, such as the budget cuts last fall. Here is a way to reduce the deficit without hurting the people of Canada. The Government can reduce the amount of money that has to be spent on offshore oil, but it does not want to do that.

Clearly anything that reduces the money that goes to the oil companies is not what the Prime Minister and his colleagues want. They want to fatten the oil companies and perhaps the banks as well. They do not care what it costs the people of Canada. They do not care whether we squander our oil so that our children and grandchildren will not have any. They will have to import it at a much higher price than that.

The motion to terminate the debate was a great mistake, but not a surprising one. It is completely in line with what this Government has been doing by way of spreading paper around the country, pretending consultation. However, when people actually have a point to make to the Government, it refuses to listen. It says: "Shut up, we will do whatever we want without regard to anything that you have said." That is the tone that we are getting from this Government. It is already a matter of great regret to people in Canada. This Government is going to feel that regret.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I want to share whole-heartedly the views that have just been expressed by the Hon. Member for Spadina (Mr. Heap).

An Hon. Member: All of them?

Mr. Penner: Yes, I want to share the views expressed by the Hon. Member without being selective. It is very wrong on the part of the Government to try to wind down this debate and prevent Parliament from making a decision which would be in the best interest of the Canadian people and the consumers of Canada.

What the Government is in danger of doing very early in its mandate, and I think Government supporters on the backbench will want to be cognizant of this, is abusing its majority. If the Government starts abusing its majority, as the Hon. Member for Spadina quite rightfully said, it will not be that long before it will regret it and regret it very deeply. The simple fact is that during the course of this debate it has become clear from the speeches given not only by members of the Opposition Parties but Government supporters as well that more time is needed. It has become clear that the Oil Substitution Program is being discontinued prematurely. It should be allowed to go on for another period of time and we can debate that issue. I would argue that it should run its full course to 1990. However, there are very good reasons for this Act to go on for at least another six or eight months. I will return to that subject in a moment.

● (1240)

If anyone were to take the time to look at the debates regarding Bill C-24, they would notice that almost without exception there has been nothing but praise for these two federal Government programs. Members have indicated how successful the programs have been. The oil substitution program has displaced some 32,000 barrels of oil or more. The home insulation program has also been successful in saving over 28,000 barrels of oil. The grand total of the two is a saving of about 60,000 barrels of oil per day.

Not only have these two programs saved a tremendous amount of oil but people for the first time have taken seriously the possibility of using alternate energy sources. We are finally moving out of the preaching stage when it comes to using alternate energy. These two programs have encouraged people to actually do it.

In the constituency which I represent there are a tremendous amount of wood products available, and people have converted from oil to woodburning furnaces. They have taken a local energy source that would otherwise be wasted and utilized it to save money. That is why this program has been very important to the average working family in Canada. It has been important to people who do not have high incomes and who are living in a region like northern Ontario where the winters are long and cold. Saving money on home heating is a very big issue there. It has been people with average incomes who have used the home insulation program and have conserved energy in their own homes. In addition to that, they have gone off oil, an expensive form of energy, to something like wood. Other people have been experimental and are using solar energy. In some places they have even been utilizing wind energy. However, the most important conversion program has been that of oil to natural gas.

The federal Government has had a program allowing natural gas companies to extend their systems with the use of a federal Government subsidy. That program is not being discontinued. The natural gas network system is still being expanded. In the area I represent, that program will be reactivated again this spring or early summer as soon as the frost is out of the ground. However, my constituents have said to me: "We cannot take advantage of that program any longer. The gas network system is being expanded but we are out in the cold just because we did not apply before last November. How did we know? We inquired of you about the program and you said that we could take advantage of it when we were able to afford it because we had until 1990". Now, following the election, these people have discovered that it is not 1990, it is next year. They are not going to have the opportunity.

That is why it is very wrong of the Government to throttle debate. Why can the House of Commons not also engage in what we sometimes call a little sober second thought that goes on in the other place? There has been some sober second thought going on right here in the House of Commons. Many people argue that we do not need another chamber for sober second thought. However, if we do not have sober second thought here, perhaps we are undercutting our arguments. If we feel we should limit time for debate in the other place and if we limit time for debate here, how are we going to get people to look at these programs again and to perhaps change their minds?

My colleagues from northern Ontario whose constituents will not be able to have access to the natural gas system are all concerned. There are three Members from northern Ontario who sit on the Government side. There is the Hon. Member for Timmins-Chapleau (Mr. Gervais), the Minister from Sault Ste. Marie and the Hon. Member for Timiskaming (Mr. MacDougall). They are receiving the same messages as I and northern Ontario Members who belong to the New Democratic Party are receiving. We are all receiving the message that we cannot cut this program off on March 31 and that the people who did not apply by the end of November will not get that little extension to the end of June.

The Parliamentary Secretary himself has admitted that the representations that have been made to him for an extension made good sense. I know the Parliamentary Secretary is a very influential Member. I have worked with him. Can he not use his influence and debating skills with the Minister and the Government? Can he not tell the Minister that it does not make good sense to cut this program off on March 31 or to give a handful of people an extension to the end of June? He should at least be fair and reasonable.

I know the Government wants to save money, but I think this is a silly place, however, in which to save money. The Hon. Member for Spadina pointed out very well that we help cut the deficit by keeping these programs going. The underlying rationale for cutting off the program does not even exist.

I would plead with the Parliamentary Secretary to use his persuasive powers. He should use the abilities that I know he has to tell the Government that it does not make good sense to end this program on March 31. The program should run at least to the end of the year in order to give those people one last chance and a little bit of pre-warning. I would be prepared to compromise that far, but I would like to see the program continue to the end of 1990 as it is such an excellent and outstanding program. However, we are in the Opposition and we cannot have everything.

Surely, with the big majority the Government has, it could yield a little. It should not cut off debate. If the Bill must go to committee, Government Members should rise and tell us that they are going to let it be amended in committee in a way that will extend it for another six or eight months.

My constituents right across northern Ontario are absolutely irritated. Is the Government not listening to its own northern Ontario Members? It did not have a seat in the north before but now it has three seats from the north. For goodness sake, the Government should listen to its northern Ontario Members. I am sure they are speaking very eloquently. They must be pleading with the Government not to cut this program on March 31. The Government should listen to them and yield a little bit. It should not abuse its majority. That is not the atmosphere it created during the election campaign.

The Government did not tell Canada that there would be no opportunity at all for citizens to have some input. I never heard the Government say at any time that it was not going to listen to Members who were in the Opposition. I had the idea that we were going to have a new kind of Parliament. I heard all of those wonderful speeches that were made when the Government was in opposition indicating that Parliament had to be more of a decision-making body and that everything would not be done by the executive branch. Here is the Government's chance to compromise.

Surely Parliament can have a little bit of influence on the Government when it tells it that we should not cut this program off from those people who have been planning on using it and who have been saving their money. Now, before these people have had an opportunity to make final arrangements, they read in their newspapers and they see on the television that they have no chance at all of using it. I would ask the Parliamentary Secretary to take another look at this matter.

Mr. Deputy Speaker: Order, please.

• (1250)

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, coming from a riding in northern Ontario, I can appreciate the comments which were made by the Hon. Member for Cochrane-Superior (Mr. Penner). I want to pick up where he left off.

I recall the time when the Conservative Party was in opposition. I remember it well when that Party accused the Trudeau Government of arrogance, of trampling on the rights of Parliament, and of not being concerned about what the Opposition had to say. In other words, the Conservatives said that the Trudeau Government was not interested in consultation. After the dust cleared on September 4, 1984, this Government told us that a new era was upon us. In the Throne Speech the Government trumpeted consultation and consensus. Where was the consultation on this particular measure to eliminate COSP and CHIP?

Some Hon. Members: None.

Mr. Rodriguez: As Members say, there was absolutely none.

Opposition Members are attempting to consult with the Government. We are telling the Government that the situation is unfair to many communities, particularly those in the rural areas. I have put on the record, and I will do it again, a copy of a letter that was sent to me, which enunciated a motion which was passed by the Township of Hagar, which is a small community in the Nickel Belt riding. The motion was sent to the Minister of Energy, Mines and Resources (Miss Carney). It reads as follows:

Dear Madam:

The following resolution was passed by the Council of the Corporation of the Township of Hagar at their regular February 19, 1985 meeting:

"Moved by Councillor T. Beamish, seconded by Councillor R. Chartrand that since Northern and Central Gas has proposed to serve the Villages of Markstay and Hagar with natural gas in the fall of 1985, and the COSP is scheduled to terminate on March 31st, 1985. Therefore the Township of Hagar request the Honourable Patricia Carney to extend the COSP to enable our residents to avail themselves of the grant and that copies of this resolution be sent to our local MPs."

That is not a partisan or political appeal to the Government. They are ordinary Canadians, many of whom voted for the Government's candidate in the riding of Nickel Belt. By God, he came second and the Liberals came third!

Ordinary Canadians are saying that it is not fair. The rules were set for 1990. Plans were established for the extension of gas lines. It is the height of unfairness for the Government in the middle of the game to say that the ball game is over and that it is changing the rules. The Government did the same thing with the unemployment insurance program. It changed the rules. Government Members have the absolute effrontery to stand in this House and say that the Government cannot afford it and that is why these programs are being cut. Yet the Government is preparing to put the Armed Forces into new uniforms at a cost of over $30 million. Where is that money coming from? Are there not other priorities in this country? Is the priority of conservation and job creation not greater than parading our Armed Forces in uniforms which will be indistinguishable from our southern neighbours? Maybe that is the whole point, to integrate our Armed Forces.

It is a crying shame that this kind of unfairness can be brought to the House of Commons. The Government has even cut off the consultative period by introducing a motion which called for the question. It is a guillotine motion. The Government is not interested in listening to and consulting with Members on this side of the House. It should at least give us the credit for representing the views of ordinary Canadians.

Is there always going to be a blot on the escutcheon that there are Members on the Conservative side of the House who represent small communities and who receive the same message? In fact, there is a conspiracy of silence on that side of the House. Government Members are sitting as silently as a tomb. There is not even a whisper of participation in this debate.

Mr. Kilgour: We are speaking up in committee.

Mr. Rodriguez: Speaking up in Committee! I was in committee and I heard them speaking up. The silence was deafening! The House is where we participate in debate. One would hope that Government Members could persuade their Ministers to change their minds.

There is another unfairness in the legislation. There are not many wealthy people in my riding. Many of them work in the mines and have an average income of $25,000 a year—

Mr. Orlikow: When they work.

Mr. Rodriguez: When they work. Many of them decided to take advantage of the program and order the equipment which was necessary. However, if they did not order the furnace and sign a contract before November 8, they were out of luck. There was no pre-warning. Second, those who ordered the furnace before November 8 are having trouble getting the

equipment from the companies which manufacture the furnaces. Those companies are out of parts.

Mr. McDermid: They have an extension.

Mr. Rodriguez: They have an extension! It is an unfair proposition. It is absolutely unfair to cut people off without giving them the opportunity to take advantage of a program which has been beneficial in conserving energy in Canada. All of the evaluation reports from the Department of Energy, Mines and Resources indicate, in terms of conserving oil, which is a finite resources, and in terms of the person-years of work which the program has provided, that the program has been a positive element in the over-all energy program of Canada.

Why is the Government doing this? In the 1970s Canadians became very conservation conscious. Four years ago the Conservative Party of Ontario ran a campaign on "Preserve it, conserve it". In the Ontario Hydro announcements and the rest of the advertisements we saw the words "Preserve it, conserve it". Canadians were convinced that we should conserve our energy resources.

Indeed, when the Conservatives were in opposition in 1981 there were less than three hours of debate before this program was approved. The Hon. Members for Qu'Appelle-Moose Mountain (Mr. Hamilton), a man who is well-versed in energy conservation programs— "the biomass man"—recognized the importance of this program and the Conservatives agreed with him.

I have a suspicion that the Government is cutting this program because of its buddies in the oil patch who want Canadians once again to consume oil because it will bring profits to the oil companies. I think that is the thrust. Aye, there's the rub! Now we've got them. That is what the Government is doing. It is making Canadians contribute to the profits of the oil companies in Canada. It is sleazy and it is sneaky. If the Government had any courage it would cancel Bill C-24—

Mr. Deputy Speaker: Order, please. It being one o'clock, I do not leave the chair until 2 p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

AGRICULTURE

INSPECTION AND VACCINATION FEES

Mr. Maurice Foster (Algoma): Mr. Speaker, on November 8, 1984, the Conservative Government announced a new way to tax our agricultural producers. Using misguided logic, it has decided to tackle the deficit by collecting $32.3 million in service fees from farmers, feed mill operators, seed growers, slaughterhouse operators, and others. A small slaughterhouse operator must now pay a minimum call-out fee of $125 to have a few carcasses graded. It is not hard to imagine that this cost will amount to several thousands of dollars over the period of a year.

The potato farmer in Prince Edward Island or New Brunswick with an average farm will pay $13,000 to $20,000 each year for grading services. With potato farmers receiving less than the cost of production this year for their crop, this is a most unfair charge.

Seed growers are very concerned that the quality of Canada's seed stock will be compromised as more growers are forced outside the regulatory system due to increased input costs for pedigree control.

If a farmer is worried about rabies, he should not stop worrying. New fees for rabies vaccination will no doubt reduce the over-all protection available to farm livestock and those who must pay for that service.

In every one of these cases our agricultural producers will suffer. Consumers, who are the main beneficiaires of grading and quality inspection services, will be hurt as well.

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

PETRO-CANADA

ATTEMPT TO ACQUIRE CO-OP OUTLETS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, on Wednesday, March 18, I advised this House of protests I received from boards of several Saskatchewan co-operatives against attempts by Petro-Canada, a federal Crown Corporation, to acquire or take over co-op petroleum outlets. I wanted to know why a Crown corporation is attempting to acquire the outlets of co-ops which represent a completely Canadian-owned segment of the industry.

The Federated Co-Operative Association at its annual meeting on March 7 unanimously condemned Petro-Canada's attempt to acquire co-op outlets. The Liberal Government's national energy policy in 1980 stated:

> The Government of Canada believes that the oil and gas sector is a unique case and that special measures are needed to ensure Canadian control.

I pose the following questions. Was it the intent of the previous administration for this Crown corporation to acquire a completely Canadian-owned segment of the industry? Has Petro-Canada lost sight of its original mandate? While our very capable Minister of Energy, Mines and Resources (Miss Carney) works in co-operation with the provinces to solve the injustices of the Liberal's destructive energy policy, it is evident that it will take time for our Government to get Crown corporations under control. I agree that Petro-Canada must learn to stand on its own feet, but not at the expense of the Canadian-owned co-operatives.

* * *

APARTHEID

SOUTH AFRICA—SHARPEVILLE MASSACRE COMMEMORATION—DEMONSTRATORS KILLED

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, police in South Africa today killed 14 people when they attempted to demonstrate in remembrance of the Sharpeville massacre of 25 years ago. On March 21, 1960, police opened fire on a crowd which was peacefully demonstrating against the pass laws. There were 69 people killed, including eight women and ten children, and 180 people wounded, including 31 women and 19 children. According to medical evidence, the police continued firing after the people began to flee, because while 30 shots had entered the wounded or dead from the front of their bodies, no less than 155 bullets had entered through their backs.

I ask all Hon. Members to reflect on the meaning of the Sharpeville massacre, the further slaughter of 14 people today, and the hundreds of people killed in the intervening 25 years. The same Government is in power and, in spite of minor changes, the same inhuman system of apartheid denies basic human rights to the black people of South Africa.

I urge the Government, in conducting our foreign policy review, to remember that it was the Government of South Africa which initiated violence. I ask the Government to remember Sharpeville, to remember Nelson Mandela and others who were imprisoned for their people. I ask it to remember the 14 people who were gunned down by the police today.

Surely the time has come to take a strong stand and push for an international policy of disinvestment—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

[*Translation*]

THE ECONOMY

NATIONAL ECONOMIC CONFERENCE

Mr. Jean-Pierre Blackburn (Jonquière): In a few hours, Mr. Speaker, Canadian men and women will be watching the proceedings of the National Economic Conference to be held here in Ottawa.

One hundred and thirty-six participants—economic leaders from all Canadian circles—will review the economy, our heavy deficit burden and the employment situation. This economic summit is a ray of hope for the many Canadians now without jobs, without work. Time has come not to search for causes but rather to find alternate solutions and express a national consensus. Mr. Speaker, that is what Canadians expect. They want jobs, they want work, they want to live in dignity without having to ask for hand-outs from society. Such is the ultimate challenge of this weekend's conference.

There is not only one solution to all our woes, and the day-to-day reality calls for the implementation of a whole series of solutions. Canada's predicament will test our economic partners' willingness to co-operate. We must set our petty differences aside and approach the National Economic Conference with our attention riveted on the underprivileged in our society, on men, women and youths who are counting on us to find the jobs which will raise their hopes for the future.

Mr. Speaker, the 136 leaders who will get together this weekend deserve our full support in their quest for solutions.

* * *

[*English*]

CULTURAL AFFAIRS

ARTISTS' PROTEST AGAINST BUDGETARY CUT-BACKS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, as you will remember, yesterday an important and large delegation of personalities who work in the field of arts and culture were here on the Hill to voice their grievances with regard to the drastic cuts which were imposed on them by the Government. Unfortunately, these well known artists had to head back home dissatisfied with the type of meeting they had here.

The Government, which is allegedly bent on consultation with all groups in the country, certainly acted in an odd fashion. The Prime Minister (Mr. Mulroney) snubbed the artists, refusing to meet with them, busy as he was celebrating his forty-sixth birthday. The Minister of Communications (Mr. Masse), when asked a question in this House by the Hon. Member for Saint-Denis (Mr. Prud'homme), refused the challenge to act as the champion of these people in the arts and cultural community. Further, when asked to increase his financial support for arts and culture, the Minister stated that he was not going to grant artists welfare. The artists of Canada are not asking for welfare, Mr. Speaker. All they are trying to achieve is to earn a living.

S.O. 21

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

NATIONAL ECONOMIC CONFERENCE

MANDATE OF PARTICIPANTS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, an historic National Economic Conference is to be launched this evening. It is historic in that 136 participants were named on the recommendation of a private sector committee. It is historic in that the participants will come from every province and region. They will come from all walks of life and represent ordinary citizens, artistic groups, business, labour, the church, and volunteer organizations. Clearly, Mr. Speaker, these participants have an onerous job, but in the final analysis their mandate is to create jobs. They will do this by recommending policies which will create a climate of sustained economic renewal.

The Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) have shown great courage and faith in initiating such a conference, knowing that many wide-ranging, differing views would be expressed. Many Canadians will be watching this historic conference with the hope and prayer that it will help build a better Canada. Every Hon. Member of the House will know that a tremendous amount of consultation, conciliation, and co-operation will be required. I am sure that every Hon. Member looks forward to positive results from the conference.

* * *

• (1410)

SCIENCE AND TECHNOLOGY

CANADIAN PARTICIPATION IN SPACE STATION PROJECT

Mr. Dan Heap (Spadina): Mr. Speaker, while the New Democratic Party welcomes Canadian participation in the advancement of space technology, we ask that Parliament consider the wide-ranging implications of the Government's decision to contribute $8.8 million to Phase B of the space station project. A number of weeks ago the Congressional Centre of Technology Assessment described the Reagan administration's objectives regarding the space station as "diffuse and imprecise". Other members of the scientific community say that the space station is not necessarily the most cost efficient method of obtaining new scientific information in space. Most important, there has been no firm guarantee yet offered by the Reagan administration that the space station will not merely become an extension of star wars. The U.S. military has been quoted as saying that it may be willing to board the platform at a later date.

Continued participation in the space station by Canada has long-term implications for the Government's commitment to budgetary restraints. We do not yet know whether money for other forms of research and development will suffer as a result of Canada committing itself so completely to space research. Canadians should be concerned about the desire of the Reagan administration to promote the "commercialization of space", especially since no direct benefits are to include the rest of the international community.

Canada should consider setting conditions for our involvement in the space station project. Parliament should review this matter, and the Government should bring it before this House—

Mr. Speaker: I regret to advise the Hon. Member his time has expired.

* * *

AGRICULTURE

PLIGHT OF MANITOBA FARMERS

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, as a result of numerous hearings on farm tax issues in the Standing Committee on Finance, Trade and Economic Affairs, it has become very clear that any credit assistance program for farmers should be targeted primarily toward producers in financial distress. Some 15 per cent to 20 per cent of farmers in my home province of Manitoba, that is more than 600, are in serious financial circumstances. Therefore I strongly urge the Government to introduce a debt set-aside program in order to relieve targeted farmers of their oppressive debt load long enough for them to get back on their feet.

The Farm Credit Corporation estimates that a debt set-aside program could move more than 14,000 financially distressed Canadian farmers into a position, after five years, of having a reasonable chance of success.

I also wish to point out that more and more farmers are turning over their land to the FCC, then leasing it back in order to stay in business. Therefore I recommend the following: first, that these farmers be allowed to sign leases of more than one year in duration, perhaps three to five years; second, that these farmers retain the option of buying back their own land.

Canadian farmers do not want hand-outs. What they want and deserve is a little help over a very rough period.

* * *

HOUSING

SOCIAL, CO-OP, AND NATIVE HOUSING PROGRAMS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the housing situation for many people in Canada is becoming desperate. But what has been the response of the federal Minister responsible for housing? A cut-back of federal money where it is needed most. Five thousand units of social housing have been cut; 4,000 co-op units, and 1,000 from the rural and native housing program. There are waiting lists of people

needing affordable and decent housing in every major city in Canada.

First, we had a meeting of housing Ministers last November which produced no result. After a long, cold winter we get a consultation report. Now Erik Nielsen is working on a housing report. Nobody is in charge of housing for the Government, and nobody in the Conservative Government cares about the working poor, single parents, the homeless, or our senior citizens, who wait and wait on lists, while the Minister dithers and the Government delays. In the City of Ottawa there are 2,000 families waiting for social housing and the list grows by 200 per month. In Toronto there are over 11,000 families waiting.

The Ontario Government has shown, by its ill-conceived housing policies, that it does not want or deserve responsibility for social housing. We need leadership from the federal Government, not delay. We want action and financing now.

* * *

THE ECONOMY

CONCENTRATION OF WEALTH

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, at least nine families in Canada have found a way to cope with the cost of living. They control $9 billion worth of corporate assets, or 46 per cent of the TSE 300. According to the Canadian Bankers' Association, this poses serious dangers for our financial markets. I would like to identify just a few of those dangers. It means a concentration of wealth which works against competition, and therefore against the consuming public. It means diverting human and financial resources away from the creativity and innovation our economy needs. It means at least a potential for excessive economic power as well as excessive political power. The most serious feature of all is its exponential growth.

Most of this concentration has occurred in the past 15 years. If the trend continues, Canada may find itself under a new form of the old Family Compact. Its dangerous potential has been signalled by the Canadian Bankers' Association. It is time for Parliament to alert itself. This is not a matter of right or left, of mediocrity seeking revenge against success. It is a concern about preserving competition and keeping free enterprise free.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

NATIONAL ECONOMIC CONFERENCE

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, tonight marks the beginning of the national economic summit.

Some Hon. Members: Hear, hear!

Mr. Allmand: They should wait until it is over to see what are the results.

[*Translation*]

Mr. Johnston: The sheep are still alive, Mr. Speaker.

[*English*]

Obviously the Government would not have embarked upon this costly undertaking if it did not have a clear idea of what it wished to accomplish through this extraordinary costly enterprise of a national economic summit, drawing, as an Hon. Member said earlier, from all parts of the country.

In the absence of the Prime Minister who, I understand, is preparing for this evening's events, would the Minister of Finance please tell the House the three most important accomplishments he hopes to see emerge from the session which begins this evening?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I might say to the Hon. Member, when he talks about this very costly conference, that I understand the budget for this very costly conference in today's dollars is the same as it was for the conference he had a few years back in 1982 dollars. So we are being very thrifty in the way we are putting on a major economic event.

In response to the specific question the Hon. Member posed, we are looking for ways of creating jobs. We are looking for specific ideas and proposals on how we can get greater employment. Specifically, those elements of our society who have great difficulty in getting employment, being women's groups, native organizations, and youth, are represented at our conference and we expect we will get some very good ideas from them. As well, on Saturday afternoon there will be a major discussion on trade initiatives and the direction the country should be going regarding trade. So I think the Hon. Member will be very pleased with the results of this conference.

BUDGET PRESENTATION INQUIRY

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I hope I am pleased but I find it remarkable, after consultation with all these groups, that this kind of conference is needed to bring forth the ideas which are already in the possession of the Minister. That aside, I think what he is telling us, for those who did not catch it, is that this is the last in a series of political extravaganzas hosted by the grateful

taxpayers, extravaganzas which are costing us millions of dollars.

That being said, let me ask the Minister of Finance this.

Mr. Oberle: What did Donald Macdonald cost us?

Mr. Johnston: Yesterday he advised the press that some of the ideas would probably be incorporated into his Budget. More important, he is alleged to have hinted that on Saturday afternoon he might announce the date of the Budget, not here in the House where it is supposed to be announced, Mr. Speaker, but at an economic conference held in Ottawa. Will the Minister please assure everyone in this House that he will respect the privileges of Members and, if he knows the date, tell us the date now. Then he can announce it on Saturday afternoon?

● (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member should know by now that we believe we were elected on September 4 to consult with Canadians and discuss proposals with Canadians.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The conference this weekend will not be the last, but will be one of many examples of full consultation with Canadians. That has and will be the hallmark of the Mulroney Government.

With respect to the Member's question about the timing of the Budget, I said to the media yesterday that I expected that I would be announcing the timing of the Budget shortly.

Mr. Johnston: It was my understanding that she had hinted he would announce the budget date on Saturday afternoon. I hope that his statement todays mean that that will not take place.

STATEMENT ATTRIBUTED TO OFFICIALS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the Minister said that some ideas from the conference would be incorporated into the Budget. Only yesterday the Prime Minister referred to it as an April Budget. The Minister's own officials have admitted that nothing coming out of this conference will be timely enough to be incorporated in the budgetary process.

What does the Minister say about the hyprocisy of the whole exercise of bringing these people at time and expense to Ottawa? Will he tell them that it is a sham, and stop trying to pull the wool over their eyes? Will he treat this conference for what it is, another exercise in public relations?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it quite clear. I decide what is going to be in the Budget.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I said that the good ideas that I expect to come from this conference this weekend that I am able to incorporate into a Budget will be incorporated into a Budget. I would expect that the Hon. Member would be listening very carefully for those good ideas. I hope he will raise them in the House next week.

[*Translation*]

REQUEST FOR CLARIFICATION OF BUDGETARY CUTBACKS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I also have a question for the Minister of Finance. Like most of my other colleagues on both sides of the House, I sincerely hope that this summit will be an unqualified success. Yesterday, the Minister of Finance indicated that new cuts were to be announced. In order to provide for more informed discussion at the summit, could the Minister of Finance inform this House as well as the summit participants about the extent of the cuts he has in mind and in which sector they will be felt most, so that summit participants can then make appropriate suggestions with some understanding of the Minister's game plan?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me thank the Hon. Member for his kind words about the success of this conference. I am sure that it will be a success.

I believe that the Hon. Member, in his question, is really asking what will be in the Budget. Obviously that is something I cannot say now and, as a former Minister of Finance in the Province of Quebec, he should understand that.

[*Translation*]

EQUALIZATION PAYMENTS—EFFECT OF BUDGETARY CUTBACKS

Mr. Raymond Garneau (Laval-des-Rapides): I have a supplementary, Mr. Speaker. If the Minister of Finance did not want to be asked this kind of question, he should have remained silent yesterday and refrained from giving any hints about the contents of his budget. My question is as follows:

Since there will be cutbacks—the Minister having said so—will these new cuts remove any hope Quebec and Manitoba may have had of seeing the present guarantee formula for establishing the equalization base maintained, the loss of which would mean that Manitoba would lose about $70 million and Quebec more than $250 million?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, yesterday in the press conference I was asked whether there would be further action on controlling or reducing the size of the deficit. I said yes, that we had set out the course in the November 8 statement, that we will manage the deficit to a much greater extent than had been the case with the previous Government, and that that will involve a further amount of

spending cuts and other means of saving on government spending.

I have answered the Hon. Member's question about equalization on a number of occasions. There will be a decision on that before the end of this month. People in the Province of Quebec and the Province of Manitoba will understand that as soon as I can come up with that decision.

EFFECT OF BUDGETARY CUTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. He has just acknowledged what he and the Prime Minister have said outside the House, that there will be additional cuts in the forthcoming Budget.

One of the policy papers by Professor McCallum that was released for the upcoming conference states, with reference to such cuts: "This option leads to large increases in unemployment lasting for several years. There is a danger too that the policy would have long-run negative effects on economic growth."

The Government has already announced over $4 billion in cuts before Christmas and is now planning to make more cuts in the coming Budget. When all the evidence, whether it is Great Britain, British Columbia, or this paper for the conference itself, suggests that such cuts produce fewer jobs and not more, why is the Government doing this?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I suggest that the Hon. Member is out of touch with the people of Canada. There are many Canadians who feel that this Government can be run with less money and be more effective if we manage the process more effectively. It is in that context that we propose to continue the process that we set out in November to get a greater degree of control over the finances of the country. As a result, his children, our children, and the children of all Canadians will not have this enormous burden of debt that is continually growing faster than the economy. They will not face a future where the flexibility of the Government is totally impaired by the size of the interest on the government debt. Today that interest uses up $1 out of every $3 in taxes that are paid.

Mr. Broadbent: The Minister did not answer the question at all. He made reference to our children. I say to him that that is exactly what Bill Bennett said three years ago. As a result, all kinds of children are looking for jobs in British Columbia because he has already done what the Minister of Finance wants to do to Canada.

ECONOMIC CONFERENCE DISCUSSIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question concerns the consultative process. The Minister is saying that this conference is something more than a public relations exercise. Considering that he already announced that there will be more cuts, no matter what happens at the conference and what people may say about the question of cuts, is the Minister not being totally cynical? Might he not just as well tell these people to stay at home because they are wasting their breath since the Government has already made up its mind?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I don't think the Hon. Member could have read the agenda for the economic conference, because the extent of that agenda is far broader than what will or should be done about the question of the deficit. We will be talking about the problems of unemployment among different groups, as I indicated in a previous answer. We will be talking about the trade issue, and the whole question of competitiveness in a very tough competitive world today.

Let me return to the specific question the Hon. Member posed about whether we are closing out alternatives. We are not closing out alternatives. I am very interested in hearing the comments of people who are at the conference on how we should address the problem of the deficit, including how to get it under greater control, how fast we should move, and what areas we should address in getting control of the deficit.

A number of different proposals have been put forward in that respect, as has been indicated in other papers besides the one referred to by the Hon. Member.

TAX EXPENDITURES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since the Minister has asked for proposals, I will give him one. It concerns a subject that is not covered in any of the background papers. It is a subject that the Auditor General has referred to the Government and its predecessor a number of times. It is the $30 billion to $50 billion that go out each year in tax expenditures, mostly to corporations that have no accountability. Why is there not a paper discussing the tax expenditures, discussing the loopholes and the benefits that go to corporations without guaranteeing that we get jobs?

• (1430)

Mr. Clark (Yellowhead): Have it all ways, Ed.

Mr. Broadbent: Why isn't the Government having a hard look at this loss of revenue instead of cutting back on social programs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I indicated to the Hon. Member that I do propose to address that. I will be addressing that as part of the budget process this year. I would remind the Hon. Member—he puts the emphasis on these loopholes, as he calls them—that there are many so-called tax expenditures which are received by individuals with a wide range of income. I caution him to be very careful on how he addresses his question. Some of the people I am sure he would not want to attack are benefiting by some of these tax expenditures.

Mr. Braodbent: Bring in a minimum tax.

Mr. Wilson (Etobicoke Centre): We in this Party will be very very careful when we decide any changes in tax policy.

* * *

[*Translation*]

TRADE

CANADA-UNITED STATES TALKS

Hon. Jean Lapierre (Shefford): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Minister for International Trade.

[*English*]

As unbelievable as it sounds, three days after President Reagan appointed Mr. William Brock to be his personal representative in Canada-U.S. trade talks, the President yesterday promoted Mr. Brock to the post of Labour Secretary, putting these important trade talks on hold. I would like to know whether the Government was informed of this planned change in Quebec City, or was the announcement of these high level trade talks just another act in the public relations production?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would advise the Hon. Member that I was advised of the change prior to the public announcement being made.

[*Translation*]

INQUIRY WHETHER UNITED STATES REPRESENTATIVE WILL BE APPOINTED

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary. I know the Minister is supposed to be part of a team, but now it seems there is only one person on that team. Since the Minister is getting advance notice from the U.S. Government, I would like to know whether he is going to have a partner appointed to his negotiating team and when, in order to pursue these allegedly important negotiations he wants to conduct with the Americans.

[*English*]

The Minister does not know the answer.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I am quite satisfied that in due course my counterpart will be appointed by the American Government, and I am quite satisfied that he will be an excellent member of the new negotiating team.

Ms. Copps: How do you know it will be a he?

LABOUR RELATIONS

CANADIAN NATIONAL RAILWAYS LAYOFFS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a question for the Minister of Labour on the eve of the economic summit which, among other things, according to the rhetoric, is supposed to yield a new era of co-operation and cousultation. Does the Minister of Labour approve of Canadian National Railways laying off 400 people during a time when the unions and the company are in conciliation about a no-layoff clause? Does he regard that as part of the new era of labour management relations promised by the Prime Minister, namely, the laying off of 400 people when they are in conciliation about no layoffs?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am sure the Hon. Member would not expect me to comment upon actions taken, during conciliation, as he has just conceded.

Mr. Blaikie: Mr. Speaker, I was not asking him to comment on actions taken during negotiations; I was asking him to comment on actions taken by a Crown corporation that affect 400 families across the country.

GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, over 400 people were laid off with two weeks' notice, violating the spirit of the Canada Labour Code. This is the Minister of Labour. I want to know from him what he is going to do about that. Is the Government just giving us a lot of blarney about a new era of labour-management relations?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I will not have to raise my voice because the credibility of my argument will stand by itself.

Some Hon. Members: Hear, hear!

Mr. McKnight: The Hon. Member will understand that the Canada Labour Code provides protection for those workers, Mr. Speaker. If there has been a violation of the Labour Code, this Minister and this Government will operate under the statute.

* * *

SOCIAL AFFAIRS

CHILD TAX CREDIT—NEWFOUNDLAND GOVERNMENT PRACTICE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of National Health and Welfare. I would like to bring to the attention of the Minister current practice by the Newfoundland Government which is anti-women and anti-child, and, if not illegal, then certainly immoral. The Newfoundland Government has instituted a system whereby unemployed workers who need extra help with winter heating bills must sign a declaration to turn over all or

part of their child tax credit to the Government before any financial aid is provided. Will the Minister ask the Premier today to cease and desist this practice immediately?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to thank the Hon. Member for bringing this matter to my attention. This was not known to me. I will check into the matter right after the Question Period.

LOSS OF ELECTRICITY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, can the Minister give some positive answers today, and I hope he will be able to, to Shirley Parsons, a 34-year-old single parent of two, whose earnings from her part-time K-Mart job and unemployment insurance total less than $500 a month, whose monthly heating bill from the Newfoundland Light and Power Company averages $250, who will today have her electricity cut off because she will not sign, and whose pleas have been ignored by the Premier of Newfoundland himself?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am sure the Hon. Member knows that I cannot comment on a specific case. I have given her the assurance that I will check into the matter, and that assurance stands.

* * *

TRADE

UNITED STATES SUGAR QUOTAS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of International Trade. Has the President of the United States taken steps since last weekend to revoke the global sugar quotas as they affect Canadian companies that would normally be importing or exporting, if you want, into the United States?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would advise the Hon. Member that discussions are continuing between the two countries, and particularly so in light of the President's pledge to give and render whatever help he can to Canada with respect to exemption from the worst effects of the legislation.

EFFECT OF QUOTAS ON CANADIAN WORKERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is the Minister aware that there are literally hundreds of workers in Canada who have been affected detrimentally by the unfair imposition of those quotas? Is the Minister prepared today to approach the President of the U.S. one more time in an effort to get the Americans to live up to the obligation which they themselves claim they represent, that being not to restrict access unfairly to their markets?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I have advised the Hon. Member that we are well aware of the plight of the workers who are being laid off by this legislation. As I previously advised him, we are having discussions with the Americans to see what can be done to alleviate the situation.

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[*Translation*]

AGRICULTURE

INQUIRY WHETHER GOVERNMENT INTENDS TO PROPOSE NEW MORTGAGE PROGRAM

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Agriculture.

The economic situation has been a series of ups and downs in recent years, and a good many farmers are trying to cope with inflation and long-term loans. Can the Minister tell the House whether his Department, through the Farm Credit Corporation, intends to introduce a new farm mortgage program, something along the lines of the Small Businesses Loans Act, with a view to ensuring stability and protection for our essential agricultural industry?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member will know that this Government has introduced a number of measures to assist those in the agricultural industry. He will also know that this Government has introduced a number of specific measures directed to assist those farmers in financial difficulty.

The latest measure was the introduction of the shared risk mortgage plan which will go into effect on April 1. If interest rates increase by 5 per cent that will mean under the new plan the increase to the farmer would be shared on a 50-50 basis, to a maximum of 2.5 per cent. If it goes beyond that, then the federal Government assumes the additional cost.

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TRADE

PROPOSED EEC TARIFF ON BLUEBERRIES

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Agriculture, and I gave him notice of it. As he is aware, the Canadian Government imposed a quota on beef imported from the European Economic Community. In retaliation, the EEC is intending to place, on April 15, 1985, a 25 per cent tariff on blueberries. Would the Minister indicate to the House what he and his Government intend to do in order to protect this very important industry in Nova Scotia?

● (1440)

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member raises a very serious question. Indeed I share his concern. Of course action has been taken as a result

of the Government making a very responsible decision and invoking a meat import law. At the moment negotiations are continuing between Canadian negotiators and those on behalf of the EEC. I am hopeful that we will reach a decision which will leave us in a position where we would still assist the Canadian beef industry, but not at the expense of other producers.

EFFECT ON EMPLOYMENT IN NOVA SCOTIA

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I hope the minister will not play one region off against another, or one industry off against another. I remind him that there are 800 full-time jobs in Nova Scotia.

Would the minister indicate to the House who are our negotiators in Brussels? What is the Cabinet directive which he has given them to complete the negotiations? Will he assure the House that the blueberry industry in Nova Scotia will not receive any economic sanctions as a result of allowing this 25 per cent tariff to take place, if in fact it does take place?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I ask the Hon. Member to respect the fact that indeed negotiations are under way. They will continue, and we hope to reach a satisfactory decision. The Hon. Member can be assured that we will not play one region against another, because the Government of the country changed on September 4 last.

* * *

FISHERIES

FISHING VESSEL INSURANCE PROGRAM

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Deputy Prime Minister, the chief chopper of the Conservative Party. He will be aware that his committee has recommended the destruction of the Canadian Fishing Vessel Insurance Program. This program affects fishermen on both coasts. There are now 10 days remaining for fishermen to make a decision on whether to find private insurance or to learn whether they will have public insurance through the Government of Canada program. Many fishermen face the possibility of losing their vessels and 100 per cent increases. What will the Government do for those people who will lose their vessels or pay extremely high rates for private insurance, if the Government does not continue the program?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the preamble to the Hon. Member's question is a dishonest portrayal of the actual facts. Where he gets the basis for citing a recommendation, I know not. I can tell him that the first report of the Task Force on Program Review is now in the Cabinet process and is being considered.

PROGRAM REVIEW

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, it is ironic that 1,500 Newfoundland fishermen and other fishermen in the country have been told by the Government of Canada that that public program is going down the drain. However, it will not confirm it, and we are now within 10 days of April 1. How can the Minister sit there and deny that the restraint program, which his committee is forcing upon other government Departments, includes the dropping of this program when there has already been a Government of Canada announcement that that is the intention?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the exercise which the Task Force on Program Review has under way is not a restraint program. It was decribed in the press release of September 18. If the Hon. Member would refer to that wording, he might bring himself up to date. It has been described by me in the House of Commons as an exercise to improve delivery of programs, over 1,000 of them, to client groups; to eliminate overlap; to eliminate duplication; to foster better relations with the provinces; and to improve efficiency. Now, much to their despair, it might result in some savings. However, if those savings result, all the better for the Government, it seems to me. What we are doing, in a word, is injecting management and order into the affairs of the Government of Canada.

* * *

CANADIAN NATIONAL RAILWAYS

PLIGHT OF PENSIONERS

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, my question is directed to the Minister of Transport. I am sure he will recall, in the dying days of the last Parliament, that strong assurances were given by the Standing Committee on Transport to Canadian National pensioners that their problems, and indeed what they feel are injustices, would be dealt with quickly by Parliament. When might the reference be made to the standing committee to deal with this problem?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am glad the Hon. Member raises this question. It is true that it is a matter which preoccupies the Government, that is, the issue of CN pensions. For some time now the terms of reference for a referral to the standing committee have been in the hands of both opposition Parties. I understand the NDP has agreed. However, the Liberal Party seems to be stonewalling the issue. I wish it would make up its mind. At the present time its lack of concurrence is holding up the referral of this very important matter to the Standing Committee on Transport.

[*Translation*]

RAILWAYS

CN LAY-OFFS

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Transport. Before asking the question, I want to assure the House that the remarks he just made do not reflect the reality, if this issue can be resolved in parliamentary committee, and the Liberals are anxious to find a solution to the CN staff pension problem. My question has to do with CN workers laid off by this Government, not with retired CN employees. I would ask the Minister to explain why 474 CN workers have just been laid off, considering that in answer to a question I asked him on February 26, the Minister assured me and the House that negotiations between the company and the employees were ongoing and that CN workers did not have any reason to be concerned over job security. How come they have now been laid off?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, in response to the first part of the question, I hope I can take the Hon. Member's assurance as giving approval to the reference to the standing committee. It would be a signal which would allow the work of the standing committee to begin examining CN pensions. I hope he has the support of his colleagues, particularly that of his House Leader.

With respect to the second part of his question, it is not the Government which has laid off 474 workers; it is the management of CN. The reason the layoffs took place is simply because there has been a tremendous fall off in traffic—a 30 per cent decline in grain traffic, a 12 per cent decline in coal, and the prospects are not very promising. I do not think anyone is happy or pleased about the layoffs. I have asked the President of CN to ensure that all matters relating to labour adjustment, early retirement, and all such things will be taken into consideration so that the impact is not severe.

[*Translation*]

TRANSFER OF RESPONSIBILITY FOR CN EMPLOYEES TRANSFERABLE TO VIA RAIL

Hon. André Ouellet (Papineau): Mr. Speaker, I think the Minister said in his answer that he had given guidelines to the CN. I am not sure if that is what he said but, in any case, the Crown corporation legislation provides that if the Minister issues guidelines he must table them in the House. I would therefore ask the Minister to explain how it is that, in the Montreal region alone, some 10,000 jobs in transport and aeronautics may be lost as a result of cutbacks announced by the Government.

With that in mind, is the Minister prepared to issue guidelines to Crown corporations, particularly the CN, so that there will be no lay-offs until the matter of transfer of responsibilities of CN employees who might go to VIA Rail has been settled? Second, is the Minister—

Mr. Speaker: Order, please, I heard one question.

Mr. Ouellet: Second, is the Minister prepared to—

Mr. Speaker: No, no! That is enough!

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member is really confused. I think it would take a Houdini to sort out his convoluted question. The fact of the matter is that he is mixing up the VIA Rail issue which, quite frankly, has nothing to do with the layoffs ordered by CN management relating to the fall off in traffic. I should remind the House that VIA will be hiring more people than the 225 laid off in the original instance, thanks to the restoration of rail passenger service.

● (1450)

Some Hon. Members: Hear, hear!

Mr. Mazankowski: The Member talked about directives from the Minister to the management of CNR. Naturally the CNR advised me about their intention regarding the layoffs. I asked for assurance that they will take every necessary precaution to ensure that the impact will be minimal and that early retirement and all other avenues related to labour adjustment will be taken into consideration.

Mr. Speaker: With great respect to the Minister, fair is fair.

* * *

FARM CREDIT CORPORATION

APPOINTMENT OF LAWYERS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Agriculture. It relates to the matter of patronage. Earlier in Question Period today the Minister of Finance said that he believed that the Government could cut costs. Can the Minister of Agriculture explain how, by changing, name after name, lawyers working for the Farm Credit Corporation, and the fact that officials have said that this is disruptive to the process and that it is necessary to train these lawyers, will cut government costs?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I want to put the Hon. Member's mind at ease. He will find that indeed some of the changes that have taken place and will take place will result in extremely competent lawyers in the FCC. The lawyers that will be appointed or recommended will not require any training process whatsoever.

Mr. Hnatyshyn: Unlike the NDP, they will have their degrees.

Oral Questions

GOVERNMENT APPOINTMENTS

Mr. Rod Murphy (Churchill): Mr. Speaker, my following question is directed to the Deputy Prime Minister, although I hear the quips of the Government House Leader. It is interesting to note that Hnatyshyn and Company is one of the new firms getting business.

Mr. Hnatyshyn: Great lawyers.

Mr. Murphy: Changing firm after firm of lawyers, whether it be CMHC or FCC, is costing Canadian taxpayers money. It is creating delays and creating loss. How can the Government keep doing that? When is the gravy train going to stop?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I can do no better than to reiterate the response that was given by my colleague, and to assure the House that only the highest level of professional ability and skills will be retained to discharge the responsibilities in that regard which, I am sure, they will do far more efficiently and at much less cost.

* * *

LABOUR RELATIONS

AIR CANADA—HIRING OF PART-TIME WORKERS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Minister of Transport. With respect to the negotiations between Air Canada and the Canadian Airline Employees Association, Air Canada demands layoff of full-time passenger agents before part-time workers and unlimited hiring of part-time workers at a salary cut of 20 per cent and for a 12-hour week, leaving part-time workers ineligible to receive unemployment insurance benefits. Is this how the Minister plans to honour the Government's commitment to affirmative action?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as you know, there are negotiations that are currently under way on that issue. The point that has been made by the Hon. Member is somewhat inaccurate. I have asked Air Canada about this because it arose in an earlier question. They have assured me that such is not the case.

EMPLOYMENT EQUITY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my supplementary question is directed to the Minister of Employment and Immigration. Given that Crown corporations are part of the Government's employment equity proposals and that whatever Air Canada proposes, which is much closer to what I said, is a backward step affecting 2,700 workers, 66 per cent of whom are women, does the Minister accept this kind of a backward step? If not, can she give some idea how the Minister and her staff can stop this regressive step with regard to women and affirmative action?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am sure the Hon. Member was in the House when we discussed this issue with regard to employment equity the other day. She knows that Crown corporations are being asked to have implementation plans ready by September of this year and that they will be required to do their first reporting within a year following that. I know that Crown corporations are going to take that mandate very responsibly and they are going to see that work that was not done, and what was not enforced by the previous régime, will now be carried out.

* * *

CONSUMER AFFAIRS

STUDY OF INCOME TAX DISCOUNTERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct my question to the Minister of Consumer and Corporate Affairs. We were told that income tax returns are being processed earlier than ever. Almost a half million low-income Canadians get their income tax refunds cashed by the tax discounters. Given that this is being done so quickly, the 15 per cent rule will really give the discounters an interest rate of 200 per cent. They will earn about $90 million this year. Has the Minister yet completed the study that he promised, and when we will get some action to stop this kind of rip-off?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have previously indicated that we are now in the process of completing these consultations, that part of these involved the provinces, in view of the fact that it is at their request that the legislation had been introduced in the first place, and that as soon as these consultations are over, we would gladly introduce legislation to that effect.

[*English*]

PROTECTION OF LOW-INCOME MOTHERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, it is obvious that those consultations will not help these people this year. Since federal legislation already prohibits the transference to third parties of family allowance, old age pension, and Canada Pension Plan cheques, so eliminating the tax discounters from profiting from any part of those benefits, will the Minister consider extending the same regulation at least to protect those low-income mothers whose entire tax refund comes from the child tax credit?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I can tell my hon. friend that we will be pleased to consider each and every possible way to improve this legislation.

[*English*]

FORESTRY

BUDWORM INFESTATION IN NORTHERN ONTARIO

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of State for Forestry. Millions of acres of northern Ontario forests are threatened by jack pine and spruce budworm infestation, involving hundreds of millions of forest products and tens of thousands of jobs. Is the Department now recommending that a control program be put in place?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I certainly share the concern of the Hon. Member about the kind of devastation that follows an onslaught by spruce budworm or the pine budworm. We have been working with the Department of Natural Resources on that issue. A great deal of research has been done on it. We tried to help in the process of getting chemicals and BT re-registered. The decision, however, will rest with the provincial Government on whether to have a spray program. Naturally we have been working with that Government.

USE OF BIOLOGICAL INSECTICIDE

Mr. Maurice Foster (Algoma): The Department of Agriculture has already approved the BT biological insecticide and consultations have taken place throughout northern Ontario. Still the Ontario Government procrastinates on making a decision on whether to implement a program. Will the Minister contact the Ontario Minister of Natural Resources and urge on him an immediate decision to go ahead with the control program, in view of the millions of acres of forests which are at stake and the hundreds of thousands of jobs involved in the whole matter?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, the Hon. Member can rest assured that we have been negotiating and discussing this matter with the Minister of Natural Resources. I again wish to reiterate that the decision will rest with that level of Government. Public hearings have been held on the use of that. Certainly we encourage that, if that is the wish of that Government.

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REGIONAL INDUSTRIAL EXPANSION

NEGOTIATION OF ERDA AGREEMENT WITH BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is addressed to the Minister of Regional Industrial Expansion. Word is out the negotiations are not going too well with British Columbia. In fact the Minister is no longer going to sign the ERDA agreement for $650 million. The ball is rolling back the other way. Can the Minister give the House an update? Are we at $500 million, or $400 million? Where does ERDA now stand with British Columbia?

Business of the House

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member will be pleased to know that negotiations have proceeded extremely well as far as the ERDA agreement with British Columbia is concerned. I believe that an announcement will be made very shortly.

● (1500)

Mr. Fulton: Mr. Speaker, I have a very short supplementary question to ask the Minister of State for Forestry. I wonder if he could rise and tell the House whether or not British Columbia has now agreed to sign a five-year $300 million Canada-B.C. reforestation agreement. While he is on his feet—

Some Hon. Members: Short.

Mr. Fulton: Mr. Speaker, could he confirm that?

Mr. Speaker: With due respect, I do not believe the Minister will get to his feet at all because that is not a supplementary question.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, March 20, 1985, meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Laval-des-Rapides (Mr. Garneau) and the Hon. Member for Western Arctic (Mr. Nickerson) do not meet the requirements of the Standing Orders as to form.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader to tell us what business he intends to call for the coming week. I would also like to have the Government House Leader confirm that neither he nor the Minister of Transport need the prior consent of the Liberal Party in order to present a motion to the House to refer to a committee the question of the CN pensioners. I would ask him when he will do that and take on his responsibilities.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, as the Hon. House Leader for the Official Opposition will know, I take my responsibilities with great seriousness. I try to consult with him in particular with respect to expeditious dealings regarding House business time. Indeed, he will know that I did give him a draft resolution with respect to the reference to committee of the CN pensioners motion for his approval in consultation with the very distinguished Party

critic. As the Hon. Member will recall, the purpose of that was to make sure that we could have the matter referred to the committee forthwith and not necessarily utilize the time of the House for debate on a motion which may not be to the satisfaction of the Official Opposition. It was purely from the point of view of trying to conduct affairs on a co-operative or consultative basis that I presented the draft to the Hon. House Leader some time ago.

I understood that I was to receive a response regarding the suitability of that motion. To this point in time I have not yet received a response. I believe the Party critic indicated today during Question Period that he is satisfied with having the matter go ahead by unanimous consent without debate when presented. I will try to make arrangements for a mutually satisfactory time to have the matter brought to the House.

With respect to the House business for the forthcoming week, I would like to take this opportunity to announce that Monday, March 25, will be the seventh and final allotted day in the current period of supply. There will therefore be votes on supply at the end of Monday.

With respect to the business for tomorrow and the rest of next week until the next House business statement is made, we will conlcude the consideration of the second reading stage of Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act. Following Bill C-24, the House will begin debate at second reading on Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms. Following Bill C-27, I will call Bill C-19, an Act respecting the reorganization of Bell Canada.

It is anticipated that the Small Businesses Loans Act, Bill C-23, will be reported back from committee in a few minutes' time. There continue to be discussions between the Parties with respect to the disposition of this Bill, and depending upon the outcome of those discussions, I may make a further announcement later this day with respect to the business for tomorrow. I believe the Official Opposition is satisfied with the arrangement that was discussed by the critics and we are waiting to see if the New Democratic Party agrees to the disposition of that Bill tomorrow.

As always, we will monitor the progress made with respect to the business that I just outlined, and if any changes are to be made, further announcements will be forthcoming.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, with regard to the matter raised by the Hon. House Leader for the Official Opposition, the question of pensions, I would suggest that it would be to everyone's advantage, including the pensioners, for the Official Opposition to indicate its position now. If so, we could have the motion brought forward. We agreed some weeks ago to proceed with this matter and we anticipated that it would be proceeded with expeditiously, knowing that there are many pensioners who hope to benefit as a result of the changes that we hope will take place.

Mr. Gray (Windsor West): Mr. Speaker, first I would like to clarify some of the things mentioned by the Hon. Government House Leader. With respect to the Government's intention to present a motion to refer the CN pension situation to committee, we would like to see that done. If a motion is presented, we will have it dealt with expeditiously. We believe there should be a limited period of time for debate, perhaps one or two speeches per Party, and I think that would be a way of having it move very quickly to committee. However, there are some points that we think should be put on the record of the House of Commons regarding this important matter.

Second, I would say to the Government House Leader with respect to Bill C-23, the Small Businesses Loans Act, that while our critic has told me that he has received suggestions from the Minister responsible, he has not yet recommended an agreement. We are continuing to consult and I will be in touch with my hon. friend in that regard in the course of the day.

Mr. Hnatyshyn: Mr. Speaker, I do not want to take any more time of the House except to say that I appreciate having the information with respect to the response of the House Leader of the Official Opposition regarding the CN pensioners' matter. I certainly will give the matter some consideration. I had thought that there would be ample opportunity in a very high-profile committee setting for Members of the Official Opposition to make their position known abundantly. That was the very purpose of trying to facilitate the passage of that motion through the House without using time which could be utilized on other issues. That is why I made the suggestion that we do it without debate. I will discuss the matter with my colleague, the Minister of Transport (Mr. Mazankowski), and with the House Leader for the New Democratic Party immediately. We will try to get some action on this on behalf of those many, many Canadians who are affected by this important study.

ROUTINE PROCEEDINGS

[*Translation*]

REGIONAL DEVELOPMENT

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE

Mr. Guy Ricard (Laval): Mr. Speaker, I have the honour to table in both official languages the second report of the Standing Committee on Regional Development.

* * *

[*English*]

ELIMINATION OF RACIAL DISCRIMINATION

18TH ANNIVERSARY OF INTERNATIONAL DAY

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, it is with a great deal of pleasure that I rise in the House this afternoon to make a statement regarding

International Day for the Elimination of Racial Discrimination. As most Members know, today is the 18th anniversary of the International Day for the Elimination of Racial Discrimination which the United Nations called upon its member states to observe annually as of March 21, 1967. Canada is also supporting the second decade of action to combat racism and racial discrimination adopted by the United Nations last year.

Comparatively, Canadian society is fundamentally tolerant and accommodating of the cultural and racial diversity that has become an increasing part of our social landscape and has enriched our lives as Canadians. We should not, however, be lulled into complacency. Racial discrimination is still present in our society, as numerous studies, such as *Equality Now* and the Abella report on *Equality in Employment*, have testified. There is, therefore, a need to be ever vigilant.

● (1510)

Canadians are determined to eliminate this phenomenon from their midst. The coming into force of Section 15 of the Charter of Rights and Freedoms on equality rights on April 17, and Section 27 on the preservation and enhancement of the multicultural heritage of Canadians, are major steps that will afford better protection to minorities, including cultural and racial minorities.

The Government is committed to creating a climate of mutual tolerance among Canadians so that all of us, irrespective of our racial or ethnic origins, can contribute to and participate fully and equally in the life of our country for the benefit of all of our society. This commitment is clearly demonstrated by the number of major initiatives which we have undertaken in response to both the Abella and *Equality Now* reports.

The Government's positive response to the Abella report is a major step toward eliminating racial discrimination in federally-regulated employment. For example, visible minorities will for the first time be a target group for employment equity in the federal sector. That is a major breakthrough, since employment is such a critical part of life in our society.

The current deliberations of the Canadian Radio-Television and Telecommunications Commission in the report entitled *A Proposal for an Ethnic Broadcasting Policy for Canada* will certainly reinforce the multicultural fabric of our nation.

The Government will also work co-operatively with other jurisdictions to eliminate discrimination. The Government is sponsoring the first Federal-Provincial-Territorial Conference on Multiculturalism, which will he held this May. That conference will explore how this co-operation can best be achieved. We are also discussing with the Federation of Canadian Municipalities what new initiatives can be undertaken to address the issue of racial discrimination at the municipal level.

Last October, Multiculturalism Canada and the Canadian Association of Police Chiefs co-sponsored a successful national symposium on policing in multicultural-multiracial urban communities. As a result, the association is making this the theme of its next annual conference, which will be held later this year, as part of its follow-up commitment.

In addition, we will continue to develop further new initiatives in a number of social areas that will make Canadians and their institutions open and equitable for all citizens, irrespective of their racial, ethnic or cultural backgrounds.

Canadians are realizing that Canada has become a culturally and racially diverse nation, populated by talented and capable people from all parts of the world. The people of a nation are its most important resource. The richness of our diversity is certainly our greatest asset which, allowed to flourish to its fullest potential, can benefit us all.

Canada as a nation has an enviable reputation in the world of which we can all be proud. Let us all work together to make it better.

Some Hon. Members: Hear, hear!

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I want to begin by thanking the Minister for giving us an advance copy of his statement. He will know that a week ago I was critical of one of his colleagues because I did not receive that statement in advance. I want to give credit where credit is due. As the Minister knows, providing advance copies permits members of the Opposition to comment more constructively and with more meaning on these statements.

I would also like to thank the Minister for making this statement in the House. By doing that, he gives the House of Commons an opportunity to make pronouncements on very important matters and to state before the Canadian people that this House is against all kinds of discrimination, especially racial discrimination.

Some Hon. Members: Hear, hear!

Mr. Allmand: It is very important for all of us to show leadership in this respect. As the Minister pointed out in his statement, although much progress has been made in this country, problems still exist. Last year in the City of Montreal there was a serious problem with respect to our black taxi drivers, and a commission was set up by the provincial Government to deal with that problem. I also raised in this House the problem of a young black man who was refused entrance to a café in the City of Montreal. Problems still exist, and we must be ever-vigilant in dealing with those problems.

There have been countries in which great progress has been made. However, during times of unemployment and other crises there is always the tendency for this ugly side of humanity to express itself, and consequently we must forever work on these matters.

Today the Minister has principally dealt with racial discrimination. However, there are many other kinds of discrimination which are just as odious—religious, ethnic, linguistic, sexual and the discrimination against the handicapped. Recently in Canada we saw the terrible experiences of the Zundel trial and the Keegstra case in the west in which

discrimination was expressed against our Jewish brothers. Together we must bring in amendments to the Criminal Code with respect to hate literature. Also, during the last election campaign I noticed a backlash against some of our immigrant groups in Canada, especially the Asian and black people. I am afraid that there are still issues of linguistic discrimination for minorities in the Province of Quebec, and francophone minorities in other parts of the country.

Those of us who have been at the hearings of the Standing Committee on Indian Affairs and Northern Development over the last couple of weeks when it has been discussing Bill C-31 will know of the many sad stories which were put before that committee. It gives us a real education regarding the discrimination which exists against Indian and native people in the country. If there is one area where there is a major problem, it is in the discrimination which is practised against many of our Indian and native people. When we visit our large cities and see the ghettos in which Indian people live and the problems that they have with employment and many other matters, it is obvious that that is one of the principal areas in which we must take action, whether it be in housing, education or other areas.

The *Equality Now* report to which the Minister referred was a major report of the last Parliament. It was a unanimous report of all Parties of the House. It was tabled a year ago with 80 recommendations. I am pleased to see that we are now beginning to move ahead to implement those recommendations.

It is interesting to note that in the last Parliament there were several committees and commissions which dealt with discrimination. The *Obstacles* report dealt with problems of the handicapped and the *Equality Now* report dealt with problems of visible minorities. The Special Committee which I chaired on Employment Opportunities for the '80s dealt with the problems of minority groups. Chapter 11 of the report dealt with employment problems.

When the Government announced its response to the Abella report last week, I indicated that we were pleased with certain of the proposals which were definitely moves in the right direction. However, we were concerned by the lack of an enforcement agency and sanctions. We were also concerned that the contract compliance provisions would only apply to 100 out of approximately 30,000 businesses which deal with the Government. We were also concerned that the proposals would only apply to 800 out of approximately 4,500 federally-regulated firms. Nevertheless, these are moves in the right direction and we will watch closely to see what happens with respect to the measures which have been announced by the Government.

Section 15 of the Charter of Rights and Freedoms comes into effect on April 17. That will be a landmark—

Mr. Speaker: I regret to interrupt the Hon. Member, but I am afraid that his time has expired, unless the House will grant its unanimous consent for him to continue.

Some Hon. Members: Agreed.

Mr. Allmand: Thank you, Mr. Speaker. I would like to say that Section 15 has great significance because it will apply to all federal and provincial legislation. It will override any provincial or federal law which contains discrimination with respect to the target groups, including the visible minorities, women, senior citizens and so on. In his statement the Minister said that he would take action to get the provinces to comply in these matters. That is very important, because the federal Government only covers a small area of the total field.

I want to assure the Minister that we in this Party will give our full support in moving ahead in the fight against racial discrimination. The Minister will find that we will be behind any legislation which he introduces in this regard.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am pleased to join with my colleagues in recognizing the statement which was made today. Although this statement deals only with discrimination as it exists in Canada, I think we must recognize that we in Canada have a responsibility regarding discrimination in other parts of the world. We have to be ever vigilant against the tendency among those who would discriminate to force their will on what are frequently the minorities in other countries. It is unfortunate that we continually have to raise the problem of discrimination. That discrimination is not dead either here in Canada or in other countries around the world. It continues to rear its ugly head. It is only by virtue of these problems being constantly raised and by virtue of discussions we have inside and outside of this Parliament about discrimination which is practised not only in Canada but in other parts of the world, that we are able to cause those who would discriminate to jactitation.

● (1520)

It is important that we make those who would discriminate very nervous about their tendency and proclivity to cause harm to others who are perhaps unable to speak for themselves. Just today, for example, my colleague raised the situation in South Africa where 14 people were shot to death on the anniversary not only of the International Day for the Elimination of Racial Discrimination but on the twenty-fifth anniversary of the Sharpeville massacre. These 14 people were shot to death because they stood up against discrimination.

I want to say that this Parliament has an obligation to make known to the Governments of those countries with which we do business and which rely on us in many ways for the continuance of their economic well-being, that we will not sit idly by and watch while they undertake the kinds of measures which caused those 14 deaths. That applies not only to South Africa but to many other parts of the world. It applies, as Hon. Members will know, to the Soviet Union where we frequently find there is a measure of discrimination taken against individuals, particularly because of their religious beliefs, but not always.

As we recognize the day, we must also recognize not only the marginal successes—and there have been some—but the terrible failures. Although we stand up and say that this is an important day, the real importance of it will be measured only

when we can look inside and outside our country and see that the ugly head of discrimination has finally vanished from the international scene.

[*Translation*]

Mr. Gauthier: Mr. Speaker, in his comments the Minister reminded the House that racial discrimination still exists in Canada, and that we must try, with the co-operation of various agencies, to remove and extirpate this cancer from our society. I would like to ask the Minister the following question. Since the previous Government had a program to help people who felt their rights had been infringed upon, a legal aid program that provided financial assistance to people who wanted to take legal action to defend their rights before the courts, could the Minister inform the House whether, when he says that we are determined to wipe out this phenomenon, and considering the fact that Section 15 of the Constitution comes into effect on April 17, and that this section is directly concerned with the subject, he is prepared to recommend to Cabinet that the legal aid program be expanded to cover racial discrimination?

[*English*]

Mr. Murta: Mr. Speaker, that is a good question. It is certainly something which has been contemplated in the minds of many people in this country. I would think—and once again, I am not a lawyer—that given what most people expect to be an increased work load which will very likely be undertaken, some form of compensation or help will have to be looked at and considered by Parliament at some point in time.

Mr. Rodriguez: Mr. Speaker, not only are there problems of discrimination and racism which we attempt to deal with in Canada, but there are problems beyond the borders of Canada. In fact, the way we act often times carries a much more impressive message than the way we talk. I wonder if the Minister is prepared to look at some of our relationships with particular countries which practise, as part of their Constitution, racism and discrimination? I am referring to South Africa. Is the Minister prepared to use his influence within the Cabinet to make sure, for example, that South African Krugerrand gold coins are not imported into Canada and sold through Canadian banks to Canadian entrepreneurs?

Mr. Murta: Mr. Speaker, that question, I suppose, stretches the jurisdiction in terms of our discussion this afternoon. Certainly, the Cabinet itself, the Government and the House of Commons will want to do everything in their power to make sure that we are not only viewed properly outside of our country—which means, of course, cleaning up our own act; people are watching us from that point of view—but that we also show the world that we mean business in our outside dealings. I feel certain that Canada is well regarded in this area. The Hon. Member's comments will be taken into consideration. It is something with which certainly the Government itself would have to deal. At the present time, however, there is no indication that that will take place.

Mr. Manly: Mr. Speaker, this past week there was a story in the press about a hotel in Prince George where one of the people working in that hotel indicated there was a policy of refusing entrance to all of the Indian people from a certain Indian band in northern British Columbia. I understant that there has since been an official retraction but I suspect that this is really just the tip of the iceberg. This is a situation which pops up every now and again and we become aware of the kind of systemic discrimination which often takes place against Indian people in many communities across Canada.

Would the Minister undertake an investigation into the situation at Prince George in order to make sure that Indian people are not discriminated against when they try to get accommodation in that city?

Mr. Murta: Mr. Speaker, the matter raised by the Hon. Member is an important one. It also, I suspect, falls somewhat within the provincial jurisdiction. Nevertheless, we are concerned that there is discrimination in any part of Canada and anything we as a Government can do to help the minorities in this country who are discriminated against—and certainly Indian people fall right within that category—we will endeavour to do.

Our whole thrust in acting as quickly as we have on the Abella Commission report, which deals primarily with native groups, women's groups, the handicapped and visible minorities, is to ensure that when we go out to support a group of people which have suffered discrimination, we will have something there to talk about; that we as a Government in effect have cleaned up our act. Only then, in my opinion, can we go out and point the finger at various groups of people. We are very sensitive and concerned about the issue and I will endeavour to get as much information on it as I can.

• (1530)

[*Translation*]

Mr. Lapierre: Mr. Speaker, I also want to join my colleagues in congratulating the Minister on his statement. I think his declaration in principle . . . We are all for virtue and motherhood, but on page 2 of his statement, he again refers to the coming into effect on April 17 of Section 15 of the Canadian Charter of Rights and Freedoms. I would like to elaborate on what my colleague from Ottawa-Vanier (Mr. Gauthier) said about legal recourse.

The House is aware that the coming into effect of this section of our new Constitution is very significant for the enforcement of certain kinds of legislation. We know that, usually, victims of discrimination belong to minorities that, unfortunately, have too little clout. And now that the coming into effect of Section 15 of the Canadian Charter of Rights and Freedoms is imminent, could the Minister give the House the assurance that when Section 15 becomes effective, we will know whether he is prepared to put his money where his mouth is and ensure that, as he said earlier, the rights and freedoms of individuals are truly protected and that the legis-

lation is not just a piece of paper but a living reality for those Canadians who need this kind of protection?

To get back to the question put by my hon. colleague, we do not want to know whether there will be a program in a month of Sundays. What we want to know is whether, when the Bill receives royal assent, the Minister is going to put his money where his mouth is and ensure that a properly financed legal aid program will put some teeth into Section 15 of the Charter.

[*English*]

Mr. Murta: Mr. Speaker, that question would have been better directed to the Minister of Justice (Mr. Crosbie) because he is going to be the man dealing with this particular area. As the Hon. Member knows, the Minister of Justice has set up a select committee to study the charter and its implications. Of course, that will be something this committee will be dealing with.

To get directly to the Hon. Member's question, it is not practical, shall we say. We can all imagine the work load, because of the coming into effect of the charter, through a buildup of many different types of cases. None of us can envisage that without some assistance at some point in time, and certainly the Government will be looking at that, as I hope the Opposition and the committee itself will do, and the recommendations we receive will be dealt with.

Mr. Rodriguez: Mr. Speaker, in 1979 the UN Assembly designated the week beginning March 21 as the week of solidarity with people struggling against racism and racial discrimination. Indeed, today is the day that the City of Ottawa declared as the international day for the elimination of racial discrimination. So my question to the Minister is very specific and once again deals with our performance and something which gives us credibility not only in Canada but also outside Canada, that being the code of behaviour for Canadian companies operating in South Africa.

These companies are supposed to file an accountability report on their compliance with that code of behaviour. As far as I know, Alcan is the only company which has filed that annual report since it was instituted. Can the Minister promise this House that he will at least go back to Cabinet and demand that Canadian companies like Bata Shoe and Falconbridge comply with that minimum standard of behaviour for which we ask?

Mr. Deans: Which is required.

Mr. Rodriguez: Yes, it is required.

Mr. Murta: Mr. Speaker, my Cabinet colleagues involved in this particular matter, the Minister for International Trade (Mr. Kelleher), for example, and others are aware of this. We are in the process of monitoring the companies based on the work they do and how they deal with the conditions within South Africa.

Mr. Rodriguez: They are not monitoring very well.

Mr. Murta: As the Member knows, this is a very difficult situation.

Mr. Rodriguez: How?

Mr. Murta: Canadian companies—it is a difficult situation within South Africa.

Mr. Rodriguez: For them to file?

Mr. Murta: We are watching the situation and monitoring it.

Mr. Rodriguez: People are watching you.

Mr. Murta: I am sure that the Hon. Member will be satisfied with the outcome of the process which is taking place.

[*Translation*]

Mr. Lapierre: I must say I felt considerable concern when the Minister mentioned that the Minister of Justice (Mr. Crosbie) had a committee that was dealing with the legal aid program. Since his Ministry comes under the Department of the Secretary of State, Mr. Speaker, I think the Minister ought to know that at least in the past, the Secretary of State has always been responsible for the legal aid program, and there was no screening by the Department of Justice with respect to this program. Did the Minister mean to say that authority over the legal aid program has been transferred from the Secretary of State, who is supposed to represent minorities in Cabinet, and relegated by the Minister, now that he has lost his authority over the program, to officials at the Department of Justice—is that what he is telling me?

[*English*]

Mr. Murta: No, Mr. Speaker, I am sorry if I misinterpreted the hon. gentleman's earlier question. The heart and soul, as he says, of the protection of minorities in this country is now, always has been and always will be in the Secretary of State's Department. I can only tell the hon. gentleman that certainly if financial assistance is necessary—and we all expect it will be although only time will tell—the Government will deal with it in the most appropriate way possible in view of the fact that we are dealing with a very sensitive matter which involves minority rights and minorities across this country.

* * *

[*Translation*]

PETITIONS

CHANGE IN ECONOMIC POLICY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have the honour to present a petition signed by students of Laval University asking for a change in the government economic policy.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the following question will be answered today: No. 183.

[*Text*]

RESEARCH AND DEVELOPMENT EXPENDITURES ON HEALTH CARE

Question No. 183—**Mr. Stackhouse:**

What are the current government expenditures in research and development on health care?

Hon. Jake Epp (Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned:

In respect of the National Health Research and Development Program, $18,077,000 is being spent in the 1984-85 fiscal year on research and development and related scientific activities in the health care field.

In so far as the Medical Research Council is concerned:

In the fiscal year 1984-85, $153,200,000 is being spent in research and development related to health care.

[*Translation*]

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I ask that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be now read the second time and referred to the Standing Committee on National Resources and Public Works; and the motion of Mr. Hockin (p. 3227).

Hon. Jean Lapierre (Shefford): Mr. Speaker, I am very pleased to rise again in this debate. Yesterday I had an opportunity to urge the House to consider the possibility of allowing a six-month delay before Bill C-24 becomes law. Unfortunately, the way things are this afternoon, Mr. Speaker, parliamentarians have a sword of Damocles hanging over their heads, and once again we must conclude that tyranny by the majority prevents us from properly debating this measure.

• (1540)

In view of their overwhelming majority, Mr. Speaker, our colleagues opposite have decided once again to gag us, to impose closure on a Bill which is of vital importance to many Canadian families. Not only did they choose to drop a program which is very important in many localities in Canada—in mid-November to boot—but they also sprang this announcement on us without notice. They are now intent on preventing the House of Commons from giving due consideration to this Bill which concerns many families in all ridings.

Sure enough, the Government did not pay much attention to our speeches so far, and no amendment is forthcoming to make sure that the Canadian Oil Substitution Program will be extended until some time in September or October instead of ending on March 31. Mr. Speaker, when the Government is primarily concerned about the fact that March 31 marks the end of the fiscal year, we seriously wonder just why it announced in the middle of November that March 31 will be the end of a program which directly involves the construction industry as well as electrical and home heating contractors.

Mr. Speaker, you will certainly agree that if you were planning to replace your furnace, you would not do it in the middle of February. If you were planning to convert to natural gas, it is not at this time, when the ground is still frozen, that gas lines would be installed.

The people who are supposed to have all the answers therefore did not realize that, by cancelling a program in the middle of winter, they would prevent Canadian men and women who wished to use the oil conversion program to do so and would take away for all practical purposes, their opportunity to use the program.

During the debate, I heard many Members say that people have known of this deadline since November. I am pleased to see the Minister of National Health and Welfare (Mr. Epp) among us since he is supposed to care about what happens to the poor in Canada. Since the grant did not cover 100 per cent of conversion costs, the Minister should realize that many families could not, in such a short time, put aside the money needed to undertake such a project. Many families could not afford to undertake immediately a project which could cost thousands of dollars. The word discrimination was mentioned a few moments ago, Mr. Speaker. Bill C-24 indeed discriminates against all those who were unable to save enough money between November and today to undertake conversion work in

their homes, and it is also discriminatory to provide so little time until the deadline, especially since the public was convinced that the program would be maintained until December 31, 1990. Because of this, I know of many people who had planned major renovations in their homes for next summer, but who were waiting until then to convert their heating system and stop being dependent on oil.

Mr. Speaker, I am convinced that the situation is about the same in the Témiscamingue (Mr. Desjardins), and I am convinced that the situation is about the same in the Témiscamingue constituency. I can see the Hon. Member for Témiscamingue (Mr. Desjardins), and I am convinced that there are families with the same problems in his riding. It is quite cold in that region, and I am certain that very few people converted their heating system in February or March of this year. All these people will therefore be unable to apply under the oil substitution program.

Mr. Speaker, this is a matter for concern since natural gas has just become available in certain regions. And we know how people are unwilling to accept changes. Those people who have just become users of natural gas—and the Minister of Energy, Mines and Resources (Miss Carney) who is in this House, will confirm that many areas of Canada and especially Quebec have just been connected with the natural gas system and that her department's interest in helping to finance the laying of natural gas branch lines was of course to have industrial conversions. But her department was certainly expecting several residential conversions. Instead of slashing the program, the Minister should realize that such conversions could not be carried out during the winter. She should know of course that the ground is frozen hard in most parts of Canada, except perhaps in Vancouver, Mr. Speaker. But in all other regions, and certainly the Minister knows the situation in the Eastern Townships, for instance, because she herself has provided money for the installation of natural gas branch lines, she should realize that there was not enough time for people to make the conversion, that her announcement implied in the statement made by the Minister of Finance (Mr. Wilson) came too late, and that the entire construction industry, the electricians and the natural gas people, are asking that the program's termination date be changed.

Mr. Speaker, there are a number of reasons for requesting such an extension. By creating as she did an emergency situation, the Minister has actually caused what is called a shortage of equipment in many remote areas of Canada, where equipment can only be shipped by boat.

Miss Carney: It is a money shortage.

Mr. Lapierre: Mr. Speaker, I hear the Minister say it is a money shortage. She is a Member of Cabinet and she lets her colleague the Minister of National Defence (Mr. Nielsen) spend $56 million on army uniforms. The Minister should be ashamed of referring to a shortage of money. When she lets the Minister of National Defence buy planes, at $10 million a piece, for her to travel around she should be ashamed! And if she has no power in Cabinet, if she does not have enough clout to save her department's money, she should not come in this House and try to insult Opposition Members who have concern for Canadians, Mr. Speaker.

I am happy to see the Minister here, because we are going to tell her what the people in our constituencies think. Our constituents are saying that the Minister knows nothing about construction, that she does not know that a heating system is not to be converted during the winter, that she does not know that we have just been provided with natural gas. But this is what we want her to hear today. And I am pleased, because Hon. Members in her own party do not look as though they were going to tell her. Since I have been listening to this debate, Mr. Speaker, very few Conservative Members have participated. They will not have me believe that the situation in their constituencies is any different from what it is in ours. They will not convince me for instance that the CHIP Program in their constituencies is having less success than elsewhere.

She is also talking about terminating the Canadian Home Insulation Program next year. A program that has met with an interesting success, for which her department had set a goal of 5 million homes. Now this program is halfway through, with 2.5 million homes that have been insulated. Does she intend to convince me that all of the other 2.5 million homes will be insulated in the coming year? I would like to believe that, Mr. Speaker, but I feel she is deluding herself. To that extent, it is amazing how far the Government will go in the way of cheese-paring. That program allowed thousands of Canadian home owners to conserve energy. Is there anything wrong with Canadian men and women conserving energy? It has helped us reduce our oil dependency. And it is an illusion to think that because there has been a slight decrease in the price of oil, this will last forever. I believe Canada cannot afford to depend too much on any form of energy. And the diversification effected by the program was precisely intended to reduce Canadian dependency on any one form, or a number of forms of energy. And in that sense . . . I see that my friend from Champlain (Mr. Champagne) is arriving. I am sure that he will tell you, Mr. Speaker, about the negative effects his riding will get because this program is cut off. I am sure that he will refer to the electrical contractors, the plumbers and the people installing heating systems who tell him that it is senseless to cut it off in the middle of March because it is in the spring and in summer that construction is carried on in the constituency of Champlain. It is only in the constituency of the Minister that the work can be carried throughout the year, Mr. Speaker. This is the reason why she may not understand the ill effects of those cuts. Now the government has decided to muzzle the Members—

Mr. Speaker, you are telling me that the time allotted to me is unfortunately expired. I could have told you about the negative effects of the unilateral decision taken by the Minister but unfortunately due to the callousness of that government and because of closure, I am unable to continue my remarks on such an important issue.

● (1550)

[*English*]

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate this opportunity to speak briefly on Bill C-24. At the beginning of my remarks I would like to express a certain degree of frustration with the way in which things are going. On the one hand, there seems to be a great deal of publicity and media attention given to the Prime Minister's meeting with President Reagan which accomplished very little for the Canadian people. On the other hand, we are here debating cut-backs that are of basic importance to thousands of Canadians across the country and it seems that it is being done almost in a vacuum.

This Government seems very successful in one respect in that it is accomplishing media events. It does not seem to be directing its energy toward tackling the fundamental problems of our economy. When it does address the economy, it usually does so in a backward move.

We have to ask why the Government is taking such a penny-wise, pound-foolish approach to the economy. The Government ostensibly gives the reason that it wants to cut back on the deficit and that is why the Government is cutting programs like this one which, as Members opposite acknowledge, have performed a useful function over the last few years. The Tories acknowledge they have been good programs and have helped Canadians. Yet the Tories cut these programs because they say they are concerned about the deficit. If they are so concerned about the deficit, Mr. Speaker, I wish they were a little more careful about the way they use government executive jets. It was reported in the news paper last week that some Cabinet Minister had to fly to Vancouver on a jet at a cost of $19,000. We have, on the one hand, this kind of extravagance and waste and, on the other hand, we are cutting back on programs that will affect the well-being of the ordinary people.

We can look at the issue that was brought up by one of my colleagues, the question of changing lawyers for the Farm Credit Corporation. In spite of the answer given by the Minister of Agriculture (Mr. Wise) today, there will be a training period required, and this will be a further expense.

We see the Government cutting programs of demonstrated value. In addition to the two we are talking about today, I can cite such programs as the fishermen's insurance, which my colleague, the Hon. Member for Comox-Powell River (Mr. Skelly) brought up today, or the cuts in the residential rehabilitation assistance program.

The programs we are talking about today covered by Bill C-24, involve oil substitution and the Canadian Home Insulation Program. These programs have been fundamentally beneficial to Canadians and have helped the economy. I would like to suggest at least three ways in which these programs have been helpful.

First, they have reduced our consumption of oil. As we all should know, oil is a finite resource. The National Energy Board has estimated that by the year 2005 our production of conventional crude will be about 28 per cent of what it is today.

Second, these programs have provided jobs all across Canada. They have provided jobs for people involved in insulation and retrofitting.

Third, these programs have benefited the economy because they has enabled home owners to save on their heating bills.

It is important to stress that when the home owner is able to save a little bit of money and when money is tight in most households, that money will go into other sections of the economy. The money will keep circulating rather than going to the oil companies.

These programs are popular. The Canadian Oil Substitution Program is now halfway through its projected mandate. It was supposed to run to 1990. It is more or less on target in terms of its projection, but instead it will be terminated at the end of March. It is interesting that the gas contracting firms are complaining now about the haste with which COSP has been terminated and the waste this creates because a lot of people have been trying to get in under the deadline in order to take advantage of the program. People have made applications and the gas companies have been trying to put in lines in the middle of the winter, a most costly and wasteful approach. At the very least the Government could have given a little more notice. That was the substance of the motion we moved last week when we asked the Government to give the Bill an extra six-month consideration.

On Vancouver Island people suffer a double penalty. This has been pointed out before. People on Vancouver Island were not able to take advantage of the program until 1983 because there was a lot of thought that a natural gas pipeline would be built to the Island. When the program first came into effect, it was put on hold after a few weeks, and it was not until 1983 that people were able to take advantage of COSP when they went of oil to electricity or to wood stoves, or whatever.

It has been reported that by helping people to move off oil COSP has saved 15.3 million a barrels of oil a year, enough oil to heat 650,000 homes. Between 1981 and 1985 COSP provided 16,750 jobs. Now when we have 1.5 million people unemployed, perhaps the Government thinks that over 16,000 jobs is not very much and it can just forget about them. Every job is important.

The same is true for CHIP. Between 1977 and 1982 some 44,000 person-years of work were created by the program. The Oil Substitution Program was able to provide some 30.5 person-years for every $1 million invested. CHIP provided 53 person-years for every $1 million invested. The cost of a barrel of oil saved under this program amounted to something like $3

to $5. To bring in new energy sources it will be between $30 and $70 a barrel or its equivalent.

The Government is going ahead with these cuts, and we have to ask why. Before the election we never heard anything about this. The Government did not campaign on the platform that if it were elected it would cut the Oil Substitution Program and CHIP. The Tories promised jobs. Since the Government has been elected, we have not heard jobs, jobs, jobs, but cut-back, cut-back, cut-back. This last week we have heard just one word and that one word is "uncle", Mr. Speaker. This Government seems to be operating by public relations rather than on the basis of what is really needed for Canadians. I urge it to take a second look.

• (1600)

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I trust the House realizes that the Official Opposition's decision to oppose Bill C-24 was not made because we enjoy this kind of debate. We have very serious reasons for opposing the Bill, because we believe that the Government's approach to this matter is entirely unreasonable. I would like to elaborate, for your benefit and for the benefit of Government Members present, on our three reasons for opposing the Bill. First of all, we think the Bill is absolutely unfair because it means changing the rules of the game while the players are still on the ice, to draw a parallel with the sports world. It is exactly that.

Second, there are large regions that have not been able to take advantage of the oil substitution and insulation programs. I am thinking, for instance, of the area around Quebec City and the towns of Charlesbourg and Beauport. I will get back to this later on.

Finally, my third reason for rising in the House today is the fact that this Government, for the second time in its short existence, a Government with a majority of 211 Members against 80, even less than 80 on the Opposition side, is using closure, is gagging debate.

[*English*]

Since the November announcement of the demise of COSP, many consumers have been scrambling to take advantage of it before the March 31, 1985 deadline. Using the example of Consumers Gas of Ontario, I will try to illustrate the fact that gas companies are faced with enormous problems because of increased demand and the short time between the time when they received notice and the deadline. For fiscal year October 1, 1983 to February 28, 1984, Consumers Gas received close to 5,000 applications for conversions to natural gas. In the period from October 1, 1984 to February 26, 1985, it received close to 18,000 applications, of which 9,000 were made in January and February. Faced with this amount of demand, the industry cannot possibly install these systems by the March 31 deadline. This means that on April Fool's Day, a tremendous number of consumers will be left holding the bag.

There are many reasons the industry is having problems serving home owners. One reason is weather. It is extremely difficult to install gas pipelines when trying to dig through snow-covered ground. The problem in northern Ontario is even worse. Northern and Central Gas Corporation Ltd. stopped taking applications in December because it could not break through the frost-covered ground. The Canadian Gas Association approached the Government asking for an extension, as has Consumers Gas and other interested parties, and was turned down. Many solutions were proposed. It volunteered to cut off program applications at the end of January, as long as the Government gave companies and the home owners time to install all systems, but that was also turned down.

The bottom line is that the Government wants to cut off the money, no matter how many people want to convert to gas. The industry does not really mind, and perhaps some people in Canada would accept the cut-off of this program, but they would like it to be done in a more normal way. A phase-out is absolutely essential.

[*Translation*]

Mr. Speaker, there are certainly problems in Northern Ontario and elsewhere in Canada, but nowhere are they felt as acutely as in the province of Quebec. And I refer to the situation which exists in Quebec City and within the Greater Quebec City area, since not a single hon. member from the Progressive Conservative Party seems to be concerned about it.

Last November, this government announced two decisions which have greatly affected in a negative way the Greater Quebec City area. First it announced that it had cancelled all plans for the then forthcoming construction of branch lines to the natural gas pipe-line, affecting negatively the cities of Charlesbourg and Beauport, and also the Lauzon area and especially the Lauzon Point which could eventually be used for the development of an industrial complex. But to return to this program, not only were the Beauport and Charlesbourg area deprived of investments which would have enabled the industrial park and the residents of these densely populated cities to have access to natural gas, but also the plans for the industrial development which the construction of these branch lines would have made possible were aborted.

I have met personally the spokesmen for the Metro-Quebec Chamber of Commerce and this is one of the problems that were brought to our attention, that have been under consideration and the disposition of which was overdue. I am referring for instance to the establishment of a separate board of directors for the airport and to the upgrading of the Quebec-Montreal railway lines.

But coming back to the matter now under consideration, these areas of Charlesbourg and Beauport and eventually Lauzon are being denied the opportunity to benefit from the program. This legislation is suddenly cutting out homeowners not only in the areas already served, but also in areas which could not make use of the program because natural gas had

not been available, and they are denied a program that has been used by a number of Canadians. In my view, that decision is seriously affecting citizens in the Metro-Quebec area, not to mention of course, as I said earlier, that the guillotine will fall on March 31. This means that many people, many families will not have an opportunity to avail themselves of the positive benefits of the program, the value of which has been recognized by all Hon. Members in this House.

The third reason why I am taking part in this debate, Mr. Speaker, is the guillotine being imposed upon this House. It is beyond me that this Government, which has been boasting ever since September 4 that it wanted to consult and listen to everybody before taking decisions, is refusing to do it here in this House. And when the Opposition becomes insistant, there is a short period of patience and immediately the guillotine falls. Even though I was sitting in this House before, I often listened to the debates and watched them on television. An I remember how the Government Members of today used to behave when the previous Government used that procedure or talked of using it to end debate, at a time when the House of Commons was more evenly balanced between Government and Opposition parties. Today, using guillotine when there is a mere handful of Opposition members, when that same Government talks about wanting to consult, when it says it is ready to spend huge sums of money on economic summits—Hurray for economic summits! So much the better if they want to listen to people from across the border! But why will they not listen to Members in this House who are trying to have the Minister understand why it makes no sense to suddenly, without notice, without a warning period, terminate such a program, and on top of that to use the guillotine to deny the benefits of a program whose value for the people and for better use of energy in Canada has been recognized by everyone?

Mr. Speaker, I wish and I hope that after hearing the same arguments, even repeatedly, at some point somebody on the Government side will see the light and accept to bring in amendments to the legislation now before us.

• (1610)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 45, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)—Agriculture—Maritime Farmers' Council's request for emergency funding. b) Timing of decision; The Hon. Member for Papineau (Mr. Ouellet)—Air Transport—Request for details about closure of air safety office in Montreal. b) Effects of budgetary cuts on Montreal; The Hon. Member for York Centre (Mr. Kaplan)—Terrorism—Protection of Turkish Embassy. b) Security arrangements.

GOVERNMENT ORDERS

[*English*]

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-234, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be now read the second time and referred to the Standing Committee on National Resources and Public Work; and the motion of Mr. Hockin (p. 3227).

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to make it clear why I am rising to speak in this debate. I am rising to speak, recognizing that I had an opportunity and in fact took part in the debate yesterday. Under normal circumstances, I probably would have considered that participation to be sufficient. I confess, unashamedly, that we are attempting to stall the Bill. I say quite bluntly and openly that we are attempting to stall the Bill because we consider what we are asking for to be reasonable and in keeping with what the public of Canada would desire to see happen at this point.

We are not asking for an unlimited extension. We are not asking that the law be extended *ad infinitum*. We are suggesting that because of the timing of the Government's move to limit access to this program, it has made it impossible for a significantly large number of Canadians, who otherwise would have taken advantage of the opportunity to be assisted in the financing of what most believe is worth-while work, both from the point of view of employment and from the point of view of energy savings, to access this program.

Miss Carney: We would have to borrow the money.

Mr. Deans: The Minister says to me quietly across the floor that the Government would have to borrow the money. I can well appreciate that that would be a view that the Cabinet would put forward. This shows that, as a priority matter, this falls considerably far down the list of priorities of the Government. This is a statement that I find, although understandably coming from the Conservative administration, unacceptable from the point of view of what will be best in the over-all for the country as a whole.

Let me suggest to the Minister that many of those people who will not now be able to access this program have had their

tax dollars used to allow others to take advantage of it. Because of the way this has been terminated and the time of the year—and I am trying truthfully to look at it—the termination date makes it virtually impossible for a large number of Canadians to be able to take advantage of what was intended to be available to all.

I suggest to the Minister through you, Mr. Speaker, that one need not be a genius—I do not pretend to be and, I am sure, neither does the Minister—to see that it would be extremely difficult, if not impossible, for work to be done in some areas of the country over the winter. During the months from November through until the end of March, which was the period for winding down or winding up, depending on your choice, the program that we are now debating, it was absolutely impossible, with all of the best intentions in the world, for many people to get into the program and take advantage of it. There is clear evidence to show that there are a large number of people who would still like to use it.

I have to say that at first I was somewhat puzzled by the Government's attitude. This is a Government that, as I said the other day, has elevated simony to an art form. It has redefined it in the political context. Again today we were able to see further examples of how this Government can find jobs for its friends, regardless of where those friends are, all of those jobs to be paid for out of the public purse, and yet the Government cannot seem to find the will to reapportion some resources to allow citizens of Canada access to a program that not only benefits them personally, but benefits many who are unemployed in the country. It will benefit the country in the longer run in terms of our judicious use of our energy resources.

What we are saying, quite bluntly, is that from our point of view, it would be better if the Government were to be less generous in a partisan hack way with the resources of the country and somewhat more understanding of the benefits that could be derived from the continuation of this program for a short period of time. As I said yesterday, that period of time could be until the middle of the fall. That would allow for proper planning. It would allow people to make arrangements for whatever additional funding they require. It would enable the companies involved to plan for employment during a period when there will be a number of people unemployed due to the termination of the program. It would give time for the Government's new economic program which it is going to unveil some time between now and June to take effect. It would afford many an opportunity to access the new employment program that the Government continues to tell us it is prepared to make available.

In the over-all, the request that we make is a reasonable and fair request. We are not asking that the program be extended forever. We are asking that the program be extended into the summer months in order to allow those who would want to take advantage of it to be able to complete what they believe they would be able to complete if it were not for the weather.

Let us not base our judgment solely on what can be done in southern Ontario. I come from southern Ontario, but southern Ontario is not all of Canada. There are many parts of Canada where the work we are talking about could not have been undertaken between the months of November and April.

I do not think it is unreasonable to suggest something like that. Those people have been asked to contribute out of their tax dollars to provide the benefits and the savings to others in the country. We should ensure that they too are given a chance to take advantage of that program, given the chance to do so with an understanding that the program will in fact come to an end, but it will come to an end at such a time as to guarantee that they could, if they wished, access the program for their own benefit and for the benefit of others who might work in the program.

It is no wonder, as I look across the floor of the House, that I feel a sort of sense of twitchiness on the government backbenches and the evidence of jactitation on the government benches. Quite clearly, the government Members recognize the merit of the position that we are putting forward. I can see evidence among the few that are here that they would like to see the Government undertake to provide the extension that we are asking for.

Mr. McKnight: They have been around long enough.

Mr. Deans: The Minister of Labour (Mr. McKnight) sits smiling as he does in that beguilding way and says that they have been around long enough. That might well be the view of a number of people in the country four years from now.

• (1620)

The one thing the Government has demonstrated in the last six months is its ability to be unfair. It has been unfair in the way in which it made cuts in its November economic statement, cuts which detrimentally affected so many people and were made without consultation. It has been unfair in the way in which it went about setting up an economic conference after it made decisions about what would be contained in the Budget. It has been unfair about its presentation of the unfortunate incidents that occurred in Ottawa just one week ago. Some day the Government must recognize that, in a representative system, it is imperative that the Government show complete fairness.

Fairness is not simply exemplified by appointing friends to high offices at high costs. Fairness is exemplified by treating Canadians in such a way that they feel they are being considered. They are not being considered by the termination of this program. I would simply suggest that we give it another six months or even five months. We should give it a little more time in order to give people a chance to do what they would otherwise do to help the economic stability for which we are all looking.

[*Translation*]

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, it is a pleasure for me to rise as other members who have preceded me, to speak on Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act.

However, Mr. Speaker, on the basis of what we have heard so far, from both sides of the House, it would seem that the two programs I mentioned earlier and which are dealt with in Bill C-24, are viewed as satisfactory by almost everyone. And rightly so, Mr. Speaker! The reason for this is quite simple. If we look at a map, we can see that Canada is a country located in the Northern part of America. Our country is quite cold, and as people often say, there are two seasons in Canada, the month of July and winter. Naturally, to make our houses and work places comfortable, it is essential to have adequate heating.

Mr. Speaker, it is a fact that Canada has suffered a lot, especially since the energy world crisis of the 70's which caused great economic upheaval in industrialized countries because of the rapid increase in the price of oil, but the worst is now over.

Our problems have many causes. First of all, in the past, Canadian houses were built with two by fours or two by sixes with sawdust between the walls as insulation. This did not make the houses very warm. There was much more humidity and cold than anything else. In addition, it was very costly. However, since oil then cost between 11 and 15 cents a gallon, people still had no reason to complain or to find the cost excessive. But after the crisis of the 70's, we had to review our position. We had to develop programs so that Canadians would have comfortable well-heated houses because, as I said earlier, we have two seasons, winter and the month of July. Programs were therefore developed to conserve as much energy as possible so that Canadians would be warm and able to work and live comfortably and decently in spite of our northern climate.

I heard the Minister say in a recent speech that energy conservation was like a new energy source. She was right. I agree wholeheartedly with her because this is an inexhaustible source of energy. Thanks to the programs which have been implemented over the last few years, it is estimated that we have been able to save 82,000 barrels of oil a day. It is also estimated that about 2.5 million housing units have been insulated through CHIPS. Of course, this program must disappear eventually, but in my opinion, the Government acted somewhat irresponsibly when it announced last November 8 that all work would have to be completed by March 31. I do not want to repeat once more that it is rather difficult to change or convert a heating system—

[*English*]

Mr. McDermid: CHIP goes another year.

Mr. Isabelle: Yes, but the other one does not.

Mr. McDermid: You are talking about CHIP.

Mr. Isabelle: No, I was referring to CHIP, but then I changed to the other one.

The Acting Speaker (Mr. Charest): Order.

[*Translation*]

Mr. Isabelle: What I mean to say is that this energy conservation is a renewable resource. I think that she was right, and if there was as much as 17 per cent in energy conservation, it will result in major dollar savings for Canadians.

Of course, we will have eventually to put an end to these subsidies, but we should consider extending this program for six more months, and even six months would not be enough. We might implement a new program, although some say it may cost as much as $35 million . . . If we extended it until June, so that those who are first time home purchasers, not new houses because most new houses now have the necessary equipment to prevent heat losses, but an older house . . . those who are getting married for the first time, who are first time purchasers of older houses not fitted with proper insulation and the necessary equipment for proper heating, I feel that we should make it possible for them to benefit from this program. Eventually, when all the tests have been completed for projects such as the R-2,000 model house built by Mortgage and Housing Canada, I think then perhaps these programs could be reduced.

As long as there are home owners who have not availed themselves of these programs, Mr. Speaker, we should maintain them, for they play a major role in conserving energy. I know there are other means but it is one of those which will help achieve energy self-sufficiency for Canada. Because Canadians live in a part of the North American continent where winters can be very cold and with a nearly Arctic climate, the Government should make cuts where they are not likely to jeopardize the health and comfort of Canadians.

Cuts have to be made, Mr. Speaker, but not necessarily where savings . . . at least not in the building industry, for the jobs of many electricians and heating technicians are at stake. Because such an action would create much unemployment, I do not think this is the way the government should go about it. I know that because we have this new government, people have changed. We should do things differently. I think it would be responsible also to make cuts where they are likely to improve the government's lot.

I am surprised that, practically overnight, the Government announced the abolition of those programs which all Canadians found very useful. More signficant still, they went a long way towards making Canada self-sufficient by giving us means to conserve energy and find new sources, as the Minister of Energy, Mines and Resources (Miss Carney) so aptly put it.

Those are the remarks I wanted to make, Mr. Speaker. I wish the program could be extended much later than March 31, much later than in the fall, really. However, if it has to be done this way, let us find ways to exempt or retain the program for those who need it most, low-income families that cannot at this time take advantage of benefits offered to other Canadians. All Canadians should be able to enjoy the same

comfort and benefit from the energy conservation measures which our country adopted a few years ago.

● (1630)

[*English*]

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to speak on Bill C-24, which is an effort by the Government to save money. I would like to spend some time talking about the choices which have been made and the direction in which this Government seems to be going.

In an effort to save tax dollars, the Government has chosen to cut COSP, which was to have existed for ten years, until 1990. The program was designed to encourage Canadians to save on their expenditures for energy. That cost-saving measure is now being abandoned. The program also had larger energy conservation connotations, which I believe are extremely important.

In particular, COSP was designed to shift Canadian home owners from oil to other modes of energy, and in particular natural gas. It has been determined by the National Energy Board that there is a surplus of natural gas, but there is not a surplus of oil, particularly the kind of oil which is used in making diesel and fuel oil. The lighter kinds of crude are expected to produce only about 28 per cent of the current levels by the year 2005. In only 20 years we will be producing just over one-quarter of the amount of oil which we produce now. It is extremely important for us to eliminate that dependency, not only for cost reasons, but because oil is a finite resource. We must ensure that it will be there for our grandchildren's and children's use.

Three or four years ago this program was agreed to by all Parties. It was unanimously agreed that the program was a good means by which to encourage people to switch from oil to natural gas, wood or another means of heat. The program has run quite well. At its half-way point it has converted half of the targeted homes from their reliance on oil. The program has met its targets and has not been terribly expensive, considering the savings which have been realized.

The program is now saving approximately 42,000 barrels of oil per day, or 15.3 million barrels of oil per year as a result of COSP. Since we consume approximately 1.45 million barrels of oil per day for all energy uses—homes, industry and transportation—it means a net energy saving of about 2.8 per cent. That saving is directly attributable to this program. In fact, the oil which is saved through COSP is enough to heat about 650,000 Canadian homes per year. On average, the homes which have converted have saved about 13.8 barrels of oil per year, which amounts to a saving of $634.80 annually. Therefore, a home owner who converts to oil can expect a return on his investment within three years. However, there are certain circumstances in which that will take longer and it will become more expensive.

Canadians in large numbers were switching from oil to other forms of energy. However, suddenly the new Government made a rapid decision to discontinue the program. What has that done to the spirit of optimism and the expectation of better things to come for small business people in the business of installing gas lines, furnaces and other forms of heat-producing devices? It has left them in a real quandry. They have been scrambling around since November 8—and they only have until the end of the month—to meet the enormous number of calls for business.

Some of those businesses may have been enticed into hiring more people, but as the program will end on March 31, most of the installers know that hiring more people to meet the rush in an attempt to meet the deadline will not be sustained because it will require them to buy extra service vehicles and tools. Therefore, most of those businesses have not panicked and expanded.

Not only has the termination of this program been disruptive to small business, it has been unfair to home owners. Some home owners prepare their budgets over several years, and many decided to convert toward the end of the program—in the late 1980s—because their furnaces were still working well or they did not immediately have the money to make the switch. Therefore, they decided to delay taking advantage of the program. Those home owners will now have to pay an extra $800 to convert.

In addition, there is a tremendous number of individuals in smaller communities who have not, to this point in time, had gas available to them. They know that the lines have been proposed and are projected, and that in a year or two gas will be in their communities or it will run past their house. But for the moment they do not have the option of switching to gas because they are no gas lines. Those people who were awaiting the gas line to be installed in their communities are now faced with the prospect of not only having to wait longer than most Canadians to switch to the cheaper form of heat, but they are now ineligible for the subsidy of $800 and will have to pay the full cost. That is unfair, Mr. Speaker, particularly when that is a program which was doing so much to shift people away from a depleting resource, namely, light oil. In spite of spending billions an billions of dollars, we have not been able to find replacements for it. Many billions of dollars have been spent in government funds to subsidize and assist with write-off and tax deferrals. We have assisted sometimes to the point of paying in excess of 90 per cent of all the drilling costs for the search for oil in the Arctic. We have not been terribly successful. We have not come up with answers to the hard fact that we will only be producing 28 per cent of our current output of those kinds of oils in a mere 20 years.

● (1640)

Our only prudent choice would be to find ways of using the limited energy we have—which is becoming more limited as time goes on—in a better way. We should be doing more in the way of insulating our homes. The CHIP program, which will be in effect for a few more months, has assisted in that way.

I will conclude by saying that I believe it is very unfortunate that the Government has chosen to attempt to save a few dollars in the short term by totally closing its eyes to the problems which face us in the production and pricing of

energy. This is a very sloppy way of going about producing economy.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I spoke on a motion earlier with respect to this matter and I had hoped at the end that Hon. Members would agree to extend my time so that I could continue to make a few additional remarks. I am happy now to have the opportunity in effect to conclude the thoughts I wanted to put to Hon. Members in an attempt to get the Government to reconsider its decision to cancel these two very important programs.

I would like to agree with the Hon. Member who spoke earlier. He made the point that we are, frankly, wanting to ensure that this Bill takes enough time to get through the House so that the Canadian people can find out what it is that this Government is trying to do to them. What is interesting is that this is a Government which appears to be dedicated to cutting the deficit, and I would like to come back to that theme in a moment. It is a Government as well which is very responsive to angry voters. Two of the "hits" which it has tried to make on existing programs have resulted in very effective reactions which I hope will lead the Government to reconsider. The first is its plan to cut back medical research by something like 20 per cent a year. The medical research community responded by effectively and intelligently demonstrating to the Government and to the Canadian people that the changes which the Government had in mind would lead to researchers moving to the United States because of the effective reduction and eventual elimination of cancer research in our country. This is especially so because the Conservative Government of Ontario is also withdrawing its support for medical research, and the Conservative Government of Alberta, which had been a big sponsor of cancer research, announced that it was going to cut its support for cancer research.

Important scientific breakthroughs have been made in cancer research in our country. There is no doubt that the work which was going on was valid and should be continued. Apart from the research aspect, as these skilled researchers begin to leave our country, we are going to find—

[*Translation*]

Mrs. Mailly: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Acting Whip (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, I am beginning to wonder about the relevance of the Hon. Member's remarks.

[*English*]

Mr. Kaplan: Mr. Speaker, I want to try to illustrate the budget-cutting philosophy of this Government in order to make an argument that this measure should not be discontinued. The reason I was referring to medical research was that there we have an example of a cut where the group affected can effectively stand up and defend themselves and, more important, can bring to the attention of all Canadians the importance of that measure. I would like to give a second example of a government cut and make a point from there. Then I want to come back to this cut and show how all three are related.

The second cut which this Government tried to make—although I believe it is going to reconsider—is in its support for the arts. As soon as it announced that cut, the arts community mobilized and were ready to stand up not only on behalf of themselves as people who would no longer be receiving support for the work which was their livelihood and which was an important cornerstone of our country, but on behalf of all Canadians who would benefit from having government support for culture. People in the field of the arts used to say 15 years ago that if one wanted to get anywhere in the arts, one had to go to the United States. Over the last 15 years, the arts have not become the best paid profession in Canada—far from it. I believe it is the second lowest paid profession in Canada—but there was a general recognition by artists—and I mean all kinds of artists—that one could make it in Canada. This Government killed that hope when it announced its substantial cuts in the field of the arts and when an insensitive Prime Minister (Mr. Mulroney) announced yesterday, "You ain't seen nothing yet. There's going to be more cuts".

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker. I insist, and I am still waiting to hear the relevance of the Hon. Member's remarks. I appreciate that he is trying to make a point, but he is wandering far and wide.

[*English*]

The Acting Speaker (Mr. Charest): The Hon. Member for York Centre (Mr. Kaplan) has explained the relevance of his remarks and the fact that he will be coming to the point. May I suggest to him that he come to the point more rapidly.

Mr. Kaplan: I certainly will.

[*Translation*]

Mr. Rossi: A point of order, Mr. Speaker. That is the point of order I want to raise. I hope the time allotted to the Hon. Member for York Centre (Mr. Kaplan) will not be shortened by the amount of time used up by the Hon. Member for Gatineau (Mrs. Mailly).

[*English*]

Mr. Kaplan: I hope this does not come out of my time.

Cuts to the arts and medical research by this Government affected specific groups which were able to stand up on their own behalf and on behalf of all Canadians and let it be known that medical research will deteriorate, support for the arts will deteriorate and artists will have to look to the United States and to other countries if they want to have a successful career, all because of what this Government has done.

Unfortunately, in the case of these two programs, COSP and CHIP, there is no particular group in our society which is in the first line of fire in the round of ammunition being shot by this Government. The group which is affected here are

consumers. The applications of half the people who are eligible for the benefits of these programs are still in the works. Their applications are under consideration. The other half are not getting the word that they are about to lose a very important program of significant national interest.

That is why we must extend this debate as long as we can. We have to try to mobilize the same kind of attention to the damage which this Government is doing in its deficit-cutting rhetoric which was attracted to the other two cuts which I used in my example.

What about cutting the deficit? I want to make a prediction that when the Budget is brought forward, we are going to find that this Government is not so committed to deficit-cutting after all. Its philosophy is to take the patient, cut off both of his arms, then when it gives him one arm back, he is going to say thank you.

Mr. Epp (Provencher): In your case, the people were dying.

Mr. Kaplan: The Hon. Member ways that in our case the patient was dying. The economic statistics which came out about the year 1984, after we were out of office, showed that the Budget governing 1984 was not such a bad one. There were increases in jobs and economic growth.

● (1650)

So the Government is going to give back to medical research one of its arms, and maybe it will give the arts back one of its arms, but what I am afraid of is that if the Government can get away with slipping this Bill through before the Budget comes down, it will not go back to the Canadian people and invite them to insulate their homes and go off oil. By then the Bill will be through and the damage will be done.

I think the Opposition has the very important role of keeping these programs alive as long as we can until the Government abandons its deficit-cutting rhetoric. The signs are already there that the Conservatives do not believe in cutting the deficit. For example, in the first round they cut over $200 million of programs for student summer employment. And what do you know, the Minister of Employment and Immigration (Miss MacDonald) announced with great joy that students were getting one of their arms back for this summer and the Government was re-instating nearly all of the programs planned by the former Liberal Government, which had been cut by this Government. The Conservatives will have the same good news for the doctors and researchers; they will not have to go to the United States because they are going to be getting one of their arms back.

Perhaps I am beginning to have some effect on the Government. I am starting to make them realize that there is an important job to be done here by the Opposition—

The Acting Speaker (Mr. Charest): Order!

Mr. Kaplan: —in making sure—let me give an example, and I would like to hear their reaction, about so-called deficit cutting. I would like to hear Members opposite deny that the Prime Minister increased his office budget by over 50 per cent. I would like to hear them deny that Ministers have increased their office staff budgets by over 50 per cent, by almost 100 per cent, as a matter of fact. They are quiet now and the reason they are quiet is because I came up with an example that even they cannot deny is a straw in the wind of so-called deficit cutting. I think they are pussy cats when it comes to the tough job of cutting the deficit.

Mr. McKnight: What about the Minister of Transport in the Liberal Government?

Mr. Kaplan: We must make sure that we in this House, in this debate, can make the Canadian people aware that these programs will be spared if they can only be kept on the road until the Budget. This is why we introduced a six-month hoist motion, why we should introduce a three-month hoist motion, and why, as my final point because I see you are getting a bit restless, Mr. Speaker—

Mr. Epp (Provencher): No, just tired.

Mr. Kaplan: My final point regards their unbelievable gesture yesterday in depriving the Opposition of the opportunity of bringing forward any further amendments which might have the effect of hoisting this Bill for another three, six or 12 months, or until the Government brings forward its Budget so that Canadians will have an opportunity to argue and fight, as they did for medical research, as the students did for their summer programs, and as the arts communities did for theirs, to get this Government to recognize the importance of energy conservation and off-oil programs.

The Acting Speaker (Mr. Charest): The Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan).

Mr. Kaplan: Point of order, Mr. Speaker. I forgot to seek at least unanimous consent—

Some Hon. Members: No!

Mr. Kaplan: —to continue my remarks.

Some Hon. Members: No.

Mr. Epp (Provencher): Save your breath.

The Acting Speaker (Mr. Charest): The Hon. Member for Cape Breton-The Sydneys.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I certainly do not know why the House would not allow the Hon. Member to continue his speech; he was just getting warmed up.

Mr. Kilgour: Where were you?

Mr. MacLellan: He was doing extremely well. It seems to be the order of the day for the Government to be cutting off not only Bills but speakers.

Mr. Rossi: They do not want to hear the truth.

Mr. MacLellan: The Parliamentary Secretary, in one of his cameo appearances in the House, said there had been 80 speeches so far on this Bill. I think we can be very proud that there are that many people of Parliament on the opposition side who are concerned—

Mr. Epp (Provencher): You don't have 80 guys there, Russ.

Mr. MacLellan: —who were concerned enough about doing away with this valuable program to stand in the House and speak against doing away with COSP at the end of this month.

Mr. McKnight: It is nothing you said, I just have to leave.

Mr. MacLellan: The Minister of Labour (Mr. McKnight) just cannot stand to hear about the problems of ordinary Canadians and is leaving at the present time. I think that is unfortunate. There are too many Ministers in that Government who are squeamish about hearing about unemployment and the needs of Canadians. I think that is going to be a very serious problem for the Government in years to come.

It is very unfortunate that COSP is not being extended for six months. There are so many Canadians who want to use this program. They did not apply before November 8 because they had every reason to believe this program was going to continue, as was the intention in the legislation. But on November 8 the Government terminated the program as of March 31 this year. With the number of people who have applied after November 8, it will not be possible for them to be off oil by the end of March. That is very unfortunate.

Both I and others have talked about the fact that this is just not the best time of year to be converting to electricity or gas because of the weather and because the manufacturers are producing not furnaces but air conditioners for the summer. But there is another very real point which the Government has missed. You are dealing with those Canadians who are unemployed or on fixed incomes—

Mr. McKnight: The Minister of Labour is leaving again.

Mr. MacLellan: —who do not have the money to cover the amount required in excess of $800 to convert off oil, and the winter is the most difficult time to try to find money to do this. I am pleased to see the Minister of Energy, Mines and Resources (Miss Carney) here for the finale this afternoon. I just hope that she will reconsider. I say that in a non-partisan way because I think it is very important. No one is saying that this program has to go on forever. Oh, she is leaving again.

Mr. Dingwall: She doesn't care.

Mr. MacLellan: No program has to go on forever. But you have to be able to look at the needs of Canadians and anticipate how much good this program will do.

From October 1, 1983, to the end of February 1984, there were only between 4,000 and 5,000 people who had applied for conversion from oil to natural gas. In the period between October 1, 1984 to the end of February, 1985 there were almost 18,000 people on that list. So there is still a need there. Conservation and conversion of oil is the best value for the energy dollar. The Government is forgetting that very important fact. Canadians anticipated they would be allowed to convert off oil, but they are not.

• (1700)

It is not accurate to say, as some Members on the government side have said, that people have had plenty of time to convert. They have not had plenty of time to convert.

The Acting Speaker (Mr. Charest): Order. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Charest): Is there unanimous consent to proceed to Item No. 87?

Some Hon. Members: Agreed.

* * *

EXTERNAL AFFAIRS

SUGGESTED CESSATION OF MONETARY TRANSACTIONS WITH SOUTH AFRICA

Mr. John R. Rodriguez (Nickel Belt) moved:

That, in the opinion of this House, the Government should disallow further Canadian investment in South Africa, outlaw the importation of South African Krugerrand gold coins into Canada and outlaw Canadian bank loans to South Africa.

He said: Mr. Speaker, it is appropriate that the motion is before the House this afternoon because today the Mayor of Ottawa, Marian Dewar, has declared Thursday, March 21, 1985, International Day for the Elimination of Racial Discrimination.

It is also important to realize that the General Assembly of the United Nations, in 1979, designated the week beginning March 21 as the week of solidarity with people struggling racism and racial discrimination. That was resolution 3424 of November 15, 1979.

It is important to realize that the Minister responsible for multiculturalism got up in his place in the House today and made a statement proclaiming today International Day for the Elimination of Racial Discrimination.

It is also significant to note that today is the twenty-fifth anniversary of the Sharpeville massacre where white police in South Africa opened fire on a crowd of black people who were peacefully demonstrating against the pass law of South Africa. Sixty-nine people were killed, including eight women and ten

children. There were 186 wounded, including 31 women and 19 children.

It is also significant to note that the CBC news announced just this morning from South Africa that 14 people were killed today by South African white police because those people were demonstrating to commemorate the Sharpeville massacre.

Therefore, it is appropriate that we keep that in mind as a background when discussing this particular motion. The Minister of State for Multiculturalism (Mr. Murta) and all Canadians can say many nice things. However, not only do our fellow citizens judge this Parliament and the Government by its actions, the international community also judges Canada by the kind of tough, principled positions that we are prepared to take.

Just last week, for the first time, the United Nations Security Council unanimously passed a resolution condemning South Africa for the deaths of scores of black demonstrators and the arrest of black opposition leaders on treason charges. It was the first time during the Reagan administration that the United States has voted in favour of a resolution in the Security Council condemning the white South African minority Government for its domestic policies. All 15 Security Council members voted in favour of the resolution that strongly condemned the killing of defenceless protesters and the arrest of 16 leaders of the United Democratic Front and other organizations opposed to South Africa's policy of apartheid, which is basically racial discrimination at its worst.

The Security Council also called on South Africa to withdraw the charges of high treason against the leaders of the Front. The very word "apartheid" conveys its meaning—apart. In fact, it is a word that means strict racial segregation. It was imposed in 1958 by the white minority in South Africa.

In 1960 the Bantustans or homelands, as they are now called, were set up. The black people would be relegated to reserves, or homelands and would be allowed to work in the white urban community and be given pass cards. When they were not working they would then return to their homelands. It was in opposition to that in 1960 when we saw the demonstration that resulted in the Sharpeville massacre.

Today there are some 10 of these Bantustans or homelands. They were set up by South Africa, and no other country in the world recognizes them as independent states except South Africa. Five of them are recognized by South Africa as independent. In fact, the black man then, as now, is held as an indentured slave in his own land, to work in domestic corporations for white South African ownership or indentured to work for foreign-owned corporations. Some of those foreign-owned corporations are Canadian, which I will speak about later on. Indeed, the South African black works in the mines that produce the gold which makes the krugerrands which the following banks sell here in Canada: the Bank of Montreal, the Bank of Nova Scotia, the Commerce and the Toronto Dominion Bank. They sell this kruggerrand valued at $507 Canadian or $337 U.S.

That we should be a market for coins which are made at the expense of the freedom and dignity of people should not be allowed. We do have a replacement coin which we should be promoting. We have the Maple Leaf gold coin which can be used as a substitute for those who want to invest as entrepreneurs in gold coins. Therefore, we really do not need to allow the sale of krugerrands in this country.

• (1710)

It seems to me that by forbidding the sale of krugerrands in Canada we would send a clear message that we are not prepared to be a silent participator in the oppression of black people in South Africa. In fact, the South African Government has enshrined apartheid in its constitution. It clearly says in its constitution that a black man and a white man are not equal. It says a white man is superior to a black man. Of course, the South African Government uses all sorts of biblical quotations to back up that position. It went on from there to establish all sorts of laws that affect relationships between the races in South Africa and it was used to deny the black man the right to vote.

In our society it seems that we have come a long way. There was a time when we did not allow women to vote. We have gone beyond that, and we in this country recognize that in a democratic free society it has to be one man, one vote.

South Africa refuses to recognize that men are all created equal in the eyes of God. It seems to me just on the one question of allowing the krugerrands to be imported that we are winking, closing and turning a blind eye to our brothers and sisters in South Africa who have been enslaved.

The question of the South African Parliament is rather interesting. To try and give an impression of change, the white South African Government created three changes. It has a white chamber, a chamber for coloureds, and a chamber for Indians or Asians. Again, the black man is denied the right to vote and the right to participate in his own country. When we consider the blacks in South Africa comprise approximately 16 million of the population and the whites 4.5 million, the coloureds 3 million, and the Asians about 1 million, what we have in South Africa is really the oppression of the minority. Every single penny which we repatriate to South Africa as a result of selling krugerrands continues, allows, the white South African Government to entrench itself and to buy the latest and most powerful forms of weaponry, not only to enslave its own black population but to act as a policeman in the southern part of the African continent, to create a climate of disturbance among its black neighbours in southern Africa.

The other area I wanted to turn to was the area of trade. It is significant to note that Canada's second most important trading partner in Africa is South Africa, Algeria is first, South Africa is second. In 1984 Canada imported $201 million worth of goods from South Africa. We exported to South Africa $201 million. They call that balanced trade.

What did we export to South Africa? We exported sulphur, wood pulp, railway rolling stock, machines and motor vehicles. What did we import from South Africa? Iron, steel, sugar,

metal ores, concentrates, scrap and manufactured goods. There is nothing among those items that we do not produce in Canada. We do not need to import iron and steel from South Africa. We have iron mines closing in Canada because we do not have steel mill capacity to accept it. We are closing iron ore mines in northwestern Ontario and in Newfoundland, while at the same time we import iron ore from South Africa. Even on a question of domestic economic activity, we are shooting ourselves in the foot.

There are 28 Canadian companies in South Africa. Canada decided that we should have some code of behaviour for Canadian companies operating in South Africa, but it was never legislated. It is just a recommendation that these companies must file on an annual basis a code of conduct. That has been in effect since 1978. Only one of the 28 companies has lived up to filing a code of behaviour, filing an accountability for behaviour. That company is Alcan. Only one, Mr. Speaker, out of 28.

It seems to me that there are very few, comparatively speaking, black South Africans who work in Canadian companies operating in South Africa. In fact, to sever trade with South Africa would not in any way create any economic hardship. Indeed, in my conversations with the African National Congress it was indicated to me that this was the route it would like Canada to go. The African National Congress would approve of Canada severing trade relationship with South Africa. As long as we continue to trade with the racist white South African Government, we are participating in the oppression of the black man in South Africa. We fought a war over that to prove that all men are equal in the eyes of God. We fought over that, yet here we are slipping along with the flow.

Our predecessors in this House have given us a start. They have given us an example. It was two former Prime Ministers who took positions which at that time were quite tough. I have the *Hansard* reference here for April 27, 1960, in this House when the Hon. Lester B. Pearson, at the time Leader of the Opposition, moved an emergency resolution. This was prior to the Prime Minister, the late Right Hon. John G. Diefenbaker, going to the Commonwealth Conference that year. Mr. Pearson moved a resolution to let the Prime Minister know how Members of Parliament felt about South Africa and its participation in the British Commonwealth. In the debate, the Hon. Mr. Chevrier said, talking about apartheid policy:

> It is a policy that must cease if normal relations are to be restored in that country of the British commonwealth of nations. Peace, order, and security cannot exist without due respect for the individual.

Peace, order, and security cannot exist, I repeat, without any respect for the individual.

I think it is well that we cast back to what former Leaders and Members in this House said. Mr. Diefenbaker replied:

● (1720)

> Mr. Speaker, that is the purpose of this discussion today, to reinforce me as the representative of this nation, having held these views throughout the years, with the conscience, thought and deliberation of the Canadian House of Commons in order to air the views which have been expressed on matters which are of particular moment at this time.

As a matter of fact, it was at that Commonwealth Conference that South Africa was put out of the Commonwealth.

I think we have to carry the torch, the torch which was handed us by former Leaders in this House. The path on which Mr. Pearson and Mr. Diefenbaker put us back in 1960 must be continued. The three particular actions which I am recommending are very important because they will send a message to the rest of the international community, the community of nations, that in fact Canada is prepared to stand up and be counted.

Thank God we have a living example of the kind of courage which cries out to us. It is the courage of Nelson Mandela, the founder of the African National Congress. In 1960, he was arrested and sentenced to life imprisonment on Robin Island for treason. He is still there, 25 years later. The white racist Government of South Africa recently offered him an amnesty provided he revoked his advocacy of violent revolution in South Africa. He refused to do so. His courage in the face of being confined for 25 years, perhaps seeing his wife and family from time to time, cries out to us, white brothers, that we cannot let him down. In fact, we have to bring this thing to a head. We cannot have a minority oppressing a large majority. We cannot have a nation founded on a principle that the white man is superior to the black man. We cannot want for ourselves what we do not want for others.

The heritage of freedom which we enjoy as Canadians, we should want for all peoples of the world. We should be prepared to put our action where our mouth is. I call upon the House to let this motion come to a vote. Let the Government know. It can program in—and it does not have to be done tomorrow—all three specific actions which I have recommended in my motion. I hope it will begin the dawn of a new day, with Canada leading the way.

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I should first like to begin by thanking the Hon. Member. I listened very attentively to his comments, and I commend him on them. Throughout my experience—and it is a rather recent one—he has always been concerned about the rights of ethnics, not only abroad but at home. He has made valuable contributions to the House.

When he speaks about the 25 years since Pearson and Diefenbaker, the 25 years Mr. Mandela has been in prison, it has has also been 25 years when another Government has been in place, another Government which had many opportunities to look at these things. Since September we have continued the policy but promised a review.

Recently I had the pleasure of meeting a delegation of the Quebec task force on immigrant women. It is a group with which I have considerable contact and its social justice committee in Montreal. We discussed many of the same concerns. The response to many of these issues which the group indicated in its bulletin appears positive. Of course the task force will

be continuing to help me in my work as a part of the Government.

One issue which I brought to a head on February 5 appears under the heading "South Africa" and reads as follows: "Mr. Weiner indicated that South Africa was an area that would be re-examined by the Government". With a green paper about to be deposited and a task force constituted for a review of our foreign policy, we are very hopeful that they will be examining our relationship with South Africa and certainly its over-all effect on the despicable apartheid situation.

It is coincidental, but symbolic, that today's debate is taking place on the twenty-fifth anniversary of the Sharpeville massacre in which 69 people died at the hands of the South African police. March 21 has been fittingly designated by the United Nations as the International Day for the Elimination of Racial Discrimination. Canadian representatives at United Nations headquarters in New York and Vienna are attending commemoration ceremonies while other Canadians have demonstrated outside the South African Embassy in Ottawa to show their opposition to apartheid. I understand that there has been a tragic incident even today in South Africa in which a number of people have died. Before debating the motion at hand, it would be appropriate for the House to remember those who, over the years, have suffered and in some cases given their lives in the struggle for justice in their own country.

Sharpeville represented a turning point in South Africa's history. Following the unrest, the African National Congress was banned and subsequently turned to violent methods. Some observers believe that South Africa's Government is again facing choices which will have profound consequences for their country's history. It is the responsibility of the Canadian Government to encourage those men, whom Canada's Ambassador to the UN has called a "beleaguered oligarchy", to listen to the voices of moderated among their own population. Further delay in implementing basic reforms will only reduce the chances of peaceful change.

The Canadian Government also faces difficult choices. The concern of the Canadian Government is first and foremost the fate of those we are trying to help, the victims of the apartheid system. It is in light of this criterion, which I am sure Hon. Members on the other side shares, that we must examine seriously the measures proposed by the Hon. Member for Nickel Belt (Mr. Rodriguez).

Among other elements, this motion calls on the Government of Canada to disallow further Canadian investment in South Africa. Such a proposal reflects the view that investment by multinational enterprises based in Western countries is necessarily supportive of apartheid and does not hasten its dissolution. This hypothesis is open to question and certainly requires careful study. Many opponents of apartheid hold the contrary view. It is important for us to weigh the consequences of our actions. Let us examine the facts.

Multinational corporations have played an important role in South Africa's economic development. According to UN sources, at the end of 1981 there were over $15 billion U.S. of foreign direct investment in South Africa, much of it concentrated in manufacturing and mining and more advanced sectors such as computers and chemicals. In 1982, the U.K. and the U.S.A. were the two largest investors in South Africa with about $2.5 billion. Germany was third with some 799 million Deutschmarks. It is estimated that some 400 U.S. companies have subsidiaries in South Africa and some 600 firms based in the U.K. have operations in South Africa.

● (1730)

According to the latest figures available, which are for 1982, Canadian companies have about $200 million invested, a small percentage of total foreign investment in South Africa. The rate of increase of investments by all foreign companies has slowed in South Africa; the stock of Canadian investment has hardly increased for a number of years. Not only is Canadian investment in South Africa not increasing, some disinvestment is now occurring. There are about 30 Canadian companies with operations in South Africa. Over half of these have minority positions with little or no management control. This suggests that unilateral action by Canada might, in any event, be a hollow gesture without practical effect.

In the Canadian case, the Government's approach to investment in South Africa is based on a number of elements. First and foremost, our opposition to the practice of apartheid has led to an end to the official promotion of commercial and investment relations with the Republic of South Africa.

In the case of trade, restrictive measures date back to 1963. At that time, Canada voluntarily imposed an embargo on sales of arms and military equipment to South Africa. That was extended, in 1970, to include spare parts. In 1977, Canada, then a member of the Security Council, supported the application of a mandatory arms embargo on South Africa.

In addition, in 1977, the Canadian Government decided to end the active promotion of trade and investment in South Africa. The Canadian trade commissioners previously assigned to South Africa were withdrawn and the Consulate-General in Johannesberg was closed. The use of the Export Development Corporation's government account for financing and insuring trade with South Africa was suspended and the facilities which had been available for the insurance of Canadian investments in South Africa were also withdrawn. These measures were further extended when the use of the EDC's corporate account for South Africa was also suspended.

The Canada-South Africa trade agreement, which accorded South African exports preferential tariff access to the Canadian market, has been terminated. Private Canadian companies remain free to trade in peaceful goods with South Africa and to invest there, according to their own judgment.

Second, while it does not encourage trade and investment activity, the Government of Canada is opposed to mandatory economic sanctions against South Africa, including those relating to investment. Such measures would not promote the peaceful and positive change in South Africa which we support; they might, rather, foster violence. They would also seriously harm the disadvantaged black majority in South Africa and the neighbouring states. Those in South Africa are

already denied basic political and civil rights: they would surely suffer further economic privation.

The operations of the foreign companies in South Africa have, in many instances, had a positive effect in creating greater wealth among non-whites and in encouraging social change. These companies employ a relatively small percentage of the South African labour force, but when they adopt progressive practices, they set an example to be followed by local investors or establish a benchmark for worker demands throughout the labour force.

Canada has taken some steps to see that this is the case for Canadian companies operating in South Africa. Recognizing that the laws and policies of the South African Government specifically disadvantage non-white workers, Canada's present Code of Conduct makes detailed recommendations with respect to general working conditions, collective bargaining, wages, fringe benefits, training and promotion and race relations. Under the Code of Conduct, companies are invited to make annual public reports in sufficient detail to permit assessment of their progress in realizing the objectives of the code. The code appears to have had some positive effects, but the range of reporting has been limited and could be improved. Consideration is being given to new initiatives designed to make the code a more useful instrument.

In that direction, we may want to have a look at the Proxmire Bill that is now before Congress. Obviously when only one company out of 30 has complied with the voluntary reporting to Parliament, we have to make sure that we look at other options.

There are clear legal limits to the influence that the Canadian Government, and other home Governments, may claim with respect to the activities in South Africa of companies with head offices in their jurisdictions. These companies are subject to the jurisdiction of South Africa with respect to their operations in that country. Canada rejects the extraterritorial assertion of the laws of other countries that *inter alia* seek to direct the activities of foreign companies operating in Canada in a way that displaces Canadian law and policy. Such practice would be contrary to international law and an infringement on Canadian sovereignty. Canada as a home country, therefore, cannot purport to extend its own law to South African activities of South African companies controlled by Canadian nationals or residents in a way that directly displaces South African law and policy, no matter how objectionable the latter may be. Therefore, we could not enforce any ban on new investments in South Africa based on retained earnings or local borrowing by South African affiliates of Canadian companies. Neither can we, as a country, compel Canadian-controlled companies operating in South Africa to break South African law.

For the same reason, we would be constrained from applying any investment ban to jurisdictions outside Canada where subsidiaries of Canadian companies are operating in order to contain any circumvention by these companies through subsidiaries in countries without such a ban. This could make any ban on Canadian investment in South Africa difficult to enforce and cause concern in friendly countries with a different policy approach about the extraterritorial application of Canadian laws.

On balance, therefore, Mr. Speaker, the Government is not convinced that the banning of new investment to South Africa by Canadian companies is the proper way to register our objection to apartheid. We do, however, feel that Canadian companies that choose to operate in South Africa should do all they can to counter the destructive and dehumanizing effects of apartheid. They can, by this means, contribute to the process of peaceful change in South Africa—to the removal of institutionalized racial discrimination, and the full realization of human rights.

We also have reservations about proposals to ban the sale of kruggerand gold coins in Canada. This issue must be considered in the context of Canadian policy on trade with South Africa and our more general international trade obligations. While the Canadian Government does not as a matter of policy promote trade with South Africa, it does not prevent or restrict trade in peaceful goods and services. The only exceptions are where such activities would contravene sanctions imposed by the Security Council, for example, the mandatory arms embargo adopted in 1977.

In the absence of any international agreement among South Africa's trading partners, such unilateral action might also be considered to be contrary to Canada's obligation under the General Agreement on Tariffs and Trade. This would open the way for legal claims for compensation or retaliating action. As far as can be determined, no Western country has adopted such legislation. For these reasons we do not believe that the institution of a measure restricting peaceful trade would be a constructive or legitimate step to take at this time.

The final measure proposed would outlaw Canadian bank loans to South Africa. I would remind the House that the Canadian Government itself does not lend funds to South Africa. The government account facilities of the Export Development Corporation have been withheld from public sector and private sector buyers in South Africa since December 1977. In 1981, corporate account facilities available to South African buyers were also withdrawn.

A number of Canadian banks have evidently decided on their own—in the context of a dialogue with their shareholders—to suspend loans to the South African Government or coporate borrowers. That is their right, and their risk as private lending institutions in an open economy such as ours. Such action is a prime example of the operation of free and responsible action by independent Canadians exercising their own judgment. That is the kind of open debate which is a credit to the Canadian people and which this Government wishes to encourage. Free public debate and decisions taken by autonomous institutions are obviously preferable to coercive legislation.

I would also note that the rules of international law limit the authority of a state to control or direct conduct in the territory of another state. They make it illegitimate to attempt to

prohibit lending to South African borrowers in South Africa. The difficulties in enforcing such action are obvious.

I believe it is clear that Canada has already done a good deal to encourage reform in South Africa. In addition to the measures already cited, I would mention the boycott on contacts between nationally representative sporting teams and athletes. This action, taken in conjunction with our Commonwealth partners, has brought home to the ordinary white South African the depth of Canadian and international opposition to apartheid.

One more thing that the Government and Canadians in general can do is to provide support to various groups working with the black community of South Africa. These include some major Canadian churches and non-governmental organizations, the Canadian Labour Congress, and the World University Service of Canada. Self-help projects in rural communities, leadership training and providing scholarships are concrete ways in which we as Canadians can play a constructive part. Our role must be to support those groups inside South Africa which are working to promote peaceful change. We must avoid empty moral gestures or actions which are inconsistent with our international obligations.

● (1740)

In concluding, Mr. Speaker, I would stress that though much has already been done, we mean to continue and to do more. To borrow a phrase from Canada's Ambassador to the United Nations, what is required is unrelenting pressure. That is our policy. This Government has already consulted such prominent South Africans as Bishop Desmond Tutu and Chief Gatsha Buthelezi. We shall continue to look at these questions and to consult with interested parties including Canadians. As the Secretary of State for External Affairs (Mr. Clark) announced to the House on February 15, the Government is reviewing its relations with South Africa. We shall, in that context, take account of the views expressed in this House today.

The Government has promised in the Throne Speech a thorough review of Canada's international relations and that this would involve public consultations. We want to hear Canadians' views on future direction for our foreign policy, including the best approach to the problem of human rights in South Africa. This process will shortly be engaged by a special parliamentary group. Adoption of the current proposals would tend to prejudge the outcome of the review and close off avenues of public debate. That is hardly the right way to proceed.

Mr. Speaker, I wish to stress that the Government's opposition to apartheid is second to none. I would recall that it was a Progressive Conservative Government that sided with the African states in the Commonwealth in preventing South Africa's continued membership in 1961. In 1979 it was a Progressive Conservative Prime Minister who joined other Commonwealth leaders in adopting the Lusaka Declaration on Racism and Racial Discrimination. That was the strongest and clearest affirmation ever adopted by the Commonwealth on this issue.

Our policy is based on the moral issues involved, and on our desire to take effective steps. Apartheid has been described as a stench in the nostrils of the world by one Afrikaner writer. Our sense of the injustices is as keen as that of the Members of the Opposition. I accept no lessons in morality from them in this regard. We all, I trust, seek peaceful change and not destructive violence. Apartheid, however, will not be weakened by empty gestures that make us feel self-satisfied. We want to look at the issues in a realistic manner and will do so as we review the options. Although we do not support the proposed motion, we share the Hon. Member's repugnance of apartheid and his desire to see quicker progress to peaceful change. That, too, is our objective.

Mr. David Kilgour (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, as Hon. Members will recall, the resolution reads as follows:

That, in the opinion of this House, the Government should disallow further Canadian investment in South Africa, outlaw the importation of South African Krugerrand gold coins into Canada and outlaw Canadian bank loans to South Africa.

I would like to congratulate the Hon. Member for Nickel Belt (Mr. Rodriguez) on a sincere and obviously deeply felt speech. I think he believed each and every word that he said. I wish it could be said that all of us believed all of the things we say in this House all of the time. I believe he was completely sincere in what he said and I salute him for the passion and conviction with which he offered his speech.

Second, Sir, I would make reference to the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Weiner). I would remind the House that it is well known that as Mayor of Dollard, the Hon. Member was particularly active in a Montreal area committee which was trying to ensure that visible minorities have a better chance to be hired by the Montreal and District Police Force. It is well known that one of the reasons he was elected to the House against a majority of something in the order of 35,000 was that he was recognized as being a person who stands for the rights of all Canadians, whatever their colour, race, background or creed, to have equal rights with every other Canadian. He is a person who, like the Hon. Member for Nickel Belt, believes in action more than in talk in this sphere as in many others.

One of the best reasons apartheid is despicable is that it equates inferiority with an irremovable natural quality, pigmentation, and persists in the goal of white supremacy even in circumstances which make the attainment of that goal impossible without evil means such as torture. As well, apartheid is a stench in the nostrils of humanity, as mentioned by the Parliamentary Secretary. That is why it is despicable. Each and every Member of the House, I would think, despises it as much as the Hon. Member fo Nickel Belt, the Hon. Member for Dollard, and I.

I recently spent time in three African countries, Gabon, Zaire and Ethiopia, and I have spent a great deal of time lately reading about Africa in an attempt to know it better than I did before. South Africa is anathema to southern Africa for the very reasons that have been mentioned by both previ-

ous speakers. Any self-respecting person of any colour despises a system which gives preference to one race and discriminates against another race.

As the Hon. Member for Nickel Belt knows, one of the problems the West has with South Africa is that by being perceived to be in favour of an abhorrent régime in South Africa, we are seen as being on the wrong side of an issue vitally important to about 600 million people who live in the continent of Africa. That is a very major obstacle, quite aside from its implications in terms of the people who are jailed like Joseph Mandela or many other South Africans who have suffered as well.

I do not think it was mentioned that this Party has a long and honourable tradition on this issue. I would remind the Hon. Member that it was the Right Hon. John Diefenbaker who saw to it that South Africa was driven out of the Commonwealth in 1961. With very few exceptions, we have made it clear from the beginning where we stand on this issue and it is very close to the position of the Hon. Member for Nickel Belt.

When Archbishop Trevor Huddleston was here a few months ago, and later on his godson, Bishop Tutu, it was an honour and a privilege for me to spend several hours with both of them and to learn more clearly of their insights into this problem. Bishop Tutu tells us that South Africans, when they finally overcome this cancer, will look to see who sided with them and who sided against them and they will know who their friends are and who their friends are not. That sort of a remark touches the hearts of all of us.

I would remind the Hon. Member that even Bishop Tutu has said that he will give the Government 18 months in which to do something. The Hon. Member may say that that is because he will go to jail if he says otherwise, but Bishop Tutu has said that if nothing is done in 18 months, he will call for disinvestment from South Africa. If he is prepared to give South Africa a little more time, although the Hon. Member may ask how much time is enough, perhaps that is something that Canadians should consider as well.

Mr. Rodriguez: They had 25 years.

Mr. Kilgour: I know. You're absolutely right.

The Hon. Member is speaking about outlawing bank loans to South Africa. I am told that Canadian Schedule A banks have $180 billion in outstanding loans in all countries around the world. While I do not have a specific figure for South Africa, it is less than one-tenth of 1 per cent of that total amount. It is a drop in the bucket.

Mr. Rodriguez: Still too much.

Mr. Kilgour: The Hon. Member says that it is still too much. Can we outlaw a loan to, for example, XYZ company, a company in South Africa that employs black people? Would that help the cause of black men, women and children in South Africa? How does that help the people at the bottom of the economic heap? Obtaining a loan from Canada might make the difference between the business continuing or not. How does it help to tell the company it can no longer obtain loans from Canada?

Mr. Rodriguez: Are you kidding me? The United States forbade American banks to lend money to Cuba.

Mr. Kilgour: The Hon. Member already had a chance to speak. I do not mind the occasional heckling, but I would ask him not to do it every four seconds. If he does, I will be doing nothing but answering his questions.

Mr. Rodriguez: You're running out my time anyway so what does it matter?

The Acting Speaker (Mr. Charest): Order.

• (1750)

Mr. Kilgour: If we cut off bank loans, would that do anything for the people whom we are trying to help, which is the people at the bottom?

Mr. Rodriguez: Yes.

Mr. Kilgour: The Hon. Member said "yes". I guess this Government says no.

Mr. Rodriguez: We know whose friend you are.

Mr. Kilgour: I would remind the Hon. Member that Ambassador Stephen Lewis and I spent a week together in law school, back when he was smart enough to get out of law school. On November 20, Ambassador Lewis, said in the United Nations, on behalf of the Government, that the Canadian Government rejects the concept that total isolation of South Africa would somehow promote fundamental reform in that country. It would not happen. Racist mentalities feeds on isolation. Isolation breeds the kind of defiance which further fans the flames of oppression and hatred. If the Hon. Member for Nickel Belt accepts that reasoning—and I hope he does as I believe that most Members of the House accept that reasoning—then how can we help the cause by cutting off all connections with South Africa?

Mr. Rodriguez: Right.

Mr. Kilgour: The Hon. Member said "right", but do we do the same thing with Cuba? What about Nicaragua?

Mr. Rodriguez: The Americans did.

Mr. Kilgour: That is the point. The Americans did. But, I always thought that it was the policy of all Members of the House that wherever possible we wanted to keep our contacts with Governments with which we profoundly disagree.

Do we say to the Government of Haiti—where, as he knows, human rights are probably breached more than anywhere else—that we will no longer have anything to do with it?

Mr. Rodriguez: Next on the list.

Mr. Kilgour: By that, we will help the Haitians—

Mr. Rodriguez: I think we would send a message to the Government of Haiti and it would be an effective message.

An Hon. Member: That is not realistic.

Mr. Kilgour: One Member said that the Hon. Member for Nickel Belt is unrealistic. I think it is the Canadian tradition, which is shared by all Parties, that we try wherever possible to keep our contacts and to keep the flow of communications open with as many countries as we can. I repeat, racist mentalities feed on isolation. Isolation breeds the kind of defiance which further fans the flames of oppression and hatred.

The second part of the resolution asks us to outlaw the importation of South African krugerrand gold coins to Canada. My understanding—and perhaps the Hon. Member can correct me—is that the gold coins are 100 p. cent gold. If that is the case, there is nothing easier on the face of the earth than to melt the coins down and simply bring in the gold in its natural metal form. I do not know how the second part of his resolution will—

Mr. Rodriguez: Ban the importation of it.

Mr. Kilgour: We cannot ban the importation of gold.

Mr. Rodriguez: From South Africa.

Mr. Kilgour: If the Hon. Member believes that gold coming from South Africa should be banned—and I believe that South Africa produces something like 20 per cent of the world's gold supply—then we can simply say that no Canadian will buy gold if it had its origin in South Africa.

Mr. Rodriguez: We have gold mines in Ontario.

The Acting Speaker (Mr. Charest): Order.

Mr. Kilgour: The third question is to disallow further Canadian investment in South Africa. I have indicated as clearly as I can that with investment in South Africa, as the Parliamentary Secretary indicated, if the companies are required to provide equal access to facilities for white and black people, then that is helping the people about whom we are concerned.

I do not want to be accused of talking this motion out. I agree with what the Parliamentary Secretary to the Secretary of State for External Affairs said and I agree with large chunks of what the the Hon. Member for Nickel Belt said.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I am afraid it is I who will be forced to talk this motion out this afternoon. I do not think that it is something that the Government of Canada can accept, for the reasons which were expressed by the Parliamentary Secretary.

In particular, on this side of the House, we have to give deep consideration to the various ramifications that a policy such as that proposed by the Hon. Member for Nickel Belt (Mr. Rodriguez) would have. When I read his motion, it occurred to me that it was some kind of a knee-jerk reaction to something which he does not like any more than does the vast majority of Canadians. But I fail to see how in doing this we would have any influence whatsoever on the policies of a foreign and sovereign Government.

It would seem that the Hon. Member for Nickel Belt has perceived the problem and wants to turn his back on it. If he does not see it any more, and if there are no relations between Canada and South Africa, then he thinks it will go away. But I do not think that will happen.

If Canada and other Western countries decided to turn their backs completely on South Africa, things would continue very much the same as they are now. There would not be a general improvement in the situation, which has happened to some extent. By all accounts, there is a general improvement which has happened from time to time. Sure, there is a long way to go—

Mr. Rodriguez: Tell us about the improvements.

Mr. Nickerson: The Hon. Member asked me to tell him about the improvements. I would ask him to contrast the fate of some of the people for which he is so concerned in South Africa to those in other countries. We know what is going on in Ethiopia and Uganda. I believe that a lot of people in Ethiopia would much prefer to live in South Africa, despite the fact that political rights would not be available to them. At least they could eat, get a fairly good job and have a roof over their heads.

Mr. Rodriguez: Are you serious?

Mr. Nickerson: Of course I am serious. I would suggest that the Hon. Member, too, should be serious. Perhaps he is not concerned with the plight of people in Ethiopia. Perhaps he is not concerned with what happened in Uganda. We do not want a revolution, bloodshed and that type of thing. We do not want to force that on people. We want an improvement in the situation.

I would like to take a look at some of the proposals which have been made. We do not want any more Canadian investment in South Africa. We do not want people to go there and develop factories or anything of that nature. But if we really looked at what has been happening, we would see that it is in the foreign-owned factories and the foreign-owned industrial establishments that most of the improvements have been made.

Mr. Rodriguez: Like the Bata Shoe Company?

Mr. Nickerson: For example, we could look at some of the oil refinery companies in South Africa. A number of those operations have conducted their affairs in a way which shows that there can be racial harmony in South Africa. If one plant can do that, then the people in the next plant will not be frightened and will adopt the same way of operating. Gradually, over a period of time, more plants will adopt that kind of operation.

Some of the industrialists in South Africa have been at the forefront of the movement against apartheid. Particularly in the mining industry, people such as Harry Oppenheimer were against it. I know the Hon. Member for Nickel Belt would not approve of a capitalist-industrialist who invests money and creates jobs to allow things to flourish and provide employment for all people of all colours and all races.

Mr. Rodriguez: Exploiting the black man.

Mr. Nickerson: That is the very area from which the maximum opposition to apartheid within South Africa has come. It has come from the industrial sector rather than the agricultural sector.

The Hon. Member wants to outlaw the importation of South African gold coins to Canada. The previous speaker gave objections to that proposal and explained how it would be ineffective. He wants to outlaw Canadian bank loans to South Africa. I cannot see any sense to that idea whatsoever. I would imagine the most use we would get out of that—

• (1800)

The Acting Speaker (Mr. Charest): Order.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been made.

AGRICULTURE—MARITIME FARMERS COUNCIL'S REQUEST FOR EMERGENCY FUNDING. (B) TIMING OF DECISION

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I make my comments as a result of a question I posed to the Minister of Agriculture (Mr. Wise) on March 14 regarding the Maritime Farmers Council. I wish to point out to the House that I have raised this matter on previous occasions, as has my colleague, the Hon. Member for Egmont (Mr. Henderson).

I raised the matter on February 14 expressing concern that the Maritime Farmers Council is in need of emergency funding which has not been forthcoming by the Government. I also posed a question to the Minister responsible for the Treasury Board on March 8, 1985, and again an answer was not forthcoming. Consequently, I rise with respect to my most recent question on March 14 when I asked the Minister of Agriculture for emergency funding for the Maritime Farmers Council.

By way of background, Mr. Speaker, Hon. Members of both the Liberal Party and the Conservative Party met here in Ottawa in February with representatives of the Maritime

Farmers Council which made its presentation regarding the situation in which it presently finds itself. I believe there was a consensus reached by Hon. Members of both the Liberal and the Conservative Parties who were in attendance that we would all attempt to work for the betterment of the maritime farmers. To date there have been no positive answers forthcoming to those questions. I alluded to the fact that the indefinite delay by the Minister of Agriculture is the equivalent of a "no" in terms of an answer.

For the benefit of Hon. Members of the House who are here, what is the crisis? The crisis is that at least half of our maritime pork industry will disappear before the end of 1986 unless preventive measures are taken immediately. In Nova Scotia, for instance, at least 25 per cent of our pork producers are already technically bankrupt. The total of their loans and mortgages is greater than the current market value of their assets. A similar situation prevails in New Brunswick and Prince Edward Island.

A 50 per cent reduction in our pork production will seriously threaten the continued viability of one or more of our three major meat packing plants as well as the proposed new plant on Prince Edward Island. Allowing the situation to continue will threaten an industry which currently provides 6500 on-farm jobs with an annual farm gate value of $375 million. If one applies a multiplier effect of three, our maritime livestock industry generates more than $1 billion in annual economic activity within the region. A large portion of this activity is under imminent danger of extinction.

What is the cause of this crisis, Mr. Speaker? I believe there are two causes. In the case of pork, part of the cause is the extended current low market price for pork throughout the North American market. Second, there is a great disparity in feed costs between the Maritimes and the rest of Canada, particularly Ontario. I wish to give a few examples.

On February 1, 1985, according to information provided by the Livestock Feed Board of Canada, the average cost of hog grower ration in Ontario was $207 per tonne, compared with $254 in the Maritimes. That is a difference of $47 per tonne. In the case of dairy cattle, the spread in the cost of dairy ration between the Maritimes and Ontario as of February 1, 1985, was $58 per tonne. This translates to an average increase of 2.9 cents per litre in the production cost of milk in the Maritimes as compared with Ontario. For milk sold for manufacturing purposes, producers in both areas receive essentially the same price. In the fresh fluid market higher prices simply discourage consumption.

• (1805)

What about the case of broilers? The price spread there is the cost of feed. The difference between the Maritimes and Ontario is $53 per tonne, causing a production cost difference of six cents per kilogram.

What about eggs? The price disparity in the cost of laying mash between the Maritimes and Ontario is now $31 per tonne. This means an increased cost of production equivalent to six cents per dozen in the Maritimes over Ontario. The

market price for eggs in the Maritimes is less than five cents higher than the Ontario price.

The way to resolve this dilemma, and I believe this is the long-term solution, is to grow all of our feed grains and concentrates. This process has already started. Between 1976 and 1984 our grain acreage has increased from 280,562 to 295,500. Our acreage of protein crops has increased over the same period from practically nothing to approximately 5,000. If we can return to our 1941 acreage of more than 500,000, producing above average yields of barley, wheat, grain corn and soya beans, we could be almost self-sufficient.

However, in order to ensure the survival of our livestock and poultry industries until we do reach self-sufficiency we require an immediate emergency program consisting of the following two items. We have to restore feed grain assistance to the 1975-76 level of funding to cover over 60 per cent of the cost of transportation of feed grains and protein concentrates imported into the Maritimes from central and western Canada. Secondly, we have to extend the same level of assistance to the feed grains and proteins grown within the Maritime region in order to stimulate local production.

In conclusion, Canadians in the Atlantic provinces are not resentful of the huge payouts made to western farmers, whether under the western grain stabilization legislation or others. What we are resentful of is that it is taking so long for the Minister of Agriculture to give an affirmative answer to the request agreed to by both the Conservative and Liberal Parties when we met with the Maritime Farmers' Council. They need an additional $13.5 million of emergency funding. I believe it is high time the Minister and his Parliamentary Secretary give an affirmative response to this request in the best interests of the Maritime farmers. I plead for the assistance to be forthcoming now. It this continues to drag on it will amount to saying no to a request which is in the best interests of our region. I ask the Parliamentary Secretary to give an affirmative reply forthwith.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am always amazed to see the Hon. Member for Papineau (Mr. Ouellet) so eager to applaud his colleague from Cape Breton-Richmond East (Mr. Dingwall). He seemed less inclined to do so when the previous Government adopted all the measures that plunged this country into an accumulated deficit of $200 billion, and an annual deficit of $35 billion we are trying very hard to reduce. He was not applauding last year. Spending was easy at the time. Spending is always easy. Acting responsibly before the Canadian people is something else.

The federal Government did not turn down the request made by the Maritime Farmers' Council. The Minister of Agriculture (Mr. Wise) had a meeting with the Ministers of Agriculture from the Maritimes, and he met with them again this week to discuss various problems confronting the agricultural industry, both in the Maritimes and in Western Canada. The Minister has designated an official departmental representative who will work together with the Maritime Provinces and the Maritime Farmers' Council on formulating proposals for dealing with their problems.

When we talk about consensus and discussion and reaching a settlement . . . of course, our Opposition friends do not even know the meaning of the word "consensus". The word was forgotten for 20 years. Provinces, farmers, everyone was forgotten. This Government has now reopened discussions with the farmers and the Canadian people.

Mr. Speaker, we cannot settle everything in a matter of weeks, because of our tremendous financial problems, as I mentioned before.

The Minister responsible for the Canadian Wheat Board (Mr. Mayer) has started a review of the Government's feed grains policy. All organizations concerned have been contacted, and each one has been asked to state its position on our policy. The Minister has also offered to meet with as many organizations as possible before undertaking any policy review. That is how this Government operates, not by governing and making decisions and checking afterwards whether people agree. We have said goodbye and good riddance to that approach. This Government has started consulting with people and working together with Canadians. Of course it takes people by surprise. They are not used to it. There are people alive today who never have seen the like of it since their childhood. It just did not exist before. But it is going to exist. People are starting to realize that in Canada we can discuss problems and talk things over. And despite our tremendous problems and our limited financial resources, we have already taken a number of measures that will benefit farm producers in the Maritimes and across Canada.

Federal Government expenditures on agriculture in the Maritimes were estimated at $90 million in 1982 and 1983, out of a total of $1.9 billion. Expenditures for the Maritimes alone, Mr. Speaker, represented 14 per cent of the Government's gross revenue, while it was 9 per cent for Quebec and 4 per cent for Ontario. When the Hon. Member for Cape Breton-Richmond East (Mr. Dingwall) says that we are not doing anything for the Maritimes, that is a lot of nonsense. It is just not true. We are going to work for the Maritimes just as we are going to work for the entire country, Mr. Speaker.

• (1810)

AIR TRANSPORT—REQUEST FOR DETAILS ABOUT CLOSURE OF AIR SAFETY OFFICE IN MONTREAL. (B) EFFECTS OF BUDGETARY CUTS ON MONTREAL

Hon. André Ouellet (Papineau): Mr. Speaker, I am pleased to rise at this time to debate the closure of the Canadian Aviation Safety Board office, because our colleague from Bellechasse (Mr. Blais), who just answered a question from my colleague from the Maritimes, tried to hide behind the smokescreen of consultation to reply to my colleague and

explain the Government's inaction. The issue I want to raise has to do, first, with a decision made by the Conservative Government without any consultation, second, with a broken election promise.

As it happens, the Member for Bellechasse just said that there will be consultation in future. Well, I am saying that when the Conservative Government closed the Canadian Aviation Safety Board office in Montreal, it did not keep its promise to consult the parties involved. For the record, here is the telegram sent to the Minister of State (Transport) (Mr. Bouchard) on November 6, 1984:

We have just learned that you have decided to move the Montreal head office of the Canadian Aviation Safety Board.

We would like to know the reasons for such a decision which you made without any consultation with the interested people in the region.

Your Government promised that it would promote dialogue and consultation concerning any decision likely to affect our region.

We are wondering why the consultation process has not been respected as promised.

The Hon. Member for Bellechasse (Mr. Blais) was referring only a few seconds ago to the consultation process so dear to the Tory Government. Well, in this case there has been no consultation.

And that letter is signed by the Mayor of Montreal, Mr. Jean Drapeau, the Chairman of the Montreal Urban Community, Mr. Pierre DesMarais II, the President of the Montreal Commerce Bureau, Mr. Stephen Cheasley, the President of the Montreal Chamber of Commerce, Mr. Philip O'Brien, and the Minister in the Quebec Provincial Government, Mr. Guy Tardif, Minister of Housing and Consumer Protection and Senior Minister from the Greater Montreal area that is affected by this unilateral action taken by the Tory Government, with a loss of some 110 jobs in Metro-Montreal.

In my view, that decision was made for the sole purpose of gratifying a few employees, a few civil servants, a few employees in the Department of Transport, the Transport Commission and the Pilots Association. It is a bad decision and it should never have been made by this Government. It hurts Montreal, and not only does it fly in the face of that consultation commitment but also it goes against the promise made by the Tory Leader when he was in Place Ville-Marie in August telling Montrealers that he would give back to Montreal its status as a metropolis. Well, since he made that commitment to give back to Montreal its status as a metropolis, decision after decision after decision has been made by those ministers to discourage and jeopardize employment in Metro-Montreal.

I can tell you, Mr. Speaker, that in the present context, some 10,000 jobs in the transport and aeronautic areas are in jeopardy as a result of those ruthless decisions taken by the Progressive Conservative government, those budget cuts imposed on departments and Crown corporations with headquarters in Montreal.

I urge the member from Quebec who will answer my question to have enough courage to uphold the interests of Quebec and to say to the Progressive Conservative ministers who, one after the other, take administrative decisions having adverse effects on employment in Montreal that this has been going on long enough and that things must change. If it goes on like this, jobs will be lost at Via Rail, at the CN, at Air Canada, at Canadair, at Teleglobe and in the port of Montreal as a result of budgetary reductions made by the Conservative government. This cannot go on. May I remind the House that the headquarters of the International Civil Aviation Organization are in Montreal and that the ICAO has acquired a worldwide reputation in the aeronautic as well as in the aerospace areas during the past years. This fact greatly contributes to make Montreal an important city and that is why the previous Liberal government chose that city for the Canadian Air Safety Office. Now I am asking the government to reconsider its decision and to move back to Montreal that important Air Safety Office to make it independent of the Department of Transport and federal officials. It is not only by accident that we have decided to set up that office far from the Canadian capital because there must be a so-called arm's length relation between such an organization and the Department of Transport. I think that the government has underestimated the importance of protecting the independence of that office from the Department of Transport and the Canadian Transport Commission. Consequently, I hope that the government will reconsider its decision and will try to create jobs rather than unemployment as it is now doing in Montreal.

• (1815)

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, we have heard once again the Official Opposition trying to alarm Canadian people by saying that 10,000 jobs are being threatened. In fact, it is the 20 million, or rather 25 million Canadians who were being threatened until September 4 by disastrous economic policies which resulted in an incredible deficit, but the Members opposite do not like us to talk about it. They always say that we are trying to rewrite history, when we mention it.

Mr. Speaker, to paraphrase my colleague from Frontenac, the Minister of Communications (Mr. Masse), I replied to the first question of the Hon. Member for Papineau (Mr. Ouellet) by rising. As for courage, it indeed takes some courage to take over the economic situation and the country in the state where you left it, but we have that courage and we shall have it for a long time. You can be sure of that.

First, let us put certain things in context, Mr. Speaker. The Canadian Aviation Safety Board was created following the recommendations of the Dubin Report on air safety. This is not an economic, industrial or commercial organization, but a board with near judiciary powers. As concerns the investigation of accidents and incidents involving civil airplanes in Canada, the staff of the Canadian Aviation Safety Board were

formerly part of Transport Canada. By its nature, the Board must include a technical section supported by its own laboratory, as well as ground testing and checking facilities.

I am convinced that the Hon. Member for Papineau (Mr. Ouellet) is aware of this. He was a member of the Government long enough to know it. It is impossible that he should not be aware of it. The laboratory and facilities are already located in Ottawa. There was never any question about moving them to Montreal. They are already located in Ottawa. We see no operational advantage in moving these facilities to Montreal.

In relation to the International Civil Aviation Organization, I can say that the Board already has computer access to its data bank, and in any case, there would be very few contacts between the two agencies. As for establishing the independence and the credibility of the Board, we believe that its performance and not its location will be the determining factor. What is important is not the location, but the effectiveness of the Board. This is obvious. The majority of those with whom the Board has dealings are located in the Ottawa-Hull region. These are the Air Transport Association, the Air Traffic Controllers' Association, the Canadian Bar Association, the Canadian Owners' and Pilots' Association, the Aerospace Industries Association of Canada, the Canadian Transport Commission, Transport Canada and the Department of National Defence. All these agencies are located in the Ottawa-Hull region. Why scare people by saying that another monster has taken away a business from Montreal? A figure of 10,000 jobs was mentioned. The Members opposite are making mountains out of molehills.

Yesterday, the Hon. Member for Saint-Maurice (Mr. Chrétien) spoke about having G.I. Joes sitting in cockpits 24 hours a day on Baffin Island. The Members opposite always try to make mountains out of molehills. That is what is wrong. The new Government must go slowly and take things in stride instead of scaring people over nothing, Mr. Speaker.

• (1820)

[*English*]

TERRORISM—PROTECTION OF TURKISH EMBASSY. (B) SECURITY ARRANGEMENTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I take part in the late show because yesterday Hon. Members of the House and I were given totally unacceptable answers to questions relating to the Turkish Embassy incident, the tragedy which occurred last week when a Canadian security guard was killed. The Government claimed through two of its Ministers that security had been increased about a month before, either in late February or early March, in response to some requests by the Turkish Government, and that the Turkish Government was satisfied with the increase in security. For example, the Deputy Prime Minister (Mr. Neilsen) said, as reported at page 2969 of *Hansard*, that increased security was provided as recently as last month. The Secretary of State for External Affairs (Mr. Clark) gave similar assurances to the House.

It is important whether or not they were increased because the Government is obliged under treaty to provide adequate protection to the Turkish Embassy, and because someone died; the family of the victim is entitled to know that the Government did what it could to try to protect that embassy. The Government has claimed that it did. It is important that those claims be validated.

What do we have on the other side? The claims that there was increased security are contradicted by Inspector Paradis of the RCMP, the inspector in charge of VIP security in the whole Ottawa region. The claims of these two Ministers are contradicted by Pinkerton's, and then are contradicted by the Turkish Government which continued to agitate and even sought a meeting with the Minister, but were fobbed off, I believe, on to his Parliamentary Secretary for a discussion. We have these contradictions of the two assertions by the Ministers.

• (1825)

I put it to the Ministers, that their credibility requires that they give some details of the increase in security, what was actually done. We are prepared to believe what was done, but tell us what was done. What did the Minister say? He could not tell me because, first, to do so would compromise national security. If I were asking what the current security arrangements are and the Minister gave that information that would compromise national security. Any interested potential terrorist would know what he is confronted with, but I am not asking about current security arrangements. I am asking about past security arrangements.

I would like to know how giving the details of past security arrangements, not what increases were provided by this Government, would do anything but enhance national security and bring a great deal of relief to the family of the victims, who would then know that something had been done to try to improve the security at the Turkish Embassy. It would also provide a basis for defending our honour as a country with Turkey, the country whose embassy was violated by the terrorist act of last week.

The Minister said that when there appears to be a discrepancy involving the word of an Hon. Member, the word of the Hon. Member is accepted. In other words, the RCMP are liars, the Pinkerton's people are liars and the Turkish Government are liars because they differ with me, says the Secretary of State for External Affairs, and his word has to be accepted. I suppose if the Secretary of State for External Affairs came into the House and said that today was Sunday, we would have to take his word for that. In these circumstances, the Minister and the Government have no alternative and no reason for not standing up and telling us what increase in security they claim to have provided at the Turkish Embassy.

I want to refer them to a statement the Solicitor General (Mr. MacKay) made to Canadian Press on March 13, that after many years of almost uninterrupted power they, meaning the Liberals, left us a pretty sorry legacy in security matters. I do not agree with that. However, if that is what the Govern-

ment thought in September when they took over, why did they not do something about it? If they thought they had been left a sorry legacy in security matters, why did they sit on an RCMP report requesting additional money for increased security, and not take it to Cabinet?

As recently as last week the Solicitor General said that that report, which I commissioned, had not been taken to Cabinet yet for approval. It flies in the face of reason that this Government can be taking security seriously, as it says it is.

The Parliamentary Secretary is here today. He knows the story. He had a meeting with the Turkish ambassador. I wonder if he might tell us whether he had that meeting because the Minister was too busy or was unwilling to see the Turkish ambassador and what in effect this Government did to to increase the security at the Turkish Embassy, as the Deputy Prime Minister said they did in late February or early March.

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I would like to begin by commenting specifically on the statement of the Hon. Member for York Centre (Mr. Kaplan) on my meeting with the ambassador. I take my duties and role as Parliamentary Secretary very seriously. The jobs and initiatives that I have been assigned and taken on I do with the utmost of diligence, not because they are flogged on me or because the Minister happens to be busy.

I happen to play a role of liaison to the diplomatic community. This means that each and every ambassador and high commissioner when coming to this country is afforded the opportunity of being able to meet with me to begin a line of communication, which we will continue, and the opportunity of discussing our bilateral relations and our areas of concern. We do this through the forum of meetings in my office, or we may have lunches that are planned with groups of ambassadors or high commissioners, or through any such opportunities I may have to speak to groups.

The meeting held on February 27 between Ambassador Kerdja and myself was very much in keeping with that policy. I had already met a dozen ambassadors of foreign missions. I made it very clear to the Minister, because I gave him a copy of the minutes of that meeting, that there was no discussion of the security or the lack of security at that embassy. We discussed our bilateral relations. We discussed the relationship between the two countries as it relates to trade potential, the need for increasing trade and our relationship with Turkey as a NATO ally.

I would like to confirm for my hon. friend that when I am involved in these meetings I take them very seriously, as I did my meeting today with the U.N. ambassador from the central African republic. I will continue to play that role as long as the Government and the Secretary of State provide me with that opportunity. That is one of many roles which I have been afforded.

To return to the Hon. Member's question, the investigation ordered by the Secretary of State for External Affairs (Mr. Clark) on March 15 about possible approaches to the Government since February 13 by officials of the Turkish Embassy regarding the security of their mission was rapidly carried out and the Secretary of State for External Affairs reported its findings to the House on March 20. As the Minister told the House in his statement on Tuesday, there were two further contacts between Turkish and Canadian officials after mid-February. Although Ministers were not involved with these contracts, the RCMP were. In both cases, the Royal Canadian Mounted Police acted immediately to increase their vigilance, although no new information had been added by the Turkish Embassy to that made available in mid-February.

Although naturally we understand the Hon. Member's concern about this tragic situation, I do not see the relevance of the Hon. Member's reiterated questioning on this aspect. As for getting into the details of security arrangements, past, present and future, I must ask Hon. Members to understand that neither this House nor any public forum is an appropriate place for such discussions. The effectiveness of security measures is not served by allowing to become known information as to what is involved in routine or standard security arrangements, or as to what modifications are made to them when there is cause for increased vigilance. If we were to make that information available, we would run the risk of jeopardizing the safety of those we seek to protect.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands ajourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.32 p.m.

HOUSE OF COMMONS

Friday, March 22, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

TRADE

BEEF IMPORT QUOTAS

Mr. Maurice Foster (Algoma): Mr. Speaker, in December last the Government invoked the meat import law and limited beef imports this year to 146.5 million pounds. This was in response to the EEC countries shipping 51 million pounds of beef into Canada subsidized by up to 48 cents a pound. When the United States complained about its quota of 21 million pounds, the Government capitulated and has agreed to increase that to 65 million pounds. It got nothing in return, selling out the farmers in Canada. Now the EEC is demanding that its quota be raised to 33 million pounds or the EEC will impose a countervailing duty of $50 million on farm commodities being sold to Europe.

When the Government capitulates to the EEC, the new quotas for beef will rise to 216 million pounds, the largest ever, and we will have seen the most cowardly retreat by the Government of Canada in history. It is time the Government of Canada summoned its courage, marched into the GATT tribunal in Geneva, and started fighting for Canadian farmers.

* * *

IMMIGRATION

COMPLAINT LODGED BY AIRPORT OFFICERS

Mr. Dan Heap (Spadina): Mr. Speaker, over the years Canadians have, from time to time, complained about harassment of their visitors arriving at Pearson International Airport. During the past year these complaints have increased. They have been regularly denied by the administration, even in answer to MP's letters.

Now officers are complaining that they are being harassed, that their performance is being measured by the number of visitors they send for inquiry or send to detention under bond.

Two months ago a complaint was sent to the Minister. Six weeks ago an internal report was made to the Minister. No action was taken until after a *Globe and Mail* story. The Minister has now promised an independent inquiry. I call upon the Minister to make sure that it is genuinely independent, that it has an impartial chairperson, and a representative of the union, the CEIV, who represents the employees at the airport, and that witnesses, especially officers of immigration, are invited to testify under oath and under protection of the Canada Evidence Act, and without fear of reprisals. The scope of the inquiry should include all the allegations made by those officers about the treatment to which they are being subjected by their supervisors, and the inquiry should reach up to whatever level is necessary to determine who was responsible for the policy of telling long-term employees that they may not be promoted—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

WAR CRIMINALS

ADMISSION TO CANADA AFTER WORLD WAR II

Mr. John Oostrom (Willowdale): Mr. Speaker, history is the measure of a civilization. Our history is the criterion which the nations and peoples of the world use to formulate their opinions and pass judgment on the character and social fabric of Canada. I have become disheartened and disillusioned as the media make daily revelations that Canada gave refuge to Nazi war criminals after the war.

The Toronto Star has uncovered evidence in the archives that former Liberal Prime Minister Mackenzie King's Cabinet approved a special order in 1948 allowing war criminals to remain in Canada despite earlier deportation orders. This revelation tends to confirm past suspicions that previous Liberal Governments provided sanctuary for Nazi war criminals and collaborators after World War II. What tragedy and hypocrisy when, during the same period, Jewish survivors of Nazi concentration camps were denied entry!

I urge the Government, for humanity, for the western world, to face up to the challenge, deal with it, and remove this dark cloud over Canada. We must bring these criminals to justice in Canada or overseas so that our brave men did not die in vain. I am certain that the Deschenes Commission will rectify this injustice.

S.O. 21

PENSIONS

RETIRED PUBLIC EMPLOYEES—RESTORATION OF PENSION INDEXING BASE ADVOCATED

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, two years ago the previous Government unilaterally cut the indexing of retired public employees' pensions as part of the six and five restraint program. My Party fought that measure in committee and in this House, and considered it a flagrant disregard for an agreement between employer and employees. Thankfully this program of cut-backs and austerity has ended, but the damage done to retired federal employees' pensions will remain in perpetuity.

The base rate of a federal retired employee's pension has been permanently reduced by the difference between six and five and the inflation rate at that time. As a result, some 200,000 former federal employees are losing substantial portions of their pension benefits. While Canadians are glad to see that the rate of inflation has fallen, Mr. Speaker, indications are that this has occurred due to long-term economic trends and external factors, such as international interest rates. I therefore strongly urge the Government to look at the viability of restoring the indexing base of pensions for retired federal employees.

I also welcome the willingness of the President of the Treasury Board (Mr. de Cotret) to review the pension system. In addition, on behalf of Canada's excellent and dedicated Public Service, I sincerely hope that no Government will again introduce such a regressive measure.

* * *

[*Translation*]

NATIONAL PARKS

ENTRANCE FEE INCREASES

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I should like to advise the House of the reaction of the Kent Tourist Association and Alma Village in New Brunswick to the 300 per cent increase of the admission fee to our national parks which the new government announced last November.

In its letter to me, the Association referred to the devastating effects which this increase will have on the tourist industry. It emphasized four major effects, and I quote:

[*English*]

Tourists bitter over high rates in New Brunswick;

Business needing less staff to handle diminished traffic;

Decreased attendance at swimming pool and golf course will eventually result in their loss as they are not part of Parks Canada mandate and have only been held by high attendance;

All our county will directly feel the effect as it is dependent upon Fundy Park as the main attraction.

In summary, we will no longer be able competitively to draw people to the area.

[*Translation*]

Mr. Speaker, this is clearly a mistake on the part of the party opposite. It should come to realize that creating new obstacles is not likely to help the tourist industry. Through consultations with the tourist industry, the government would realize that it is making a serious mistake and that its decision must be reconsidered. Nothing short of a change in policy would demonstrate its goodwill to the tourist industry.

* * *

• (1110)

[*English*]

NATIONAL ECONOMIC CONFERENCE

IMPORTANCE OF FORUM

Mr. Alan Redway (York East): Mr. Speaker, the main concern of Canadians is still unemployment and jobs. Last November's economic statement and other government initiatives such as Investment Canada have begun to create a new climate for medium and long-term growth. However, Canadians want short-term solutions as well.

The up-coming Budget cannot deal with unemployment in isolation. It must also take into account our unprecedented peacetime deficit and national debt, abnormally high interest rates, the value of the Canadian dollar, and the possibility of renewed inflationary pressure.

In order to solve these problems we must have a plan of action upon which most Canadians can agree. This is why the National Economic Conference, now taking place here in Ottawa, is so important for all of us. It provides a forum for business, labour, consumers, native people, church leaders, ethnic groups, social service agencies, the unemployed, and voluntary organizations, to discuss their solutions not just with the Government but with each other. Hopefully a consensus will emerge and the up-coming Budget will provide a formula which will get Canada moving again.

* * *

NATIONAL DEFENCE

PINE TREE LINE—ANNOUNCED CLOSURE OF DANA, SASK., STATION

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, ever since Canadian Forces Station Dana, Saskatchewan, was established in 1962, it has played a very important role in the local economy of the village of Dana and the surrounding district. I have been notified by the Minister of National Defence (Mr. Nielsen) that on March 13, 1985, the Conservative Government decided to close the stations which comprise the Pine Tree network. The actual date for Dana will be announced within the next three years.

This closure represents a very serious setback to Dana and area. The jobs of the 120 military personnel are not threat-

ened; of course they will be reassigned within the Department of National Defence. However, approximately 65 direct jobs and five indirect civilian jobs are affected, and it will be extremely difficult for those 70 individuals to find new work and for the area to maintain its level of services to people, with such a large loss in revenue. Also, a centre for community activity will no longer be available and the village of Dana and surrounding area will suffer greatly. No job offers have been made to the civilian staff. A six-month notice is all that will be offered prior to the actual closure.

I appeal to the Government, on behalf of all those individuals and families who will be hurt as a result of this closure, to provide real assistance in locating alternate employment. I urge the Government to take a hard look at the economic and social costs of these closures across the country, and to provide real economic assistance, instead of merely stating its intention to close down the stations.

* * *

NATIONAL ECONOMIC CONFERENCE

WIDELY REPRESENTATIVE PARTICIPATION

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, the Government is living up to its main commitment to listen to Canadians before acting. Since September 4 we have been charting a new course for Canada, characterized by consultation and co-operation. This new direction points to economic renewal and national reconciliation.

In less than seven months consultation papers have been prepared by Ministers seeking public input on a number of significant issues. Our Government has held important summit meetings with the provincial First Ministers, and with the President of the United States, our greatest friend and ally.

Today the process continues with the National Economic Conference. The Government has brought together, for the first time in Canadian history, 136 participants from all walks of life and from all parts of Canada. The voices which will be heard include those of business, labour, consumers, women, native people, church leaders, ethnic groups, social agencies, and the unemployed.

If economic renewal and social justice are to be achieved, it is essential that we work together rather than against each other. That is what the National Economic Conference is all about. It is an integral part of the Government's commitment to change the way decisions are made in our country.

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

GOVERNMENT ADVERTISING

USE OF MINISTER'S PHOTOGRAPH

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the March 20 edition of *The Toronto Sun* shows just how desperate some junior Tory Ministers are and how far they will go to get their pictures in the newspapers. Yes, like some peeping Tom, the face of the junior Minister of State for Tourism (Mr. McMillan) peers from a government advertisement, appealing to Canadians to write in and tell him just what it is he is supposed to be doing as Minister.

Does the House remember how some Tories, after the last election, railed against what they perceived to be an evil Liberal practice of having the names of Ministers responsible appearing in small print on signs regarding projects undertaken by the federal Government? The Tories were to end such a practice.

• (1115)

Do you recall how the Tory Opposition worked itself into a frenzy of indignation over government advertising? What was the result of all that sanctimonious nonsense? The result is plain to see, peeping Tom, the Minister for Tourism, using taxpayers dollars to put his own shot in the newspaper. The aim of the ad is to sell the Minister. With his own photo and a reproduction of his signature, which takes up more space in the ad than even the word "tourism", the product message is unmistakable.

Whom is he trying to reach? Perhaps he is trying to remind the boss that he still exists. "Please, Mr. Prime Minister, notice me and give me a place to stand. The junior Minister for Tourism—yours to discover." The Tory Government would serve Canadian tourism better—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

ORAL QUESTION PERIOD

[*English*]

FINANCE

DATE OF BUDGET PRESENTATION

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Acting Prime Minister. This morning the Government showed unparalleled contempt for the elected representatives of the Canadian people when the Minister of Finance, outside this House, said the Budget would be presented the week of May 20. I want specifically to ask the Acting Prime Minister why the Minister of Finance did not show the traditional respect for Parliament in this regard and give this very same information to the House yesterday when asked the specific question? Will he repair this damage and give the

exact date of the Budget right now to the elected representatives of the Canadian people?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sure that the Hon. Member is aware that it is traditional for the Minister of Finance himself to deal with any announcements with respect to the timing of the Budget. He will, I am sure, give the date of the Budget at the first opportunity available to him in the House of Commons.

ONTARIO PROVINCIAL ELECTION

Hon. Herb Gray (Windsor West): Mr. Speaker, the Minister of Finance had many opportunities to give the information to the House that he gave outside it this morning. I want to ask another question of the Acting Prime Minister. In doing so, I say that the real reason for presenting the Budget the week of May 20 is because Premier Miller of Ontario does not want to carry this Government's Budget around his neck like an albatross when he campaigns for re-election in that province a few weeks hence.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): I want to ask the Acting Prime Minister why the political interests of the Ontario Conservatives are more important than the real needs of 1.5 million Canadians who will be waiting 250 days, some eight months, for concrete action in a Budget on jobs, action they obviously are not going to get when they need it.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, all things are relevant, I suppose. In terms of carrying things around one's neck like an albatross, I am sure that there could have been no more weighty an albatross to hang around the Liberal neck than the Budget of Mr. MacEachen. It did more to erode the economy of this country than most.

Some Hon. Members: Hear, hear!

Mr. Nielsen: There is now under way here a National Economic Conference that has been convened to obtain the views of the broadest cross-section of our society, in the hope that some of the problems that the Hon. Member mentions can be addressed with that kind of broad input, so that the Budget of the Minister of Finance will reflect the real needs of the country to restore some kind of economic renewal in Canada.

STATEMENT ATTRIBUTED TO PRIME MINISTER

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a further question to ask of the Acting Prime Minister. It is typical of the move of the Tory Government to a presidential system that it is not going to recognize that the 285 Members of this Parliament, elected by the Canadian people, in fact provide the broadest possible cross-section of the views of the Canadian people. Why did the Prime Minister as recently as last Wednesday, two days ago, speak of an April Budget? He knew at that time that there would be an economic summit this week. Why has the Prime Minister not kept his word so that there could be an April Budget? Why is the Prime Minister, through the Minister of Finance, unnecessarily delaying the Budget by a month, unnecessarily delaying the required concrete action on jobs for more than a month, and at the same time showing contempt for the elected representatives of the Canadian people?

• (1120)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, all things are relative. I see no departure from the word of the Prime Minister with respect to the date of delivery of the Budget. I do not see the connection that the Hon. Member has been inferring with respect to the plans of any provincial Governments. The Hon. Member speaks of 285 Members of the House of Commons. The last time I looked, there were 282 Members, 211 of whom are on this side, and those numbers were decided last September.

The Opposition has every right to expect a full discussion of economic affairs and has certainly been taking advantage of such opportunities since the House commenced sitting. Its members have certainly taken advantage of such opportunities in debating the economic statement delivered last November 8. All of the opportunities have been there, and if this Government is being marked for one thing, it is the restoration of the meaningfulness of individual participation by Members of this place in all of our national affairs.

* * *

[*Translation*]

NORTH AMERICAN AIR DEFENCE

CANADIAN PARTICIPATION IN UNITED STATES SDI RESEARCH PROGRAM

Hon. Jean Chrétien (Saint-Maurice): My question is directed to the Minister of National Defence and Deputy Prime Minister.

Two days ago, the Secretary of State for External Affairs said before the House, in answer to a question by my colleague the Member for Winnipeg-Fort Garry, that there was absolutely no danger that Canada would be taking part in the United States SDI Research Program. Yesterday, the Minister said before the committee that he was considering the possibility of participating in the star wars research program. This morning, the Secretary of State for External Affairs said before the committee: We have not yet received a formal invitation from the U.S. Government to take part in star wars. I would like to know whether we might be able to get the truth from the Minister of National Defence. If he has not received

a formal invitation to date, has he received an informal invitation?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as usual the Hon. Member's recollection of what was said, both here and in committee, is quite inaccurate. I do not ever recall using terminology of danger, and I cannot recall hearing the Secretary of State for External Affairs refer to the danger of participation. In the House of Commons, and I believe in committee, the Secretary of State for External Affairs has left doors open. We would be less than responsible if we did not leave those doors open regarding any decision that the Government of Canada might wish to make on behalf of Canadians.

With respect to the discussions to which the Hon. Member refers, there are no discussions going on. I told him that in committee yesterday.

CANADIAN POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I never used the word "danger". I would like to have a clear commitment from the Government. The House decided not to participate a year ago when we were debating this subject after President Reagan made the suggestion that we should move to escalate the armament race to a new level with SDI.

We would like to extract a commitment from the Government. However, I see that that will not be easy because the Government cannot make up its mind about anything and is postponing everything. Can we have the Government's assurance that the Canadian people and the Canadian Parliament will not be associated with the star wars project of President Reagan? That is what we want from the Government.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as I said in committee, star wars is the term that is being used by the Hon. Member and his colleagues. Star wars is the term that is being used by Members of the NDP in this House. Unfortunately, star wars is being used by those outside of the House as well as in the House in their efforts to link a radar system with the highly imaginative term "star wars", when there is no such connection. I have explained that, the Secretary of State for External Affairs has explained that, and it has been explained in committee. The Hon. Member refuses to accept that, but that is probably because he does not know the difference between radar and space technology. In any event—

• (1125)

Mr. Chrétien: Will you be part of star wars?

Mr. Nielsen: We have no intention of becoming associated with wars, and we have no intention of embracing the stars.

Some Hon. Members: Hear, hear!

POSITION OF U.S.S.R.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, *The New York Times* also uses the term "star wars", a well as many commentators who speak on this matter. It is only President Reagan who wants to get rid of the phrase because he would like to legitimate star wars by calling it SDI.

I would like to direct my question to the Secretary of State for External Affairs, since I believe, as I am sure he does, that External Affairs should be the senior partner in all major policy matters which relate to defence. Since many of his colleagues have said that the Russians are also developing star wars research and technology, does he think that the Soviet Union should agree to no longer do any research, testing, development, and that it should have no involvement in the militarization of outer space with a star wars type of program? Would the Prime Minister then say that there is no need for the United States to develop any research, testing, and so on, of star wars technology?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no way one can anticipate the response to events which have not only not occurred, but are quire unlikely to occur. The point I have made in the House of Commons is that because the Soviet Union is involved in research of a strategic defence initiative kind, it is entirely prudent for the West to be involved in research of that kind.

POSSIBILITY OF U.S.-U.S.S.R. AGREEMENT

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, since the Soviet Union is obviously very concerned with the great thrust of American research—and I take it that it is far superior to the Soviet's—my question is quite explicit. If, at Geneva or elsewhere, the Soviet Union said that it would not have anything to do with any Strategic Defence Initiative, or star wars, would the Minister then not agree, since we are all very worried about the militarization of outer space, that there should be a mutual agreement between the Soviet Union and the United States not to get into the militarization of outer space?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the question is explicit, and the question is hypothetical. There is no practical way in which that hypothetical question can be answered before the facts are known. The Hon. Member, who is a serious student of these questions, knows that agreements which might be reached between the Soviet Union and the United States are almost certain to be hedged in caveats and conditions. It would be most imprudent for Canada or, indeed, any other country, to take firm positions now on decisions which are, by definition, not firm and unknown.

RESEARCH INQUIRY

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I only wanted the Minister to assure the House that

the Government would, in fact, like to see the elimination of the whole star wars development on both sides. He has not given that assurance. Could he not at least give that assurance? Is the Government in favour of the elimination of star wars?

Does the Government support what I now understand to have been a statement by the Chancellor of West Germany, Helmut Kohl, to the effect that, if there is any progress at all in Geneva, there will be no need for either side to pursue the so-called Strategic Defence Initiative?

• (1130)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I cannot, nor in honesty can any Hon. Member of this House, prejudge research now under way on the Strategic Defence Initiative. Nor can I prejudge the possibility of the United States of America following up on, and the Soviet Union accepting, the idea that those two superpowers should work together on their research.

* * *

NATIONAL DEFENCE

LEVEL OF EXPENDITURE

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question is directed to the Minister of National Defence. The Minister has picked up an option from the previous Liberal Government to send additional military personnel to Europe.

Some Hon. Members: Oh, oh!

Mr. Hopkins: He has announced the North Warning System; most of the work had been done by the previous Government. He has cut his Estimates this year by $150 million. He has allowed real growth in the defence spending to drop from over 4 per cent last year to barely 3 per cent this year. When is the Minister, and this Government, going to take their election promise seriously, which was to "honour the commitment" to spend more money on defence, instead of just trying to give the impression that they are doing something original when they are not doing anything original at all?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, if we are not doing anything original, then I don't know why the carping criticism from the other side with respect to what we are doing.

Some Hon. Members: Hear, hear!

Mr. Nielsen: With respect to commitments of a budgetary nature, that question has been answered several times since the House began sitting. When we got there, the cupboard was bare—

Some Hon. Members: Oh, oh!

Mr. Nunziata: Your head is bare.

Mr. Nielsen: —so that the pace at which we achieve the restoration of our Armed Forces, the pace at which we achieve the honouring of our commitments to our allies, is entirely governed by the economic circumstances of the country, which were left in quite a sorry mess. We hope to achieve those objectives, given the economic renewal due to the initiatives which we are taking as a Government, at the earliest possible moment. Yesterday I stressed to the Hon. Member, as I have before, that those objectives are being looked at in terms of our mandate over the course of four or five years and certainly not within the six months we have been sitting here.

Mr. Hopkins: Mr. Speaker, I understand why the Minister has to pile it high. It is because he has a very narrow wagon.

COST OF ADDITIONAL TROOPS IN EUROPE

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): A few days ago I asked the Minister whether the $50 million this year, and the $100 million next year, which are required to send the additional 1,200 troops to Europe, would be new money in his Estimates or whether it would be from the existing budget. He could not answer that. Would the Minister of National Defence now tell Canadians whether it will be new money or existing money? If it is money already in his budget, what item or items is he chopping—being the chopping man in the Department—in order to find that money, instead of increasing the growth of defence expenditures as promised by his Party in the last election campaign?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, at least I've got a wagon. I'm not dragging my axles.

Some Hon. Members: Oh, oh!

Mr. Nielsen: I have answered that question before in the House of Commons. It was answered for the Hon. Member when I made the statement in the House the other day with respect to where the money was coming from to meet the commitment of $50 million in the first year and the remainder of that commitment, roughly $150 million a year, by saying that we were examining the existing resources of the Department to see what portion of those resources could be allotted to pay for the initiative of this Government, not of those tired old remains of the last Government who sit over there. But whatever slack has to be made up, it will be made up without any erosion of our existing commitments, and without any erosion of the real 3 per cent to which we are committed now.

Mr. Hopkins: You are loading your wagon again.

* * *

FINANCE

DATE OF BUDGET PRESENTATION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Deputy Prime Minister. Over the

last several months the Government has teased us with a tantalizing dance of the Budget. First the Budget was to come down in early April; then it was mid-April; then it was late April; then it was early May, and now we are being told it is going to be the week of May 20.

Some Hon. Members: It's Miller time.

Mr. Rodriguez: Would the Deputy Prime Minister tell us why the Government has resorted to the reprehensible practice of the previous Government in making these kinds of important announcements outside the House of Commons, thus indicating its disrespect for the people of Canada?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that is the same question which was asked by the House Leader for the Official Opposition.

Ms. Jewett: Let's have an answer, then.

Mr. Nielsen: I am sure the Hon. Member for Nickel Belt heard my response. The Minister of Finance will take us all into his confidence with respect to the date of the Budget at the first opportunity. He may wish to take advantage of it in the House of Commons.

ONTARIO PROVINCIAL ELECTION DATE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in view of the fact that the Government has dilly-dallied and shilly-shallied over the announcement of the date of the Budget, I ask the Deputy Prime Minister if it is not a fact that the Government is trying to avoid embarrassment of the Frank Miller Government seeking re-election? That's why it doesn't want to bring this Budget down now.

Some Hon. Members: No, no!

Mr. Chrétien: It's Miller time.

Mr. Rodriguez: In fact it is the date of the Ontario election which is in effect determining the date of the Budget.

Some Hon. Members: Oh, oh!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I really don't know what the Hon. Member for Nickel Belt finds so upsetting. Perhaps it is the fear of an election in Ontario. I am certainly not privy to any insider information with respect to that.

Mr. Rodriguez: You are playing politics with the lives of the people.

Mr. Althouse: You are showing fear of an election in Ontario.

Mr. Nielsen: I am sure that the Minister of Finance, in his usual fashion, being the man of integrity he is, will not have any other considerations than those of the national interest when he selects and brings down his Budget?

Some Hon. Members: Hear, hear!

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NORTH AMERICAN AIR DEFENCE

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Deputy Prime Minister. We had a statement by the Minister himself yesterday, and now by his colleague, the Secretary of State for External Affairs, that the Cabinet is actively considering ways in which the country might become involved in the research and development activities related to the "SDI" program, to use the proper phrase and vocabulary. Does the Minister not believe that it really is the height of hyprocrisy for this Government, which has made statements at the United Nations, and when this House has made statements by way of resolution, against any activity which would contribute to the militarization of outer space, to be preparing to become involved in that kind of research and development?

Does the Minister not consider it far more advantageous to Canadians to start looking at the ways in which we can have peaceful uses and applications of our scientists and technologists rather than becoming involved in research leading to a new defensive or war-related system?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as is customary, the Hon. Member for Winnipeg-Fort Garry totally distorts what has been actually said by myself and by the Secretary of State for External Affairs. Neither he, nor I, have said that the Government is, to use his terminology, "actively considering" involvement. That has not been said anywhere.

Mr. Chrétien: Looking at options.

Mr. Nielsen: Why the Hon. Member continues to try to distort this matter, I can only attribute to questionable motivation on the part of himself and his colleagues. The fact is that all of our options are open, and that is exactly what I said yesterday. It would be irresponsible for that not to be said.

• (1140)

CANADIAN POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, let us try to learn from the Minister exactly what the Government is engaged in. He says that it is considering options. Does that mean that there is review, study, or examination by the Government of ways in which Canadian industry or scientists might become involved in the research and development activities presently being sponsored by the United States? Or is he prepared to say that there is no involvement, no examination, and no consideration whatsoever of that

option or that consideration? Which is it? Is the Government getting involved, or is it not?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Again the Hon. Member for Winnipeg-Fort Garry distorts the facts. When he says that I, or anyone else on this side, has said that we are considering the option of involvement, he is totally inaccurate. I said that our options are open. When we make any decision with respect to those options, all of which are open, he can be sure that it will be made by the Government of Canada, which was sent here on September 4, on behalf of and in the best interests of all Canadians.

* * *

HUMAN RIGHTS

WAGE PARITY FOR WOMEN WORKERS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Justice. Yet another study has confirmed the wage gap between men and women. Unfortunately, the new Treasury Board committee will be limited only to discussions on the public sector, on this question. What steps will the Minister take, as Minister of Justice, to enforce actively the six-year old provisions of the Human Rights Act so that women workers can finally achieve equal pay for work of equal value in all sectors, private and public?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, we are certainly assisting the Human Rights Commission in enforcing the Human Rights Act. We intend to continue to do that. We will give it every assistance when we are called upon to do so. My colleague, the Secretary of State, is doing the same. I can assure the hon. lady that by the time we are finished women will be in a position of far greater equality and equal rights than they ever were before.

REQUEST THAT COMMISSION STAFF BE ENLARGED

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to assure the hon. man that the Human Rights Commission needs more staff. They have only five staff members. Since he says he is going to give every assistance, will he guarantee today that he will increase the staff of the Human Rights Commission considerably to enable it to combat wage discrimination actively and work for systemic changes?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to make a few points of clarification in response to that question. The question surprises me somewhat since the Hon. Member opposite, who is asking the question, attended the announcement of the measures we are taking in the public sector, as well as in the private sector, to deal with the issue.

A committee has been set up with a broad mandate. In that same announcement there was a firm commitment by the Government to give adequate resources for this program to go forth.

* * *

UNEMPLOYMENT INSURANCE

INCLUSION OF SEVERANCE PAY IN INCOME CALCULATION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question was for the Minister of Employment and Immigration, but in her absence I will direct it to the Deputy Prime Minister. The Government has announced that it will count severance pay as income under the Unemployment Insurance Act, which will delay unemployment insurance benefits to laid-off workers. This is to start on April 1, which is only about a week away.

Government Members and opposition Members have all received protests from all across the country, from unions, workers, and members of the Armed Forces, saying that this is a harsh and unfair measure and that there was no prior consultation. Will the Deputy Prime Minister, in consultation with his colleagues, agree to postpone this measure until there is proper consultation and until all the implications are fully understood?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I shall, if I may, take the question as notice, and advise my colleague accordingly so as to provide the Hon. Member with a reply as soon as possible.

[*English*]

EFFECT ON LAID-OFF WORKERS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, as I pointed out, this measure is to come into force very soon. Many laid-off workers were going to use this severance pay to re-establish themselves in employment, to relocate to other parts of the country, and even to roll it over with an RRSP into their pension provisions. They will now be forced to spend the severance pay on the basic necessities of life rather than using their unemployment insurance.

Does the Minister not agree that this is a very harsh measure which has implications not foreseen? I would ask her and any of the Ministers, including the Deputy Prime Minister, to consult quickly on this so that it can be postponed and so as to enable full consultation to take place before it moves ahead.

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I would like to repeat what I just said, and I have duly noted the Hon. Member's question as well as his comments and words of protest.

[*English*]

APARTHEID

SOUTH AFRICA—KILLING OF BLACK DEMONSTRATORS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Yesterday South African police in an armoured truck, using semi-automatic rifles, shotguns, and machine guns, killed at least 18, and perhaps as many as 43, blacks who were demonstrating in commemoration of the twenty-fifth anniversary of the Sharpeville massacre. Some 200 blacks have been killed since last August as the white minority Government attempts to suppress all dissent. Will the Canadian Government now get off the fence and lead an international movement for disinvestment in South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that tragic incident of yesterday has demonstrated one more time that the injustice and violence of the apartheid system can only engender further violence. The Government of Canada, and I am sure the people of Canada, deplore this act. We believe the only long-term solution is to move to a non-discriminatory society in South Africa. We are now in the process of reviewing fully the appropriateness of Canadian policy with regard to South Africa. Events of the tragic kind of yesterday add impetus to that review.

CANADIAN GOVERNMENT POSITION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my supplementary question is directed to the same Minister. It is not enough simply to deplore and wait for some kind of long-term solution.

Mr. Crosbie: We will invade them, will we?

Mr. Manly: Does the Minister not recognize that the actions of the South African Government must make it a pariah, an outcast among all decent nations in the world? What concrete steps is the Government of Canada prepared to take to put pressure on the Government of South Africa to end this tragic situation, instead of just waiting for a long-term solution?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government of Canada, under the leadership of different Parties, has given leadership to the world on this question, going back as far as the action of the late Right Hon. John Diefenbaker with regard to the expulsion of South Africa from the Commonwealth. We are very conscious, not only of that tradition of governments, but of that concern on the part of Canadians.

We also think it is essential that the actions which Canada might take, or might be involved in, are actions which in fact improve the quality and prospect of life of the majority in South Africa. I have said that we are undertaking a review. We intend to complete that review as quickly as possible. We intend to take action which is consistent with the tradition of leadership of Canada with regard to South Africa, and in opposition to the apartheid regime.

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PORNOGRAPHY

FRASER COMMISSION REPORT

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of Justice. I understand that the Minister has received the Fraser Royal Commission Report on Pornography. Could he advise the House when he will be tabling that report in the House and when he will be introducing legislation to restrict pornography in Canada?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am glad that there are some Members opposite who wish information rather than just making cheap gibes and silly attacks.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The answer is that we have not actually received the Fraser report yet. It is in the Department in bits and pieces getting translated. One consecutive volume has not yet been presented to me so I have not received it yet. I think it should be received by the first week of April. Hopefully we should be able to make it public early in April. We will then have to undertake the matter of reviewing the law in the light of the recommendations and in the light of the Badgley report.

An Hon. Member: How long?

Some Hon. Members: Oh, oh!

Mr. Crosbie: The hon. gentlemen opposite are not interested in the reform of the law in this area, apparently.

* * *

• (1150)

ENVIRONMENTAL AFFAIRS

ACID RAIN—MODERNIZATION OF INDUSTRIES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. It concerns the statements in an interview with the press some weeks ago on acid rain, and the evolution of arrangements with the provinces. There were some surprised statements, notably on the part of the Minister of Environment for Ontario, in reaction to the fact that for the first time the provinces seem to be expected to participate financially in the modernization of the non ferrous metal industry. Would the Minister inform the House whether the provincial Ministers of the Environment were consulted and informed about her intention to have them participate financially in the modernization of the industry?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, not only were my provincial counterparts informed, they were consulted beforehand, and they were a party to the decision at our meeting on February 5 in Montreal. If the press misreported certain comments, as I think they did, I am afraid I cannot help that, and neither can my provincial counterpart in Ontario.

[*English*]

STATEMENT ATTRIBUTED TO ONTARIO MINISTER

Hon. Chas. L. Caccia (Davenport): How does the Minister explain the statement of surprise expressed by the Minister of the Environment for Ontario at the requested participation by him in the modernization of the non ferrous metals industry, as reported in the press?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I would rather not depend on media reports to find out what my hon. colleague, the Minister of the Environment of Ontario is thinking. All I can say is that yesterday, I received a letter in which he congratulated me on the agreement concluded with the United States in Quebec City.

* * *

[*English*]

FISHERIES

PROPOSED NORTHERN FISHERY DEVELOPMENT CORPORATION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I have yet another question for the fiscal butcher of the Conservative Party. The Deputy Prime Minister admitted yesterday that he has led a committee of packers and choppers on a search and destroy mission—

Mr. Speaker: Order. I will ask the Member not to repeat that phrase and simply to put his question.

Mr. Skelly: Mr. Speaker, I would like to ask the Deputy Prime Minister why the Government chopped $2 million for the creation of the Northern Fishery Development Corporation in Newfoundland? Does the Minister understand that it was in fact an agreement between Canada and Newfoundland? Does he understand that it will help thousands of fishermen in Labrador and Newfoundland? Does he understand that?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman's question is completely wrongly conceived. The question of what will be done to assist the fishermen of northern Newfoundland and Labrador is currently under review by the present Minister of Fisheries and Oceans, and a decision will be made on that shortly.

Meetings are being held in Newfoundland on that issue. The matter is well in hand, so the Member need have no fear. Furthermore, of course, his own district is about 3,000 miles away from the area so that one wonders why he has this sudden interest in this problem.

Ms. Mitchell: Are you not concerned about B.C.?

Mr. Crosbie: Where was he when the fishermen of that area were suffering over the last 10 or 12 years, when the election wasn't on?

Mr. Skelly: There is certainly no justice in that statement.

FUNDING OF CORPORATION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my supplementary question is for the Deputy Prime Minister. In fact the Minister of Fisheries and Oceans announced that the Department cut $2 million, and that the funding was not there.

Would the Deputy Prime Minister give us the assurance that the $2 million will be put back on the table, that the commitment to the fishermen of Newfoundland and Labrador will be honoured and the Northern Fisheries Development Corporation will be set up?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am the Acting Minister of Fisheries and Oceans. The Hon. Member may as well learn that now. When the Minister of Fisheries and Oceans is not here, I am the Acting Minister of Fisheries and Oceans.

Some Hon. Members: Hear, hear!

Mr. Crosbie: I am not used to this adulation, Mr. Speaker.

The answer to the question is that $2 million is not enough. We are not going to restrict the fishermen of northern Newfoundland and Labrador with the meazly $2 million that the hon. gentleman suggests. Much more than that will be necessary to implement these recommendations. Negotiations must first be concluded with the Government of Newfoundland.

* * *

[*Translation*]

MINES

CONSTRUCTION OF CARTOGRAPHIC INSTITUTE AT SHERBROOKE—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to direct my question to the Minister of State (Mines), but first I want to tell the House that, regretfully, we have learned today that the Government is apparently about to give in under pressure by some senior officials and some Members from the Ottawa area, and to reconsider the proposed construction of the cartographic institute in Sherbrooke. All Eastern Townships residents are deeply concerned, wondering what will happen to this project, all the more so since

the Prime Minister did make a solemn promise during the election campaign to the effect that the project would be carried out.

Can the Minister allay the fears of Eastern Townships residents and tell us whether construction will go ahead? Yes or no?

[*English*]

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, with respect to the project to develop the cartographic institute in Sherbrooke, there is presently a training program for the new employees who will be required by the Department of Energy, Mines and Resources.

This project, as is the case with many initiatives of the Government, has been reserved for a financial decision as a result of the task force whose report will be deposited shortly.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

ECONOMIC DEVELOPMENT OF QUEBEC—GOVERNMENT POLICY

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would be hard pressed to say that the answer is crystal clear. Perhaps I should attempt to elicit a clearer response from the President of the Treasury Board.

What with inaction in the Domtar file, and now in the matter of the cartographic institute, everybody in the Eastern Townships is worried. Would the Minister enlighten us about the economic development policy of the Government of Canada—if there is one—with respect to the Province of Quebec? Is the Government taking concerted action to promote economic development in Quebec?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am very pleased to answer yes to the question, our Government is taking concerted action to promote economic development in Quebec. Indeed it might very well explain why unemployment in Quebec declined by 54,000 in the past year, more than in any other Canadian province.

* * *

[*English*]

TOURISM

McDONNELL DOUGLAS PROMOTION VENTURE

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, as part of the already more than $5 billion CF-18 interceptor purchase, McDonnell Douglas was to undertake a tourism promotion campaign for Canada. Can the Minister of Tourism inform the House what specific initiatives McDonnell Douglas has taken?

Hon. Tom McMillan (Minister of State (Tourism)): Mr. Speaker, I thank the Hon. Member for his question. To my knowledge, the company has not approached me directly, nor has it approached my Ministry. I will look into the subject for him and would be prepared to discuss it when the information is gathered.

USE OF MINISTER'S PHOTOGRAPH

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I am quite sure that the Minister will indeed undertake that step to which he has just committed himself. I look forward to learn what he discovers.

Perhaps he can assure us that McDonnell Douglas' advertising is of higher quality than the recent advertisements of his Department, which are not promoting tourism in Canada but simply the Minister's handsome, smiling face, and a rather insubstantial consultation paper.

Hon. Tom McMillan (Minister of State (Tourism)): Mr. Speaker, I thank the Hon. Member for his compliment. The fact is that tourism is an $18 billion a year business. Under the previous Government Canada lost one-half of the country's share of world business receipts.

We believe that we can turn that situation around but we do not believe that the Government has all the answers. Some of the answers reside in the tourism industry itself. That is why we are consulting with the industry, to seek their views through the consultative process, and that is why we published the advertisement in connection with it.

* * *

[*Translation*]

HUMAN RIGHTS

PROGRAM TO ASSIST LEGAL ACTIONS—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Secretary of State.

The Minister is aware of the importance and value of the Government's legal aid program which has helped a number of organizations and individuals to defend their rights before the courts, and I am referring to our rights under Section 133, 93 and 23 of the Canadian Charter of Rights and Freedoms.

Since this program is to expire on March 31, which is in a few days from now, what kind of programs does the Minister intend to have on April 1 that will help individuals and organizations, and I have been thinking especially of minority groups, to defend their rights before the courts?

• (1200)

[*English*]

Hon. Walter McLean (Secretary of State): Mr. Speaker, as I mentioned in committee to the Hon. Member, the matter is of importance. As has been the tradition in the past, there is a

mechanism to see that rights concerning language were fully explored and that minority views were supported. At the moment there is an on-going discussion between the Department of the Secretary of State and the Minister of Justice. Shortly the Government will announce the future program for Charter challenges.

[*Translation*]

Mr. Gauthier: Mr. Speaker, when Section 15 of the Constitution becomes effective on April 17 of this year, Canadians will be trying to defend their rights under this section, which covers essential and basic rights. Could the Minister inform the House whether the Government is also looking at the feasibility of expanding its legal aid program to cover not only Sections 133, 93 and 16 to 23, but also Section 15 of the Constitution?

[*English*]

Mr. McLean: Mr. Speaker, as the Hon. Member rightly notes, with the widened context of Section 15, there are a number of groups that are very anxious to pursue rights and to see that these are clarified. In the review that is on-going, the wider context is also being reviewed in terms of support that may be offered.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Lévis (Mr. Fontaine) on Thursday, March 21, 1985, meets the requirements of the Standing Orders as to form.

[*Translation*]

CHANGE IN ECONOMIC POLICY

Mr. Speaker: I must inform the Hon. Member for Hamilton Mountain (Mr. Deans) that the petition presented by the Hon. Member on Thursday, March 21, 1985, does not meet the requirements of the Standing Orders as to form.

[*English*]

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I rise on a point of order. It concerns petitions. In yesterday's *Hansard* at page 3251 you, Sir, are reported to have said that the petition presented by the Hon. Member for Western Arctic does not meet the requirements of the Standing Orders as to form. In *Votes and Proceedings* there is a similar reference.

I have not in this session of Parliament presented any petitions either to the Clerk of the House or verbally. It would appear that some mistake has been made. I rather suspect that reference was to a petition that my colleague, the Hon. Member for Nunatsiaq (Mr. Suluk), who represents the Eastern Arctic, attempted to file with the Clerk of the House. Perhaps some correction could be made.

Mr. Speaker: I thank the Hon. Member for his point of order. The matter will be looked into. It is difficult to have a petition ruled out of order if one was not presented. I will have the matter checked.

ROUTINE PROCEEDINGS

[*English*]

LAW REFORM COMMISSION

TABLING OF REPORT NO. 24

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 46(1), I am pleased to lay upon the Table of the House, a copy in both official languages of Report No. 24 of the Law Reform Commission on search and seizure. I ask that the report be referred to the Standing Committee on Justice and Legal Affairs.

* * *

PETITIONS

CALL FOR RETENTION OF CANAGREX

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition signed by several dozen Canadians in southwestern Ontario calling on the Government to retain the Canadian export corporation for agriculture products, Canagrex, pointing out that this agency made a very good start in its first year and should be retained so that we can adequately market our farm exports abroad.

* * *

MEAT INSPECTION ACT

MEASURE TO ENACT

Hon. John Wise (Minister of Agriculture) moved for leave to introduce Bill C-33, an Act respecting the import and export of and interprovincial trade in meat products, the registration of establishments, the inspection of animals and meat products in registered establishments and the standards for those establishments and for animals slaughtered and meat products prepared in those establishments.

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

Some Hon. Members: Agreed.

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

HOUSE OF COMMONS

MOTION TO ADJOURN

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I submit that the Government has shown contempt for the House in refusing to disclose the date of the Budget in this place and choosing to do it elsewhere. To show our protest, I move, seconded by the Hon. Member for Ottawa-Vanier (Mr. Gauthier):

That this House do now adjourn.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

• (1700)

And the division bells having rung:

Mr. Speaker: Order. Since it is now 5 p.m., the usual hour of adjournment, it is obvious it will not be necessary to vote on the motion to adjourn. Accordingly, the motion before the House has lapsed, pursuant to S.O. 8(1). I do now leave the chair until Monday, March 25, 1985 at 11 o'clock a.m., pursuant to Standing Order 2(1).

The House adjourned at 5.01 p.m.

HOUSE OF COMMONS

Monday, March 25, 1985

The House met at 11.00 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—THE ECONOMY

Mr. Speaker: Order, please. Before putting the motion in the name of the Hon. Member for Laval-des-Rapides (Mr. Garneau) and since today is the final allotted day, the House will go through the usual procedure to consider and dispose of the Supply Bills. In view of recent practices, do Hon. Members agree that the Supply Bills be distributed now?

Some Hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Mr. Hnatyshyn: Mr. Speaker, I rise at this time on a point of order to seek the unanimous consent of the House with respect to a statement to be made by the Minister of State for Finance (Mrs. McDougall) which relates to the situation of the Canadian Commercial Bank.

There have been discussions with the Leader of the Opposition (Mr. Turner), with the Leader of the New Democratic Party and in turn with the financial critics and ultimately with the House Leader of each Party. The Government feels that this is a very sensitive issue in terms of the situation as it relates to the Canadian Commercial Bank. We would like to have a parliamentary opportunity at the earliest possible moment, without in any way impinging upon or negatively affecting the rights of the Opposition on an Opposition Day, to make a statement.

I have put forward a proposition to Opposition House Leaders by which a statement could be made with respect to this financial institution. I have indicated that we would be prepared to sit into the lunch hour in order to ensure that no time is lost on the Opposition Day. I will not go any further, except to say that I think it is a sensitive issue respecting a financial institution. There should be an opportunity for the Minister to address the House of Commons by way of statement and for questions, an opportunity which would not be available in Question Period. This is why we suggest this particular course of action. I am quite prepared to proceed at this time with the Minister of State for Finance or, indeed, to proceed at one o'clock this afternoon so that it will not in any way negatively affect the Opposition Day discussion of the motion in the name of the Hon. Member for Laval-des-Rapides (Mr. Garneau).

I put that proposition to the House and would like to see whether we could obtain its agreement with respect to a very important statement to be made this morning.

Mr. Gray (Windsor West): Mr. Speaker, I appreciate the request of my hon. friend with respect to the desire of the Government to make a statement about the situation of the Canadian Commercial Bank. Notice of the desire of the Government to make a statement about this matter at eleven o'clock this morning reached me only about 40 minutes ago. We have been reflecting on that request. Bearing in mind the sensitivity of the situation and what the Government House Leader said about the importance of being able to put questions on the matter in a parliamentary way, it is our preference that the statement be made at the usual time at three o'clock. This would give our spokespersons a chance to review the statement in advance—we have not seen it—and to reflect upon our questions.

I point out to the House that early this morning a rather detailed press release on this was issued by the Minister of State for Finance (Mrs. McDougall). That press release has also been the subject of news reports as early as nine o'clock this morning. I am not complaining about that; I am just saying that it is not necessary to have a statement in the House at eleven o'clock to inform either the public or the House of the situation. Therefore, under the circumstances outlined by my hon. friend with respect to the sensitivity of this situation, I think it would be most helpful to the House, in terms of the kind of response we could give to the Government statement and the kinds of questions we could ask, if we had time to reflect upon the matter until the usual time for making statements on motions at three o'clock this afternoon.

Mr. Deans: Mr. Speaker, it would appear that the matter has been resolved in any event. I can well understand the position put by the House Leader of the Official Opposition. However, in the circumstances, if unanimous consent could have been sought, we certainly would not have withheld it.

Mr. Speaker: I am in difficulty. The Hon. President of the Privy Council (Mr. Hnatyshyn) sought the floor to seek leave on a matter of unanimous consent which technically has not been granted. I find it difficult to accept any more statements on the point of order, given that the request arose under a request for unanimous consent.

Supply

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides) moved:

That this House regrets that the Government has further postponed a budget thereby assuring that it will have gone more than eight months in office without taking any concrete action to create jobs and to establish the kind of economic confidence necessary for the realization of the hopes and aspirations of all Canadians, in particular, women, young people, farmers, fishermen, the elderly, natives and, above all, the almost one-and-one-half million unemployed.

● (1110)

He said: Mr. Speaker, we believe it is our duty to draw the attention of this House and of all Canadians to the incredible way the Government has been putting off the formulation of budgetary proposals in a budget speech, to inform Canadians of the direction it intends to give the economy of this country.

The Government's refusal to act has created a climate of uncertainty that is having a disastrous impact on job creation. The Conservative Government's reluctance to bring down its first budget is causing the business community to put off decisions it would otherwise have made, until it knows what the new Government's fiscal policy will be. Because of the Government's hesitation in choosing between job creation and fighting the deficit, many investment decisions have been postponed.

Mr. Speaker, this motion of censure is entirely justified. Imagine, the leader of a political party who had solutions to all the problems of this country during the election campaign not so long ago, and who had decided to wait up to eight months before bringing down his first budget! Imagine, the leader of a government who only a few months ago, last summer, was promising Canadians important fiscal measures including a complete change in oil and gas taxation what is referred to as the PGRT; removal of the tax on capital gains made by a farmer upon selling his operation; increased funding for the forestry industry, especially for reforestation... The same leader who proposed new taxation procedures for petro-chemicals, and, Mr. Speaker, you are aware of the impact of such a change, namely, abolishing the 9 per cent sales tax on gas and diesel fuel used in all primary industries; improving tax benefits for forestry workers, especially those using advanced technology; and providing tax benefits to stimulate investment in the mining industry.

Mr. Speaker, these were only a few of the 330 election promises made by the Progressive Conservative Party during the election campaign. One may well ask why the Government is unable to take four or five of these promises—and I have read a few—implement them and bring down a budget so that the business community, labour and all social partners will know what this Government's economy policy is. This kind of delay inevitably raises a certain number of questions.

The most important question of all is whether the present Government formed by the Progressive Conservative Party is still confident about the promises it made during the election campaign. The second question is, whether the delay in bringing down the Budget is due to the fact that the Government is divided and has been unable to make a choice among the contradictory promises made during the election campaign. The sincerity of their campaign promises, internal divisions all this leaves the impression that the Conservatives spent all their energy on election strategy, and, after they won, did not know what to do with their power.

This point was made very clearly by editorial writer Jeffrey Simpson in a very well researched article published in the latest issue of Saturday Night, and I shall, if I may, quote part of this text. This is what Mr. Simpson said:

[*English*]

What distinguished these Tories from their predecessors was their careful planning for winning an election and taking power. What they would do once in office, however, remained as much a mystery to them as to anyone else. How would they use their mandate? To what strategic ends, apart from re-election? How would they tackle the deficit, combat unemployment, improve trade relations with the United States, pursue arms reduction, raise the defence budget, entice Quebec into the Constitutional Accord, rejig social programs, reduce regional disparity and advance the status of women?

The Conservative answers to these and to many other questions were swathed in the comforting rhetoric of an election campaign whose organizational efficiency and astonishing result masked the persistent and awkward divisions in the Party.

● (1115)

It is not a Liberal who wrote those lines but a very senior observer of the House of Commons Press Gallery.

It is unbelievable that it will have taken eight months for a Budget to be tabled. This in itself would not be so damaging to the Canadian economy if it were not for the fact that this is a new Government. This new Government has made so many contradictory promises during the election campaign that no one knows exactly the direction it will take. Will it fight the deficit on all fronts and meet the demands of big business or will the new Government take the contrary route along with labour and social groups and fulfil the numerous promises made during the campaign? A choice must be made and this is why a new Government must present its budget in the shortest period of time possible. The new Budget becomes the framework, the orientation and the new direction.

For a Government that has promised changes, it becomes even more important that it table its first Budget as soon as possible. In the meantime, businessmen, the labour movement and social groups are in a wait and see situation. This is particularly true of those in the business community who have investment projects and want to see what the new fiscal framework will be. Is the Government going to increase taxes? If so, those new taxes may affect the profitability of business investments. Is the Government going to cut funding to the arts even more? The film producers and the artistic world told us last week about all of their problems. Will they be able to invest before knowing if other cuts will affect their particular businesses?

[*Translation*]

Mr. Speaker, putting off the first Budget until late May has serious economic implications, and we on this side of the

House fail to understand why the new Government is dragging its feet and does not unveil its economic and tax policy, what with the million and a half unemployed who are waiting for the jobs promised by the Government.

The Government gives two reasons to justify the delay: its desire to consult and the legacy of the previous administration.

The Official Opposition has nothing against consultation. The Liberal Government had also set up a consultation conference, admittedly not as elaborate as the last one. So much so that the Minister of Finance (Mr. Wilson) tried last Thursday to explain the costs of his weekend conference by comparing them with those of the consultation conference convened by the former Liberal Government.

Although we are not against consultation, it must be said that the widest ranging consultation possible was held last September 4 when Quebecers as a whole voted for this Government and gave it an overwhelming majority. They voted for a Government, for a political party, for a political program. So why, after consulting the people of Canada, consult another 136 Canadians even before drafting a budget? As I said earlier, would it be that the Government does not really believe in the policies it proposed to the people of Canada? If only the Government had seen the weekend economic summit as a golden opportunity to table three or four policy papers to explain the various components of the problem confronting the nation and to propose hypothetical solutions, three or four policy guidelines, and then sought the advice of those leaders to know which policy would most likely produce a genuine solution to the problem! No, the Government chose to remain uncommitted.

As expected, there was something for everybody. The Prime Minister (Mr. Mulroney) found himself in agreement with those who advocate higher budget expenditures and others who strongly support a lower deficit. The only participant who nearly got rapped on the knuckles was one who dared voice mildly critical remarks against our Prime Minister's pal, President Reagan of the United States.

In fact, the only real issue on which consensus was reached—and I think the Minister of Employment and Immigration (Miss MacDonald) will agree with me—was the petition signed by 87 people urging the withdrawal of the unemployment insurance program amendments because they affect too many Canadians. I say without reservation that the summit conference was first and foremost an exercise in public relations. Most observers on Parliament Hill in Ottawa agree that the Mulroney Government operates on the basis of opinion polls.

● (1120)

[*English*]

Yet the Mulroney Government is a Government which is prepared to take action only according to the polls. For the Prime Minister, that is what really counts.

Allan Gregg, President of Decima Research, the pollster of the Progressive Conservative Party, is more important than the Minister of Finance (Mr. Wilson) or any other member of the Cabinet. What does Allan Gregg say about consultation? I would like to quote Mr. Gregg as he was reported in the *Saturday Night* magazine. He said:

> We interviewed groups until they were coming out of our ears . . . but there is no consensus on what should be done. We are at point "A" and people sense we should get to point "C" but there is no agreement on point "B". The people have bought the Conservative agenda but not the Conservative philosophy.

That is what the pollster for the Progressive Conservative Party said. Sure, Mr. Gregg is more important than the Minister of Finance and many other members of the Cabinet! What does Mr. Gregg say about the consultation process? In the same article he went on to say:

> —the consultative process would allow the Government to share the blame if results did not match expectations.

He continued:

> "The Government certainly hopes it can bring people around through public education", said Gregg, "and Mulroney praises himself of being able to get people to do things his way. But if he fails, the Government will be able to share responsibility".

What Mr. Gregg has said is that it is more important to follow the polls than to follow the advice of the Minister of Finance. For those who do not want to hear, there is nothing we can do. But for those who want to understand, and for those who want to read the facts and accept that two plus two equals four, the whole exercise of the Ottawa summit was to use the Canadian television network so that the Prime Minister of Canada could share the blame of his failure if the Budget does not work, and keep all the praise for himself if it succeeds.

I would say that the whole process of the Ottawa summit conference during the weekend was a public relations exercise for the Conservative Party and the Prime Minister. The summit was designed as a tool to make other people share the blame for the failures of the Government. The summit and the consultation process were invented by the pollster of the Conservative Party, using Canadian taxpayers' money, to fulfil a partisan objective. All those who participated in good faith at the summit will realize sooner rather than later that they were used for partisan purposes.

As I previously stated, there was only one example of consensus at the summit. That was the petition which was signed by 87 participants asking that the changes presented by the Mulroney Government to the unemployment insurance program be revised, because as designed it would affect too many beneficiaries.

[*Translation*]

Mr. Speaker, the second reason which was given to explain the delay in bringing down a budget is the financial mess handed down by the Liberal Government. Let us see what does this legacy involve. I shall try to provide a few indications from a paper tabled by the Minister of Finance, and I imagine that these figures will not be questioned as they are those of the Conservative Government itself.

Let us look first at the general economic growth. In 1984, the Domestic National Product increased at a rate of 4.7 per cent. Mr. Speaker, this was the best performance of the Canadian economy since 1976. Still referring to the same document, if we compare the growth of the Canadian economy to that of the member countries of the Summit, in other words, the major industrialized countries, we find that our rate of growth was third in the world in 1984 and second in 1983, right after that of the United States. Mr. Speaker, that kind of financial situation is not really that bad!

In the field of employment, always according to the figures contained in this paper, we find that the number of jobs increased by 2.5 per cent in 1984. If we compare Canada's performance to that of the major industrialized countries, according to the figures of the Department of Finance, we were second in the world, immediately after the United States, and in 1983, we were third.

Mr. Speaker, the Conservatives can complain all they want, but being in second and third place among all industrialized countries with regard to job creation is not that bad in my humble opinion.

• (1125)

If we look at what happened in the employment sector during the period immediately preceding the election of this Government, we find that, in 1984, the Canadian economy produced 108,000 new jobs during the second quarter, 67,000 in the third quarter and 88,000 in the last quarter. Once more, as the Canadian economy had just been through one of the worst economic crises in the history of the Western world after the crisis of the thirties, it seems to me that a quarterly average of 87,000 new jobs created just before the coming to power of this Government is not that bad a legacy either.

If we look at the level of inflation, we see that, thanks to the 6 and 5 policy, Canada had a remarkable performance which compares quite well with that of other industrialized countries. In addition, when this Government took over, the rate of inflation was about 3.4 per cent, one of its lowest levels ever. Once more, Mr. Speaker, this is not such a bad legacy.

There is also the trade balance and the record surpluses in the trade balance of over $20 billion in 1983 and 1984. I could refer to other economic sectors, such as foreign investment, to show that the performance of the former Liberal Government did not represent such a terrible legacy. On the other hand, I understand that it can be useful in the short term to distort the facts to try to gain a few points in the polls, but while this can be useful in the short term, in the long term, it creates a false image of our country and this discourages Canadian and foreign investments.

Mr. Speaker, we do have a major problem that should be solved, and that is the deficit. However, before they blame the former Government, I would like the Conservative Members and the Minister of Finance to tell us what they would have done in 1982 when we were going through one of the worst economic crises ever without increasing the deficit. Would the Minister of Finance have withdrawn from under the unemployed our social security net which took years to develop? Would the Minister of Finance have refused to implement job creation programs simply to avoid a deficit, he who has just approved budgets when we are in a period of economic recovery? I suggest that the deficit theory preached by the Minister of Finance is generally valid, but it becomes unappropriate in a larger context and over a longer period. In addition, when these people try to prove that the deficit we have in 1985 is due only to external factors, they forget that we had an economic crisis in 1982.

Those people who are now criticizing and saying that it is because of the financial situation they inherited that they cannot introduce a budget, where were they last summer? Why did they go around the country making promises which, according to certain Members of the present Cabinet, would cost $20 billion? Mr. Speaker, there are certain facts which should be underlined. Since this Government had answers and proposed a change only a few months ago during the election campaign, this is the question I ask now: why wait eight months. This is unheard of because in the meantime life goes on. And looking back at the week-end conference we see that the business community was in favour of lowering the deficit while social groups and labour said this was no top priority. Obviously, Mr. Speaker, depending on the direction that will be taken now, what is the Minister of Finance (Mr. Wilson) liable to choose, employment or the deficit? This will have an impact on taxation. This will affect consumer purchasing power, and it is my view, Mr. Speaker, that such a delay in bringing down a Budget will be bad for the over-all Canadian economy. We, of the Official Opposition, want to have that major failure brought to the attention of the public.

• (1130)

[*English*]

Mr. Deputy Speaker: Questions or comments?

Mr. Blenkarn: Mr. Speaker, by analyzing the figures for the month of January, the Hon. Member will appreciate that for every dollar this country spent it had to borrow 36 cents. In other words, it took in only 64 cents in taxes for each dollar spent. Even if we had full employment, everyone in the country working flat out, we would still have a massive deficit.

That clearly points out the need for a tremendous amount of consultation among all groups in the country so that the Minister of Finance (Mr. Wilson) can come up with new and different methods of handling the problems. Although the consultation will have taken some eight months by May, surely that is not a great length of time, particularly when we did have on November 8 a rather comprehensive financial statement. A Budget means change and surely before changes are made there should be consultation with all of the players in the

economy, particularly in view of the massive amount of fiscal problems the country faces.

Is there something wrong with consultation? Is there something wrong with trying to get some sort of consensus as to how we should proceed with the problems? This is a problem for everyone.

Mr. Garneau: Mr. Speaker, I said in my speech that there is nothing wrong with consultation. But I also said that we in this country had the largest consultation process that anyone can have, and that was the election. We had that consultation and you, ladies and gentlemen, have been elected on promises you made. We now need action. That is the point of view expressed in this motion. After the largest consultation anyone can have through the election, more consultation now is not a substitute for action. What we need is action now.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to commend my colleague for his most interesting and substantive speech. I have a few questions that I want to ask. In view of the delay by the Minister of Finance (Mr. Wilson) in bringing down a Budget, in view of those nine months of dilly-dallying, in view of the commitment to create jobs, jobs and more jobs, could the Hon. Member tell me if, in researching the subject, he has compared budget tablings over the previous years to see whether there had been such lengthy delays in Canada before? And second, could he comment on the Government boasting that they have created 100,000 jobs since they came to power on September 4? Could he tell me how they compare with the previous administration, let us say in recent years?

Mr. Garneau: Obviously, Mr. Speaker, I did not introduce this motion without having done some research, because if recent history had shown that most new governments after coming to power had waited eight or nine months, there would be a tradition which certainly would not justify a motion such as this one. Indeed I researched that, and I found out that when a Liberal government—I did not go as far back as the early days of Confederation but to the early 60's—

Even if we except Mr. John Diefenbaker's election on June 10, 1957, which was almost immediately followed by another general election in which Mr. Diefenbaker obtained a large Conservative majority, there was a two month delay between the election and the tabling of the budget. When the Liberal Party was elected in 1963, the budget came two months and five days after the election of a new government.

[*English*]

Miss MacDonald: Withdrawn right after!

[*Translation*]

Mr. Garneau: When on June 25, 1968, a new government was elected, the budget followed four months after the election of that new Prime Minister. On May 22, 1979, I think there was a government that was elected under Mr. Joe Clark, and the present Minister of Justice (Mr. Crosbie) only waited six months before tabling his budget. Maybe the Minister's comment might be more appropriate in this instance. In 1980, after the Liberals came back to power, a budget followed two months later. But now eight months have gone by, or close to nine. The election took place on September 4, and if a budget is brought down on May 21st, eight months and 12 days will have elapsed.

Now, with respect to jobs, which was the second part of the question, the Government is bragging about having created 100,000 jobs during the first six months of its administration. Now, I am not sure how the month of September could be accounted for since the transfer of powers occurred half way through that month. So taking September on each side to be fair to everyone during the six months previous to the transfer of powers to the Conservative Government, 175,000 jobs were created, and during the first six months of the Tory administration, the number declined by 75,000.

Mr. Toupin: Mr. Speaker, with reference to the remarks made by the Hon. Member for Laval-des-Rapides (Mr. Garneau), could he explain to me why the Canadian people voted in droves against the previous government, if not because of its poor economic performance?

Mr. Garneau: Mr. Speaker, I am quite surprised to hear the Hon. Member for Terrebonne (Mr. Toupin) ask this question. We have indicated on several occasions that you have been elected, gentlemen, because the Canadian people believed you when you assured them that you could reduce the deficit while fulfilling some $20 billion worth of election promises.

Mr. Guilbault (Saint-Jacques): A little while ago, Mr. Speaker, the Hon. Member for Laval-des-Rapides (Mr. Garneau) dealt at length with the late introduction of the budget and quoted a few figures. It has clearly been established that the budget is a little late in coming; during the election campaign, however, the Canadian people heard a great many PC candidates speak about the new approach and direction which were to give investors renewed confidence; yet, as the recovery seems rather slow, in spite of a new government which claimed it could foster confidence and start the economy moving again, I wonder what could be the effects—perhaps the Hon. Member for Laval-des-Rapides who has a financial background could tell us—of a long delay in introducing the budget on investors' decision to go ahead and invest to create new jobs.

Mr. Garneau: It is clear that there are two alternatives under these circumstances. But since the Minister of Finance (Mr. Wilson) has decided, as he indicated last Friday in his remarks to the Economic Summit, to reduce the deficit, and the expression he used was not to cut the deficit—

[*English*]

Then he asked in English: "How, how much and how fast?" He also added that it would not be enough and other tough measures would have to be taken.

[*Translation*]

In reply to the question put by the Hon. Member for Saint-Jacques (Mr. Guilbault), I would say that these other measures will certainly include tax increases or changes in tax expenditures, and that in both cases, either real tax increases or the suppression of a number of tax breaks, it will affect tax rates as well as investments.

Moreover, Mr. Speaker, I suggest that the figures tabled by the Minister of Finance show that they had made up their mind even before the summit was held, since it was indicated that the employment growth in 1985 would be limited to 1.9 per cent. Considering that our labour force is 11 million people strong, this means that hardly 200,000 new jobs will be created in 1985. This is the effect of the budget cuts which the Minister of Finance announced some time ago and which he is about to implement.

• (1140)

[*English*]

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Hamilton Mountain (Mr. Deans).

Some Hon. Members: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I take the hon. gentlemen with me wherever I go. Some places I go I need them, I can tell you! I always wonder just what one is supposed to do while waiting for the overwhelming applause to die down. I have never quite made up my mind what it is. However, I do thank them both very much.

On a more serious note, which I am sure you would have expected me to arrive at quickly in any event, I would like to say that this is certainly an omnibus resolution. It does cover the waterfront and sets out in some detail the concerns that a large number of people across Canada feel about the inaction of the present Conservative Government. As I read it, it reminds me a lot of the resolution which I introduced in 1982 when the Liberal Government was in office. I recall that at that point we were concerned about the Government's inaction with regard to jobs. We were concerned about the Government's inability to come to grips with the problems of the farming community and its inability to come forward with policies which would adequately deal with the fishermen of Canada. I am sure you will recall, Mr. Speaker, that on that very day we were discussing the plight of the elderly and the problem of natives in Canada. In fact, this resolution could well have been addressed to the previous Government with the same degree of validity. It would have been very valid.

As I read the resolution I was thinking of the events leading up to last September 4. As the present Prime Minister (Mr. Mulroney) travelled across Canada he berated the Liberals, and justifiably so, for the way they handled the high office of government. I can remember watching with interest as the present Prime Minister laid out the problems of Canada and led people to believe that he had some solutions at hand which could be introduced to attempt to resolve those problems. I admit that he was vague. As I look back now I can well understand why. I admit that he did not put forward concrete suggestions. Looking back now I can well understand why.

I remember his saying that one of the problems of the Government was that it had lost the confidence of Canadians. He said that the actions of the Government in terms of dealing with the unemployed, dealing with the imbalances between the various regions in Canada and with regard to setting up a new arrangement for supporters by way of patronage were unsatisfactory, unacceptable, and must be changed.

I am sure it will go down in history when the present Leader of the Official Opposition (Mr. Turner), embarrassed as he was over the legacy that had been left to him by way of political patronage appointments, was attempting to explain that he had had no option in that regard. He said that he had been informed that if he did not make the appointments he would not have a sufficient number of Members to carry on in government and he therefore simply had to do as the previous Prime Minister indicated he must and make the appointments in the way that he did. In what was perhaps his finest moment, the former Leader of the Opposition leaned forward, reached out as he does, and said to the now Leader of the Official Opposition: "Sir, you had an option. You could have said no."

It is amazing what a short passage of time will do for a person's sensibilities in that regard. It is amazing how the Prime Minister seems to have forgotten what it was that caused the deterioration of the Liberal Government in office. The cause was that they were unable, or maybe unwilling, to deal with the real problems of Canada.

When the Government of today sought office it left the impression that it had an over-all plan for dealing with the serious problem of unemployment. I recall the same Prime Minister saying that after he was elected the first priority would be jobs, jobs, jobs. He said it in the House of Commons and out of the House of Commons. He indicated that it would be his priority and he left the impression that he had some views as to how that particular difficult situation could be resolved.

We have waited. Six and one-half months have now passed and there has still not been a single, solitary, concrete proposal on how to deal with the problems of the 1.5 million plus people who are still unemployed. There are 1.5 million people registered for employment, but in actual fact we all know that there are another 100,000, 200,000, or maybe even more, who have long since given up. They have decided that it does not make sense any more and they will therefore go about the rest of their lives without seeking gainful employment. They did not come by that decision easily. They came by that decision because they were forced to it. Circumstances quite clearly acted against their being able to find employment.

The Government misled them in September and October by leaving the impression that somehow it would be able to bring forward programs which would improve the opportunities for employment across Canada. The Government has had ample time to do it. There can be no excuse for a Government which cannot come forward within seven months with legislation to put in place the programs that it used as the basis for an electoral platform. There is an obligation on those who seek office, not only to tell the public of Canada what they stand for, but also, if they are successful, to follow through with the things which they themselves advanced as being the reasons why they should be elected.

The Government cannot substitute consultation for action. I watch with interest as the Prime Minister, in carefully staged performances, appears before the media and sets out how he is trying to get the advice of everyone, how he will take those positions, which are poles apart, and find a way to meld them together into something called a national policy for economic recovery.

An Hon. Member: Hear, hear!

Mr. Deans: One of the Conservative back-benchers says "hear, hear". I put it to the Hon. Member that it is impossible to take the views of the groups in society that are polarized and find a compromise. What we must do is choose a direction for the country and then produce the legislative proposals that will bring that direction into reality. This Government has failed to do that.

• (1150)

I walked down the streets of Stratford on the weekend. I was asked how the local Member for Stratford was doing. I said that no doubt he was doing fine. I spoke to people from a variety of walks of life and areas in the immediately surrounding Stratford community. Their reaction was quite simple. I asked them what they thought of the new Government. They said: "Well, the Government is certainly taking its time." I asked whether things were better now than they were before. Their reaction was that things had not changed, that there had been no improvement. Those who were unemployed prior to September last year remain unemployed. Those who had difficulty maintaining their family farms were still having difficulty maintaining their family farms. As they talked about the planting season they found that they were having difficulty even now getting the necessary capital to purchase seed, to purchase the necessary fertilizers in order to get on with the job. That was exactly the situation in which they found themselves at this same time in 1984, they told me. I asked small business people whether they were finding it any easier than a year ago. I asked them whether things were improving any. Without exception they told me that this will probably be one of the worst years they have had in the last five.

The policy of the Government is a non-policy at the moment. The sense the Government has tried to leave is that somehow or other there would be an immediate improvement because somehow Conservatives exude confidence, that out of that confidence comes action and out of that action comes benefit, and that that had not yet taken hold. In Stratford I came to the conclusion that if things were bad in 1984, as they were, things were equally as bad in 1985.

I then spoke to people in my own home community. I talked to them about how things were going there. What did I discover, Mr. Speaker? I discovered that there are now fewer people working in the area than there were a year ago, that the over-all economic conditions had not improved, that the opportunities available a year ago are not as plentiful as they were then, and that we have 2,500 people who were previously employed in the Steel Company of Canada and who remain unemployed. We still have upwards of 50 per cent of the construction industry unemployed. We have plants that have announced in the last few months that they will be closing and moving away. The most recent one, as my colleague says to me, John Inglis, a matter which I raised in the House of Commons, is a plant that was given $2 million or $3 million by the previous administration for the purpose of purchasing Admiral Corporation. Having purchased it, having sold the assets, and having had the most profitable year in history, it then turned around and is closing down the plant that was the basic manufacturing plant for its entire chain in Canada. That will be closed down and five or six hundred people and their families will not be able to find employment.

I say to the Government, why not make it a condition of providing public funds that companies must at least maintain employment levels? But the Government cannot do that, that is interfering with the private sector.

Later today we will be dealing with a problem that has arisen over the course of the last few weeks when a bank, mismanaged perhaps, will go under unless we give it assistance. The Government will, as it normally does in those circumstances, dash forward and offer aid. It shows the difference in the attitude of the Government but what happens when a person owes a mortgage to a bank, or perhaps a farmer owes a mortgage to a bank? What happens when we say to the Government: "Don't you think in the long-term best interests of the community that that person should be sustained?" The Government's answer is that it can do nothing about it. That is the private system. If a person is unfortunate enough to manage his or her affairs in such a way that that person cannot sustain himself, then it is just too bad. But when a bank manages its affairs in such a way as to place itself in jeopardy, the first thing that happens is that we are inundated with requests to save the bank from itself.

That is a double standard and we have to look at that very seriously. We will debate that later; I do not want to get into the details of it at the moment. There is a serious double standard in this country when it comes to the larger corporate entities. The Government seems willing, maybe even a little reluctant, to proceed with bail-outs of all different kinds, but when it comes to the private individual affected by the same kind of decision-making, there does not seem to be any assistance for them.

This leads me to a group in society who have been hardest hit, in my opinion, by the most recent economic conditions. This is a group which desperately cries out for assistance, a group that has to be treated differently from all others inasmuch as this group's circumstances are different from everyone else's. I am talking about people who fall between their early 50s and into their 60s. These are people who have worked all their lives and on whose backs and with whose sweat this country was built. Generally speaking they have rarely ever drawn a day of unemployment insurance in their lives. They have worked with industries, many of them at lower paying jobs without substantial benefits available to them. I have been pleading on behalf of those people for years with the previous administration and with this administration. I look at the Minister of Finance and I say to him that there is an absolutely desperate need for policy directed at those individuals in our society. It is unfair that those people, after having worked for all of their working lives, many of them starting in their early teens, should end up at age 55, 56, or 57 faced with the prospect of not being able to find employment, faced with the prospect of not being able to contribute to pension plans and faced with the prospect of not being part of the Canada Pension Plan and contributing during their normal last 10 years of work. Those people will lose not only in the short run because of the disastrous consequences of non-governmental action on the economic front, but they will lose in the long run because they will not be able to secure for themselves and their families the kind of economic and financial security that they had reasonably expected would be afforded to them.

I say to the Government that it did not require an economic conference across the street to come to the conclusion that there was that group in society who simply have to have action and have it now. Neither did it require a conference across the street to discover that small-business people are unable to afford to pay the exorbitant interest rates that Rowland Frazee and others like him charge on behalf of the banks. I could not help but feel ill when I watched Mr. Frazee on television saying that the big problem in our society is the size of the deficit.

Let me tell Hon. Members something. Where was Mr. Frazee when interest rates were rising, rising and rising, and continuing to contribute significantly to the over-all deficit requirements of Canada?

Mr. Crosbie: Don't be demagogic.

Mr. Deans: Where was Mr. Frazee?

Mr. Crosbie: Where were you?

Mr. Deans: Why was the minister of Justice (Mr. Crosbie) not asking Mr. Frazee that question when he used to mouth off on this side of the House when he was the critic for finance? Where is the Government telling the banks it is time the banks lived up to their responsibilities?

• (1200)

Mr. Crosbie: You are going to get an Oscar—

Mr. Deans: I may indeed.

Mr. Crosbie: —for purported indignation.

Mr. Deans: The only difference between the Hon. Minister of Justice and myself is that I mean what I say.

Some Hon. Members: Oh, oh!

Mr. Crosbie: You will never be in power; that is the difference.

Mr. Deans: The problem with the Conservative Government is that when its members were in opposition they said all the right things. Now all we get is silence. The Minister of Justice used to stand and rail against the banks and high interest rates. Now that he is in government, he has been immediately silenced. We never hear a word from him. In fact, I think he has been muzzled. The only time he ever speaks is when he is sitting in his place. He is not allowed to rise to make a speech or a statement, for fear he will embarrass the Government. Many of us who are here remember how the Tories in opposition talked about the need for assistance for farmers and small business people and for relief from high interest rates. Where are the programs?

Mr. Crosbie: You just open your big gap of a mouth, that is all.

Mr. Deans: We all know that the Minister of Justice, voluminous though he is in his—

Mr. Crosbie: You never did a thing for them.

Mr. Deans: Keep going.

Mr. Crosbie: If you irritate me, I will make a speech and demolish you.

Mr. Deans: All I can say, since my time is up, is that I would be willing to yield to the Hon. Minister of Justice. On every occasion which we have appeared publicly, I have yet to be demolished. I would be happy to have him rise.

In closing, we support the intent of the motion. It is quite clear that the Government was elected without having developed policy to meet the needs of Canadians. The process through which it is going now is one of dividing the community rather than finding an honest consensus. The Government is creating division rather than working toward bringing forward programs to meet needs. This Government in fact is a fraud.

Mr. Blenkarn: Mr. Speaker, I am always interested in the comments of the Hon. Member for Hamilton Mountain (Mr. Deans), because he indicates that he knows what he means, that what he says is true, and so on. Does he really believe that it is not good for Canada to have Bob White in the same room with Rowland Frazee? Does he really think that we should not have consultation with organized labour, the big banks and big industries? Does he really think that consumer groups and others should not be talking together? Is that the kind of government that he would have us run, the kind of government

we had before? Does he want a confrontational government, or does he want a government which attempts to obtain ideas and input from all sides of the community? Is there anything wrong with getting input from other people?

Mr. Deans: No, no.

Mr. Gormley: Why are you against it, then?

Mr. Deans: I was going to tell you, if you would listen.

Mr. Gormley: We are listening.

Mr. Deans: Are you really?

Mr. Gormley: Intently.

Mr. Deans: Wonderful.

Mr. Gormley: I am hanging on to every word.

Mr. Deans: Good. Let me say to the Hon. Member who asked the question that there is nothing wrong with consultation, but consultation is not a substitute for action. When the Government of today was elected in 1984, its members had left the impression with the public of Canada that not only had they identified the problems, but that they had solutions. They asked for support on the basis of being able to put forward a new agenda for Canada, an agenda which would include solutions to the problems which they had identified when they were in opposition.

It does not require ongoing consultation in advance of the introduction of preliminary solutions. The Government's obligation is to bring forward its proposals so that they can be debated by those people who attended the conference and by the House of Commons. Then it should proceed with whatever consensus develops as a result of the debate. If it goes out and seeks consensus for the next four years, we will be in the same position as the one in which we are today, come the next election.

Mr. Blenkarn: Mr. Speaker, does the Hon. Member not think that the arrangements with the United States to lessen trade problems are progress? I am referring, for example, to those arrangements in the steel industry, about which he is talking all the time; those in the softwood industry; those on the east and west coasts in terms of a salmon treaty; and those with respect to acid rain. Are not those kinds of things real progress? Is that not real decision-making? Why does he not stand in his place and congratulate the Government for getting down to business and doing things which have not been done for years and years?

Mr. Deans: I would be willing to congratulate the Government for doing things which have not been done for years, but unfortunately I have difficulty identifying with those things. What worries me about the examples used by the Hon. Member for Mississauga South (Mr. Blenkarn) is that in fact the tendency of the Government to try to work out arrangements with the President of the United States does not in itself result in a change in U.S. policy. In part the problems rest with the White House, but the decision on whether or not—

Mr. Blenkarn: Do you not think they are progress?

Mr. Deans: Let me finish. The decision on whether or not there will be an easing of trade relations with the U.S. rests in the Congress and in the Senate. At the very time the President of the United States was speaking with our Prime Minister in Quebec City, Senators and Congressmen were moving forward with restrictive legislation to keep Canadian-made products out of the United States. There was ongoing nonsense dialogue with the President wherein somehow or other he said: "Brian, we will do our best. We will see what we can do. We will keep it in mind. I will have a committee study it. I will refer it to someone else". The President does not have the power to change the problem areas which have been irritants over the last few years. It would only be because of our ability to reach the Senate and the Congress that we would be able to change most of the irritants.

The Hon. Member knows as well as I do that we asked the Prime Minister to raise with the President the whole question of sugar quotas, the quotas on sugar-based products, and the difficulties they were causing for Canadian companies and therefore Canadian workers. What did the President do in that regard? Prior to coming to Canada he imposed global quotas which effectively cut off the sale of products manufactured in Canada which contained a particular percentage of sugar or sugar substitute. We said that was unfair. Why was it unfair? First, because it was done without consultation.

Mr. Dick: Consultation first!

Mr. Deans: It was done without any consultation with Canada and, second, without any reference to the International Trade Commission. We suggested that that was the appropriate way to follow. That was the agreement we had with the United States. The President did not even follow the agreement. Then when we asked whether something could be done about it, what did the Prime Minister do? He said that he would go back and talk with him about it. In the meantime, unless action is taken now many of those companies will not only be locked out of the U.S. market for now but will be locked out forever. If they do not get their products on the shelves before October this year, the chance of them being able to build up consumer and customer acceptance is severely restricted. The end result will be that we will lose that market entirely and lose those jobs. The entire discussion between Canada and the United States is a sham at the moment. We are trying to find ways to improve the relationship, and the Congress and the Senate of the United States are doing everything in their power to provide further protection.

Mr. Crosbie: Mr. Speaker, I saw an interview with Prime Minister Hawke this morning. He is the head of the Labour Party in Australia. The Hon. Member might know that, as he is pretty self-centered and thinks that the world begins and ends on the NDP benches here in the House of Commons. He may realize that Prime Minister Hawke, as head of the

Australian Labour Party, has been fairly successful in having a conference in Australia similar to the one which was held here last weekend. Does the Hon. Member think that Prime Minister Hawke is a fool, a knave, a ditherer and someone who has failed to act? He accorded these appellations to our Prime Minister (Mr. Mulroney) because he held a conference. Does he feel that they apply equally to Prime Minister Hawke and that he is a dismal flop in his own country with respect to these matters? Or might he feel that the attempt to obtain a consensus was worth while, as nearly everyone who attended and was interviewed felt, including those in the labour movement?

• (1210)

Mr. Deans: Mr. Speaker, I am not sure I understand the question. Did the Minister suggest that his own Prime Minister was a fool, a knave and a ditherer?

Mr. Crosbie: No, you did.

Mr. Deans: Those are not my kind of words. I use simple words. I can only assume that those are the words of the Minister of Justice. I am not surprised he says that. The Minister says that privately about the Prime Minister. I did not realize he would say it publicly.

Prime Minister Hawke carried out a much different exercise with the people of Australia. He put forward proposals for that conference to discuss. He did not just walk in there and say: "Say whatever you want to say and somehow or other I will try by magic to find a compromise".

Mr. Deputy Speaker: The period for questions and comments is over. We will resume debate.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am delighted to speak on the motion of the Hon. Member for Laval-des-Rapides (Mr. Garneau), who is not here anymore. It gives me an excellent opportunity to discuss some of the accomplishments of this Government over the period of time that we have been in office, to address the financial and economic problems that we were presented with as a new Government.

I am delighted that the Hon. Member's Party is finally waking up to the needs of the people who are set out in this motion, the young people, women, farmers, fishermen, the elderly and the natives. For a number of years in power they ignored the needs of those people. That is why we have been left with the disastrous economic situation that was presented to us on September 4. It is about time the Members opposite started to think about the people in this country and not solely about their existence as a political Party.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we are concerned about Canadians, and the various people in our society who have been seriously affected by the economic problems. We have presented a most comprehensive economic strategy. The framework that was set out on November 8 for our economic and financial policies was, I think, regarded by most people as one of the most comprehensive policy statements that has ever been set out by a particular Government. This was an agenda for change, the change that Canadians asked for by their votes on September 4.

It is a comprehensive and very realistic exercise. It responded very clearly to the needs of the country and the needs of Canadians. It is a very sensible approach to government. It is a new approach though, a new approach that calls for consultation and co-operation among the different elements of society and the different regions of the country. We intend during the course of this exercise to protect the citizens who have been affected and to build economic growth, build job creation so we can address clearly the problems with which we have been faced.

Are we delaying unduly? According to many Members opposite, the November 8 statement was referred to as a Budget. They said: "It's a Budget, why can't we have a Budget debate?" Now they are saying they have not had a Budget. The reason they said it was a Budget last November was that it was so comprehensive and far-reaching in its impact on Canadians. I realize that it has the importance of a Budget because of the extensive nature of that statement. However, Hon. Members cannot have it both ways.

The Hon. Member for Laval-des-Rapides said that we have been delaying too long with our Budget. Let me remind him that in 1980, after only nine months out of power, Mr. MacEachen, the then Minister of Finance, took about the same amount of time to present a new Budget, a Budget that was a disaster. The second Budget was also a disaster which left him out of office very, very quickly.

We will wait to see how well the Canadian people are going to respond to the Budget that I will be putting forward during the week of May 20. Hon. Members should recognize that we are approaching this Budget in a way that will get it right and get it right the first time, not fumble away like previous Ministers of Finance and Liberal Governments have done with Budget after Budget which did not address the problems. In fact, they compounded the problems they were faced with at that time.

The Hon. Member for Hamilton Mountain (Mr. Deans) said that consultation is no substitute for action. He is right. I say that because we have acted in a number of ways and I would like to set them out. We said we would deal with the deficit and we did by cutting expenditures by $4.2 billion in the November 8 statement. We reduced the projected level of spending for this year and are committed to continue to do so throughout the life of this Parliament. We have also acted in putting an additional $1 billion into job-creation programs, linked with training so that those job-creation programs will be career development jobs, not short-term, dead-end jobs, as was the policy of the previous Government. We have moved in the area of social assistance, increasing the spouse's allowance to 85,000 low-income Canadians, mainly women. We announced and implemented a fuel tax rebate of three cents per litre on motor fuels used off highway by farmers, fishermen and other primary producers.

Other actions that we have introduced during this period of time have addressed clearly the greatest need of the greatest number of Canadians. I want to refer to some of these as well. However, let me say that Opposition Members and other Members have focused only on the deficit itself. They have ignored the far-reaching nature of other elements of our economic policy as set out in the November 8 statement. We said that the private sector must be given the opportunity to grow. How have we done that? We said that there are government-created obstacles to growth and there is a need for a greater degree of incentive in areas such as research and development, trade, investment and the training of our people.

Let me get back to government intervention. Over the years we have seen Governments develop an intricate web of regulations, subsidies and other forms of intervention which have slowed down the private sector. This we are committed to remove and we have set out a clear game plan as to how we are going to remove it.

Let us look at some of the actions we have taken along those lines. Investment Canada—removing the greatest obstacle that has been in place to foreign investment. With regard to the National Energy Program, my colleague, the Minister of Energy, Mines and Resources (Miss Carney), is very close to an agreement which will remove the taxation and regulatory impediments to a very, very powerful industry in this country.

The Atlantic Accord on energy development was a great step forward in freeing up the resources of the private sector and in developing the energy reserves off the coast of Newfoundland. The Regional Development Agreement with Quebec was the first since 1974 that any Government has signed with the Province of Quebec, along with the subagreements in the areas of communication, tourism and industrial development.

There is simply no truth that this Government has not been acting. Last weekend there was the National Economic Conference. A few weeks back the First Ministers met. Those are clear steps forward in drawing together the Canadian family to develop the ideas that are necessary, to address the economic problems that we all face. We are all in this together. We saw 135 people last weekend sitting around that conference table trying to understand the position of the other side and putting forward ideas as to how we can address the problems. Canadians can adapt and are willing to adapt, but they have to know what the problems of the other persons are because that is their nature. That is how we can get economic renewal.

It was a sign of desperation on the part of Members opposite when they were reduced to the ritual game-playing over the timing of a Budget. It was a childish response on Friday afternoon because Members opposite wanted to have the afternoon off to go home. They tried to deflect the attention of Canadians. The Hon. Member opposite has had to work because she was at the Economic Conference. I think she learned something. All of her game-playing colleagues went home for the weekend. They took the afternoon off.

• (1220)

Members opposite are trying to deflect attention away from the National Economic Conference by saying that it is a sham and that it did not produce anything. Hon. Members opposite are out of touch with Canadians. They are out of touch with the people who were at that conference. They should say to the people who were at that conference that it was only a public relations exercise and was not worth their time. I think Members opposite would find that there would be a great deal of disagreement with that from the labour people, the management people, the people from the arts community, the people from the women's groups and the people from the disabled groups. All the people to whom I spoke felt it was a very worth-while exercise which did accomplish an awful lot of things. We on this side of the House as well as many Canadians feel that we welcome opportunities to discuss these views together in order to understand the views of other Canadians, because that will help in our decision making.

I would like to deal with the part of the motion which deals particularly with confidence in the economy. I think that the Hon. Member is trying to cast a pall over the things that are happening in the market-place, in the economy and in the real world because Members opposite do not like what they see out there. They are worried about what is happening. Canadians are ignoring the Opposition for this reason. Canadians see the Opposition as being irrelevant. The polls, the National Economic Conference and the economic statistics are saying that self-confidence and confidence in the Government is growing.

I would like to quote from an article in today's *La Presse*.

[*Translation*]

In an editorial in *La Presse* I read the following, and I quote:

> Which means that Mr. Mulroney's team, after six months in power, has managed to win the confidence of all regions and all groups, thereby raising almost unreasonable expectations. There is a caveat there for Budget Day.

[*English*]

Confidence is a vital ingredient but let us look at what is happening. I would like to talk about some economic statistics that underline the fact that confidence is returning to the country. Recently there has been a real scramble among economists to upgrade their figures. This has happened since we came into power. Many economists have upgraded their figures by one-half of 1 per cent in real growth for this year. A survey done by the Purchasing Management Association of Canada shows that production in the manufacturing sector is growing strongly and that shipments in new orders are increasing at double-digit rates at the current time. The survey also showed that employment and new orders are on the increase. Statistics Canada has said that investment in the manufacturing sector is expected to increase by 26 per cent for this year and that the oil and gas drilling industry is up by 20 per cent. This is a very important statistic which affects not only western Canada but all parts of Canada because of the many suppliers to that industry. We have made a good start by indicating to the industry that we understand its problems and

it is responding with its investment dollars and creating jobs as it does so.

There are other statistics as well. Manpower Temporary Services say that there is an encouraging improvement in the outlook for job openings in the second quarter and that that optimism is shared by employers right across the country.

Canadians made a very important change on September 4. They made a change that brought a fundamental improvement to the national outlook. A recent survey showed that Canadians expressed confidence in the handling of unemployment now relative to what they were saying a year earlier. The unemployment rate has gone down from 11.6 per cent to 11 per cent. That is progress. In fact, 84,000 jobs have been created since September. We can do better than that, we should do better than that, but it is a good start.

We have made a good start as well at controlling inflation. We are doing better than the United States in that area. We are moving in a positive direction. There have been no miracles but there has been solid evidence of growth and an improvement in confidence. We need more but we have made satisfactory progress. Canadians are too realistic to expect miracles or to expect a quick fix to happen overnight. However, they know that the fundamental problems are being addressed and that we are dealing with those problems we inherited.

Let us look at the real world. Economists have noted that consumer borrowing has been increasing strongly in recent months. That shows confidence in the future. Canadians are talking with their actions. What consumers are actually doing is indicated by how much money they are borrowing and where it is being spent. Retail sales were 12 per cent higher in January than they were a year earlier. That is a very respectable increase even after the effects of inflation are taken into account.

There is no doom and gloom out there, Mr. Speaker. The doom and gloom is right here with Members opposite. They are walking around with a little cloud over their heads. They do not want to come out from under that cloud. They do not want to face the real world.

I would like to touch on some of the criticisms that have been made by some Hon. Members regarding the consensus-building process. I do not understand it. I simply do not understand why Members opposite say that this is a waste of time. Hon. Members should have listened to Prime Minister Hawke, the head of the Australian Labour Party, because he shares some of the political viewpoints of the two opposition Parties. Surely his words demonstrate the importance of consensus. His message to us was that consultation leads to better understanding, better understanding leads to more co-operation and more co-operation clearly leads to economic growth. That is an excellent example from another country, a country not dissimilar to Canada, demonstrating that we are on the right track in moving toward a great degree of consensus.

I do not understand why Members opposite are so negative. I say they are out of touch with the Canadian people. Only last week some Members from across the floor were suggesting that the Government tell delegates to the National Economic Conference to go home. They mocked the Government and said that the Government had already made up its mind. I indicated very clearly by saying that the Budget would be like that we have not made up our minds but are listening and are open to the good suggestions that are coming forward.

I would like to touch on the consensus that was reached at the National Economic Conference last weekend. Consensus was reached on the importance of the problems of unemployment, interest rates and the deficit but consensus was also reached that we must be very sensitive to the regional considerations and to the impact of our actions on the handicapped, youth, native people and workers. We must be careful that we do not affect workers unduly by the decisions that we might make when dealing with the deficit. There was not a full consensus on this point, but a number of people from the labour side as well from other communities said to us that the deficit is a problem with which we must deal because it is too high. They said that they might have some different priorities but that it is a problem with which we must deal.

Training and retraining should receive top consideration by the Government in order to deal with the effects of technological change. We talked about some of the ways in which we could do this. Business representatives agreed that business should be prepared to pull back from the public trough. That was stated very clearly by business representatives. Government, labour and management all agreed that we must co-ordinate our efforts in dealing with technological changes and their effect on people and people's ability to adapt to technological change. Only through consultation will we be able to address that problem in a satisfactory way. There was full agreement that we must look carefully at access to capital by small business, the visible minorities and women. We must be willing to discuss incentives within this context.

I am sure that it is difficult for Hon. Members to appreciate that the Government is not trying to fool anyone. We have placed our agenda on the table. It is there for all to see. That is why we are getting such a good response on this consultative effort. People know what we want to address and they are coming to us with a great many very useful ideas. The National Economic Conference was the most comprehensive assembly of Canadians ever to discuss with a national Government the problems which we all face. Very positive attitudes and contributions came forward from all participants.

• (1230)

Canadians are not confused by what the Government is doing. They are insisting that they want to be a part of the process. Not only are they telling the Government that they want that, but they are showing it by their actions and the clear confidence which they are expressing in this Government. This Party has the confidence of Canadians. Canadians have understood the message that the Prime Minister sent to them. Canadians have said that we must work together to find ways. This Government has pledged to listen, discuss and plan with

Canadians. It has also said that it will act. It has acted and it will continue to act. The next major milestone in this process wil be the Budget in May.

If Hon. Members in the Opposition Parties want to join in this process in a constructive way, we welcome that. However, if they do not choose to listen, pay attention or participate, then so be it, but Canadians have joined with us in this process. Canadians are leaving Members opposite behind. I am sure their constituents will encourage them to get aboard, but if they do not, then the rest of us—all Canadians—will work to solve the economic problems with which we all are faced.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Laval-des-Rapides, for questions and comments.

Mr. Garneau: Mr. Speaker, the Minister of Finance (Mr. Wilson) said in his speech, in referring to job creation, that 84,000 new jobs since September was not a bad start. How can he say that, when he knows perfectly well that during the six months preceding the advent of this Government, 175,000 jobs had been created? How can he say it is a good thing, when in fact it is a step backwards?

I have another question about the Minister's speech, which concerns his referring to additional confidence. If this confidence really exists, why does his department expect only a 1.9 per cent increase in employment in 1985?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I am sorry, I did not catch the last question.

Mr. Garneau: Mr. Speaker, the Minister said in his speech that the new Government has created 84,000 jobs since September. He also said that it was just a start. How can he say that when the statistics from Statistics Canada show that before the Conservatives came into power—

Mr. Wilson (Etobicoke Centre): No, the second part of the question.

Mr. Garneau: The second part of the question dealt with the fact that the Minister said business has renewed confidence in the economic future. If that is true, why is his own Department projecting an increase of only 1.9 per cent in employment for 1985?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I would like to point out very simply that the 84,000 figure is better than the performance for the same period 12 months ago. That is why I believe the Hon. Member should be congratulating this Government on its performance in job creation over the past six months.

The second part of his question dealt with renewed confidence. I would tell him that there has been renewed confidence. In my November statement I indicated that real growth would probably be about 2.4 per cent. However, increased confidence has been demonstrated by business and consumers. People are demonstrating that confidence by borrowing money to purchase goods from stores. Retail sales have increased by 12 per cent. Canadians are saying that there is better hope, and for that reason real growth has been increased from 2.4 per cent to 2.75 per cent. Other economists have said that they are expecting real growth in excess of 3 per cent for the current year. That is in response to the improved level of confidence which both business and consumers have demonstrated since September 4. It has been during that period of time that confidence has been improving and economists have been increasing their expectations of real growth.

Mr. Garneau: Mr. Speaker, I do not know whether or not it is a question of language, but I am not sure the Minister answered my question. If the business sector and consumers are so confident with the new Government, why has the Department of Finance, in the paper which was tabled on Saturday morning, projected an increase of only 1.9 per cent in employment for 1985, after the increase of 2.5 per cent in 1984? If the confidence is there, why does the Minister's own Department expect that the increase will be only 1.9 per cent? That will mean the creation of approximately 200,000 jobs, which can be compared to the 255,000 or 260,000 jobs which were created during 1984.

The Minister said that consultation is a good thing. I agree. However, if the consultation during the weekend was serious, why did the Minister say on Friday morning:

> we . . . will continue the thrust of deficit control in the upcoming budget. To do it, I need your help. The key questions that I hope you will address at this conference are how, how much and how fast.

The Minister clearly stated that cutting the deficit was his main objective and not necessarily job creation. The Minister asked: "How, how much and how fast?" The consultation during the weekend was supposed to have been on those things, but the Minister must have already made up his mind, otherwise he would not have said that.

The Minister compared the consultation during the weekend with that which was held in Australia. The Minister will recall that I asked him last Thursday if the Government was going to table a position paper. That is what happened in Australia. The new Government in Australia tabled a position paper and sought consensus on a government proposal. However, during the weekend there was no proposal from this Government, except the speech of the Minister of Finance, in which he clearly stated that the objective was the deficit and nothing else.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Hon. Member has squeezed in a number of questions and I will try to address each one.

Mr. Gauthier: They are good ones.

Mr. Wilson (Etobicoke Centre): The Hon. Member says they are good ones. I am not so sure, but I will do my best to

make them sound better than they sounded when they came across the floor.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I would like to address the question of employment in 1985. The Hon. Member, as an astute observer of the economic process, will understand the nature of business cycles. When times are good, there is high employment creation. But the normal forces of the economy will cause that business cycle to turn down at any given period of time. We are now in the late stages of a business cycle, so there is a natural process of downturn. We are attempting to adjust upward that downturn through the policies which we have introduced.

As I indicated on November 8, we were looking at some slowdown during the course of the business cycle. I made it quite clear at that time that there would probably be some slowdown in the economic process in 1985. However, since November, people—not me, but business people and economists—have said that they have higher expectations of growth in the economy because of the things that the Government is doing. Therefore, we are looking for better economic growth in 1985 than was expected at the end of 1984. That is progress. It is not as much progress as I would like but we are moving in the right direction.

● (1240)

The Hon. Member said that by my statement on Friday morning at the National Economic Conference I was foreclosing on the consultative process. I am not doing so. If he had read my speech he would not have made that comment. Yes, I did say we are committed to a reduction in the deficit. I am surprised that that Hon. Member, of all Hon. Members in the Opposition Parties, should be attacking me for trying to get a greater degree of control over the deficit, because he himself has stated on many occasions that the deficit, at $35 billion, is far too high. What we are saying is we are open to consultation on how much and how fast, and I received good ideas on that. I think that was a very helpful part of the process last weekend.

Let me also ask the Hon. Member to broaden his horizons a little, to not just look at the deficit but at the range of issues I discussed in my speech. Other areas were discussed, such as trade, technology, training, and all of these things about which I set the stage in my opening remarks to encourage discussion by participants at the conference so that we could benefit from the views of the Canadians who were represented there.

The Hon. Member asked why we did not set out position papers for the Economic Conference. I ask him to think back—although it is a long time ago—to November 8. We did set out in the economic statement in November a very clear statement of the range of options which were open to us. It was a very extensive position paper, if you will, which covered a number of items which we felt should be discussed. That was the framework of reference for most of the topics which were discussed in the Economic Conference.

Let me outline some of those topics. Research and development; technology; training; investment, particularly for small business; trade; policy and trade promotion; unemployment insurance reform; and how to deal with the problems of access to capital by small business, women and minority groups. These were all signalled in the statement of November 8.

That was the framework for discussion at the Economic Conference this past weekend. It was also the framework for discussion in the consultative process which was carried out by many of my colleagues in the Government and it has been responded to in a very healthy and positive way by Canadians right across the country.

Mr. Langdon: Mr. Speaker, I would like to pose quite a serious question to the Minister of Finance (Mr. Wilson). We as a Party have a commitment to consultation equal to his own. In fact, we have just finished a consultation process across the country with well over 400 groups in 27 communities in which people have expressed to us their concern and urgency about the employment issue. They have stressed as well the point which I believe the Minister has made, that is, that they want to be consulted. They want some sense of involvement in policy.

As an observer at the National Economic Conference, I was struck by two or three things; first, by the sense that within that conference the Government did not, unlike Robert Hawke in Australia, have a sense of direction, a sense of strategy, that it was trying to bring people together. Second, I certainly came away myself with a sense of confrontation rather than of consensus with respect to free trade, the deficit, and how the Government handled changes in the unemployment insurance system, to mention just three.

From my point of view, believing in consensus and in efforts to involve people in economic policy making, that conference will stand out as a case of disappointed expectations. I suspect if the Minister of Finance is honest he would admit to us that there were a great many things about that way of organizing national consultation which did not work very effectively. So I would ask the Minister of Finance what he would do differently in terms of a national economic conference next year or in two years? What would he do to get people to work together without quite as much grandstanding and emphasis on prepared positions? What kinds of changes in the structure of that consultation process would the Minister like to see put into effect?

Mr. Deputy Speaker: The period for questions and comments is now over. Is there unanimous consent to allow the Minister to answer?

Some Hon. Members: Agreed.

Mr. Gauthier: Don't take an hour.

Mr. Wilson (Etobicoke Centre): I can run it through to one o'clock, if anyone is hungry. In response to the serious question posed by the Hon. Member, I can tell him that it is a question which we are going to address. The private sector advisory

committee has said that it is going to be meeting shortly to discuss that very question. So I am not going to foreclose on options which might come forward from that meeting. I can say, however, in the most non-partisan way—because there are Hon. Members from all political Parties represented on that advisory committee—that it worked very effectively and provided the backdrop for what I thought was a very good conference. So I do not want to foreclose on any of the suggestions with which they might come forward.

Let me just comment briefly in response to the Hon. Member's question. In his preamble to the question he said that there was no strategy put forward in the Economic Conference. I will just repeat in one sentence what I said to the Hon. Member for Laval-des-Rapides. There was a very specific strategy in a number of areas set out in the economic statement of November 8 which provided the framework for discussion in those particular topic areas. That has been followed up by discussion papers on a number of those areas which have been released by individual Ministers.

The Hon. Member has said that consensus is difficult in deficit and trade. We recognize that fact but we did not shy away from putting those topics on the agenda. We knew we were not going to get consensus, but what we were trying to achieve was a better understanding of both sides of those very difficult questions among the proponents of the particular topic areas. That was an important achievement. I spoke to people on both sides of those issues after the conference who said: "I understand better what X said and what X meant". That, I believe, is a very important achievement.

Going back to what Mr. Hawke said, understanding is a very important step to co-operation and better economic development as we work together in facing the problems.

Let me say that I share the view suggested by the Hon. Member in his preamble that there probably could have been a greater degree of dialogue instead of the presentation of prepared positions. I feel that the workshops themselves, the concurrent sessions on Friday night and Saturday morning, achieved that dialogue to a better extent than was the case in the plenary sessions. Perhaps there should be more of a bias towards the workshop sessions as opposed to the plenary sessions, in order to draw people out in a more informal atmosphere rather than in front of the TV cameras in the plenary sessions.

I prefer not to say more at this point without having the views of the private sector advisory committee which represents quite a broad spectrum of Canadian thinking on this.

Mr. Deputy Speaker: Resuming debate.

● (1250)

Miss Aideen Nicholson (Trinity): Mr. Speaker, over seven months ago, on September 4, the Canadian people gave to this Government one of the largest majorities in Canadian history. That majority was based on an understanding that the Conservative Government would create employment. To use the words of the present Prime Minister (Mr. Mulroney) in his election campaign, "tens of thousands of jobs" would be created as soon as the Conservative Government took office.

Canada had emerged from a severe world recession with an economy that was showing some signs of strength in that inflation and interest rates were down and jobs were being created, although not at a level fast enough to accommodate our very rapidly growing labour force. Canada's record of job creation has been unusually good for many years but we have also had a faster growing labour force than most OECD countries. By the beginning of 1984 some three million more people were employed than had been employed in 1968, but we still had Canadians who wanted work and could not get it. Even the Department of Finance paper which was made available at the weekend conference says that the severe recession in 1981 to 1982 led to a sharp decline in employment, but by the end of 1984 "the level of employment had rebounded above its pre-recession peak. The resulting decline in the unemployment rate was relatively moderate, however, due to large gains in the labour force".

Nevertheless, the Conservative Government came in with assurances that it had the answers to deal with this situation. Here we are, seven and a half months later, with very little new legislation, no Budget, and we now learn there will be no Budget until the end of May. But at least as distressing as the absence of a Budget is the absence of any thoughtful discussion on the state of our economy. There is room for serious discussion. There is room for honest differences of opinion on the best way to proceed at this time in order to ensure that the recovery is durable and that government policies facilitate economic growth and a return to prosperity with full employment.

It is regrettable that the Government has not been willing to have a very full debate on economic policies in the House so that ideas could be examined carefully and thoughtfully. We had an economic statement in the middle of the Throne Speech debate which certainly put severe limits on the possibilities for discussion, and increasingly questions asked in the House on economic matters are being turned back with partisan shots or are the subject of jokes and one-liners. The Government has made no attempt to take Parliament into its confidence, to explain, persuade, advance and develop argument in favour of whatever plans it has for the future. After seven months we are left to guess and draw conclusions from ministerial statements and positions which are often contradictory.

The economic statement on November 8 cut many Government programs, including the National Research Council. Yet the Government is talking about wanting to encourage research and development and innovation. The economic statement emphasized restraint, yet when the Government's Estimates were introduced for the year 1985-86, they were the highest in History and included large additions to the Prime Minister's personal staff and the personal staff of Ministers. The Government talks about creating confidence. Surely a necessary condition for confidence is order and predictability. Yet decisions are made very rapidly or are not made at all. For

a full two months we had tremendous uncertainty created all over the country by conflicting and confusing statements on the social programs, particularly family allowance and old age programs, before the Government finally came up with its consultation paper. No one can regard that as a confidence-building exercise.

On November 8 the economic statement included some discussion of a proposal to make some changes in the Unemployment Insurance Act which would require that people use up their severance pay and pension benefits before being eligible for unemployment insurance. At the conference on the weekend some 87 of 136 people there signed a petition against that particular amendment being introduced. So those delegates were certainly not foreseeing a rapid end to unemployment or a situation where people would not need to make use of unemployment insurance. An unemployed delegate who was there said nothing has changed for anyone in need of a job. Things may even have gotten worse, Mr. Speaker, in recent months. The Department of Finance paper shows some interesting figures which make it clear that this Government inherited a situation which was as good as it could be considering that we were emerging from a very severe world recession. The figures for 1984 show real GNE as 4.7 per cent, but the Department's projection for 1985 is 2.4 per cent.

Mr. Wilson (Etobicoke Centre): It is 2.75 per cent, Aideen.

Miss Nicholson: I am reading from a paper which was made available at the conference and 2.4 per cent is the figure under 1985. We see a very small change in the unemployment rate. We also see a reduction in the projected figures for new employment. These figures were produced by the Department of Finance and indicate a slight drop in unemployment as being projected in 1985, but also a substantial drop in the number of new jobs to be created. I hope we may have an explanation of that later.

The Government has steadily refused to give information about the economic costs of the cuts announced in the November statement, although the Prime Minister in his book published some time ago says that "inasmuch as we are paying for information, it does not seem unreasonable that we should have access to it. Freedom of information should apply to the Department of Finance".

In the time left to me, I want to turn briefly to the question of Canada-U.S. trade. Almost 80 per cent of our trade is with the United States. The U.S. is our major ally, we have the longest undefended border in the world, and of course it is very important that relations with them go smoothly. Indeed, if the Government has some plans in hand to enhance trade, we would certainly want to encourage that.

But our American friends are also shrewd bargainers and very adroit at defending their interests. We would welcome some assurances from the other side, which we have not had yet, that in negotiations on trade with the United States there will be a full awareness of all that is involved in terms of technological transfers and adjustment assistance for some of our industries.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but I wish to advise her that she has 10 minutes left in her speech this afternoon.

The Minister of State for Finance (Mrs. McDougall) rises on a point of order.

Mrs. McDougall: Mr. Speaker, I would like to seek unanimous consent to make a statement to the House. As outlined by the President of the Privy Council (Mr. Hnatyshyn) this morning, I believe we now have unanimous consent to proceed.

Mr. Gray (Windsor West): Mr. Speaker, I want to confirm that there were consultations in the course of the morning and we are ready to give unanimous consent so that the House can sit after one o'clock, over the luncheon period, for a sufficient time for the Minister to make a statement on motions, for the Opposition Parties to reply, and for the usual period for questions on the statement to take place.

• (1300)

It has to be clearly understood, however, that our agreement to this does not mean that we would agree not to ask any questions we think necessary in the public interest during the Question Period today or in any subsequent Question Period.

Mr. Deans: Mr. Speaker, we too would consent to the statement along the lines of what was said by the House Leader for the Official Opposition.

Mr. Deputy Speaker: I gather there is unanimous consent.

Some Hon. Members: Agreed.

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CANADIAN COMMERCIAL BANK

STATEMENT ON INFUSION OF ADDITIONAL CAPITAL

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would like to advise the House that an agreement was reached this morning to provide the Canadian Commercial Bank with an infusion of capital which will ensure the long-term viability of this Edmonton-based bank. The agreement is a co-operative effort which brings together three Governments, six banks, and the Canada Deposit Insurance Corporation to provide a support package which will enable this bank to remain viable, thereby protecting the interests of small and medium-sized business in western Canada.

The bank recently experienced a sharp deterioration in its U.S. loan portfolio, particularly as a result of lower oil prices. This situation significantly depressed the value of the Canadian Commercial Bank's loan portfolio. The management of the bank realized that they could not continue to operate a viable banking operation given the magnitude of the problem loans. While many of these loans had been considered manageable, it became evident in recent weeks, given the severity of the situation in the U.S., that a high proportion of them should be written off or significantly reduced on the books of the bank.

The management of the bank advised the office of the Inspector General of Banks of the seriousness of the situation on March 14, 1985. Following an analysis by the Inspector General, including on-site re-evaluation of the loan portfolio, it was determined that an important infusion of additional funds was needed to support the continued operation of the bank. It was established that a support package totalling $255 million would be required.

The Government of Alberta was approached by the bank and expressed, at an early stage, its willingness to participate in a support group. The federal Government indicated its willingness to examine ways of providing the necessary assistance. As a result of the negotiations an agreement was reached among members of the support group to provide the $255 million infusion of capital required.

The support package is structured in the following way, Mr. Speaker. The Canada Deposit Insurance Corporation will provide $75 million. The remaining $180 million will be shared equally by the Province of Alberta, the chartered bank group, and the Government of Canada. The package includes a repayment program which requires the Canadian Commercial Bank to pay 50 per cent of its future pre-tax profits to the participating institutions until the capital is repaid in full. The remaining 50 per cent of the profits will be retained by the bank. No common or preferred share dividends will be paid until the repayment program is complete.

The package also calls for warrants to be issued which, if exercised, would result in substantial dilution of equity held by existing shareholders. In addition, payment of principal and interest on the bank's subordinated debt will be postponed until such time as the members of the support group have been repaid in full.

In a separate arrangement the Governments of Alberta, British Columbia and Canada will be purchasing up to $39 million of the subordinated debt of the bank. The three Governments will share equally in this package. It is a vote of confidence by the members of the support group in the long-term viability of this western-based bank and the economic potential of western Canada, Mr. Speaker.

I know that the House shares our confidence in this regard and stands ready to demonstrate its approval of this positive action. I have been assured by Governor Gerald Bouey that, as usual, the Bank of Canada stands ready to provide liquidity for the Canadian Commercial Bank, if requested, as well as for any other Canadian bank.

Some Hon. Members: Hear, hear!

Miss Nicholson: Mr. Speaker, can the Minister inform the House whether the Inspector General of Banks was aware of the situation before March 14?

Mr. Deputy Speaker: We are still on statements. The question period will come a little bit later. Does the Member have a statement to make?

Miss Nicholson: No.

Canadian Commercial Bank

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to begin by saying that under the circumstances we can understand why the Government is taking prompt action on this matter. However, having said that, I do not have a number of questions that have to be answered at some point which concern us about this particular action.

First, there is evidence that the bank has been in trouble for some time. What has occurred in the last 48 hours or so, or began officially some two weeks ago on March 14, is what might be described as a request for pressing action that is now being met in an affirmative way by the Government. However, I repeat that there is evidence that the bank had been in some difficulty for some time leading up to March 14. Therefore, why was action not taken prior to today to deal with that situation?

For example, where was the monitoring that ought to have taken place by the Inspector General of Banks on a regular basis? If that monitoring had taken place as a matter of course, it might have led to changes in decisions that would have avoided the current situation which now has to be dealt with by Parliament, the Government of the Province of Alberta and the chartered banks. Why were the warning signals which were out there not adhered to? I am thinking particularly of the collapse of the real estate market in Alberta and of the difficulties in the energy sector, both in Canada and the United States. The bank had a lot of investments in this sector. Serious questions must be asked and answered about the failure to recognize the serious downturn in real estate in the Province of Alberta and the real difficulties in energy.

Third, Mr. Speaker, more than 20 years ago we had the Porter Royal Commission on banks which called for changes in the monitoring procedures that affect our banks and trust companies in particular. The changes that were recommended more than 20 years ago have not been acted upon. If corrective action had been taken in the past two decades, the kind of situation with which the country is now faced—and I am choosing my words with care—might have been avoided.

We have some concerns about the details of this particular bail-out. I appreciate the frankness and helpfulness of both the Minister of State for Finance (Mrs. McDougall) and the Minister of Finance (Mr. Wilson) leading up to these statements. They were quite candid in terms of what the Government is involved in here. My understanding of what the Government is involved in is that the people of Canada, via the Government of Canada, are providing an interest-free loan to the bank. If it is not a interest-free loan, we would like to know what the terms are. Through the federal Government the taxpayers of Canada are putting up $60 million and through the Government of Alberta the taxpayers of Alberta are putting up another $60 million. The only guarantee that we will get that money back at all is if this bank turns out to be profitable in the future. We are now in a high-risk situation in terms of returns to the taxpayers for their money.

Canadian Commercial Bank

● (1310)

The question obviously that ought to be dealt with by the Government at some point is why steps were not taken even at this late date in the past couple of weeks to bring about a merger within the banking sector itself. Why did the Government have to get involved? This is a private banking system, a profitable banking system. The banking system of Canada, specifically the chartered banks, have the highest profits of any banking system in the world. Why were steps not taken to bring about a merger within the banking system itself to deal with the situation, instead of resorting to the use of taxpayers' money, in the one instance by the federal Government involving all taxpayers of Canada, and in the other instance by the taxpayers of the Province of Alberta?

Miss Nicholson: Mr. Speaker, the Hon. Member for Oshawa (Mr. Broadbent) placed his questions by prefacing them with the statement. "We would like to know". May I now say that I would like to know a number of things. For instance, was the Inspector General of Banks made aware or was he aware of the difficult situation prior to March 14? The Department of the Inspector General of Banks has been increased and has had its staff increased quite considerably this year. In a function in the Estimates we read:

> During periods when the economy is going through a period of adjustments—there can be a serious erosion of the financial positions of governments, corporations, and individuals which may result in the reduced credit worthiness of certain classes of borrowers. The Inspector General will in times such as these most strongly encourage banks to diversify their lending activity to avoid concentrations of loans to a small number of large borrowers or to a few specific sectors of the economy.

What action, if any, did the Inspector General of Banks take in this case prior to March 14, particularly since the bank's difficulties arose from a drastic deterioration in the U.S. loan portfolio? Had the Inspector General of Banks addressed this particular situation? Was he aware of the size of the bank's U.S. portfolio? Was there a discussion of this prior to March 14?

Mrs. McDougall: Mr. Speaker, I will try to answer both series of questions. In terms of difficulties showing up prior to March 14, the Inspector General monitors all financial institutions on a regular basis and there was no indication before March 14 that there were serious problems within this bank. As Hon. Members, I am sure, are aware, a sudden turn in the financial situation can make the difference between a bank that is dealing appropriately with a difficult situation and something that bears with it the threat of insolvency. This particular problem was triggered by something that happened within the bank's loan portfolio in California which then, of course, created problems within the organization as a whole.

I am aware, if I may say so, of the problems in dealing with financial institutions which the Hon. Member raised around rules which have not been changed for a long time. That is the reason I have indicated before in this House that we intend to produce a paper on financial institutions, how they can better serve this country and how the regulatory supervision can meet the standards of today in a way that we may not have been able to deal with before.

Let me just deal with the guarantees of repayment. In consultation with the support group, we are satisfied that this bank is now a viable bank, that it will be profitable in the future, and that we will be repaid, as will other members of the support group, out of the future profits of the bank.

There was a question regarding what steps were taken regarding a potential merger. All avenues were explored within the context of the interested parties, and this was the most appropriate way to deal with the problems of the bank. It indicates, I think, the faith of the Province of Alberta, its confidence and our confidence in the ability of the bank in the future, and there is a very significant private sector involvement in this arrangement.

I think the Hon. Member for Trinity (Miss Nicholson) raised the same question concerning the role of the Inspector General regarding difficulties. I think I have dealt with that question.

In terms of diversification, the bank had made business decisions to expand into other regions. It expanded into Ontario and into California in an effort to diversify its assets and deposit base. Those were decisions of which the Inspector General was aware. They were appropriate business decisions at the time they were taken. It was in a responsible way, I believe, Mr. Speaker, that the bank was acting in the interests of its depositors by diversifying into other areas.

Mr. Deans: Mr. Speaker, can the Minister tell us what the amount of the outstanding indebtedness is in the United States that is being written off by the bank?

Mrs. McDougall: Mr. Speaker, I understand that the difficulties in the United States account for about $90 million worth of the difficulties which the bank has faced. In order to provide the bank with a viable base, the figure arrived at through consultation with the Inspector General will ensure that the bank is operating in a viable way in the future.

[*Translation*]

Mr. Garneau: Mr. Speaker, I know this is a delicate matter, but I would like to ask the Minister whether the Canada Deposit Insurance Corporation is still a shareholder and to what extent. I also have a query about an indication on page 3 of the Minister's statement where it says that—

[*English*]

I will quote from the package. It also called for warrants to be issued which, if exercised, would result in a substantial dilution of equity held by existing shareholders.

I understand that other banks have taken part in the operation and the Minister knows that the bank cannot own shares of other banks. Would it mean that the bank could not exercise the warrants? If so, does the Minister want to table a piece of legislation to make that possible?

Mrs. McDougall: Mr. Speaker, the warrants which are a part of this package recognize that an equity infusion of capital will be an appropriate route for this bank down the road. The warrants may or may not be exercised by members of the support group. Warrants, as the Hon. Member knows, can be traded to other people for exercise. We have provided a vehicle whereby there can be an equity infusion into the company at a future time.

• (1320)

Mr. Garneau: Mr. Speaker, the Minister did not answer my first question about the Canada Deposit Insurance Corporation. Is CDIC still a shareholder of the CCB? Also I should like to ask a supplementary question arising from the answer she has just given. I understand that the warrant can be traded on the market. However, is it legally possible for the bank to own a title to which is attached a warrant that it cannot legally have in its portfolio?

Mrs. McDougall: As I understand it, CDIC is not a shareholder in the bank. It has provided a participation within the support group; it is not a shareholder in the bank. Since the warrants are not an entitlement to voting equity, until exercised, I understand from our advisers that the warrants are an appropriate vehicle.

Mr. Garneau: Could the Hon. Minister answer my first question? Is CDIC still a shareholder of CCB?

Mrs. McDougall: I thought I had indicated that Canada Deposit Insurance Corporation is not a shareholder in the CCB. It is participating in the support package, which does not involve an equity investment.

Mr. Deans: Mr. Speaker, were discussions held with the Government of the Province of Ontario as a result of the ownership of a substantial number of shares by three trust companies—Crown Trust, Greymac and Seaway Mortgage Corporation—in the Canadian Commercial Bank, given that the Province of Ontario seized all the assets of those three trust companies in the not too distant past and that at that time those assets accounted for about 27 per cent of the total share value of the Canadian Commercial Bank?

Mrs. McDougall: As I understand it, we did not discuss this relationship with the Government of Ontario at the stage when we were preparing a support package. Also as I understand it, the assets of those companies are in the hands of liquidators, not in the hands of the Government of the Province of Ontario.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to put a question to the Minister. For many Canadians, banking is a mysterious world they have trouble understanding. Could the Minister explain why the Government reacted so quickly in the case of the Canadian Commercial Bank and why it took so long to react in the matter of Pioneer Trust?

[*English*]

Why is there this urgency with the Canadian Commercial Bank but not with the Pioneer Trust situation? Is there a difference that we should understand?

Mrs. McDougall: Mr. Speaker, I think there is a difference between the two situations. Pioneer Trust had been searching for an infusion of capital for some time. It had been unable to find capital within the private sector without the assistance of the Government of Saskatchewan, which came to the conclusion that it could not participate in an infusion of equity into Pioneer, and the management of Pioneer voluntarily closed its doors. In this case, when help was sought from various levels of government, the provinces, and from the private sector, in their opinion it was a viable operation and, therefore, they were prepared to assist in ensuring its future on behalf of depositors and borrowers from the bank.

Mr. Broadbent: My question for the Minister relates to the $60 million the federal Government is putting up, as well as the equivalent sum by the Province of Alberta. My understanding is that that will be repaid when and if the bank once again becomes profitable. At what interest rate will that money be repaid? Is it an interest-free loan or will the bank be paying interest and, if so, in what amount?

Mrs. McDougall: There will not be interest paid on this infusion of capital. This is a vote of confidence in the economy of western Canada. We believe that with the bank operating in a viable way, this participation will be repaid. It is in the interests of Canadians, particulary those in western Canada, that this bank continue to operate. It has played a key role in the west in the past, and it will continue to do so in the future.

Mr. Gray (Windsor West): Could the Minister of State for Finance (Mrs. McDougall) tell us now what were the sudden events in southern California which caused certain loans to go bad? What were the amounts of those loans and to whom were they made? There has been mention that $90 million of the bank's loan portfolio is being written off. What percentage of the total loan portfolio does that $90 million comprise?

Mrs. McDougall: I believe the bank's total portfolio—I do not have the figures in front of me—is roughly in the area of $2.8 million. That is its total assets. The problem in California reduced its equity base, so there was virtually no support to the rest of the asset base. The bank did not face solvency problems until this situation happened. It related to a situation in California whereby the drilling industry saw a sudden and sharp deterioration. Realistically and responsibly, the bank felt that it would have to write off those loans. Therefore it placed its other loans in jeopardy, whereas they had not been before.

Mr. Deputy Speaker: Perhaps I could recognize four more Members, and that will be all.

Mr. Gray (Windsor West): Mr. Speaker, the Hon. Minister did not answer part of my question. With respect to the loans

which suddenly went sour, to whom were they made and in what amounts?

Mrs. McDougall: I do not have the list of the particular people and the particular loans, but they were within the energy sector in California which, at the time the loans were made, appeared to have a bright future, but due to the deterioration of oil prices its future was placed in jeopardy.

I should like to return to the question concerning CDIC as a shareholder, and I apologize to the Hon. Member. Through Greymac and Seaway, CDIC is a shareholder in CCB. It has been removed. It is not in that liquidation phase.

Mr. Deans: I have one final question for the Minister. I am sure that is all you will allow, Mr. Speaker, anyway. For the year 1983, the February 6, 1984 audit result showed a net income decline of 24 per cent from the results of the previous year on a 7 per cent decline in net interest income. For the year 1984, the February 12, 1985 audit result showed a further net income decline of 88 per cent from the previous year on a 10 per cent decrease in net interest income. Given these facts, why did the Inspector General of Banks not come forward to the Government with a report which would have resulted in a closer scrutiny of the activities of the bank during the last 12-month period?

Mrs. McDougall: The Inspector General assures me that he has monitored the bank in the appropriate way. A decline in earnings does not necessarily lead to a solvency problem under all circumstances.

Mr. Deans: A decline in income.

Mrs. McDougall: Neither does a decline in income necessarily lead to a solvency problem. It can have that outcome. It does not necessarily have that outcome. In the last year the bank was doing well in two quarters and did not do well in the other two quarters. Therefore, the Inspector General was aware of the progress of the bank. The bank was profitable for the first four or five years of its existence. It was after the national energy policy that it became more difficult and was making very real efforts to act responsibly with regard to its depositors and its borrowers.

[*Translation*]

Mr. Garneau: Mr. Speaker, I want to thank the Minister for making the correction concerning the fact that—

[*English*]

—the fact that Canada Deposit Insurance Corporation was a shareholder in the CCB. The reason I asked that question was because this insurance deposit corporation was a member of the shareholders of this bank. It gave to the depositor the impression that it was a good and solid bank. This is why I thank the Minister for correcting the first answer.

• (1330)

My question at this time deals with the third paragraph on page 3 of the Minister's statement where she said: "In a separate arrangement the Governments of Alberta, British Columbia and Canada will be purchasing up to $39 million of the subordinated debt of the bank". Is it going to be new subordinated debt or the existing subordinated debt that is going to be bought by those three levels of government?

Mrs. McDougall: Mr. Speaker, it is the existing subordinated debt of the bank. It was part of the arrangements which brought us to a successful conclusion in keeping this bank in a viable position.

Mr. Deputy Speaker: The Hon. Member for Winnipeg North Centre (Mr. Keeper) on the last question.

Mr. Keeper: Mr. Speaker, the Minister said there were indications that this bank was having income difficulties and that these types of difficulties do not necessarily lead to solvency problems. While there were indications of problems that did not necessarily lead to a solvency problem in the end, did these early indications not call for an earlier report to the Government or perhaps an initiative on behalf of the Government to the Inspector General of Banks asking for his recommendations? Could earlier action have meant that the action today could have cost the Government much less in the public treasury?

Mrs. McDougall: Mr. Speaker, I have been assured by the Inspector General that the variations in income of this bank—and I think if you look at other banks you will find similar variations—do not bring into question solvency and do not require an initiative on the part of the Government, except to the extent that the Inspector General is assured that management is taking appropriate and responsible action.

Mr. Deputy Speaker: It being 1.33 o'clock, I do now leave the chair until two o'clock.

At 1.33 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PROVINCIAL AFFAIRS

ANNOUNCEMENT OF ONTARIO ELECTION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the self-styled Ronald Reagan of the North, the very Conservative Premier of Ontario, Frank Miller, has finally mustered up enough courage to go to the polls after being reassured by the Minister of Finance (Mr. Wilson) that his cut-throat budget will only be presented after the next provin-

cial election. The Ontario Conservative Party took an active part in the last federal election claiming that it was time for a change, and that having one Party in power for 12 years was too long. That is the same Party that has been in power in Ontario for 42 years.

It will be interesting to watch the Premier make election promises to the people of Ontario. His federal counterpart made 338 promises during his last election campaign and has yet to deliver on almost any of them. The people of Ontario will not be taken twice by the same Conservative Party. They realize that the Government deliberately stalled the presentation of what will be the most treacherous Budget the people of the country will ever see coming from a Government that preaches restraint but turns around and goes on spending for its own benefit.

Eight months of federal Tories is long enough. Forty-three years is way too long.

* * *

ABORIGINAL RIGHTS

SELF-GOVERNMENT CLAIMS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, Indian, Inuit and Métis people have all called for the constitutional recognition and entrenchment of their right to self-government. Before the arrival of early colonists, aboriginal peoples obviously governed themselves, and they have never surrendered the right to do so. In spite of this basic right, federal and provincial Governments imposed laws and regulations on their communities, while industrial and commercial developments eroded their land base and destroyed their traditional economy.

The tragic conditions in most aboriginal communities can only be changed when Canada recognizes the aboriginal peoples' right to self-government and provides resources to make that government effective. However, the working draft from the Federal-Provincial Relations Office only speaks of the right to institutions of self-government where those rights are defined through negotiated agreement. This proposal leaves aboriginal peoples without any bargaining power as they negotiate with provinces. Only if they are lucky enough to reach an agreement can some part of aboriginal self-government be recognized in the Constitution.

The federal Government cannot meet the needs of aboriginal peoples by pursuing the lowest common denominator with the provinces. The right to self-government flows from aboriginal rights. Next week at the constitutional conference the federal Government must give leadership to the provinces and push for full recognition of that right in our Constitution.

Mr. Speaker: I would advise the Hon. Member that his time has expired.

S.O. 21

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

OPPOSITION TO CNCP TELEPHONE SYSTEM APPLICATION

Mr. Jack Scowen (Mackenzie): Mr. Speaker, we in Saskachewan enjoy a good telephone service at reasonable rates. The Province of Saskatchewan built its own telephone system through community participation joining together to create the system as we know it today. It is efficient and economical.

CNCP Telecommunications has made an application to the CRTC for a nation-wide long-distance telephone system that it claims will be cheaper and more efficient. Let us look at the efficiency records of railways.

When I worked on the railway after the Second World War, a parcel could be shipped from Winnipeg, Manitoba, and received in Nipawin, Saskatchewan, within 48 hours. Today it takes so long you may have forgotten what it was you ordered, Mr. Speaker. Telegrams were delivered within hours of the time they were sent. Today, if you have a phone and are available, Mr. Speaker, you may get a telegram the same day, but if not, a telegram takes as long as the mail, and we know what that is like.

Let us not forget previous promises and agreements that were to be in perpetuity but were not kept by the railways. Let us not be lulled into thinking that cheap rates charged by CNCP will continue once our efficient systems are destroyed. The promises of cheap rates will be for the short term. We do not want to have to buy our own telephones and switch boxes as we bought our own boxcars, nor do we want to build new satellites as we did rail lines. The burden on the taxpayer to keep the CNCP conglomerates living high off the hog has reached its limits.

Mr. Speaker: I would advise the Hon. Member that his time has expired.

* * *

[*Translation*]

PORNOGRAPHY

IMPORTATION OF PORNOGRAPHIC MATERIAL

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, a recent decision by the Federal Court of Appeal to repeal a section of the Customs Tariff that controls the importing of pornographic material into Canada has mobilized the anger of women's groups about the ineffectiveness of this legislation. The present situation is unacceptable, if we realize that for years, women's groups have been making statements, preparing briefs and publicly demonstrating their demands for inclusion in the legislation of a more elaborate and specific definition of the terms "pornography" and "obscenity". Mr. Speaker, we must not forget that in some countries, producers of pornographic material do not hesitate to torture and even

kill the actors and actresses who play in these productions, and who are mostly women and children.

Weak legislation that turns a blind eye will only encourage the production of such material. That is why we are asking for amendments to be made to the legislation as soon as possible.

Mr. Speaker, the women in the riding of Argenteuil-Papineau and women's groups across Canada cannot tolerate a situation where Canadian legislation is encouraging pornography.

* * *

[*English*]

THE PRIME MINISTER

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, after the election the unreality of the Conservative promises became apparent. For the first six months the Government busied itself in the politics of style, photo opportunities, and information control. Now the hour of having to make decisions is fast approaching. We have already seen, in the universality debate and in the delays in releasing the unemployment insurance paper, that the shift from the politics of style to the politics of substance will prove to be internally divisive. What will the mighty Prime Minister's Office do to control all the loose cannons on its deck?

The Prime Minister's (Mr. Mulroney) expensive office perceives the media to be a threat. The Prime Minister perceives Parliament to be a threat. The Conservatives learned from the election campaign that the Prime Minister must be isolated to the greatest extent possible, and the Tories have been implementing their own rose garden media strategy.

We remind the Prime Minister that he is not the president of our little state of America yet, and that he is obliged to meet his parliamentary responsibilities, including the attending of Question Period for a change.

* * *

UNEMPLOYMENT INSURANCE

PROPOSED CALCULATION OF SEVERANCE PAY AS INCOME

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the Government has proposed drastic and discriminatory changes to the Unemployment Insurance Act. On April 1 the Government plans to punish laid-off workers by counting their severance pay for U.I. purposes. I urge the Government to follow the advice given to it by countless labour and business groups and drop this discriminatory provision. If the Government is to follow its own rhetoric in terms of consultation, then it has no option but to abandon this cruel and heartless proposal.

FINANCE

GROWTH IN DEMAND FOR GOVERNMENT GRANTS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, 20 years ago if people in a small town wanted a new arena, they would clump their money together, volunteer their labour, and build it. Today the first thing that happens is the formation of a committee to solicit government funds. This is the legacy of years of Liberal practice when Canadians were bribed with their own money. High taxation meant that people had no excess funds for communal purposes, and the Government enticed people to become dependent on it for handouts.

The attitude exists today that whatever people want to do, whether it be in the field of sports, cultural activities, communal services or, indeed, even private business, they go cap in hand to Government for handouts. The proud spirit of independence that historically characterized Canadians and which has been destroyed by years of Liberal vote buying, must be returned. Grants, giveaways, and handouts must be discontinued so that Canadians can again become, both personally and individually, masters of their own fate.

* * *

[*Translation*]

THE ADMINISTRATION

GOVERNMENT'S APPROACH TO REAL NATIONAL CONSENSUS

Mr. François Gérin (Mégantic-Compton-Stanstead): Mr. Speaker, the Prime Minister said nearly two years ago in his book *Where I Stand*, and I quote:

> Our priority must be to restore civilized dialogue and discourse to the partnership of government and to the relationship between the public and private sectors of the country.

Mr. Speaker, after the Throne Speech, after the economic statement by the Minister of Finance (Mr. Wilson), after the First Ministers' Conference in Regina, and after the Quebec Summit, we had the National Economic Conference on employment in Ottawa. This was an occasion without precedent in Canada's history, attracting 136 participants from all walks of life and all regions of this country. There were representatives of the business community, labour, consumers, native peoples, churches, ethnic groups, welfare agencies, the unemployed and the volunteer sector. They all addressed their views to the Prime Minister, and that, Mr. Speaker, is a realistic approach for achieving a truly national consensus.

● (1410)

SOCIAL SECURITY

DIFFERENCE IN TREATMENT OF ELDERLY SINGLE PEOPLE

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Last February 7, Mr. Speaker, I wrote a letter to the Prime Minister (Mr. Mulroney) to explain the situation of three women in my riding. All three are the same age, 62, all three pay the same monthly rent, $250, and all three get the same monthly welfare allowance, $427.

The only difference between those three women is that the first has been a widow for five years, the second has been separated for five years, and the third is single. I asked on the basis of what social justice the Prime Minister decided that the woman separated for five years and the single woman did not have similar needs and did not deserve assistance under Bill C-26.

Mr. Speaker, if that is the approach of the Prime Minister, I can understand why he did not reply, for he is behaving like a master of ceremonies everywhere in Canada and he has forgotten his responsibilities. I urge all Hon. Members to bring pressure to bear on the Prime Minister to convince him to change Bill C-26 and set $250 million aside for the Minister of National Health and Welfare (Mr. Epp) rather than waste $610 million on armament.

* * *

[*English*]

STEVEN FONYO

COURAGE OF ONE-LEGGED RUNNER

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I would like to call to your attention, and to the attention of Members of this House, the exploits of Steven Fonyo of Vernon, British Columbia.

This committed and dedicated young man, who lost a leg to cancer, has undertaken to run across this great country on his "Journey for Lives", in order to raise funds for cancer research.

Starting in St. John's, Newfoundland, he has steadily worked his way across the country in an awesome effort which has few equals. He has continued to run in the coldest and most difficult weather, even against the advice of his doctors and supporters.

Steven Fonyo has already succeeded in raising a great deal of money. But he has done much more. Through his determination and courage he has provided a great example to millions of Canadians, particularly young Canadians.

We live in difficult times. Young people, and even middle-aged people, are finding it difficult to find employment and to acquire a place in our society. The example of Steve's personal commitment and courage in the face of insurmountable odds has become an inspiration for all of Canada.

As Steve Fonyo leaves Saskatchewan and runs into Alberta to attain his goal on the Pacific coast, I am certain the Members of this House will wish him Godspeed.

Some Hon. Members: Hear, hear!

* * *

CANADIAN NATIONAL RAILWAYS

TWO-WEEK LAYOFF NOTICES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, perhaps one of the reasons the Prime Minister (Mr. Mulroney) finds that consensus on economic problems is so elusive is because the things which the Government continues to allow to happen belie the rhetoric which is in vogue these days about co-operation, consultation, and the new era of labour-management relations.

The House will recall that last week I raised the matter of the layoffs at CN and the fact that hundreds of people were being laid off while the company and the unions were in conciliation on a no layoff contract. At that time I also mentioned that those workers were given a two-week notice. The CNR is hiding behind a regulation in the Canada Labour Code which allows it to waive the normal period of notice if workers are receiving supplementary benefits of any kind. The fact of the matter is that most of the people who are to be laid off have not worked for the company for the required two-year period and, therefore, will receive no supplementary unemployment benefits.

In my view, and in the view of anyone who takes a good look at it, the CNR is being allowed to violate the spirit and the letter of the Canada Labour Code, insofar as there will be workers who will only receive two weeks' notice about their layoff but who will not receive supplementary benefits. Those workers should have had the notice which is required under the Canada Labour Code.

If the Government is serious about its rhetoric it will tell the CNR to smarten up and give those people the notice that they should have received, or, for that matter, it should cancel the layoffs altogether.

Mr. Speaker: Order, please.

ORAL QUESTION PERIOD

[*Translation*]

THE ECONOMY

NATIONAL ECONOMIC CONFERENCE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, after the economic summit which ended on Saturday after-

noon, Mr. André Marcoux, representing unemployed youth, said the following, and I am quoting from the *Gazette* of March 25:

[*English*]

I did not come here expecting miracles, but I expected more than this.

[*Translation*]

Mr. Speaker, once again, I would like to ask the Minister of Finance, in the absence of the Right Hon. Prime Minister and the Deputy Prime Minister, whether the results of this economic conference would not have been more positive for young unemployed Canadians like Mr. Marcoux and many others, if this had followed the example of the Australian Government and submitted specific proposals to conference participants which would then have been used to establish a consensus.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is very clear that there was a good deal of positive response in the various statements which were made by a number of the participants at the conference following its completion on Saturday afternoon. I can tell the House, and particularly the Hon. Member, that a number of the people spoke personally to me and indicated that they were very pleased with the results of the conference.

With respect to the specific question of the Hon. Member, we did have a document which formed the basis of the discussion at the economic conference. It was the economic statement of November 8. That has been the basis of the consultation process in all the areas which were covered. A very large number of areas were covered in the economic statement, and that statement has been the basis for consultation during the period since November 8 last.

[*Translation*]

IMPACT OF BUDGETARY CUTBACKS ON EMPLOYMENT GROWTH

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, if the November 8 document was among the papers to be discussed at the conference, why was it not on any of the tables where papers prepared by academics were being distributed? Mr. Speaker, as far as job creation is concerned, during the conference the Minister of Finance tabled statistics indicating that in 1985, employment growth will be only 1.9 per cent, compared with 2.5 per cent in 1984. Has the Minister already allowed for the budget cuts that are to be announced later on in predicting this very low figure for 1985?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, when we came into office on September 4 last, it was very clear that we were facing a slower economy in 1985. I indicated that in the economic statement which I made on November 8. I should point out that since then, we, as well as many other economic commentators, have indicated that the projections which they made, and the projections which the Government made in November, should be increased because of the improved confidence in the economy and, specifically, the improved economic results in retail sales, manufacturing, investment intentions, and the production and sales of manufacturing companies. There is a large number of specific economic indicators which show that things have picked up since September 4, and I would suggest to the Hon. Member that it is related to the economic statement which we presented on November 8.

[*Translation*]

REQUEST FOR CLARIFICATION ON CREATION OF DIMINISHING NUMBER OF JOBS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, if the situation has improved so much since September 4, could the Minister explain why during the last six months of the Liberal administration, 175,000 jobs were created and why during the first six months his Government has been in power, only 84,000 have been created?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member asked that question before lunch, and I will give him the same answer. If we compare the 84,000 or 86,000 jobs which have been created since September with the identical period in the previous year, we find that the 86,000 figure is a good deal higher than the figure in the previous year. I think that is a good performance. I do not know why he is walking around under a little black cloud pointing out all the bad things, when there are a lot of very good things about which people are very pleased.

Some Hon. Members: Hear, hear!

* * *

● (1420)

GENERAL AGREEMENT ON TARIFFS AND TRADE

STYRENE PRODUCTS NEGOTIATIONS

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, my question is directed to the Minister of Finance. In late February the European Economic Community filed formal complaints against Canada with GATT, protesting the continuation of import quotas. The EEC notified GATT concerning its retaliatory measures against selected imports, including styrene monomer, which would be effective as of April 1. Polysar, a company based in my riding of Sarnia-Lambton, has a world-scale styrene facility and is the only exporter, with exports valued at $30 million per year.

Would the Minister of Finance respond to these concerns and tell the House if we are proceeding in negotiations to alleviate the possibility of higher duties? And are we trying to obtain complete removal of styrene from the list of products included in the retaliatory act?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure that the Hon. Member is very concerned about this matter, as are we in the Government. There are negotiations under way with the European Community authorities on this question.

As the Hon. Member knows, the threats by the European Community are in response to the actions taken by the Government to try to slow down the very happy exports from the European Community of veal and beef. We are in the course of trying to reach some satisfactory resolution of the matter. I am very much aware of the concerns of the Hon. Member, and I will keep him posted as these negotiations proceed.

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—GOVERNMENT ASSISTANCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. Earlier today the Secretary of State for Finance announced that the Government was involved in a massive bail-out of the Canadian Commercial Bank. This involves $60 million in direct funding from the people of Canada through the federal Government in the form of an interest free pay-out, and another $60 million to come from the people of Alberta through their Government. The Minister of State said that there was no evidence that the bank in question was in difficulty until March 14 of this year. Would the Minister of Finance confirm that an official from the Inspector General of Banks informed him last September that this bank was in difficulty?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would confirm to the Leader of the New Democratic Party that, yes, in September I received notification from the Inspector General of Banks to the effect that he was aware of the difficulty which the Canadian Commercial Bank was having with its earnings and was monitoring the situation closely, as is the normal course when banks do experience this type of weakness in their earnings.

There was no suggestion at that time that there was any question of a risk of insolvency. That risk did come to the attention of the Inspector General of Banks on March 14, as my colleague indicated earlier today in the House. We have taken very speedy action in response to the notification by the Canadian Commercial Bank to the Inspector General of Banks, who immediately brought both the Minister of State and myself into the picture.

ROLE OF CHARTERED BANKS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, what the Minister is now saying certainly departs from the implication which was left by the Minister of State at one o'clock today when she said that the Government had no sign before March 14 that the bank was in difficulty. What the Minister of Finance is now saying is that he was warned last September that the bank was in some difficulty, or that it was drawn to his attention.

Since the Government is now proposing that the taxpayers, through the federal Government and through the Government of Alberta, put up $120 million in interest-free loans to bail out this bank, why did the Government not use the time since last September to get the chartered banks of Canada—which are the most profitable in the world—to assume their responsibility in the private sector to move in and take corrective action and rationalize this bank without involving a bail-out from the taxpayers of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it quite clear that what I am saying to the Hon. Member now is not inconsistent in any way with what the Minister of State said before lunch. What she said at that time, and what I said a minute ago, is that when the Inspector General of Banks became aware of this, he increased his surveillance of the bank in the normal way, as he would do in any situation where there is some deterioration in the normal operations of a chartered bank. During this period of time there had been a continued surveillance, but there had been no question of the solvency of the bank until it received the shock of the write-down which it was required to take on some of its operations in California. When that shock did occur, it pointed up the need for further action by the Government of Canada, and we responded very quickly to that need.

REQUEST FOR COMMITTEE REFERRAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am informed that the kind of follow-up action taken by the Government consisted simply of the officials of the Inspector General of Banks making two or three additional visits to the Canadian Commercial Bank since it was said to be in trouble last September. I would say that this is hardly excessive monitoring of the system. Therefore, since the taxpayers of Canada have a lot of money at stake in this operation, will the Government do two things? Will it immediately establish a special committee of the House to look into the details of the proposed action of the Government? Second, will it mandate this committee to study the regulations pertaining to banks and trust companies over a two-month period only, and come back to the House with very specific recommendations so that we can avoid this situation in the future?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me point out that this situation, as the Hon. Member refers to it, is a very unusual circumstance. It happens very, very rarely in Canadian banking practice. I believe this is one of the reasons why the Canadian banking system is regarded around the world as one of the strongest banking systems in any country involved in the international community.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Let me remind the Hon. Member of what my colleague said before lunch. She is in the

course of preparing, and will be releasing shortly, a paper on financial institutions which will cover the very important question of bank regulations and the whole monitoring process. I would think that at that time there will be many opportunities for Hon. Members to become more involved in making recommendations and commenting on current practices of the Inspector General of Banks and the Government of Canada in monitoring our chartered banks.

Mr. Broadbent: More discussions.

* * *

UNEMPLOYMENT INSURANCE

PETITION AGAINST CALCULATION OF SEVERANCE PAY AS INCOME

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. At the weekend conference perhaps the one clear agreement which appeared was when 87 of the 136 participants signed a petition requesting that the changes in the unemployment insurance which are due to come into force next week, and which have the effect of making people who receive severance pay or pension benefits when laid off lose several weeks on unemployment insurance benefits, not go ahead. Would the Minister say whether she is prepared to respond to that request?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as the House knows, these measures were announced in the economic statement of last November. I had the opportunity then of discussions over a number of weeks with representatives of business and labour in order to determine the fairest way in which these changes could be implemented. As a result of that, we announced a phased-in method which would come into effect at the end of this month. We think that is the fairest way to go about it, and those changes will be implemented accordingly.

I would say to the Hon. Member that what was apparent at that conference was that the unemployment insurance program is not meeting the challenges of our changing society. Therefore, the consensus which was expressed by everyone—

Mr. Speaker: With great respect, the Minister's answer is verging on a speech.

● (1430)

DISCUSSION PAPER INQUIRY

Miss Aideen Nicholson (Trinity): Mr. Speaker, following on the question the Minister raised about a broader look at unemployment insurance, may I know if we are going to have a discussion paper on that?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, that has yet to be determined. However, as I was saying, one of the consequences of the discussion in the workshop on unemployment insurance was a very real consensus that the Act needs to be reviewed. One aspect I would think would be included is the question of labour economic adjustment and how the unemployment insurance program can be better tailored to those needs.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. FRANÇOIS NGARUKIYINTWALI, MINISTER OF EXTERNAL AFFAIRS AND CO-OPERATION, OF RWANDA

Mr. Speaker: Order, please. I would like to draw the attention of the House to the presence in our gallery of Mr. François Ngarukiyintwali, Minister of External Affairs and Co-operation of Rwanda.

* * *

[*English*]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—GOVERNMENT ASSISTANCE

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance. Earlier today the Minister of State for Finance, in presenting a statement to the House about the Canadian Commercial Bank bail-out operation, said that the federal Government will be providing some $73 million, consisting of $60 million as an interest-free infusion of funds and $13 million as its share of a purchase of subordinated debt. Will these millions of dollars from the federal Government come from an addition to the deficit or from the cutting of programs? If the latter, which programs are going to be cut?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure the Hon. Member will understand that this particular support operation for the CCB was put together on very short notice. I can tell him that the final agreement was not reached until shortly before seven o'clock this morning, so we have not had any opportunity to consider the questions that the Hon. Member has put forward.

Mr. Gray (Windsor West): Mr. Speaker, I must say that is rather surprising. When one has to deal with amounts in the tens of millions of dollars, in this case $73 million, I would think one would give some consideration to where they are going to come from. That is not a very good example of sound financial management.

REASON FOR SUPPORT

Hon. Herb Gray (Windsor West): Mr. Speaker, earlier today the Minister of State for Finance said that some $90 million in loans are going to be written off by the Canadian Commercial Bank. If this is the case I would like the Minister of Finance to explain why there is a rescue operation totalling

some $394 million, of which some $73 million comes from the federal Government alone?

Hon. Michael Wilson (Minister of Finance): I am not sure I understand the import of the question. We are participating in this support operation with the Province of Alberta, the Canada Deposit Insurance Corporation which is funded by premiums paid by the member deposit taking institutions, as well as the chartered banks themselves, which as a group are participating to the extent of $60 million. So I think that is a very broad support program for the bank indicating the confidence that not just the Government of Canada but the Province of Alberta, as well as the Canadian chartered banks, have in the future viability of the Canadian Commercial Bank and the important role it can play in the economy of western Canada.

DECLINE IN BANK'S NET INCOME

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Minister of Finance regarding the actions taken today on the banking question. The third quarter net income for this particular bank was down 61 per cent in 1983 over 1982. It was also down in its year end income, 1983 over 1982, by 24 per cent. In 1984 it was down 88 per cent over 1983. Given that, why did the Government not move in September when it was told that this bank had some serious difficulties? Why did the Government not try to find a private sector solution then, in keeping with the avowed intention of the Government not to inflict upon the taxpayers of Canada the cost of bailing out private operations?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I indicated in my answer to the Leader of the New Democratic Party, we were aware through the operations of the Inspector General back in September of the prevailing situation with the bank and the fact it was suffering some decline in earnings. But as my colleague, the Minister of State, said before lunch, that does not indicate in itself that the bank is in a position of insolvency. It was not in a position of insolvency, so there was no need at that time to respond in the way that the Hon. Member has suggested.

We are hopeful that, as a result of the actions taken over the weekend in putting together this support package for the bank, a private sector-public sector joint package, which I think is a very important point to make—

Mr. Deans: Mostly public.

Mr. Wilson (Etobicoke Centre): No, it is about 50/50. Both the private sector and the public sector have ongoing confidence in the bank and the position it can play in strengthening the economy of western Canada.

NOTIFICATION OF GOVERNMENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, why did the Minister not move when he was told that this bank was in serious difficulty in September, given two factors: one, that there was a serious net income deterioration over a period of two and a half years; and, two, that there was a close relationship between the board of directors of this bank and the owners and directors of three privately owned trust companies in Ontario which had to be closed by the Ontario Government?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I answered the first question of the Hon. Member, but let me answer directly and specifically the second question he asked. This was during the Liberal term of office so I can only quote what has been told to me by the Inspector General of Banks. When the Inspector General of Banks and the board of directors of the Canadian Commercial Bank became aware of the relationships between the promoters of Greymac and Seaway and the owners of Crown Trust, and the then chief executive officer of the bank, the board of directors acted very quickly. They fired Mr. Eaton and caused Mr. Rosenberg to remove himself from the board of directors. There was one loan at that time with the Canadian Commercial Bank which was related to Mr. Rosenberg's operations. That is the only active business relationship which prevailed at that time. So there is no connection really between the problems in the Province of Ontario and this bank. There is a continuing shareholding, but that is all.

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[*Translation*]

MINES

CONSTRUCTION OF CARTOGRAPHIC INSTITUTE AT SHERBROOKE—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Public Works. It was learned on Friday that Quebec is about to lose another $70 million, because the Minister of Public Works has ordered that all work on Sherbrooke's cartographic institute be suspended. The decision is not easy to understand since we also know that the Minister of State (Mines) stated last September 4 that he had the support of the Prime Minister, that he had been guaranteed the necessary funds, and that the construction would not be delayed. I would like to ask the Minister of Public Works whether pressure from the three Conservative Members from the federal capital region finally forced him to cancel or delay a $70 million project in Quebec, he who used to defend the interests of the province in the past.

[*English*]

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, I am happy to answer the question raised by the Hon. Member regarding the proposed move of the mapping centre to Sherbrooke. As I reported to the House on Friday, this project, along with many others, is under a moratorium brought on by the Government's insistence that we review over 1,000 projects and programs undertaken by previous Govern-

ments. We have requested that the study of on-going programs be continued and their review will be deposited soon. It will be available to the Member. In so far as the training program which is ongoing, Mr. Speaker, is concerned, I would simply advise that we have already placed five people from the Department to set up the training program. Twenty-four people will start training on April 1. As far as construction is concerned—

• (1440)

Mr. Speaker: The Minister may want to make a statement under Motions. A supplementary question?

[*Translation*]

Mr. Lapierre: Mr. Speaker, the Minister ought to have the decency to acknowledge that this project will create 400 jobs, and saying that they are training 25 . . . What worries me, Mr. Speaker, is that his senior Minister, Miss Carney, was reported as saying on December 10, 1983, that these were useless expenditures. I would ask the Minister how he can reconcile his statement today and the remarks of his leader last July 27: Decentralization is an objective to which we are committed. This is not just an ordinary election promise. The project will be carried out. Which one should we believe, him or his leader?

[*English*]

Mr. Layton: Mr. Speaker, this project will be reviewed along with all other projects. There will be a decision taken.

[*Translation*]

I would suggest that the indignant Liberals of 1985 must remember that, for nearly ten years, they failed to follow up on the hopes they raised regularly. Their indignation lacks credibility.

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[*English*]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—GOVERNMENT ASSISTANCE

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is for the Minister of Finance. It is with regard to a statement that was made this morning by the Minister of State for Finance. She suggested that this bank, quite clearly, after this bail-out, will be financially viable and profitable. In view of the fact that it will be profitable, can the Minister of Finance tell us why he feels it is justified that $60 million of Canadian taxpayers' money be given tax free in this bail-out operation?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, fortunately we do not have many of these operations, but any time there is a support package like this put together it is important to get together a broad degree of support. In this case we have support from the private sector as well as two levels of government. This indicates to Canadians that good confidence is being expressed in the future viability of the bank.

The Hon. Member asks why certain elements were chosen in this particular package. We believe that the deal which was put together represents the best interests of the Canadian taxpayers under the circumstances because of the type of arrangement that was put together.

INSPECTOR GENERAL OF BANKS—SIZE OF STAFF

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, frankly our concern is the Canadian depositors who are involved here. Why is it that the Inspector General of Banks, who has such a crucial role, has only eight field inspectors working with these banks when we now have 73 banks in our country? A great many of them are facing the kinds of problems which the Canadian Commercial Bank has experienced.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would caution the Hon. Member about stating his question in the way that he has. I can assure the Hon. Member that there are no other banks facing the problems that the Canadian Commercial Bank has gone through. The viability of other banks is not in question. As was indicated by one of the Hon. Members of the Official Opposition before, there are steps which have been taken in the past year to increase the resources of the Inspector General of Banks to take into account the broader range of banking activities that has developed in recent years because of the addition of the Schedule B banks.

* * *

SOCIAL SECURITY

CHILD TAX CREDIT—NEWFOUNDLAND GOVERNMENT PRACTICE

Hon. Douglas A. Frith (Sudbury): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Last Thursday my colleague, the Member for Hamilton West, brought to his attention the case of the woman in Newfoundland who was being threatened with having her electrical power withdrawn unless she co-signed her child tax credit to that agency.

We now have government agencies in competition with legal loan sharks, called tax discounters, for the child tax credit. I would like an indication from the Minister of when he or his colleagues will bring forward legislation in the House to halt that horrific abuse of the child tax credit system.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in bringing the case forward from his colleague the Hon. Member should not use the one case as an indication that it is occurring either across a province or across the country. I have checked into it. I obviously cannot give the Hon. Member the details today, but I have written a letter to

his colleague outlining the specifics of the case she raised in her supplementary question.

The Province of Newfoundland has examined the case. As I understand it, it is not policy, and they have no intention of using deductions from the child tax credit in the manner that was described in the House last week.

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CONSUMER AFFAIRS

INCOME TAX DISCOUNTERS

Hon. Douglas A. Frith (Sudbury): Mr. Speaker, my supplementary question is directed to the Minister of Consumer and Corporate Affairs. Under Section 305 of the Criminal Code we protect Canadians from loan sharks by prohibiting interest rates from being above 60 per cent. Yet, in that same Act, we exempted tax discounters who are allowed to charge up to 90 per cent. When can we expect legislation to be tabled in the House of Commons that will prevent the abuse of Canadians by tax discounters?

Mr. Speaker: It is a serious question, but it is not supplemental to the first question.

Mr. Frith: Sure it is.

Mr. Speaker: No, it's not. The Hon. Member for Nickel Belt.

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UNEMPLOYMENT INSURANCE

PETITION AGAINST PROPOSED CALCULATION OF SEVERANCE PAY AS INCOME

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Employment and Immigration. It is with regard to the announced changes to the Unemployment Insurance Act whereby severance pay and pension will be considered income for UI purposes.

The only consensus reached on the weekend at the federal economic conference was a petition handed to the Prime Minister and signed by 81 our of the 136 registered delegates. That petition called for the abandonment of the proposal. Without any bamboozling, flimflammery, or jiggery-pokery, is the Minister prepared to abandon the proposal and agree with the consensus reached at the conference?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I regret that the Hon. Member could not have been at the National Economic Conference, as some of his colleagues were, so that he could have heard the many positive proposals that were put forward in the area of unemployment insurance. As I mentioned earlier, there was a consensus that the unemployment insurance program of today is not meeting some needs, particularly in the field of labour adjustment. It is for that reason that the Government intends to go forward with a review of the Unemployment Insurance Act.

REQUEST THAT IMPLEMENTATION BE POSTPONED

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the Minister has refused to deal with the substantive issue that the one consensus reached was that she abandon this scheme to treat severance pay and pension income as earned income for UI purposes. Is she now at least prepared to postpone the implementation of this program on April 1 to enable us to have the proper consultation with those involved across the country?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, obviously the Hon. Member was not listening when I answered that question earlier today in the House of Commons. It may not have been as sharply put, but it was asked before today and I answered it.

What he is missing, which he might have gained had he been at the conference, is that those measures must be seen in the context of an over-all look at labour economic adjustment. Those are the things we will be dealing with in the whole review of the Unemployment Insurance Act.

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CANADIAN WHEAT BOARD

PRICE OF WINTER WHEAT

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, my question is directed to the Minister responsible for the Wheat Board. The seeded acreage of winter wheat has increased significantly in the Province of Saskatchewan. Many farmers quite rightly believe that winter wheat should be priced independently, in a different pricing pool, from spring wheat. Will the Minister assure producers that he will examine the possibility, before the harvest of winter wheat, of placing winter wheat in its own pricing pool?

• (1450)

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): The Hon. Member raises an interesting question, Mr. Speaker. He is quite right. There has been a substantial increase in the acreage seeded to winter wheat. It looks like the crop will come through the winter in good shape. No doubt there will be more bushels of winter wheat harvested this year than in the past. That matter has been raised with me by many producers. I am in the process of taking it up with the Wheat Board to see if we can have a separate pool for winter wheat to reflect its economic value properly on the world market. I thank the Hon. Member for his representation.

Oral Questions

AGRICULTURE

BEEF IMPORT QUOTAS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question was for the Minister of Agriculture, but in his absence I will direct it to the Acting Minister. Last December the Government invoked the meat import law in response to the EEC dumping subsidized beef into Canada. Since then the Government has been retreating on these quotas which it has imposed. The Government has increased the United States quota from 21 million pounds to 65 million pounds. The Government is in the process of negotiating an increase of the EEC quota from 5.9 million pounds to 33 million pounds. Why is the Government backing down under pressure from the EEC and the United States, and not protecting the interests of the Canadian livestock industry?

Mr. Gauthier: Where's the beef?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): I thank the Hon. Member for his question, Mr. Speaker. To bring the Hon. Member for Algoma up to date on what is happening, Canada invoked, for the first time, provisions under the Meat Import Act, which the previous Government should have done in the previous fall.

Some Hon. Members: Hear, hear!

Mr. Mayer: We have told our trading partners that we are prepared to negotiate with them to try to arrive at an agreement satisfactory to everybody. If we cannot arrive at a negotiated settlement, we are prepared to invoke the Act. In the meantime the European Economic Community has threatened retaliation. The Minister for International Trade is working with the EEC to work out a satisfactory arrangement that at the same time protects the meat industry while being fair to the other commodities against which the EEC has threatened to retaliate.

We have not increased the quota to anybody as yet. If the Hon. Member has information that I do not have, I would very much like to know where he got it.

Mr. Foster: Mr. Speaker, it is common knowledge in the trade. The Ministers should be reading their briefing notes better.

Some Hon. Members: Oh, oh!

Mr. Foster: I just want to point out that this is one of the most cowardly retreats the Government has ever undertaken. The Government is totally abandoning the beef producers.

Mr. Clark (Yellowhead): Why did you not invoke the law?

GOVERNMENT POSITION

Mr. Maurice Foster (Algoma): Mr. Speaker, why is the Minister not prepared to march into the GATT tribunal, and stand up and fight for the farmers and the beef producers of this country, instead of taking the cowardly action that has been taken?

Some Hon. Members: Order.

Some Hon. Members: Oh, oh!

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, if we wanted to talk about cowards we would certainly have to talk about the behaviour of the Government from 1974 to 1975 to 1976 when it did absolutely nothing for the beef producers country when that Government could very well have done so.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Right on.

Mr. Mayer: Let me also tell the Hon. Member that it was not an act of cowardice when this Government invoked the Meat Import Act which this Party and the New Democratic Party supported when it was passed by the previous Government. We are not being cowards. We are living up to our responsibilities on behalf of the total agricultural industry to see that we have a chance to trade, and to trade fairly, internationally.

Some Hon. Members: Hear, hear!

* * *

NORTH AMERICAN AIR DEFENCE

NORTH WARNING SYSTEM

Mr. Derek Blackburn (Brant): Mr. Speaker, my question was for the Prime Minister, but in his absence I will put it to the Secretary of State for External Affairs. Why did the Government commit itself to the development of space based system technologies in the North Warning System agreement when the development of space based systems is forbidden by the ABM Treaty?

Right Hon. Joe Clark (Secretary of State for External Affairs): Would the Hon. member quote specifically from the portion of the agreement to which he is referring, Mr. Speaker?

Mr. Blackburn (Brant): I would have thought the Secretary of State would have had that at his fingertips.

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): It is forbidden by the treaty.

Mr. Deans: It is bad enough when you have to tell the Minister what is in his agreements.

Mr. Blackburn (Brant): I was under the impression that the Secretary of State for External Affairs was aware of what was in the treaty.

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Mr. Derek Blackburn (Brant): Mr. Speaker, I have a supplementary question. The Secretary of State has promoted SDI's effects on job creation. Will he also table in the House all the studies done by his Government into the effects of SDI on arms control agreements?

Mr. McKnight: Order Paper.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what is abundantly clear is that I am aware of what is in the agreement and the Hon. member is not.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): He demonstrated that by refusing to quote his sources.

Some Hon. Members: Hear, hear!

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[*Translation*]

TRADE

SALE OF CANDU REACTORS—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would also like to direct a question to the Secretary of State for External Affairs. In the context of recent developments, we recall that a year ago the party to which he belongs was firmly against the star war. A month ago they were quite prepared to let President Reagan forge ahead with his program, but today they are interested only in the number of jobs which this program might create in Canada. I would like to ask the Right Hon. the Secretary of State for External Affairs whether this Government, primarily concerned with jobs creation rather than debates on international policy, intends to change our Canadian policy and authorize the sale of CANDU reactors to any country, even if it is not signatory to the non-proliferation treaty, so that there will be more jobs—indeed we did lose jobs because we had international safeguards which made Canadians proud?

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have no intention of accepting the suggestion of the Hon. Member that we should remove the safeguards that have normally affected the sale of CANDUs. I am surprised that the Hon. Member would make that suggestion here on the floor of the House of Commons.

Let me also take the opportunity to remind the Hon. Member for Saint-Maurice, as he well knows, that both I and the Prime Minister speaking on Friday made it abundantly clear that any activities with which Canada might become involved with regard to the SDI project will be entirely consistent with the principles of the ABM treaty which this Government supports.

Mr. Chrétien: I did not suggest that the Government should do that, Mr. Speaker.

AIRPLANE SALES INQUIRY

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, the way the Government is acting today, with the Secretary of State for External Affairs, is that the only criterion the Government is employing to try to sell star wars or SDI to Canadians is the creation of jobs. If it is the only preoccupation, we should be consistent in Canada and give the highest priority and start to sell, for example, Buffalo airplanes that we have refused to sell to some countries because we did not want those planes to be involved in war.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the bow and arrow were being researched today, that Hon. Member and his Party would try to pretend they are part of the Stragegic Defence Initiative.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The serious question that is at issue here is whether or not Canada is going to carry on its tradition of being involved in peaceful uses of space. We have done that with regard to the Radar Sat project which helps to forecast droughts. We have done that with regard to the Canadarm project which helped repair satellites. Does the Hon. Member and his Luddite Party want us to back away from all these activities too?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Chrétien: Are you for it? You sold your soul.

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BANKS AND BANKING

CANADIAN COMMERCIAL BANK—INTEREST-FREE LOAN

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. It concerns the bail-out of the bank this morning. When the farmers are in trouble, the banks and the Government are always saying "too bad". When home owners are in trouble, the banks and the Government are always saying "too bad". When small businesses are in trouble the banks and the Government are always saying "too bad". In light of that, on behalf of ordinary Canadians, why does the Government step in with an interest-free loan to bail out a bank when the Banking sector is the most profitable sector of the Canadian economy today?

Point of Order—Mr. Blackburn (Brant)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member looked behind the circumstances of this particular support action he would see that the reason for us trying to work together with the private sector as well as with the Province of Alberta is that it is very important that we do not see any further deterioration of the Canadian Commercial Bank's operations because of the impact it would have on the economy of western Canada and the small business people there who are borrowing money from the bank and who might have their loans called prematurely and not be able to get alternate sources of financing. It is for that reason we felt it important to do everything we can to ensure the on-going viability of the bank. We believe the support operation that was put together over the weekend will achieve that.

Mr. Nystrom: Mr. Speaker, the chartered banks have made millions of dollars off the people of western Canada.

● (1500)

ASSISTANCE FOR FARMERS AND FISHERMEN

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary question is directed to the same Minister. Will he use this as a precedent and provide interest-free loans to farmers, fishermen, and small business, because they are the organizations and groups which create real, long-term jobs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I agree with the Hon. Member that small businessmen, farmers, and fishermen are very important participants in the Canadian economy. This is why we took action in the November 8 statement to provide, in the case of farmers, fishermen, and other primary producers, relief from the farm fuel sales tax. We have the interests of these parts of the economy very much in mind in the policies of the Government.

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CLERK OF PETITIONS' REPORT

CALL FOR RETENTION OF CANAGREX

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Algoma (Mr. Foster) on Friday, March 22, 1985, meets the requirements of the Standing Orders as to form.

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POINT OF ORDER

REQUEST TO TABLE DOCUMENT

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise on a point of order. The secretary of State for External Affairs (Mr. Clark), in a very flippant way, asked me a question. He knows the rules of the House, that when I am putting a supplementary question, I cannot answer a question at the same time. However, I do have the source in the ABM treaty, if the Minister should like me to read it now. May I have that right?

Mr. Speaker: I am afraid that is not a point of order. I appreciate the Hon. Member's difficulty but it is not a point of order.

Mr. Blackburn (Brant): With all due respect, he also refused to answer my second question as a result of that.

Mr. Speaker: Order, please. I presume the Hon. Member knows full well that he should give notice to the Table of a late show intent and use that provision which is available to him.

Mr. Broadbent: Mr. Speaker, as you well know, by unanimous agreement of the House we can do anything at a given time. It has been indicated by the Official Opposition that it would be in agreement with the Hon. Member tabling or reading out the section which was requested by the Secretary of State for External Affairs (Mr. Clark). I am sure the Government, having asked the question, would now give unanimous agreement for the Hon. Member to make the statement requested by the Minister.

Mr. Clark (Yellowhead): He wants to table a newspaper clipping.

Mr. Chrétien: Agreed.

Mr. Speaker: My goodness, we did well during Question Period; I am not quite sure what has happened.

Mr. Hnatyshyn: We have a bunch of Henny Youngmans on the other side.

Mr. Speaker: Order, please. Is the Hon. Member for Oshawa (Mr. Broadbent) seeking unanimous consent for something?

Mr. Broadbent: Yes, yes.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please, particularly to my right.

Mr. Gauthier: Expel them.

Mr. Speaker: Do I take it the Hon. Member is seeking to have a Private Member, not a member of Cabinet, table a document through unanimous consent?

Mr. Broadbent: Yes.

Mr. Speaker: I take it the Hon. Member also knows that traditions and standing rules in Beauchesne's and elsewhere prevent any Private Member, other than a member of the Cabinet, attempting to table a document through unanimous consent. I am therefore not—

Mr. Broadbent: On a point of order—

Some Hon. Members: Order!

Mr. Speaker: Therefore I cannot accept the request for unanimous consent for the tabling of the document.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AID

AFRICAN FAMINE—TABLING OF REPORT OF EMERGENCY CO-ORDINATORS

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have the honour to present in both official languages, and in accordance with the provisions of Standing Order 46(2), the report of the Hon. David MacDonald, Emergency Co-Ordinator, African Famine. I believe as a result of consultations that there would be unanimous consent to have the report referred to the Standing Committee on External Affairs and National Defence.

Mr. Speaker: Rather than wait until motions, I take it there is unanimous consent for referral of the matter.

Some Hon. Members: Agreed.

Mr. Speaker: It is so ordered.

* * *

TRANSPORT

STUDY BY STANDING COMMITTEE OF CNR PENSION SYSTEM

On the Order: Government Notices of Motions:

March 22, 1985—the Minister of Transport:

That the Standing Committee on Transport be empowered to study all matters related to the Canadian National Railways' pension system;

That the Committee have the power to retain expert, professional, technical and clerical staffs; and

That the Committee report its findings and recommendations to the House no later than June 30, 1985.

Mr. Speaker: Pursuant to Section (2) of Standing Order 25, this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 83, 111 and 251.

Order Paper Questions

[*Text*]

REPLACEMENT OF SIGNS

Question No. 83—**Mr. Angus:**

1. In the past year, how many construction and permanent signs within the jurisdiction of the Government were replaced, modified or repainted in order to display the name of the new Minister of each relevant Department and what was the total cost?

2. Are more signs scheduled to be changed to accommodate the names of the Minister of the new Government and, if so, how many?

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): 1. Ministers' names are applied only to project site signs and to signs for Ministers' offices. Names are normally replaced on project side signs by means of vinyl overlays, which are made available by Supply and Services Canada; 43,240 overlays have been provided during the past year in response to departmental requests, which would permit modification of 21,620 project site signs. In addition, 38 signs were refurbished to replace Ministers' names. The total cost of all the changes is $12,575. This does not include the time spent by departmental staff in applying the overlays.

2. Changes to the names of Ministers on signs are not subject to a schedule. However, few additional changes are anticipated.

DSS—CONTRACTS AWARDED IN CONSTITUENCY OF MANICOUAGAN

Question No. 111—**Mr. Boudria:**

Since the September 4 election, how many Department of Supply and Services contracts have been awarded or filled by suppliers or contractors, originating in part or in whole, from the constitutency of Manicouagan and, in each case, what was the total value of the contracts?

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Since September 4, 120 contracts and three amendments have been awarded.

Dollar Range of Contract	Total Number of Contract Awards	Total Dollar Value
0 — 499	44	$12,241
500 — 999	15	$10,645
1,000 — 1,999	24	$31,801
2,000 — 4,999	26	$72,628
5,000 — 9,999	5	$26,000
10,000 and above	6	$512,604
Amendment	1	$832
	1	$2,500
	1	$5,000

CSIS—ACCOMMODATION

Question No. 251—**Mr. Nunziata:**

In what cities will the Canadian Security and Intelligence Service be establishing offices, and where offices are established, will CSIS be sharing accommodation with the RCMP?

Hon. Elmer M. MacKay (Solicitor General of Canada): Although at the present time CSIS is sharing accommodation with the RCMP at some locations, this will be temporary, and eventually all CSIS offices will be in accommodation separate from the RCMP. Also, there are no plans to establish CSIS

offices in cities other than those in which they are presently located, and they are as follows:

Location	Separate Accommodation	Shared with RCMP	Anticipated Separation Date
Victoria, B.C.		X	1985
Vancouver, B.C.	X		
Edmonton, Alberta		X	1985
Calgary, Alberta	X		
Regina, Saskatchewan	X		
Saskatoon, Saskatchewan		X	1985
Winnipeg, Manitoba		X	to be determined
Toronto, Ontario		X	1985
London, Ontario	X		
Hamilton, Ontario		X	1985
Kitchener, Ontario		X	1985
Niagara Falls, Ontario		X	1985
Windsor, Ontario		X	1985
*Ottawa, Ontario	X	X	to be determined
Sudbury, Ontario		X	to be determined
Montreal, Quebec		X	1986
Quebec City, Quebec		X	1986
Halifax, Nova Scotia		X	to be determined
Moncton, New Brunswick		X	1986
St. John's, Newfoundland		X	1985

*Includes CSIS Headquarters and the Ottawa Regional Office.

[*Translation*]

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

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—THE ECONOMY

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

That this House regrets that the Government has further postponed a budget thereby assuring that it will have gone more than eight months in office without taking any concrete action to create jobs and to establish the kind of economic confidence necessary for the realization of the hopes and aspirations of all Canadians, in particular, women, young people, farmers, fishermen, the elderly, natives and, above all, the almost one-and-one-half million unemployed.

Miss Aideen Nicholson (Trinity): Mr. Speaker, when I was speaking earlier, I had begun to talk about trade arrangements between Canada and the United States. I had been pointing out that while our relationship with out greatest ally and chief trading partner is extremely important to us, it is also important that we negotiate well in all these matters because the United States has certainly shown itself very adroit in protecting its own interests in the past.

The United States complained long and hard about our Foreign Investment Review Agency, but that country itself prohibits or restricts foreign investment in many sectors of its economy—in coastal and freshwater shipping, aviation, nuclear and hydro generating, communications, financial industries, real estate, fishing, some mineral leases, dredging and salvaging operations, and the defence industries. As the House knows, the net of defence industries is cast very wide.

A comparison of relative investment is quite interesting. For instance, mining is approximately 40 per cent foreign controlled in Canada and approximately 5 per cent in the United States; oil and gas, something between 50 per cent and 60 per cent foreign controlled in Canada as against 18 per cent in the U.S.; and manufacturing, something around 48 per cent foreign controlled in Canada compared with 3 per cent in the United States. The whole basis on which to consider investment policy in the two countries is different.

The U.S. economy, which is so greatly admired by the Government opposite, is not without problems. Some of those problems may impact upon us unless we plan carefully to protect ourselves. The United States has an enormous trade deficit. If at some point it becomes concerned about it and decides to act on it, we will certainly be open to injury. For instance, Ontario alone exports more into the United States than does Japan. The United States also has an enormous deficit which, of course, is fuelled by enormous defence spending. This is a situation which may change. International banking institutions may very well become concerned about the fact that the United States is so greatly over-extended by some standards. If there are major changes in the way the international community looks at this, we might be very vulnerable if indeed we have put all our eggs into that basket without proper negotiation and safeguards.

● (1510)

Approximately 80 per cent of our trade is now with the United States. Does the Government plan to leave that more or less as it is and to continue, as did the Liberal Government, to encourage exporters to find other markets, particularly Pacific Rim countries, or is the intention to lock us in more closely with the United States? These are things to which we should know the answers.

In talking about trade arrangements, particularly a trade treaty with the United States, it is impossible to do that unless one also looks at the whole question of emerging technologies, emerging competition from the less developed countries, the effect of this on our own industries and the need to protect our people, be it with retraining grants or labour adjustment programs. This whole package needs to be considered very carefully.

It may very well be that the Government is considering all this, but we do not know because less and less is being debated in this House. More and more is being dealt with by way of press release and statements outside the House. There are very few things that are more important to us than the present state of the economy. All of us were elected by people who have had

an enormously difficult time living through the recession. They are hurting and are looking for some help.

When we began this session, the position of the Official Opposition was, and still is, that any measures that are put forward by the Government that are constructive we will support. That is still our position, but it gets increasingly difficult because we are not seeing measures introduced in the House. Our questions are not answered. They are responded to by one-liners. The Government seems to be still fighting the last election.

May I end by making a plea that this Government proceed to take its responsibilities, give leadership and take us into its confidence. Try and deal in a civilized and responsible fashion with the Members of the Opposition, and you will find very ready co-operation.

Mr. Deputy Speaker: Questions and comments? Resuming debate.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want to say a few words on the motion before the House today introduced by the Hon. Member for Laval-des-Rapides (Mr. Garneau) on behalf of the Liberal Party. The motion condemns the Government for not bringing in a Budget by this time. It talks about the importance of jobs in this country and mentions many groups in our society, such as young people, farmers, fishermen, the elderly and native people.

I want to say at the outset that I cannot recall in all my years in the House a newly elected Goverment taking so long to bring in a Budget. Last November, of course, we had an economic statement by the Government. In that statement we saw some indication of the way this Government wants to go. We saw them being Liberals once again. They brought in the 1 per cent increase in the sales tax which the Liberal Minister of Finance, "old ironclad", introduced in this House about a year or so ago. They announced that they would increase the price of fuel in this country up to the world level. That showed some indication of where this Government wants to go.

We saw in the economic statement the program of restraint being practised by the Government whereby it cut several billion dollars off government spending. I assume by doing this, instead of creating jobs in this country the Government is creating more unemployment. It was slowing down the national economy, putting less money into the hands of ordinary Canadians. Therefore, ordinary Canadians had less money to spend.

That is the opposite direction that we as a nation should be going at this time. I remember very well the election campaign of last summer. The Prime Minister (Mr. Mulroney), then Leader of the Opposition, said time and time again across this country that there were really three issues in the campaign: jobs, jobs, jobs. At that time I expected that if the Conservatives won the election, we would have an early Budget and the emphasis would be on job creation. I was very surprised to see that Budget put off by several months and to see it further delayed now until the latter part of the month of May. He has broken a campaign promise. He has a very important mandate to deliver jobs for ordinary Canadians.

On September 4 there were about 1.5 million Canadians unemployed. As I stand here today at the end of March, there are still about 1.5 million Canadians unemployed. Where is the difference? What changes have there been in terms of what the Prime Minister has done?

I remember the beginning of July when the Prime Minister held a caucus with some of his western candidates in the City of Prince Albert. He said: "Elect me as Prime Minister and overnight there will be the creation of thousands of jobs". I know wise Members like the Hon. Member for Bow River (Mr. Taylor) would not have made that kind of statement. He knows there is nothing magical about this. It is no wonder the Government failed. It could not create those jobs overnight.

Let us look at the most recent unemployment stats that came out a few weeks ago for the month of February. I find that unemployment in Canada in the last year has gone up in seven of our ten provinces. We find that in almost all parts of Canada. The unemployment rate is getting worse instead of better. That is why the priority of this House has to be the creation of jobs. That has to be the priority.

I was very disappointed at the reaction of the Minister of Finance (Mr. Wilson) at the National Economic Conference held in Ottawa a few days ago. There seemed to be a big split. The bankers and big business on one side were saying that the priority of this country had to be the deficit; to cut back on the deficit was the way to go, in the direction of Billy Bennett of British Columbia. That seemed to be what the bankers and big business were saying.

On the other side we had community groups, labour and other groups representing ordinary Canadians which said that the most important priority has to be the creation of jobs. One of the consequences of the creation of jobs in this country is that in the long run it would bring down the deficit in Canada. We would once again become a nation of producers, a nation of doers, producing goods and commodities for Canadians, producing those things that we can use in this country. If we bring down the unemployment rate, we would also be reducing the pay-out from the federal Government of unemployment insurance funds and reducing the pay-out from provincial Governments of welfare cheques.

For the life of me, I do not know why the Government goes through a consultation process if it is not going to listen to what it hears and if it is not going to act on what Canadians are saying. It is very clear that they are saying that the deficit is not the priority. They are saying the Government should spend money to create jobs, help small business, the farmers, fishermen and loggers. They say it should help the base industries in this country and from there there will be a ripple-up effect and the creation of jobs in this country. Instead of that ripple-up, this Minister is following some of the old Liberal policies of a trickle-down theory: government welfare for the rich, government welfare for the banks and the big companies, government welfare for those that have while the ordinary citizen has to pay a bigger and bigger tax bill.

• (1520)

I am sure some of the Tory back-benchers are embarrassed by their Government's continuation of old Liberal policies. I ask those back-benchers to rise and say what they think and to make sure that the Prime Minister (Mr. Mulroney) keeps his promise that the most important priority in the country is jobs. As it was during the campaign, the most important priority in Parliament must be jobs. That is the reason we were all elected. That is our mandate. Yet we see no significant improvement whatsoever in job creation in the country.

During the last two months, I along with the Hon. Member for Essex-Windsor (Mr. Langdon) and other members of this caucus had an opportunity to go across the country to speak to ordinary Canadians about jobs and about the future of our land. Two or three things I heard struck me as being very significant. First, the people say unanimously that the priority of this Parliament must be jobs and that politicians should stop fighting and bickering and come up with some national vision indicating how we might create those jobs.

Second, and I was surprised when I heard this in places like Newfoundland, the Canadian people are hopeful that something can be done. They are optimistic. There is hope in the face of adversity. There is hope that we as a country can get our act together and create jobs for Canadians from coast to coast.

The third thing that struck me was that there is a national consensus among Canadians from one part of Canada to the other that there are no magical solutions and no experts in national economic policy. Instead, they feel we should be putting a lot more say and a lot more money into the hands of ordinary Canadians from coast to coast so that ordinary Canadians in each community may control the economy of their own particular community.

Canadians are saying that we need more programs directed toward self-reliance in the various communities across the country. They say we need more programs to promote small business and worker co-ops and that there should be more programs to promote local municipalities so that they can have a say over the direction their community is headed.

I found that if there was a major theme in terms of critiques of what has happened in the past and up until now, it has been that we have had too many programs that have been centrally imposed on communities from coast to coast, that we have had insensitive bureaucracy and insensitive, centralized government that does not understand the needs of ordinary folk from one part of Canada to the other. I will never forget that in Newfoundland we heard criticism of over-centralization not just in Ottawa but also in St. John's. We heard that the provincial capitals are not giving enough assistance to the people to enable them to make their own local decisions. I am speaking of more economic and industrial democracy so that farmers will have more say over farm policies and fishermen will have more say over fisheries policies. There should be more assistance to small businesses and local co-op groups in order to allow them to do things on their own.

The projects to which I have referred may not be large projects. There has been a great deal of criticism of megaprojects, those grandiose schemes that over a few years would create tens and tens of thousands of jobs. Ordinary folk are talking about creating five or six jobs here and 10 or 20 jobs there. In British Columbia the same can be said of the logging industry. We could begin to process and manufacture more of our wood products in our own country. On the Prairies there are all kinds of ideas about building on our bases of grain and oil. We could give more federal Government assistance and aid to local and community initiatives thought up by ordinary people.

Time and time again it was pointed out to me that ordinary people had a much better idea about what would be viable in their own communities than some bureaucrat in Ottawa or some bureaucrats in the provincial capitals. This is the direction ordinary Canadians tell us they wish to take. They want a Government that will respond to that wish. They want more funding for local initiatives and worker co-ops. They want more technical assistance in the setting up and establishing of worker co-ops. The Government should take a look at the experiences of France and Spain with regard to worker co-ops. The people want more aid and assistance to small business.

There was a lot of criticism of government policy. We were told that too much is given to big business. Approximately 70 per cent to 80 per cent of funding to business goes to big businesses like the oil companies and very little goes to small business, the sector in which most of the jobs are created in the first place. That is the direction ordinary Canadians wish to take.

In addition, we heard that we should have a made-in-Canada interest rate policy. If we were to have a made-in-Canada interest rate policy and we brought down the real interest rate by 3 or 4 per cent, we would kick-start the economy. We could provide low-interest loans to home owners, farmers, fishermen and small business people so they could expand their businesses, build houses and put up structures across the nation. This would put Canadians back to work. Many countries have done that. However, it seems to me that the Minister of Finance (Mr. Wilson) is afraid to take a step that is out of sync with the steps taken by Mr. Reagan in the United States.

It seems to me, and I am sure the Hon. Member for Mississauga South (Mr. Blenkarn) would agree with me, that there is a two-pronged economic policy in Canada. The Government relies on private sector big businesses and on the United States and Mr. Reagan. Those are the two things upon which the Government relies for economic recovery in Canada. We say that that will not work. That will not put Canadians back to work. We must start doing things on our own. Interest rate policy is very important and I think that is something to which the Government must address itself.

The Conservative Premier of Alberta spoke about a real interest rate in Canada of approximately 4 per cent. With the rate of inflation at 3.5 per cent or 4 per cent, he is talking

about a 7 per cent interest rate rather than the 11 per cent interest rate we now have which is set by the Bank of Canada.

I ask a very sincere question, Mr. Speaker. Sitting in the chair, I know you must ask this question of yourself very often, Mr. Speaker. What is the difference between the previous Liberal Government and the Government that sits across the way?

[*Translation*]

We still have the same Public Service, the same President of the Bank of Canada and the same Deputy Minister to the Minister of Finance in this country. We have the same monetary policy. There is someone down there who agrees with me. He said he agreed. He happens to be a Conservative backbencher.

Mr. Speaker, it is a fact that the present Government's monetary policy is exactly what we had under the Trudeau Government two or three years ago. Mr. Bouey is taking the Government's decisions, not the Minister of Finance, and I am sure the Hon. Member for Mississauga South (Mr. Blenkarn) will agree, because I remember distinctly that when he was on this side of the House two or three years ago, he often asked why we did not have an independent monetary policy in this country. He often spoke about about the need for helping small- and medium-sized businesses, farmers and fishermen and for helping average Canadians with their mortgages. I ask you, Mr. Speaker: What is the difference?

Mr. Rodriguez: There is no difference!

Mr. Nystrom: There is no difference. Mr. Mulroney is a reincarnation of Mr. Trudeau. Everything is exactly the same. There may be a slight difference . . . I think Mr. Mulroney is fonder of Mr. Reagan than Mr. Trudeau, but I am sure you will agree, Mr. Speaker, that is the only difference.

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau has just risen on a point of order, probably to remind us that the Hon. Member for Yorkton-Melville (Mr. Nystrom) should, in referring to the Prime Minister, refer to him as such and not by name.

Mrs. Mailly: Thank you, Mr. Speaker.

● (1530)

[*English*]

Mr. Nystrom: Mr. Speaker, I would like to speak briefly on the details of the motion. The motion was introduced by the Hon. Member for Laval-des-Rapides (Mr. Garneau) and reads as follows:

> That this House regrets that the Government has further postponed a budget thereby assuring that it will have gone more than eight months in office without taking any concrete action to create jobs and to establish the kind of economic confidence necessary for the realization of the hopes and aspirations of all Canadians, in particular, women, young people, farmers, fishermen, the elderly, natives and, above all, the almost one-and-one half million unemployed.

I would like to move an amendment as follows: I move seconded by the Hon. Member for Beaches (Mr. Young):

> That the motion be amended by inserting immediately after the word "natives" the following words:
>
> "the disabled population, visible minorities".

I do that because the Liberals have listed a whole series of people, including native people, farmers and fishermen, but two very important groups in our society have been forgotten—the disabled and the visible minorities.

The Abella report was tabled in the House in November. That report talked about affirmative action and employment equity for four groups in Canada. It studied women and three minorities—natives, disabled people and visible minorities. I think it was an oversight on behalf of the Liberal Party to single out a couple of the groups which were studied and forget about the disabled and the visible minorities.

In our action group on jobs, we found that Canadians tend to forget about the disabled. However, between 8 per cent and 10 per cent of Canadians are disabled. In terms of jobs, most of those people are discriminated against. Over the years, the federal Government has been very lax in providing adequate assistance in the Canada Employment Centres in terms of finding jobs for disabled citizens and in terms of training programs for disabled Canadians. Three or four years ago, Parliament established the Special Committee on the Disabled and the Handicapped. Our spokesman on the committee was the Hon. Member for Beaches (Mr. Young). He has made speech after speech in the House about the necessity for positive programs for disabled Canadians. The national organizations which represent disabled Canadians are disappointed that the Government has not taken enough positive action on their behalf. Therefore, if we are to discuss this motion today, we must as well do something for disabled Canadians.

Of course, the other group is that of the visible minorities. We all know that visible minorities have problems in terms of discrimination on the job and in job searches. In Toronto, the Hon. Member for Essex-Windsor (Mr. Langdon) and I spoke with a representative of the National Black Coalition, as well as people from other organizations which deal with racism. We were told about different studies which had been carried out in Toronto, and that it was evident from those studies that black people and visible minorities were discriminated against by employers. In one particular study, a black actor and a white actor went to various employers in the City of Toronto to apply for the same job. They had the same qualifications, the same general education and they were the same age. They also used the same approach. They found that time and time again the jobs would disappear when the black actor applied, but often an offer would be made to the white actor who applied either a few minutes before or a few minutes after the black actor.

It is time that we started to think more about and do more for visible minorities. In the City of Halifax we met with church groups which spoke about the problems of the black

population. It is wrong for the vast majority of black young people in the City of Halifax to be unemployed. It is wrong and it is unfair in a city and a country which has so much to offer. We must take a strong stand in this House on behalf of visible minorities and handicapped people, as well as those who are mentioned in the Liberal motion.

I appeal to the House to support our amendment. Also, in closing, I appeal to the House to fulfil the mandate which we have as parliamentarians—that the first priority is to create jobs. The Minister of Finance (Mr. Wilson) should stop listening to the bankers and big business in Canada and start listening to ordinary Canadians, small business, farmers, workers and fishermen from one end of Canada to the other. They will tell him a different story.

In the election campaign last summer, the politician who spoke the most about the deficit was the Leader of the Liberal Party. We saw what happened to him on September 4. I believe that Canadians delivered a message on that particular issue. The Government should not forget that message as it sets national economic priorities and prepares the Budget which will be brought down in the next couple of months.

Mr. Deputy Speaker: The House has heard the proposed amendment. We will now proceed to questions and comments. I will recognize the Hon. Member for Beaches (Mr. Young).

Mr. Young: Mr. Speaker, I believe that anyone who has been associated with it will agree that employment is the key issue to the disabled community in Canada. Without access to adequate and decent employment, the disabled population is denied access to every other opportunity which every able-bodied Canadian expects to have as a matter of right. Without adequate employment opportunities, people are denied access to decent housing, transportation and education. Many Members are not aware that there are thousands of kids in Canada who are disabled—either developmentally handicapped or otherwise—and who are completely denied access to education across Canada. If we hope to provide disabled Canadians with equal access to transportation, education, recreation and communication, the key element is the access to employment opportunities.

Could the Hon. Member for Yorkton-Melville (Mr. Nystrom) tell us if any witnesses came before the task force on jobs, to which he referred, to give evidence on the lack of employment opportunities adequate training and government assistance, which, if adequate, would provide those employment opportunities?

Mr. Nystrom: Yes, Mr. Speaker, we heard from organizations which represented disabled Canadians. Their main concern was jobs and how they felt discriminated against. Indeed, they felt that municipal, provincial and federal parliamentarians had forgotten about them in the planning and organization of our society. I remember speaking with a gentleman who I believe was the president of an organization for disabled people in Halifax. He told us that the federal Government, in the Department of Employment and Immigration, had only one co-ordinator to deal with disabled people in the Atlantic provinces. He also said—and I have not had a chance to check this—that the Department had one co-ordinator in Quebec, one in Ontario and one or two in the West. He pointed out that too little priority had been given to the needs and aspirations of disabled Canadians. He put forward several recommendations as to what should be done to improve the situation. The other point which he mentioned was that the recommendations which were made by Judge Abella concerning disabled Canadians should be implemented. His concern was that all the good sentiments in the world and all the voluntary guidelines probably would not work. He said that if these affirmative action and employment equity programs were going to work there would have to be mandatory regulations and guidelines with specific targets, goals and objectives. However, the Minister of Employment and Immigration has not provided that. We heard the fear expressed that without those specific targets and goals—as has been proven elsewhere—it would not work in Canada.

Once again, I would refer to the task force which was agreed to by all Parties in the House during the last Parliament. In the report of that task force many other recommendations were made for which disabled people in Canada are pushing very hard.

Mr. Malone: Mr. Speaker, I submit that the Hon. Member for Yorkton-Melville (Mr. Nystrom), in the course of his speech—as other New Democratic Members have done for some months and, indeed, years—has embarked on a sematical word which I believe is dangerous and misleading. They say that they are the defenders of the ordinary Canadian. Obviously, that view has a great deal of attractiveness in the hearts of Canadians. It naturally would, because all Canadians believe they are ordinary. I believe Hon. Members of the New Democratic Party should be called to task for using the word "ordinary" repeatedly as they do. Do they have an operative definition of who is ordinary? Why is it that those Hon. Members, as a Party, cannot support people who are imaginative, unique or extraordinary? Why do they create a caste system which sets certain groups of people aside and then say, "We will defend those people"? Would the Hon. Member for Yorkton-Melville (Mr. Nystrom) stand in his place and give us an operative definition of an ordinary Canadian? Who belongs to that limited group which those Hon. Members, if they were ever in Government, would pretend to support? Who are that narrow bunch of Canadians?

● (1540)

Mr. Rodriguez: You are, Arnold.

Mr. Nystrom: Mr. Speaker, I think a good example is the question I asked the Minister of Finance (Mr. Wilson) today about assistance to one of the banks and the fact that the taxpayers are giving an interest-free loan of several millions of dollars to this particular bank. I do not consider banks to be representatives of ordinary Canadians. I asked the Minister whether or not this bill will be a precedent for interest-free loans. In other words, would farmers receive the same kind of

consideration? A lot of farmers are going bankrupt across this country.

Mrs. McDougall: Who do you think borrows from the banks?

Mr. Blackburn (Brant): When was the last time you got an interest-free loan from the bank?

Mr. Nystrom: The Minister of State for Finance (Mrs. McDougall) asks me who I think borrows from the banks. I have a lot of farmers in my riding who borrow from the banks and those banks are charging these farmers usurious interest rates right now.

Mr. Mitges: Right on.

Mr. Nystrom: I know the Minister does not agree with that, but her seat-mate does. I know he agrees because he knows a fair amount about the ordinary citizens in his own riding. I can point out all kinds of farmers in my riding who are in difficulty and I am asked time and time again: if there are going to be interest-free loans for the banks or bail-outs of big companies, why can't we give the same consideration to ordinary farmers, fishermen or small business people? What is good for the goose should be good for the gander, I say to the Hon. Member for Crowfoot (Mr. Malone). Why that difference? Is that what "Progressive Conservative" means? I know it is a continuation of the policies of the old Liberal Government. I do not like it. I do not find Canadians like it either. But that is what we mean by "ordinary Canadians".

Mr. Malone: Mr. Speaker, I would certainly want to draw to the attention of the Hon. Member for Yorkton-Melville that when we protect a bank from going bankrupt, we not only protect the bank but we protect all of the investors and the people who use that bank. The Hon. Member knows that if we should let the banks go into default, there would be literally thousands of Canadians—who the Hon. Member has just bracketed as "ordinary" Canadians—who would end up being very badly crushed. When the Hon. Member gives his thesis that he is for small business, he really is saying he is for small business until the small business becomes successful. As soon as it becomes successful, he is no longer with it. Those Hon. Members only want to be for the little fellow.

Well, Mr. Speaker, I would like the Hon. Member for Yorkton-Melville to know that the creation of jobs throughout the country is dependent upon the imaginations and ingenuity of Canadians everywhere. Certainly, to present some kind of euphoric notion that there is a group of people across Canada who are unordinary, who do not belong to this caste system the New Democratic Party supports, is not at all in keeping with the nature of this country. Any Government which comes to power ought to be a Government which stands for all Canadians, for all productivity. It should not try to create a caste system, as the NDP are doing, by picking out a group of people here and there and saying, "Those are the ones we support, the rest be darned". That Party seems to take the view that it is for the little businessman. What happens to the little businessman when he becomes successful? The NDP casts him aside. He is no longer ordinary.

The Hon. Member did not give an operative definition of an "ordinary" Canadian. he cannot think of one.

Mr. Rodriguez: You weren't listening.

Mr. Malone: He may not have time to respond now but he can write me a letter. I challenge him to give me a definition of an "ordinary" Canadian, because every Canadian is an ordinary Canadian.

Mr. Blackburn (Brant): Give him a chance.

Mr. Rodriguez: Sit down and give him a chance.

Mr. Malone: Hon. Members of the New Democratic Party who shout "sit down", thus showing disrespect for this Parliament, should know very well that they cannot continue to get away with appealing with semantic words which tug at the heart-strings of Canadians without ever being called to account. The words they use over and over again in fact are meaningless. Those Hon. Members have no operative definition. They should start dealing only in facts and not in pure rhetoric.

Mr. Nystrom: Mr. Speaker, as I listen to the Hon. Member for Crowfoot, I think he must have listened carefully over the years to Ernest Manning. The Hon. member certainly follows Ernest Manning's tradition in the way he speaks in this House.

If the Hon. Member wants a precedent, Mr. Speaker, where a Government did not bail out a bank, I can tell him that the Conservative Government of Saskatchewan did not bail out Pioneer Life. That is a precedent. I suppose this Government would like to bail them out. I am not exactly sure where it stands. What I am saying is that if the Hon. Member for Crowfoot wants to find some ordinary Canadians, he should come to my riding and I will introduce him to the farmers in my riding who are very ordinary Canadians and who would like the same kinds of breaks from the federal Government as it is giving to the banks. If the Hon. Member wants to continue standing up for rich Canadians, that is fine with me, but there will be an election in this country in three or four years and the population will respond. If the Conservatives are as insensitive as the Liberals were a few years ago, they will go the same way as the Liberal Party.

Mr. Deputy Speaker: Resuming debate.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, it is always refreshing to hear the Hon. Member for Yorkton-Melville (Mr. Nystrom) with respect to bail-outs. It was only last week that the Hon. Member for Regina East (Mr. de Jong) was complaining to the Minister of State for Finance (Mrs. McDougall) that she would not come to the assistance of the Pioneer Trust Company. This morning, the Hon. Member's own confrère from Hamilton was making the same complaint. Now we hear the Hon. Member complaining about the fact that the Minister of State for Finance was able to organize

largely a private sector agreement to come to the assistance of the Canadian Commercial Bank so that all sorts of small depositors, small business people in the Edmonton area, would not lose their shirts completely.

The Hon. Member knows, and ought to know, that the economy of western Canada is, to a large extent, in tatters, mainly because of the national energy policy. He knows that if that bank had gone bankrupt—and it would have had there not been assistance from Canadian banks, from the Canada Deposit Insurance Corporation, from the Province of Alberta, and from the federal Government—all sorts of small business people would have lost everything. The damage would have been immeasurable in the Edmonton area. But we have managed to solve that problem on a temporary basis so that we can get things going again. There is no question about it, that bank will be able to be prosperous. I remind the Hon. Member for Yorkton-Melville that the people participating in the arrangement will be able to participate further in the profitability of the bank as they take up share warrants in connection with the arrangements.

This motion is perhaps the most ridiculous motion which has ever come before this House. I am indeed surprised that the Hon. Member for Laval-des-Rapides (Mr. Garneau) would ever bring a motion of this nature to this House of Commons. The Hon. Member complains that a budget has not come out as if a budget was the only thing a government does. Those Hon. Members have some idea that governments are here to make budgets. Surely governments are here to run the country. And this country is being turned around, and has been turned around from September 4 until now. A budget will be produced in due course. There is a lot which has to be done which does not and did not require budgetary help.

The Hon. Member for Yorkton-Melville, for example, said that when he went around the country he found that Canadians were tired of being oppressed by the central Government in Ottawa. He said there was no sense of co-operation and we cannot pass rules in Ottawa which are enforced in towns across the country such as Vancouver and Saint John. That is right. We understand that. That is why we have been able, for the first time in some 15 or 16 years, finally to get the provinces and the federal Government together. This way we can have a consensus on how we should proceed with medicare, education, retraining.

The Hon. Member for Kingston and the Islands (Miss MacDonald) made a deal with the provincial Ministers of Labour and Employment to get summer work for students in a new job-creation program, a program which is working darn fine in my riding. People are offering jobs to students for the first time because they now feel the Government of Canada understands their requirements. They want to co-operate, get aboard and be part of building Canada. They want to give the youth of Canada an opportunity. We have a Government that understands business, the provinces, labour and all those elements in the economy who want to work together. This motion says that nothing has been done about job creation, but that is just not so.

• (1550)

The motion goes on to refer to the economic confidence necessary for the realization of the hopes and aspirations of Canadians. Let us talk about economic co-operation. First of all, we have the provinces getting together. Bit by bit we are breaking down the trade barriers which exist between provinces. More important, the problems we have had with international trade, particularly with the United States, are being solved. That conference a week ago in Quebec City was the culmination of a whole series of negotiations which have been going on. Member after Member has criticized the Hon. Member for Vancouver East (Ms. Mitchell) with respect to the salmon fishing treaty on the West Coast. We know that he has been around the outports of the West Coast bit by bit, getting advice with respect to the salmon treaty, and we now have an agreement which the previous Government had not been able to reach for years and years.

Mr. Manly: On a point of order, Mr. Speaker, I am sure that my colleague, the Hon. Member for Vancouver East (Ms. Mitchell), would not want to have attributed to her the responsibility for making the salmon treaty which was imposed on the people of British Columbia. It was the Hon. Member for Vancouver South (Mr. Fraser).

Mr. Deputy Speaker: That is not a point of order.

Mr. Blenkarn: I am very pleased that we now have recognition that the Minister of Fisheries and Oceans (Mr. Fraser) has been doing a first-class job. We have the recognition that we have a treaty that they could not organize in a decade. Why not? Because there was no sense of co-operation between Canada and its largest trading partner, the United States of America. We were concerned, and British Columbia was particularly concerned, with respect to the question of softwood lumber. We have already taken virtually one third of the American market for softwood lumber and we were very much in danger of having our lumber exports subjected to countervailing duty. That fear has gone. We were in danger of having our potato exports subject to countervailing duty, and that fear has gone. We were very much in danger of having our steel industry virtually banned from competition in the U.S., and to a large extent that fear has gone.

Members opposite talk about economic confidence. The business community has economic confidence when it sees a Government prepared to get tough and act and to be sensible with respect to trade matters. It is a Government which is prepared to consult. It understands how we must finance export trade. Papers have been produced for discussion with the business community concerning export financing through the banks and other financial institutions. They, too, can then participate the way they should in financing those exports. We will shortly be producing new methods by which the Government will use the financial institutions of this country to develop trade. To say that economic confidence does not exist because somehow a budget has not been produced is just utter drivel. The opposition says that this is not a long time to wait for a budget. Do you realize there was a Government elected

on February 18, 1980, and it was not until way on into October of the same year that it finally produced its Budget? Oh, yes, there was an economic statement in April, but we produced an economic statement in November. It is the same type of situation.

We have a situation, Mr. Speaker, where for every dollar we spent in the first 10 months of this fiscal year we took in only 64 cents in taxes. The other 36 cents had to be borrowed. They may well say we are to blame for the management from September 4 until January. But they cannot do that because we have not had a chance to take it over and really get at it. The situation is that the spending is built into programs that were developed five years ago, ten years ago, two years ago and continue to require further funds. They continue to grind away.

Let us look at housing as an example. Under CMHC, and this is but one example, in order to finance new construction of social housing we made loans and guaranteed the interest at 2 per cent. When an apartment building is built and the mortgage is 15 per cent, the subsidy is 13 per cent. But it is not just the subsidy in the year the building is built, it applies the following year, the year after that and the year after that. Virtually all the money set aside in the Estimates for CMHC today are to pay subsidies on buildings built two years ago, five years ago, eight years ago and so on. That will be the situation not next year and the year after but for the next 25 or 30 years. These costs are built in liabilities of the Government of Canada.

So we called together last week the leaders of business, labour, consumer groups, social groups and educational groups from across the country to find out what they thought we might be able to do. To some extent those groups are both the solution and the problem, because many of those people have been involved all the way along in the decision making which has led us to the position we are in. We are criticized for that, but how can you criticize a Government which has enough ability to get Bob White, Dennis McDermott and Louis Laberge in the same room with Rowland Frazee? I say to you, Sir, that that demonstrates our ability to get Canadians working together again.

If we are ever going to solve the economic problems of this country it will be because we get Canadians working together again. The unfortunate situation over the last 15 years is that we have had a Government of confrontation. We have had a Government which has pitted labour against management, management against management, provinces and Territories against provinces, native people against farming groups, farming groups against city dwellers and so on. We have to end that confrontation. We can never build this nation by fighting each other. Heaven knows, we have enough problems as it is in this cold half of North America building a nation in the first place. But to build a nation when you are already deeply in debt, fighting against each other will not help. When Canadians elected us on September 4, they elected us to build together. They did not elect us to do nothing. However, they did not elect us to destroy a fragile recovery through ill-conceived and ill-thought-out actions. With regard to farm financing, it would have been very easy to fulfil immediately the promises that we made under Section 31 of the Income Tax Act with respect to capital gains on farm-land and agri-bonds. We could have done that by fiat. However, even farm groups are not in favour of some of those matters. Why would we do them without consulting and without public hearings? Members will know that we have had public hearings. The Committee on Finance, Trade and Economic Affairs will be reporting on these matters prior to its mandated requirement of April 1.

• (1600)

The Minister of Finance (Mr. Wilson) will take that report into account in preparing his Budget. Obviously he cannot prepare the Budget without the report. Obviously he cannot do things that will damage our fragile recovery without input from all sectors in the economy and without the understanding of how what is proposed in one sector of the economy affects another sector of the economy.

To say that it is somehow a terrible delay to wait until the week of May 20 is to be a bit naive and a bit ridiculous. We could go ahead and do everything we said we were going to do without consulting, but then it would be complained that we did not consult. We have consulted and we will continue to consult. There are 1.5 million Canadians out of work. There are fewer Canadians out of work today than there were at the time of the election. There will be a lot fewer Canadians out of work as time goes on. It takes a while for business confidence and a new attitude to develop to enable new employment and new job creation to take place. It does not happen overnight.

We have proposed a lessening of controls on foreign investment, but that does not mean that people from abroad will pour their money into our resources. It does not mean that all of a sudden new jobs and opportunities will develop as a result of the change in the statute. However, the change in the statute is a worth-while effort to encourage people to come to Canada and invest in the country.

They say that we have not done anything for small business. We proceeded with the Small Business Loans Act to make it more sensible and to make the banks more responsible for it. That move will enable more funding to be available for small business.

Rome was not built in a day, Mr. Speaker. Our problems of a $35 billion deficit and a $190 billion national accounts debit did not build up overnight. It did not happen just by itself and it is not going to change just because we will it to change. Over the terms of past Governments we have built up a habit of liking a whole lot of government service. However, we do not have the ability to pay for that government service. In our own constituencies we have built up a bad habit of asking the Government for hand-outs.

The other day Domtar came to the country and asked for a hand-out of $100 million. Member after member of the Liberal and New Democratic Parties stood up and demanded that the Government hand over $100 million to Domtar. That is how a great, big national debt is developed. You can only have

the tailor make you a suit with the amount of cloth he has. We have been trying to get too much out of what we have. As responsible Members of Parliament we must realize that. As responsible Members of Parliament we must tell our constituents that rather than looking to government for everything they must do a lot on their own. They must build the country. Co-operatively we can do that.

The Member for Laval-des-Rapides ought to be ashamed of this motion. I appreciate that it is a non-confidence vote. I suppose it would have been easier for the Official Opposition to have merely said, "That this House regrets it has no confidence in the Government" and left it at that. However, he went on to say why he should have confidence in the Government. That being the case, it seems to me that members of the Opposition ought to decry this motion and vote against it, because the motion is a summary of why the House should have confidence in the Government.

Mr. Nystrom: Mr. Speaker, I have a question for the Member for Mississauga South (Mr. Blenkarn). I respect him and what he says in the House. I know him quite well and have known him for quite a while. Before his Party was elected he used to talk about how interest rates are too high in the country. He is shaking his head. I can hear him.

Mr. Blackburn (Brant): You can hear him shake his head?

Mr. Nystrom: I can hear him all the way over here. I don't hear very much, only an echo.

He used to make speeches time and again from this part of the House. I simply want to know whether he agrees with the Government's monetary policy. Does he agree with the interest rate policy? I know he is very blunt. If he does not agree, he will tell me, if he does agree, he will also tell me. I know he knows the situation very well. Interest rates are much too high in this country and ordinary Canadians—I guess that is all Canadians except for Jack Horner, in answer to the Member for Crowfoot (Mr. Malone)—farmers, fishermen, small businessmen and home owners need a made-in-Canada interest rate policy. It must be much lower than it is now. Does the Hon. Member agree that Gerald Bouey should call the shots? Does he agree with the Government's interest rate policy?

Mr. Blenkarn: Mr. Speaker, I think I should instruct my secretary to make a collection of the speeches I have made in the House on interest rates and to send them to the Member for Yorkton-Melville (Mr. Nystrom). If he would like, I will discuss them with him so that he will understand how the determination of what interest rates is made. He ought to know that interest rates are a function of the supply and demand for money reflected, to some extent, by the risk a lender takes. On that basis we in this country are paying nearly 2 per cent more than the American Government is paying for its money. That is largely because the public views us as a greater risk. If we did not carry the horrible national debt that we do and if we were running our affairs more sensibly, we would borrow our money considerably cheaper.

If the Governments of Canada and the United States were not sucking up the money from the private savings of their citizens in deficits, money would be considerably cheaper. As the Member for Crowfoot says, there is no such thing as ordinary Canadians. It happens to be a fact that all taxpayers of Canada are paying the interest rates we are paying. The Government of Canada is the largest borrower. The taxpayers of Canada are the largest payers. From looking at the Estimates the Hon. Member will realize that the estimated cost of the national debt this year is in excess of $25 billion. That was calculated on the basis of a supposed interest rate averaging 10.6 per cent. He will know that at the present calculation that figure is wrong and that we will probably have to spend considerably more than $25 billion to carry the outrageous borrowings that we have.

The Hon. Member will also know that interest rates dropped half a point last week. However, that is not good enough. He will know that that is not good enough. I know that is not good enough. The farmers, businessmen, and home owners know that is not good enough. If we had some sensibility in the economy of this country rather than the yapping of the New Democratic Party demanding more, more, more, then we would have lower interest rates.

• (1610)

Mr. Nystrom: Mr. Speaker, I think it takes a yapper to recognize one.

Some Hon. Members: Oh, oh!

Mr. Nystrom: The Hon. Member is talking about all these people who have savings and so on. I do not know if he recognizes that according to a report in *The Globe and Mail* recently nine families have half their stocks and bonds in the Toronto Stock Exchange. Since so much wealth is controlled by so few, why would the Hon. Member not agree to bring down interest rates in Canada and, if need be, use foreign exchange controls or an interest equalization tax or something like that for investments of over $50,000 or $60,000 which would affect people who are not ordinary Canadians? There are nine families who control about half the assets on the Toronto Stock Exchange. Why does the Hon. Member stand up for those rich friends of his when we could be doing something for ordinary Canadians?

Mr. Blackburn (Brant): Never has so much been owned by so many to so few.

Mr. Blenkarn: I think what the Hon. Member for Yorkton-Melville would like us to do is to have foreign exchange controls like those in Brazil, Mexico, or Argentina, and then we could also have interest rates like those in Brazil, Mexico, or Argentina. Under that kind of régime which the Hon. Member has in mind, we would be assuring poverty for my children and for my children's children's children, and I suppose they would then become ordinary Canadians.

Mr. Manly: Mr. Speaker, I heard the Hon. Member for Mississauga South (Mr. Blenkarn) say that the threat against

Canadian softwood entering the United States has been removed. If that is the case, could he explain to the House why the Minister of State for Forestry (Mr. Merrithew) has gone to Washington today reportedly to deal with that very problem?

Mr. Blenkarn: Mr. Speaker, the Hon. Member will know that the imposition of controls on the importation of softwood lumber has to pass the office of the President of the United States. Obviously, in a way these controls have to go through the House of Representatives and so on. It is important that our Ministers deal directly with legislators and people in the United States having an interest to make sure that as far as possible we ameliorate the problems of the threat of controls.

I say to the Hon. Member that the effect of the Quebec conference was essentially to give us access to the American market, subject to the tariffs but not subject to any unrealistic interference with our trade.

Mr. Langdon: Mr. Speaker, let me raise a question with the Hon. Member. He suggested that there is a problem with exchange controls. Is it not the case that the country his Party now looks to as the exemplary model with respect to economic policy, that is the United States, put into effect an interest equalization tax under a Republican President in the early 1970s which certainly did not destroy confidence in the future of the United States? It had instead the effect of protecting U.S. currency at a time when it was under some pressure.

Mr. Blenkarn: Mr. Speaker, the Hon. Member will know that that tax was immediately abolished because it was not accomplishing anything. He will know that that type of interference in the market-place will not work. More important, the Hon. Member will know that, with the long border we have, with the percentage of our Gross National Product directly involved with foreign trade, particularly foreign trade with the United States, to attempt to isolate and control every foreign exchange transaction that takes place between Canada and the United States would immediately create a disaster in our markets. It would probably immediately put hundreds of thousands of Canadians out of work. If there were an attempt to enforce foreign exchange transactions, it would require an army of policemen to the extent that we would get rid of our unemployment program by putting everybody in uniform.

Mr. Langdon: Mr. Speaker, did this happen in the United States? Were there problems of enforcement or was there not quite a straightforward and simple system whereby the financial institutions reported to the Government? Did it not turn out in the United States to be quite easy to put an interest equalization tax into effect? Would it not be similarly easy here, given that we have a banking system that is quite highly concentrated and on which we could quite easily rely to do the policing involved?

Mr. Blenkarn: Mr. Speaker, if one thought that one could somehow control the movements of foreign exchange and steer away from the market, I would think that was not the effect of the American equalization tax. It may have intended to be the effect, but there were not any demonstrable differences that took place in what would otherwise be the market condition. If you take a look at a market condition where there is an advocacy for some control over foreign exchange to separate our interest rates from interest rates in the United States or world interest rates, the Hon. Member must know as an economist that with the number of transactions going back and forth across the border, and with the number of Canadians who hold large accounts in the United States and of Americans who hold large accounts in Canada, we would soon run into a massive problem.

[*Translation*]

The Acting Speaker (Mr. Paproski): The period provided for questions and comments has now expired. The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand).

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I want to start by immediately indicating our support for the NDP amendment tabled a few moments ago to add visible minorities and the disabled to the list of those who have been hurt by the lack of action of the present Conservative Government.

Last Thursday we had the eighteenth anniversary of the United Nations Day against Discrimination. On that occasion, the Minister of State for Multiculturalism (Mr. Murta) made a statement. We responded. We made many of the same points that were made a few minutes ago with respect to visible minorities and the handicapped who have suffered a great deal of discrimination not only in employment but in many other areas of this country as well. We support that amendment very strongly.

To return to the motion before us today, Mr. Speaker, I want to indicate my full support and point out that once again by delaying the budget we have also seen a delay of specific action to deal with the unemployed. In addition, the delay has caused a great deal of economic uncertainty among those who would invest in new jobs and those who would wish to make their plans with respect to new plant, equipment, and so on. There is no comparison between the election in 1980 and the election last fall in 1984. The election in 1980 simply returned a Government that had been in power a year previously. It was the same Government. It had already produced budgets before 1980 and it was continuing in the same way. Here we have a new Government that has been almost eight months in office. We have not had a budget. We have had certain policy announcements here and there but the announcements have not been produced in a global way to give us an over-all picture of the Government's economic policy.

These delays are seriously affecting the unemployed, and measures that might be taken by the Government to put the unemployed back to work are affected. I should point out that there has been no delay with respect to cuts. Cuts came rather quickly after the election of September 4. Last November, the Minister of Finance (Mr. Wilson) announced, together with

the President of the Treasury Board (Mr. de Cotret) a whole series of cuts, which not only affected certain government programs but also put a large number of people out of work.

● (1620)

Just last week we had representatives of the cultural community in Ottawa. They were lobbying for the many jobs which were lost and will be lost in the various areas of Canadian culture—symphonies, orchestras, museums, theatre groups, ballet companies and so on. The Government did not wait to introduce these cuts. They acted right away, before they had anything to take their place in many instances. They cut out programs before they really knew what they would put in their place.

Whenever we ask Ministers or other government Members when they will bring in the programs they promised, over and over again they state that they have to wait because they are consulting. "Consulting" has become their favourite word. Of course we agree with consultations. It is a good thing, but it cannot be a replacement or a substitute for action. Many Members on the government side of the House make statements as if consultation was invented on September 4, that there never was any consultation before. I can forgive them because many of them are new Members and were not here before September 4. However, one would think they would read *Hansard* or be in touch with what happened.

I have a list in my possession which indicates some 12 consultative processes with respect to employment and employment-related matters in the last Parliament alone. One of them I had a lot to to with because I was Chairman of the task force on employment opportunities for the '80s. Several Members on the other side worked on that task force as well. We spent two years consulting across the country. We heard from nearly 400 groups and individuals on employment opportunities for the '80s. We published a report which was almost unanimous, except for two or three recommendations on which the Conservatives dissented.

We also had task forces on skills development leave and on major Canadian projects. There was *In the Chips*, which dealt with the effects of microelectronics on employment. We had the task force on labour market development, the Dodge Commission, the task force on part-time work in Canada, and the Ironside advisory panel. We had the House of Commons Committee on profit sharing in the labour market, the Economic Council report on "In Short Supply", and the Williams task force, on Outreach policy.

It is important to put this list on the record because I am becoming fed up with new Members repeatedly rising and saying that there has never been any consultation. There has been all kinds of consultation. However, there is something important which must follow consultation. This was done in the past, but it has not yet been done by the present Government.

Also, as a result of consultation there was the Economic Council report *On the Mend* and the Macdonald Commission which went across the country and heard evidence from many groups from all facets of Canadian life. It has not yet reported. These examples are just in the area of employment.

Also there were task forces on the handicapped, on North-South relations, on a national trading corporation, on alternative energy, on regulatory reform and on pension reform. We had the Technology for Tomorrow Conference, which was much more broadly based than the conference last weekend. We had three major policy forums in 1983 with respect to international affairs, economic policy and employment. I could go on and on, but it should be placed on the record that consultation was not invented on September 4. There was a great deal of consultation during the last Parliament and under the previous Government. However, once consultation takes place, hard decisions have to be made. Sometimes those people with whom one consults will not be pleased because one cannot please everyone. I know the Government is trying to please everyone, but sooner or later when hard decisions are made, some will be alienated and will accuse the Government of not consulting with them.

I am a member of the Standing Committee on Indian Affairs and Northern Development. I have a lot of respect for the Minister of Indian Affairs and Northern Development (Mr. Crombie). When he says he consulted, I believe him, but many witnesses have appeared before the committee and have said that he did not consult with them in that the Bill he introduced did not reflect the advice they gave during the consultative process. Whenever a Government brings in highly controversial measures, of course those who are opposed will complain about lack of consultation. However, as I said, the Government is consulting on some things but not at all on others.

I should like to refer to changes to the Unemployment Insurance Act with respect to severance pay which will take place on April 1. The Government did not consult at all. It announced them in the House on November 4 or whatever was the date when the cuts were announced. Now we are receiving petitions and protests from people from all walks of life, including the Armed Forces, labour unions, workers' associations, professional associations and so on. They are asking the Government to delay the implementation of that measure until consultation takes place. They have pointed out some of the implications of that measure which could not have been foreseen when the announcement was made. For example, some people wanted to use severance pay to re-establish themselves in employment or to relocate from one area of the country to another. Some wanted to roll over the money by means of an RSP. Now they will not be able to do these things because the Government has decided that severance pay must be counted as income and that their unemployment insurance will be delayed. The money which they could have used to re-establish themselves in employment or for retirement purposes will have to be used for the necessities of life and consequently will not have the purposes which even the Government had in mind. It would be reasonable for the Government to consult on that one, if it really believes in consultation. It may be possible to

modify it in such a way that it will not harm the people I have mentioned.

Consultation is good, as I said, but it has to be followed up with action. Let us hope that we will have action soon. It is unfortunate that the Budget has to be delayed until the week of May 20, as was announced not in the House but at the conference last weekend. We will be continuing to push for some very specific action because the problems will not go away or diminish with wishful thinking.

We try to be as objective and as non-partisan as we can because jobs are important for all Canadians. In all constituencies there are people who voted Conservative, Liberal and NDP. They are not interested in bickering among themselves in the House. They are really interested in something being done to help them find work. However, one has the impression that many of the consultative processes are really media-type politics. The Government is not sure what it wants to do. It tries to bring people together so that it can jump in afterwards, pick up the consensus and lead. Instead of presenting ideas to these groups to discuss, white papers, green papers or whatever, the Government is trying to develop a consensus in the first place. I do not know whether that will work.

We have asked several times for the discussion paper on unemployment insurance, but we have not received it as yet. During the election campaign, as we on this side of the House have mentioned quite often, members of the Government pretended they had the answers. Again I refer to the statement of the Prime Minister (Mr. Mulroney) on July 5 in Prince Albert wherein he said that we would see tens upon tens of thousands of jobs being created just as quickly as the new Government could be sworn in.

Mr. Garneau: He said that?

Mr. Allmand: Yes, he did. He made similar statements on several occasions. One would have thought, in listening to that statement during the election campaign, that the Prime Minister and the Conservative Party had done their consultation during the many years they were in opposition and when they had the time to consult with many groups. They gave the impression, wrongly, that they had plans for action with which they were ready to proceed immediately after the election, and of course they did not.

● (1630)

I do not fault them for admitting now that these problems, the problems of economic growth, or interest rates are complex matters because they are complex. We always stated that they were complex matters, despite the fact we were trying to act and produce jobs. We were not always as successful as we wished. Nevertheless, when we tried to explain the difficulties we were up against, they denigrated our answers. They ridiculed the answers and deceived the Canadian people into believing that they in fact had pat solutions, that they had the answers. It is for that that I criticize them, that deceit they practised during the election, not for the seriousness of many of their Ministers looking now for solutions. For those honestly looking for solutions, I congratulate them, but for that deceit that they perpetrated on the Canadian people during the election campaign I find them greatly at fault. They will have to answer for that.

What have they done with respect to employment since the election? In addition to making a lot of severe cuts in the Department of Employment and other Departments, which led to a loss of jobs, they cancelled the First Choice program which would have put 100,000 young Canadians into jobs, giving them some experience at employment. They replaced it with a much smaller program called the Youth Training Option, a much smaller sort of trial project.

Let us look at the number of jobs created. When my party was in Government, I was often critical of them because they did not do more. The record shows that in 1978, 334,000 jobs were created; in 1979, 410,000 new jobs were created; in 1980, there were 314,000. In 1981, going into the recession, there were 297,000 new jobs. In the recovery year, 1983, more than 400,000 new jobs were created at a time when there was a great growth in our labour force. In that year, our labour force grew 58 per cent faster than the labour force in the United States. Despite the fact that 400,000 new jobs were created, the rate of unemployment remained pretty much the same because of this increase in the labour force.

In 1984, a year that was shared by both Parties in government, there were 250,000 jobs created in Canada up to the last count. In the second quarter, there were 108,000 jobs, in the third quarter, 67,000 jobs and in the fourth quarter 88,000 jobs created. There has been no dramatic increase in employment as a result of the Conservatives taking power, contrary to what they would have us believe before the election. In addition, they have not put before the Canadian people a plan that would lead to the creation of such jobs.

In answer to some of our questions about their cutting out programs, their answer has been that they do not believe you can solve the problem of unemployment by throwing money at problems, that you do not solve the problem by the Government continually intervening. Some of them believe that if the Government withdraws in certain key areas, the private sector will have confidence and create those jobs. So far, there has been no real indication that that is taking place. This is due to the fact that there has been no budget until now.

The private sector is not really certain in which direction it is going to go. It is quite plain that we have two parties within the Conservative Party. We have the Conservative ideologues, those who believe in the philosophy I just expressed, that if the Government withdraws, the private sector will produce. I do not support that. There are some people who believe very strongly in that, including some economists. A good number of people in the Conservative caucus and in Government believe in that.

On the other hand, there are the pragmatists who are attempting to run the Government by means of polls: whatever pleases they will do. We saw examples of that in the first six months that they were in power. First we had announcements with respect to the cuts in social programs or the changes in

social programs that would lead to a lack of universality. After a great deal of debate in this House and in the country, the Minister of National Health and Welfare (Mr. Epp) announced that there would not be such cuts in old age pensions and in family allowances and that they would approach it in a different way. That kind of "first we are this way" and "then we are that way" is not producing the confidence that is expected.

I repeat, it is essential for this Parliament and for the people of the country to know the over-all global approach of that new Government to the economy so that all of us can then debate it in a proper way. Those of us who agree with it can support it. Those who wish to oppose it will oppose it. The private sector of the country and the voluntary sector, the trade unions and so on, can make their plans accordingly. They have 211 people supporting them. I suppose if they want to do something, they are going to do it, no matter what we do in this House. We will try to influence public opinion in this debate, but we know that we are not going to win too many votes.

The record can be checked. There has been no significant change so far. Canadians are still waiting. What can be done and what should be done with respect to employment? Again I am going to repeat what I heard in nearly two years of hearings across this country. I see, Mr. Speaker, you are indicating that my time is almost up. I guess I had better sum it up.

When a Government or Parliament decides that it is going to do something, that it is going to make that its highest priority, it can do it if it has the political will. The previous Government did it with six and five. I did not agree with every way with which we approached six and five, but we were at 12 to 13 per cent inflation. The Government made up its mind that it would make that its highest priority and bring inflation down to 6 per cent and 5 per cent over a three-year period. It happened. Of course it happened. There were other influences that were in there. The Government made it its highest priority. It made six and five the rallying cry in this country. It worked. Inflation came down, and it is still down.

My final word is, let us do the same with employment. Let us have a six and five for employment. Let us put our political will behind it. It will have the support of a lot of Members of this House. Let us bring down the unemployment rate to six and five and let us do it soon.

The Acting Speaker (Mr. Paproski): Questions and comments?

[*Translation*]

The Hon. Member for Laval-des-Rapides (Mr. Garneau), for questions or comments.

Mr. Garneau: Mr. Speaker, I would like to ask the Hon. Member whether he believes the weekend economic conference—and I know the Hon. Member has had some experience as a member of Cabinet in the past—would have been more successful if the Government had tabled draft solutions or a white paper or departmental papers which would have served as points of discussion for conference participants and on which an attempt could have been made to reach a consensus. The Hon. Member may recall that this was tried in Australia—in fact, the Prime Minister of Australia was in Ottawa—when the Australian Government tabled documents at a consultation conference, indicating the direction it wanted to give this country from the economic and social point of view, and this did bring results. This time, however, we had no such government paper. Does the Hon. Member believe the results would have been better if the Government had given some direction?

[*English*]

Mr. Allmand: Yes, Mr. Speaker, I believe it would have helped and would have led to more significant results because it would have focused the convention on the proposal of the Government rather than leaving it as wide open as it did. I know the Government asked the delegates to the convention to discuss the problems of unemployment and economic growth, investment and so on. However, it would have focused it still more and led to more concrete results if it had put its own working paper, whether it was a white paper or whatever you call it, before that conference.

In doing that you run a risk because you are taking a stand. I can recall the previous Government saying that it was putting some proposals before the country for consultation and they are still identified with them to a certain extent. As far as I am concerned, the nature of politics is the taking of tough and difficult stands. I know the Government will be howled at, picketed and voted against from time to time. However, I think that would have led to a more productive conference.

• (1640)

The one thing of which the delegates were aware was the November statement of the Minister of Finance and his promise that there would be more of the same in the next Budget. They had an inkling as to what line the Government would take. It appears as though, despite the fact that there was a division of opinion as to whether the highest priority should be cutting back the deficit or solving the unemployment problem, if the newspaper reports are correct, the Minister of Finance still intends to proceed in the same way as he was intending to proceed when he entered the conference. He said that there may be some minor changes considered in the Budget, but basically his over-all approach will be more or less what he was thinking of previously. We do not know exactly what that is yet because we do not know what the Budget will contain. If it is a follow-up on the November economic statement and if it is to be as harsh as the Prime Minister warned it would be when he said that there would be some tough medicine to swallow, that is not the right way to proceed.

Getting together with labour, management and the voluntary groups is always a good thing. However, it could have been done in a better way and it could have been done in a way that would have led to action faster than a Budget in May.

Mr. Blenkarn: Mr. Speaker, the Hon. Member was on this side of the House for some 14 or 15 years, part of which time he was a Minister of the Crown. Can he tell me when the Government led by the former Prime Minister was able to get the labour leaders, the bankers, the social leaders and the leaders of the private sector together in one conference to discuss issues over one weekend? Can he remember that kind of consultation taking place? Does he not think that that is a pretty fair way to begin building together as Canadians to make this country grow again?

Mr. Allmand: Mr. Speaker, I referred to the conference that was called on October 18, 1982, by the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) who was then, I believe, President of the Treasury Board. The conference was called Technology for Tomorrow. It dealt with a more concentrated subject, the very serious impact of new technology on employment, and it was similar in nature to the national economic conference. It was a summit conference held on a weekend and included representatives from all sectors. I cannot recall if there were more representatives at that conference than at this one.

As well, there were three major policy forums held in northern Quebec by the Government in the summer of 1983. Those forums went on for two or three days and included spokesmen from business, labour and international backgrounds. The wheel *vis-à-vis* consultation was not invented on September 4.

As I mentioned in my remarks, following these consultations, the Government took action. In some cases, the public agreed with its action and in some cases it did not agree. I suppose that is the nature of politics and the nature of making hard decisions. We run a risk when doing certain things but at least, if we believe in them and believe that that is the way things should be done, we should proceed.

On occasion, I have been critical of the present Government and have thought that there should be even more consultation. I am still critical of the Government. I mentioned the example of the Government proceeding with cuts to the unemployment insurance regarding severance pay without consulting. I wish that there had been consultation on that matter. However, it does not have to be drawn out forever and a day.

Mr. Blenkarn: Mr. Speaker, the Hon. Member agrees that we should have consultation. Presumably he agrees that the consultation papers on trade, on assistance concerning universal payments for senior citizens and families, on small business and on capital gains on farm lands are the kinds of consultation papers Governments should undertake. Would he agree that before a Government goes ahead and madly bangs out a budget, it ought to give the public an opportunity to respond to those consultation papers?

Mr. Allmand: Mr. Speaker, I said that I agree with consultation but I think it can be carried on for too long. I cannot refer specifically to the Hon. Member because I did not meet him during the election campaign, but if we refer to the rhetoric of some of the members of his Party during the election campaign, we would see that they gave the impression that they had all the answers then and there and as soon as they were elected, things would be done immediately. I quoted the Prime Minister and I have other such quotes that I could read into the record as well. It is that kind of deceit that I am criticizing because obviously they did not have the answers.

The Hon. Member is now saying that government Members should consult. When he spoke earlier, he said that we should not proceed with programs ill-conceived and not well thought-out. Does that mean that some of the promises made during the election campaign were ill-conceived and not well-thought-out? I thought that that was the case and he now seems to be agreeing with me. He is saying that since they were not well-thought-out, we need to consult very broadly.

The point is that the Hon. Member's Party was in opposition for many years. Conservative Members said that they were in consultation with groups far and wide and they should have been ready to proceed when they won the election. They should have been ready to proceed on certain key matters and particularly on employment since they said that that was their highest priority. They were not ready to proceed and they have consulted in a manner beyond that which is reasonable. The Government will be into its 10th or 11th month before we see any action. I think that that is too long. Yes, I agree with consultation but not forever and ever.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I trust that the fact that Hon. Members opposite who proposed this motion took off early for the weekend is not an indication of how seriously they regard these important issues. They raised these issues in the amendment which we take very seriously indeed.

I would like to point out that the motion claiming that the timing proposed for the Budget means that the Government has taken no concrete action to create jobs and establish economic confidence among Canadians including the groups mentioned in the amendment today is among the most absolutely absurd allegations I have heard since I entered this Chamber. It flies in the face of the record of action taken by the Government.

I would like to review some of the highlights of our accomplishments, but first I want to remind Hon. Members across the way that this Government is governing our great country differently. Canadians from across the country are saying amen to that. They realize, as we do, that the well trodden paths from years before lead nowhere. It is our job, as they know and we know, to blaze new trails of governing in this country.

For the first time in Canadian history, Canadians from all walks of life, including the disabled, women's groups, natives' groups, labour, business and community volunteers met together with each other and with the Government at the same time. This Government, unlike the former Government, is not afraid to meet Canadians face to face. It is not afraid to meet Canadians with disparate interests but with a common objec-

tive, the objective of building a better future for this great country.

Consensus has not been reached in everything. We do not expect unanimity. What the Government desires is a more comprehensive understanding among the very groups to which we have referred. The national economic conference led by the Prime Minister (Mr. Mulroney) was more than a meeting of minds; it was exciting and it was historic. It was a concrete example of our respect for the opinions of Canadians across the country and of our desire to involve Canadians in the policies which affect them. I want to remind, particularly Hon. Members opposite, of something in which this Government believes very strongly—that democracy is based on the conviction that there are extraordinary possibilities in ordinary people.

● (1650)

I would like to review what the Government has accomplished and what Members opposite have chosen to ignore. Within three days of the opening of the new Parliament, the Minister of Finance (Mr. Wilson) presented to the House an extensive economic and fiscal statement on November 8. That agenda for economic renewal charted the most comprehensive overhaul of economic policies ever undertaken by a national Government. We have taken on an enormous challenge which will require the full concentration and co-operation of the people of Canada in every sector, people of good will as well as those in Government. By definition, it is a job which will take years, not just months. It is a job which is already well started.

I would like to illustrate the wide range a concrete actions which have already been taken. The November statement announced a total of $4.2 billion in expenditure reductions and revenue recovery measures to be implemented in fiscal year 1985-86. It declared the longer-range goal of reducing the projected level of annual expenditure by 1990 by between $10 billion and $15 billion. It was a long-awaited start to reducing the federal deficit. It was a start on putting the Government's fiscal house in order. The statement was a recognition that the mounting federal debt had become a powerful obstacle to growth and to private sector job creation. Whatever consensus may not have been reached, there is consensus on that. The start on deficit reduction was an essential step toward rebuilding confidence.

The Minister took action on social policy, within the limits of the Government's difficult financial position, to improve support for Canadians who need and deserve assistance. The spousal allowance program was extended to all widows and widowers between the ages of 60 and 64. That measure will benefit some 85,000 low-income Canadians, mostly women, starting in the fall of this year.

The statement also announced improvements in veterans' pensions to ensure more generous and equitable treatment to veterans with disabilities. Those veterans were ignored by the former Government.

On the employment front, the Minister of Finance, in the November statement, committed an additional $1 billion in the coming fiscal year to help Canadians acquire new skills and find jobs in the private and public sectors. It will provide more effective delivery of employment and training programs. Among those benefiting are the disabled. The best thing we can do for the disabled is to turn them into taxpayers so that they share in the prosperity along with the rest of us.

The Minister of Employment and Immigration (Miss MacDonald) announced detailed measures to implement that policy through the Challenge '85 summer employment program and the over-all training and employment strategy.

The statement also announced that the Foreign Investment Review Agency would be replaced by Investment Canada, with a new mandate to promote economic development in Canada. It signalled major changes to the so-called Crown interests, or back-in provisions, of the National Energy Program.

To resolve taxpayer uncertainty, the Minister of Finance took action to clear up a number of outstanding tax issues dating as far back as 1982. He carried out this Party's undertaking that, in a dispute between a taxpayer and Revenue Canada, the taxpayer will be considered innocent until a judge has ruled otherwise, despite the ruthless policies of the former Government in this area.

The November statement announced assistance to the resource industries—to farmers, fishermen, loggers and mine operators. Two modifications were made to the changes in the Petroleum and Gas Revenue Tax which were proposed by the former Government. A one-year extension was provided for the lower rate of PGRT applying to integrated oil sands projects. That is a benefit to the West which was beleaguered by the former Government's policies. As well, it increased the threshold levels of the small producers' credit under the PGRT to $500,000.

Another step which was taken was the appointment of the task force under the Deputy Prime Minister (Mr. Nielsen) to review federal programs and regulations, consolidate, simplify, end duplication and improve service to the public in an area which had atrophied for years and years under the former Government.

The Minister of Agriculture (Mr. Wise) announced a reduction in interest rates on Farm Credit Corporation loans. He introduced legislation to establish a price stabilization program for red meat producers, and to allow the establishment of a supply-management program for tobacco growers.

The railway passenger service received a vote of confidence by the decision of the Minister of Transport (Mr. Mazankowski) to reinstate three VIA Rail services in the Maritimes, Ontario and western Canada. Those services were eliminated by the former Government, despite the protests of the people who were affected.

Economic regional development agreements were signed with Quebec, British Columbia, and Ontario. ERDA subagreements were signed on a whole range of sectoral development plans, including pulp and paper, tourism, fisheries, indus-

trial development, communications, development planning, and science and technology, right across the country.

A major provincial agreement, resolving years of controversy, which will open up new hope for economic growth in Newfoundland was the agreement signed on offshore resource development with that province by the Minister of Energy, Mines and Resources (Miss Carney). Believe me, we on this side of the House are very proud of our colleague and the Atlantic Accord.

Some Hon. Members: Hear, hear!

Mrs. McDougall: Perhaps, the most fundamental change, and one which is welcomed across the country, is the new approach to consultation and co-operation with Canadians in all walks of life in planning the federal policies which I mentioned at the outset of my remarks. The Agenda Paper was a statement of national purpose and the focus for subsequent consultations with all sectors of the Canadian community. It signalled the Government's intention to clear away obstacles to growth and to release the creative energies of Canadians to build a better future. The paper recognized the important economic responsibilities of the provincial Governments. The consultation of the Prime Minister with the Premiers of the ten provinces in Regina set a new standard in effective co-operation in the national interests. Again, that positive approach was repeated in the highly successful national economic conference which ended on Saturday. Those of us who were there, and those who watched it across the country, sensed the excitement of that conference.

In our relationship with our neighbours, two meetings have been held between the Prime Minister and the President of the United States. Those meetings resulted in vital agreements on trade relations, acid, rain, northern defence and Pacific salmon.

The last four months have seen a series of consultation papers focusing on particular areas of our economic life. They have dealt with access to export markets, which is the lifeblood of Canada; export financing, which is required to support that trade; small business development; mining; benefits for children and the elderly; housing; job training; and tax issues in agriculture. Some of the papers focus on practical ways in which business and Government can plan and work together to build a stronger economy and create jobs. Others examine ways of ensuring that our social support system is sensitive to those who most need help. All of the papers recognize not only the vital need for action, but the need for a full opportunity for Canadians to contribute to major policy decisions.

There is more I could say, but the point is that this Government has acted, and it has acted quickly, in a great many concrete ways. The Government has initiated a concentrated national effort to involve Canadians so that they can sense how the Government is trying to build the future in order that they can help it with that. Our actions, and the process of discussion and debate which we have initiated, are contributing directly to the restoration of confidence in the future of the country. The quickness of Members opposite to belittle the actions of this Government is one thing—wearisome, but predictable—but the cavalier disregard which is shown in this motion and the amendment for the contributions which Canadians can make to the forthcoming Budget is the real indicator of the cynical and worn-out approach that characterizes the group across the way. They are out of touch, Mr. Speaker, and out of sync with the people of this country. No wonder Canadians overwhelmingly rejected them last September 4, and they do not yet realize that some pretty important changes were made on that day. Not only did the Government change but the way in which the Government works changed. It changed for the better. We now have a truly national Government which wants to work with and listen to Canadians in every part of the public and private sector and in every part of Canada. This takes time and is crucial to the sense of responsibility which Canadians expect from us, the Government they elected. The sooner this new reality sinks in over on the other side of the House, Mr. Speaker, the sooner Hon. Members opposite can begin to contribute in a constructive way in meeting Canada's economic challenges.

• (1700)

Let those Hon. Members also recognize that the economy is showing real signs of encouragement now and for the future, for the unemployed, in particular. Jobs are being created, growth has been higher than expected, the trade balance continues at record levels, inflation is under good control, our competition position is strengthening, and confidence is on the upswing.

We have the momentum going in this country and that was communicated to us by the people who attended our conference this weekend. We intend to build on that momentum in the forthcoming Budget. We are going to keep on building in the months and years after that. There is a big job to be done, Mr. Speaker, and it will be done best with the co-operation and support of all Hon. Members of this House. But it will be done regardless, and done well with the help of people from every part of this country.

Mr. MacLellan: Mr. Speaker, I would like to make a few comments on the Minister's speech. She said that her Government is acting quickly. If it acted any more slowly, it would be going in reverse. The Government was elected on September 4, and what this whole day is all about, Mr. Speaker, is the fact that it has taken so long to bring down a Budget, at least a budget date, or, I should say, at least an approximate budget date, because we don't know exactly when it is going to be brought down. Supposedly it will be in the week of May 20.

The Minister mentions the PGRT and two of the changes in the PGRT. The first is an extension of time of the program, a policy of the former Liberal Government, and the second is an increase over the amount set by the former Liberal Government. Yet it does not go anywhere near what the Prime Minister (Mr. Mulroney) promised in July, three days before the election was called, when he said he was going to do away with it. There is no action on that. That was completely backed away from.

The Minister mentioned the Atlantic Accord. Yet the Minister did not mention the fact that the Minister of Energy, Mines and Resources (Miss Carney) has already said that the grandson of the Petroleum Incentives Program is going to be done way with. There is no fiscal regime put in place, and I guess we will have to wait until the Budget on May 20 to find out what that fiscal regime is going to be. I am very pleased that the Atlantic Accord was signed. I think it is important for Newfoundland. However, I do not think one can say to the people of Newfoundland and Nova Scotia that the grandson of the Petroleum Incentives Program is going to be taken away in March and not let them know what it is going to be replaced with until late in May. I ask the Minister to consider this very important question and bring forward some of this information. A Budget on May 20 is better than no Budget at all, but it still goes way past what most Canadian feel should be a budget date.

There was a mandate for change, Mr. Speaker. Yet that Budget will not be forthcoming until May 20. I think that is a breach of that mandate. I would like the Minister to comment on that.

Mrs. McDougall: Mr. Speaker, I would be very happy to comment. I used to live in western Canada and I lived there at a time of hope and opportunity, when the energy industry was an exciting industry which was working on behalf of all Canadians. It was an industry which was changing the face of western Canada. My colleague, the Minister of Energy, Mines and Resources is working night and day to undo the policies which brought that prosperity to an end.

Mr. Langdon: Mr. Speaker, I am always struck by how magnificently this Minister speaks to us. She puts up a grand and spirited defence of the indefensible.

I have three specific questions which I would like to raise with the Minister coming out of this weekend. I was an observer at the national economic conference. First, if there was a sense in Government that eight weeks was needed between the national economic conference and the Budget, why was the Budget originally scheduled for the end of April? The Government itself set up the original schedule with the sense that a month would be sufficient to take into account the points raised this past weekend.

Second, I have to raise specifically with the Minister what to me, and I think to a great many of the people who were there, was the most dramatic event of the weekend. That was the fact that 81 people out of 136 signed a petition to ask for a specific change on a specific damaging and mean-spirited piece of government initiative, that is to include severance pay in calculations of unemployment insurance benefits. That is something, incidentally, which the President of Alcan—who is not exactly as wild a radical as my friend from Nickel Belt—stressed should not only not be considered as part of unemployment insurance calculations but should not even be taxed so that severance pay could be put into small businesses. Why is the Government, to show its good faith, not prepared to accept that very simple suggestion in responding to that conference and back down on severance pay?

Third, would the Minister not agree that there have been incredibly mixed signals with respect to whether deficit cutting or job expansion is to be stressed, whether free trade is the policy, as the Minister for International Trade (Mr. Kelleher) seems to suggest, or whether it is the view of the Minister of Regional Industrial Expansion (Mr. Stevens), who seems to talk in terms of increased protectionism, that is the policy? The mixed signals seem to me to be very extensive. Surely the Minister would agree, from her own background in financial circles, that such mixed signals to the financial community are in fact creating uncertainty which must be resolved before the business community in this country can start to undertake the investments which I think all of us would like to see move ahead?

Mrs. McDougall: Mr. Speaker, I think that the consultations which are leading up to the Budget have been enormously significant and successful. We expected them to be successful. They have been more successful than we expected. Canadians do have something to say to us concerning what we are doing. I want to say something else about the date of the Budget, and that is that unlike the former Government, when we bring down our Budget we intend to bring it in at a time when we can do it right.

• (1710)

In connection with the severance pay issue, my colleague, the Minister of Employment and Immigration, was at the conference. I know the solutions that she will come up with will be fair and reasonable after taking consultation into account. However, I might point out that the highlight, the most exciting part of the conference, was not the signing of the petition, it was watching people dialogue together. It was hearing the head of the National Action Committee on the Status of Women say that she had never realized before the complexities the Government faces in trying to bring various interests together. That was the most exciting part of the conference.

In answer to the third question, there are no mixed signals. There was a discussion on the deficit and job creation. There is a greater realization in this country than ever before that the two are related, and we are moving on both fronts as rapidly as we can. But the difficulty in balancing those two was something that people who were at that conference realized more than ever after the weekend.

[*Translation*]

Mr. Garneau: Mr. Speaker, in her speech the Minister referred to the signing of the general agreement with the Government of Quebec as one of this Government's achievements. I would like to know why the Government signed this agreement on the basis of 50 per cent paid by the federal Government and 50 per cent by the provincial Government, while all other general agreements signed previously had been

agreed to on the basis of 60 per cent being paid by the federal Government and 40 per cent by the Government of Quebec.

[*English*]

Mrs. McDougall: Mr. Speaker, we do not conduct the Government on the basis of formulae which are frozen in time. This agreement was worked out between the provincial Government and the federal Government on a basis satisfactory to both, given our fiscal responsibility, which seems to have been understood by the Province of Quebec if not by the Hon. Member.

[*Translation*]

The Acting Speaker (Mr. Paproski): The Hon. Member for Laval-des-Rapides (Mr. Garneau), for a supplementary.

Mr. Garneau: Mr. Speaker, I detect an aggressive note in what the Minister is saying, and perhaps we could go on like that . . . However, the fact remains that this Government has deprived Quebec of considerable sums of money, since all other general agreements were signed on a 60/40 basis. I put the same question to the Quebec Minister, and the impression I got was that it was "take it or leave it". If that is the kind of consultation the Minister has been referring to in her speech, I think it is a peculiar way to conduct consultations.

[*English*]

Mrs. McDougall: Mr. Speaker, the negotiations and consultations were carried out in good faith. The agreement was signed. It is a valuable agreement for Quebec. The Province of Quebec has said that it is a valuable agreement for Quebec, and I do not understand what the argument is if both Parties are satisfied.

The Acting Speaker (Mr. Paproski): If there are no further questions or comments, we shall resume debate.

Mr. Maurice Foster (Algoma): Mr. Speaker, I listened with great interest to the Hon. Minister of State for Finance (Mrs. McDougall) this afternoon when she was telling us about the Government reducing the Farm Credit Corporation's interest rate to 12.75 per cent. What she did not mention was that last week the Minister of Agriculture (Mr. Wise) increased the rate to 13.5 per cent. I wonder if the notes the Minister was speaking from this afternoon were prepared before the Minister of Agriculture increased those rates. This increase was totally uncalled for. If you look at the agricultural community today and the tremendous trials and tribulations they are facing in many parts of the country, that the Government should have increased interest rates for farm loans at this time is totally indefensible. I just wondered whether the Minister of Agriculture bothered to tell the Minister of State for Finance that he was increasing those rates. I thought those matters had to be cleared with the Department of Finance and I am surprised she was not aware of that.

I was also interested in her comment regarding what this Government is doing for science and technology. I wondered whether she had really taken time to read carefully what the Minister of Finance (Mr. Wilson) did on November 8 when he cut some $5 million or $6 million from the toxicology centre at the University of Guelph. That surely had to be one of the most serious blows to that particular part of the scientific field. I know the Hon. Member for Guelph (Mr. Winegard) is in the Chamber this afternoon. I know he would not have agreed with such a decision because he is a former President of the University of Guelph and he knows what a model project that was. That is not because it was a federal project, because it was not just a federal project. The federal Government put some $16 million into the program over a period of four or five years with an equivalent amount coming from the Province of Ontario. There was another $8 million from the private sector. It would have established a world class centre, not only for studying and developing techniques to deal with the difficult problem of toxic elements in our environment, but also for training scientists to deal with these problems. We would have had a world class institution at a very reasonable cost. The institution would have been jointly sponsored by the University of Toronto and the University of Guelph, two world class universities. One has a great deal of expertise in agriculture and veterinary medicine, and the other a great deal of expertise, knowledge and knowhow in the field of human medicine. When the Minister talks about what is being done by this Government, I hope she will think about that decision, which surely had to be one of the worst decisions this Government has taken. We have read about the Love Canal. We read stories about toxins in our environment. We read about the chemicals and pesticides being used in our forest and farms. Everyone is concerned about the question of whether the substances are the cause of cancer or other diseases both in livestock and in people. So I think the Government should not be very proud of its record in science and technology.

I am also amazed that the Minister should have raised the question of extending the spousal allowance to all widows and widowers whether or not they had ever been married to a person receiving the old age pension and the guaranteed income supplement. The hue and cry in my part of the country is, how can the Government be so unfair? How can it not provide this to people who have never been married and to people who have been divorced or separated? The Government talks about fairness. It gets caught up in this rhetoric of fairness, but it does not recognize the unfairness of that provision. I receive petitions and letters asking why the Government does not provide that spousal allowance to all people between 60 and 65 years of age irrespective of whether they are widows or widowers. We commend the Government for extending it that far, but why does it not extend it as well to people who have never been married or have been separated or divorced?

• (1720)

We are really concerned with the delay of the Budget by some eight months. When asked during the election campaign what he would do, the Prime Minister (Mr. Mulroney) said he would bring in a Budget, immediately to change the economic

course of the country. Some five or six months have passed and we still have no firm date for the Budget.

This document contains 338 campaign promises of the Tory Government. People ask me why the Government is not implementing those promises.

Mr. Mayer: We are.

Mrs. Mailly: We are.

Mr. Foster: I tell the people that I do not know. The Government puts out white papers on social security problems. It puts out policies on tourism and all kinds of things. Government Members run around the country asking what they should do about old age pension and other issues. However, they do not get down to the systematic work of implementing all the promises they made.

The Minister spent quite a bit of time talking about implementing the last tax Bill of Mr. Lalonde. I thought that was very interesting. She told the House that they were going to simplify the tax system for small business. These are all good Liberal policies and I was glad she mentioned that. She talked about the benefits provided for RRSP roll-overs, which was also in Mr. Lalonde's Budget. That was very interesting. I was amazed that she mentioned the white paper issued by the Minister of Finance on the farm taxation issues. The Hon. Minister is from the City of Toronto and therefore probably does not hear a lot of the flak that we in rural areas hear about tax issues in agriculture. This is certainly becoming one of the best sellers in rural Canada because, with the name of the Minister of Finance on it, it is clearly the policy of the Government of Canada.

If one reads this document it is clear that the Minsiter of Finance thinks that farmers earn twice as much as the average Canadian, pay a quarter as much taxes, and are worth eight times as much as the average Canadian. This document, published by the Minister of Finance in January of this year, is very much opposed to the 338 promises made by the Government. This paper is opposed to providing low interest long-term financing through agri-bonds. This white paper is clearly opposed to making changes in Section 31 of the Income Tax Act. It is clearly opposed to providing tax free capital gains for farmers. Yet that is what the Government said it was going to do. I am at a loss to know why the Minister of State for Finance would mention this paper which is clearly opposed to all of the things that the agricultural community of the country wants.

Headlines and reports in farm papers have shown that the Minister of Finance is very much opposed to helping farmers at this time. In *The Globe and Mail* Report on Business of March 7 a headline reads, "Wilson Backtracks of Farm Aid". On page 1 and 2 of *The Globe and Mail* of February 23, 1985, the headline reads, "Study Shows Farmers Earn Twice as Much as the Average Canadian". The article goes on to say that the average farmer only pays one-quarter as much in taxes. These are statements by the Minister of Finance in his farm review paper. Another headline in the Ottawa *Citizen* of Tuesday, February 26, reads, "Western Farmers Enraged by Federal Study on Income". A heading in the Montreal *Gazette* in January reads, "Farm Paper Ignores Tory Promises". It goes on to outline how the paper talks down why the Government should keep its campaign commitments. Another article in the *Kitchener-Waterloo Record* of February 28, reads, "Oxford Farm Group Demand Apology From The Finance Chief". There is no mention in this paper about the Tory campaign promises.

The amazing part of this document issued by the Minister of Finance is not only that it demonstrates his ignorance about the difficulties that agriculture is facing today, but that the Minister of Finance has completely ignored the fact that the farm debt crisis in certain sectors of the industry is the worst it has been since the 1930s. A report issued by the Farm Credit Corporation on October 30, 1984 on the farming situation across the country indicated that 17 per cent of Canadian farmers are experiencing severe financial difficulty and another 7 per cent are in moderate financial distress. This report indicates that 12 per cent of farmers in Atlantic Canada and 20 per cent in British Columbia are facing severe financial distress. All in all, Mr. Speaker, it is pretty serious situation. Some 39,000 farmers are experiencing serious financial distress. That does not mean that they cannot afford to buy a new pick-up truck.

The Farm Credit Corporation used three criteria. The first was that the equity of an individual on his farm was less than 15 per cent. Anyone with less equity than that is in serious financial difficulty. The second criterion was that the borrowings are 110 per cent above the investment. In other words, the person is living on borrowed money. The third criterion is that more than 40 per cent of the farm sales are being used to service intermediate and long-term debt.

When the Minister of Finance reports that the average farmer is so much better off, he is comparing a farmer with an investment of $400,000 or $500,000 with the average home owner and the return on investment. That is pretty silly. Most people would not even think of that kind of comparison. One is a business person with a capital investment averaging about $500,000 of which the equity is about $400,000 and the debt about $100,000 across the entire country. To compare that with the average home owner with a $47,000 home is like comparing two things that are not in the same ballpark. If you compare small business investment and net worth with the farmer, then you have comparable groups, although even there you would have a wider variation. Clearly this is a very unfair paper. It does not do justice nor is it fair to the farmers of Canada. That is why the resolution today regrets that the Government is putting off a Budget until sometime in late May and regrets that the Government does not provide economic confidence for the realization of the hopes of our farmers.

• (1730)

It seems to me that nobody can question a long-term delay of the Budget, and not knowing exactly what the Government

is going to do is causing a great deal of concern. Consultation is fine, but the Government has certain financial commitments. It has certain promises that it made in the election campaign. I think Canadians want to know which ones will be honoured. We know pretty well from the economic statement last fall which ones will not be honoured. We know all kinds of things that were not mentioned in the election campaign which the Tories are not going to do. We know what the Government is opposed to. We know the Tories are opposed to the toxicology centre at the University of Guelph. We know the Tories are opposed to the Canadian Wildlife Service and to the control of the monitoring of the environment in the Great Lakes. We have a whole list of issues such as that of renewable energy and all of those issues that we know the Tories are opposed to. What we do not know is what the Government is in favour of. We could find that out if the Government were to bring forth a Budget. We think the Government should be doing that and that it should not be putting off bringing down a Budget for another two months.

Mr. Malone: Mr. Speaker, it is very sad to hear the Hon. Member for Algoma (Mr. Foster) say that we do not know what we are for with respect to the agricultural industry. In the seven months that we have been in Government, 57 initiatives have been taken by us that are beneficial to the agricultural community. I dare him to lay on my desk in 24 hours 57 initiatives that were taken by the former Minister of Agriculture in the ten years that the Hon. Gene Whelan held that portfolio. I doubt very much that the Hon. Member could begin to demonstrate the kind of positive action that has been taken in the agricultural community by us. It was the Liberal Government that set forward a grain transportation policy that had the rates going up and up and up, and then a review committee came along to analyse whether the rates should go up. We came into power and we froze the rates. I would like to know why the Member thinks that the Liberals should be applauded for such action.

Once the quotas were met on Irish beef, the Liberals continued to leave the gate open and allowed a flood. Why is the Member standing in his place today pretending such a policy which the Liberals imposed on the agricultural community in Canada was satisfactory? The Hon. Member should know that the present Government has reduced gas tax to farmers, that there have been changes to the Western Grain Stabilization Act, that there has been a pay-out and another pay-out is coming this spring, that interest rates with the FCC have been decreased by approximately 2 per cent, that the tobacco growers have had an opportunity for a new system for marketing which they asked for, and that there is a Bill of Rights for taxpayers that has important implications for farmers. The list goes on until we reach No. 57.

I challenge and I dare the Hon. Member to give me a list of 57 initiatives by the Liberals over the last 10 years.

Mr. Foster: Mr. Speaker, I did not have a chance to finish my speech. This extra 10 minutes will be just about enough.

The Hon. Member has really set out a beautiful agenda of things that the Tories have not done and do not appear to be doing. We have heard a great deal about all of the things they are going to do like freezing transportation rates. In the election campaign, the Tories said they would freeze the rates at the level at which they were before they were increased in early August. The Tories did not do that.

Mr. Malone: Mr. Speaker, I rise on a point of order.

Mr. Foster: He just wants to debate.

The Acting Speaker (Mr. Paproski): May I be the judge of that? The Hon. Member for Crowfoot (Mr. Malone) on a point of order.

Mr. Malone: Mr. Speaker, I know the Hon. Member for Algoma (Mr. Foster) does not wish to mislead the House. He ought not to imply that I said the 57 initiatives were those we wished to undertake. Those are the ones we have already taken.

The Acting Speaker (Mr. Paproski): I regret to advise the Hon. Member for Crowfoot (Mr. Malone) that that is debate.

Mr. Foster: Mr. Speaker, it was obvious the Hon. Member for Crowfoot, who is a long-time Member here, is very tender about the fact that the Tories did not freeze transportation rates at the level at which they were before the increase in early August. It was very very clear in the election campaign that the Tories were going to freeze the rates at the level before the increase. The Tories did not do that. In fact, the Tories froze the rates at the new high.

It is interesting that the Hon. Member should bring up the whole question of freight rate increases. It certainly appears now, because of the way the western transportation Act was established, that there would be an increase this coming August. They will be out on the hustings soon hammering away at how they held the rates down, which is just a bunch of malarkey. The rates will not increase because of the volumes and the rate of inflation.

We have not heard the Tories say very much about the farm-debt crisis. They have not done anything about it. The Minister of Agriculture in his more unguarded moments has said that the Tories are not going to do anything about it. That is another reason we would like to see a Budget to confirm to the 39,000 farmers looking for some relief and some assistance that the Government will not do anything to provide relief.

I was interested to note that the Hon. Member raised the Irish beef question. After Ireland dumped some 51 million pounds during the latter half of 1984, the Government finally, after four months in office, invoked the meat import law and restricted—I hear the Hon. Member across the way. Let me say to him it is because we never had the volumes over the minimum rate. If he knew what was going on with the whole Irish beef question, he would not be raising it. Even though the Government invoked a quota of 5.9 million pounds on Ireland, that quota had already been more than filled. The quota is

over by one million pounds. Does that sound like a Government that has any guts, a Government that will protect the beef producers here, Mr. Speaker? It sure does not, because the Tories are in Brussels today negotiating to increase the amount. The EEC is demanding an increase from 6 million pounds to 33 million pounds. There is every likelihood that the Tories will knuckle under. The Hon. Member asks why. Because the Tories have already knuckled under in response to American pressure. The Government has increased the quota to the Americans from 21 million pounds to some 65 million pounds. It does not sound to me as if the Government were very committed to livestock and beef producers of the country or to protecting their interests. If it had any courage, it would go to GATT to argue and fight for Canadian agricultural producers rather than knuckle under and increase quotas, as it will probably do within the next week or so.

● (1740)

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate the opportunity to make a few remarks at the end of this debate. In listening to the debate today, it seemed to me that far too much attention was focused on the conference which took place last weekend in Ottawa. In the long run I suspect that that conference will not have that much impact upon the unemployed logger, miner, factory worker or the young person coming out of college and looking for a job in a market where there are no jobs.

The motion before us is an important one. We are faced with a situation where there are two conflicting tendencies which are on a collision course. On the one hand, new technologies mean that fewer people are needed to perform the work required, so people become redundant. For example, in British Columbia the forest industry can have record production with 20 per cent fewer workers. On the other hand, we see a great many cut-backs in the kinds of services available to people. This means that jobs become more important than ever. They are the only ticket for people who want to get into the banquet which society provides. If people do not have jobs, they are locked out.

We see this in the increased use of user fees and increased premiums for medicare. Many people in Canada are simply not making adequate use of medical facilities because they cannot afford the premiums or user fees. Jobs become more important than ever in this context.

I should like to make a few comments about the situation facing our aboriginal people. We have often heard the statistic that up to 90 per cent of people in some Indian communities are unemployed. This statistic is becoming more relevant all the time. A few years ago many of these communities had local economies and the people were able to sustain themselves from the land. These economies are being destroyed by massive development. Just a few weeks ago I visited the Lubicon people in northern Alberta. Until five years ago only 10 per cent of those people were on welfare. Today, 90 per cent of them are on welfare because the oil industry criss-crossed their traditional hunting and trapping grounds, destroying their traditional economy. Now these people find they have no recourse but to go on welfare, which is unable to sustain them as a people. It might put a little bread on their table, but it does not enable them to live as a community. For this reason the World Council of Churches referred to the Lubicon and said that the practices there were in fact genocidal.

It is of the utmost importance that the federal Government take the lead in recognizing the need for the entrenchment of the right of aboriginal people to self-government and to provide adequate resources so that they can govern themselves and have control over their own economy and society.

The Hon. Member for Yorkton-Melville (Mr. Nystrom) referred to the NDP action task force on jobs. I want to focus on one comment which he made. He said there was a greater need for putting resources at the local level so that people had local control. This is what we have been saying with regard to Indian people, but it is also true in hundreds of communities across Canada. It makes good economic sense. If local people have control of the resources, they will make better use of them.

Finally, if the Government has any plans to alleviate the situation for unemployed Canadians, why does it not bring them in now? Why does it have to wait until the end of May? The Government has been in power since September 4. Let it take action now and do what it can to provide some real help for women, young people, natives, fishermen, loggers, and other people of Canada who desperately need that help.

Mr. Speaker: It being 5.45 o'clock p.m., it is my duty, pursuant to Standing Order 62(10), to interrupt the proceedings and put forthwith every question necessary to dispose of Supplementary Estimates (C) and Interim Supply, and of all stages of the Bills based thereon.

* * *

SUPPLY

MOTION FOR CONCURRENCE IN VOTE 7c, DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Vote 7c, in the amount of $1 under the Department of Regional Industrial Expansion—Budgetary, in the Supplementary Estimates (C) for the fiscal year ending March 31, 1985, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. de Cotret), which was agreed to on the following division:

(Division No. 17)

YEAS

Messrs.

Andre
Beatty
Belsher
Blais-Grenier (Mrs.)
Blenkarn
Blouin (Mrs.)
Bourgault (Mrs.)
Boyer
Brisco
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Charest
Chartrand
Clark (Yellowhead)
Clifford
Clinch
Cochrane
Collins (Mrs.)
Cook
Cooper
Cossitt (Mrs.)
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Desjardins
Dick
Domm
Edwards
Ellis
Elzinga
Epp (Provencher)
Forrestall
Fraleigh
Fraser
Gagnon
Gérin
Gervais
Girard
Gormley
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Grisé
Guilbault (Drummond)
Gustafson
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Hudon
James
Jourdenais
Kilgour
King
La Salle
Lawrence
Leblanc
Lesick
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
Mailly (Mrs.)
Malone
Mantha
Martin (Mrs.)
Masse
Mayer
Mazankowski
McCain
McCuish
McDermid
McDougall (Mrs.) (St. Paul's)
McKenzie
McKinnon
McKnight
Minaker
Mitges
Murta
Nicholson (Niagara Falls)
Nickerson
Oberle
Oostrom
Paproski
Pennock
Peterson
Pietz
Porter
Ravis
Reid
Reimer
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stewart
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard—118.

NAYS

Messrs.

Allmand
Althouse
Benjamin
Blackburn (Brant)
Blaikie
Chrétien
Deans
Epp (Thunder Bay-Nipigon)
Foster
Frith
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Isabelle
Jewett (Ms.)
Kaplan
Keeper
Killens (Mrs.)
Langdon
MacLellan
Malépart
Manly
Marchi
McCurdy
Nystrom
Orlikow
Parry
Pépin (Mrs.)
Robichaud
Robinson
Rodriguez
Rossi
Young—36.

Mr. Speaker: I declare the motion carried.

● (1810)

The next question is on item No. 2.

MOTION FOR CONCURRENCE IN VOTE 1c, DEPARTMENT OF TRANSPORT

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Vote 1c, in the amount of $1 under the Department of Transport—Departmental administration—operating expenditures, in the Supplementary Estimates (C) for the fiscal year ending March 31, 1985, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Shall I dispense with the ringing of the bells?

Mr. Deans: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) on a point of order.

Mr. Deans: Mr. Speaker, I believe, if you were to seek the consent of the House, that the vote which was recorded on the previous motion could be recorded as well on this motion.

Mr. Speaker: Do I sense a unanimous disposition in the House to adopt that course of action?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. de Cotret) which was agreed to on the following division:

(Division No. 18)

YEAS

Messrs.

Andre
Beatty
Belsher
Blais-Grenier (Mrs.)
Blenkarn
Blouin (Mrs.)
Bourgault (Mrs.)
Boyer
Brisco
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Charest
Chartrand
Clark (Yellowhead)
Clifford
Clinch
Cochrane
Collins (Mrs.)

Messrs.

Cook
Cooper
Cossitt (Mrs.)
Côté
(Langelier)
Crofton
Crosbie
(St. John's West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Desjardins
Dick
Domm
Edwards
Ellis
Elzinga
Epp
(Provencher)
Forrestall
Fraleigh
Fraser
Gagnon
Gérin
Gervais
Girard
Gormley
Gravel
Gray
(Bonaventure-Îles-de-la-Madeleine)
Grisé
Guilbault
(Drummond)
Gustafson
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Hudon
James
Jourdenais
Kilgour
King
La Salle
Lawrence
Leblanc
Lesick
Lewis
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
(Timiskaming)
Mailly (Mrs.)
Malone
Mantha
Martin (Mrs.)
Masse
Mayer
Mazankowski
McCain
McCuish
McDermid
McDougall (Mrs.)
(St. Paul's)
McKenzie
McKinnon
McKnight
Minaker
Mitges
Murta
Nicholson
(Niagara Falls)
Nickerson
Oberle
Oostrom
Paproski
Pennock
Peterson
Pietz
Porter
Ravis
Reid
Reimer
Scott
(Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow
(Mrs.)
Speyer
Stackhouse
Stewart
Taylor
Thacker
Toupin
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard—118.

NAYS

Messrs.

Allmand
Althouse
Benjamin
Blackburn
(Brant)
Blaikie
Chrétien
Deans
Epp
(Thunder Bay-Nipigon)
Foster
Frith
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Hopkins
Isabelle
Jewett (Ms.)
Kaplan
Keeper
Killens (Mrs.)
Langdon
MacLellan
Malépart
Manly
Marchi
McCurdy
Nystrom
Orlikow
Parry
Pépin (Mrs.)
Robichaud
Robinson
Rodriguez
Rossi
Young—36.

Mr. Speaker: I declare the motion carried.

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (C)

Hon. Robert de Cotret (President of the Treasury Board) moved:

That the Supplementary Estimates (C) for the fiscal year ending March 31, 1985, laid upon the Table, Tuesday, March 5, 1985, except the votes disposed of earlier this day, be concurred in.

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

Some Hon. Members: Agreed.

Mr. Speaker: I declare the motion agreed to.

Mr. de Cotret thereupon moved that Bill C-34, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1985, be read the first time and printed.

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

Some Hon. Members: Agreed.

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

Mr. de Cotret thereupon moved that Bill C-34, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1985, be read the second time and referred to the Committee of the Whole.

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

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Windsor West (Mr. Gray) on a point of order.

Mr. Gray (Windsor West): Mr. Speaker, I would like to know if the President of the Treasury Board (Mr. de Cotret) can assure the House that this Bill is in its usual form.

Mr. de Cotret: Mr. Speaker, I would be happy to assure the House that the Bill is in its usual form.

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

Some Hon. Members: On division.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Paproski in the Chair.

Clauses 2 to 7 inclusive agreed to.

Schedule agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

The Deputy Chairman: Shall the Bill carry?

Some Hon. Members: On division.

Bill reported.

Mr. de Cotret moved that the Bill be concurred in.

Some Hon. Members: On division.

Motion agreed to.

Mr. de Cotret moved that the Bill be read the third time and passed.

Some Hon. Members: On division.

Motion agreed to and Bill read the third time and passed.

INTERIM SUPPLY

Hon. Robert de Cotret (President of the Treasury Board) moved:

That a sum not exceeding $10,502,377,163.36 being composed of:

(1) three-twelfths ($7,285,634,730.00) of the total amounts of the items set forth in the Main Estimates for the fiscal year ending March 31, 1986, which were laid upon the Table on Tuesday, February 26, 1985; except those items detailed below:

(2) eleven-twelfths of the total amount of Energy, Mines and Resources Item 20, Public Works Items 40 and 45, Transport Item 25 and Treasury Board Item 10 (Schedule A) of the said Estimates $55,440,000.00;

(3) nine-twelfths of the total amounts of Solicitor General Item 5, and Treasury Board Item 5 (Schedule B) in said Estimates $377,933,250.00;

(4) eight-twelfths of the total amount of Indian Affairs and Northern Development Item 50 (Schedule C) of the said Estimates $10,906,666.67;

(5) seven-twelfths of the total amounts of Employment and Immigration Item 15 (Schedule D) of the said Estimates, $387,307,083.33;

(6) six-twelfths of the total amounts of Transport Items 35, L45 and L50 (Schedule E) of the said Estimates, $14,590,000.00;

(7) five-twelfths of the total amounts of Communications Items 5 and 50, Consumer and Corporate Affairs Item 15, Indian Affairs and Northern Development Item 15, National Health and Welfare Item 55 and Veterans Affairs Item 15 (Schedule F) of the said Estimates $518,772,500.01; and

(8) four-twelfths of the total amounts of Communications Item 35, Consumer and Corporate Affairs Item 10, Employment and Immigration Items 1, 5, 10 and 25, Energy, Mines and Resources Items 1 and 45, External Affairs Item 45, Finance Item 25, Indian Affairs and Northern Development Items 30, 35 and 40, National Health and Welfare Item 10, Public Works Items 10 and 50, Secretary of State Items 25 and 45, Supply and Services Item 15, Transport Items 55 and 85, and Veterans Affairs Items 20, 25 and 30 (Schedule G) of the said Estimates, $1,851,792,933.35;

be granted to Her Majesty on account of the fiscal year ending March 31, 1986.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to.

Mr. de Cotret moved that Bill C-35, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1986, be read the first time and printed.

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

Mr. de Cotret thereupon moved that Bill C-35, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1986, be read the second time and referred to the Committee of the Whole.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Paproski in the Chair.

The Deputy Chairman: Shall Clause 2 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 3 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 4 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 5 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Schedule A carry?

Some Hon. Members: On division.

Schedule agreed to.

The Deputy Chairman: Shall Schedule B carry?

Some Hon. Members: On division.

Schedule agreed to.

The Deputy Chairman: Shall Schedule C carry?

Some Hon. Members: On division.

Schedule agreed to.

The Deputy Chairman: Shall Schedule D carry?

Some Hon. Members: On division.

Schedule agreed to.

The Deputy Chairman: Shall Schedule E carry?

Some Hon. Members: On division.

Schedule agreed to.

The Deputy Chairman: Shall Schedule F carry?

Some Hon. Members: On division.

Schedule agreed to.

The Deputy Chairman: Shall Schedule G carry?

Some Hon. Members: On division.

Schedule agreed to.

The Deputy Chairman: Shall Clause 1 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

The Deputy Chairman: Shall the title carry?

Some Hon. Members: On division.

Title agreed to.

The Deputy Chairman: Shall the Bill carry?

Some Hon. Members: On division.

Bill agreed to.

The Deputy Chairman: Shall I rise and report the Bill?

Some Hon. Members: Agreed.

Bill reported.

Mr. de Cotret moved that the Bill be concurred in.

Some Hon. Members: On division.

Motion agreed to.

Mr. de Cotret moved that the Bill read the third time and do pass.

Some Hon. Members: On division.

Motion agreed to and Bill read the third time and passed.

Mr. Speaker: It being 6.20 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.20 p.m.

HOUSE OF COMMONS

Tuesday, March 26, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-23, an Act to amend the Small Businesses Loans Act, as reported (with amendments) from the Standing Committee on Regional Development.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. You will note, Mr. Speaker, that the first item of business for today is Bill C-23. There have been consultations between the Parties and House Leaders. We have agreed that this matter be called first today and that it be concluded through report stage and third reading stage today.

In addition, I understand that the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) has some motions at the report stage. As I understand it, they will be moved, certainly with our agreement and consent, by the Hon. Member for Westmorland-Kent (Mr. Robichaud) on his behalf today. I think you will find the understanding and agreement is that the matter will be dealt with in all stages today through third reading.

Mr. Speaker: I thank the President of the Privy Council (Mr. Hnatyshyn). I have some preliminary matters that I have to indicate in a statement. We have to do a couple of matters by unanimous consent.

Is there unanimous consent for a House order to deal with the matter through third reading today?

Mr. Gauthier: Mr. Speaker, I apologize to the House and to the Government House Leader, but I am not aware of any agreement at this stage. I will inquire. Our House Leader had to leave the House. He will be back within a few minutes. I will consult with him.

Mr. Speaker: That matter will perhaps come back before the House. I now seek the unanimous consent of the House for the replacement. I observe that the Hon. Member is now here. Am I still being asked to seek the consent that motions be moved on his behalf?

Mr. Hnatyshyn: No.

Mr. Speaker: I have to indicate to the House that there are six motions standing on the Notice Paper at report stage of Bill C-23, an Act to amend the Small Businesses Loans Act. Motion No. 1, standing in the name of the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano), seeks to return to the provisions of the original Act whereby the Minister is liable to pay to a bank the amount of any loss sustained by it as a result of a business improvement loan after the 18th day of January, 1961.

The Chair has some concern that such an amendment, if carried, would eliminate the March 31, 1985 deadline for these motions and thus would call for a continuation of the existing law. I would refer Hon. Members to Beauchesne's Fifth Edition, Citation 773, paragraph 7, which relates to the Royal Recommendation and which states:

> An amendment is out of order . . . if it extends the objects and purposes, or relaxes the conditions and qualifications as expressed in the Royal Recommendation.

I would also refer Hon. Members to May, Twentieth Edition, page 818. In the opinion of the Chair, it would relax a condition of the Royal Recommendation, namely eliminate the March 31, 1985 deadline for liability losses on loans. If the Hon. Member for Saint-Léonard-Anjou wishes to put forward a procedural argument in support of Motion No. 1, I am prepared to hear him at the conclusion of this statement and defer a final ruling until any representations he wishes to make.

If I may proceed, Motion No. 2, also standing in the name of the Hon. Member for Saint-Léonard-Anjou, is acceptable and should be debated and voted on separately. Motions Nos. 3, 5 and 6 are acceptable and should be debated together. Motion No. 3 will be voted on separately. An affirmative vote on Motion No. 5 will dispose of Motion No. 6. A negative vote on Motion No. 5 will create the requirement for a vote on No. 6. Motion No. 4 in the name of the Minister of Regional Industrial Expansion (Mr. Stevens) is acceptable and should be debated and voted on separately.

I am now prepared to hear procedural argument advanced, if so wished, by the Hon. Member for Saint-Léonard-Anjou. He indicates that he understands the case that I am making. I therefore now indicate to the House that I must find Motion No. 1 to be unacceptable to the Chair. Proceeding to debate.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I have had occasion to consult with my House Leader. It is agreeable to us that this Bill proceed through all stages today.

Mr. Deans: Mr. Speaker, we also would agree to have the Bill proceeded with through all stages today.

Mr. Speaker: For the record, I seek the unanimous consent of the House to the understanding that, there being unanimous consent, the matter shall be dealt with in that way.

Some Hon. Members: Agreed.

Mr. Alfonso Gagliano (Saint-Léonard-Anjou) moved:

Motion No. 2

That Bill C-23 be amended in Clause 2 by striking out line 4 at page 3 and substituting the following therefor:

"not more than fifteen years;"

[*Translation*]

He said: The rationale for this amendment, Mr. Speaker, is that small businesses are often faced with rather stiff loan repayments, especially in the first years, and if the term were extended from 10 to 15 years their payments would be considerably lower, their cash flow would be more manageable, and it would be easier for them to keep operating, particularly in the first years.

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, the average repayment period is now 54 months or four and a half years. Since the term proposed under this Bill is 10 years, I fail to see the need to extend it to 15 years when the average repayment period is less than half that. I would therefore suggest, Mr. Speaker, that 15 years would be too long and that 10 years as proposed are quite sufficient.

• (1110)

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 2 standing in the name of the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Some Hon. Members: On division.

Mr. Deputy Speaker: I declare the motion lost on division. Motion (Mr. Gagliano) negatived.

Mr. Alfonso Gagliano (Saint-Léonard-Anjou) moved:

Motion No. 3

That Bill C-23, be amended in Clause 2 by striking out lines 8 to 10 at page 4 and substituting the following therefor:

"amount of the loan."

Motion No. 5

That Bill C-23, be amended in Clause 5 by striking out lines 7 to 13 at page 5.

Motion No. 6

That Bill C-23, be amended in Clause 5 by striking out lines 12 at page 5.

[*Translation*]

He said: Mr. Speaker, those amendments are necessary because, according to the Bill as it is now worded, the Minister might change the clause at any time and substitute 2 or 5 per cent for 1 per cent, or else, say under Clause 5, he would be empowered to make changes without parliamentary approval.

If we believe in a strong Parliament properly vested with decision-making powers, I would suggest that the Minister enjoys enough discretion to administer the Act as it is. In our opinion, those amendments would deny the Minister the additional powers he seems to be seeking.

Mr. Bissonnette: First of all, Mr. Speaker, every year the committee will have an opportunity to examine our annual report. I must table a financial statement in the House and it is automatically referred to the committee. I do not see the relevance of the Hon. Member's question. Besides, the subclause is essential if I am to provide information to borrowers. In any event, this is not a new clause since it is already in the legislation, and I would ask that it be considered under Motion No. 5. I suggest that it remain unchanged, and the same thing applies to Motion No. 6. These clauses are required if the act is to be properly administered.

[*English*]

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I rise to support the amendment put by my colleague. I think it makes a lot of sense to ensure that Parliament continues its role as final decision-maker.

I listened with interest to the Minister's comments about the report coming before the committee each year. There can be a lot of reports, but that does not necessarily change the way that the Government of the day operates. Therefore, on behalf of my caucus I would indicate my support for the amendment.

• (1115)

[*Translation*]

Mr. Bissonnette: As you know, Mr. Speaker, this piece of legislation is for small businesses, and small businesses are subject to very swift fluctuations.

Mr. Deputy Speaker: I regret to interrupt the Minister, but he may not take the floor at this stage since he has already spoken.

[*English*]

Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 3 standing in the name of the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Some Hon. Members: On division.

Motion (Mr. Gagliano) negatived.

Mr. Deputy Speaker: The question is on Motion No. 5 standing in the name of the Hon. Member for Saint-Léonard-Anjou. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Some Hon. Members: On division.

Motion (Mr. Gagliano) negatived.

Mr. Deputy Speaker: The question is on Motion No. 6 standing in the name of the Hon. Member for Saint-Léonard-Anjou. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Some Hon. Members: On division.

Motion (Mr. Gagliano) negatived.

Hon. André Bissonnette (for the Minister of Regional Industrial Expansion) moved:

Motion No. 4

That Bill C-23 be amended in Clause 2 by striking out line 13 at page 4 and substituting the following therefor:

"1985.

(6) Where a bank advances less than half of the amount of a loan to a borrower, the Minister may, on application by the bank made within one year after the first instalment of the loan was advanced, refund to the bank that portion of the fee paid pursuant to paragraph (4)(*b*) that is attributable to the unadvanced portion of the loan." "

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

Some Hon. Members: Agreed.

Motion (Mr. Bissonnette) agreed to.

Mr. Bissonnette (for the Minister of Regional Industrial Expansion) moved that the Bill be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to.

Mr. Deputy Speaker: When shall the Bill be read a third time?

Some Hon. Members: Now.

Mr. Deputy Speaker: Pursuant to the agreement reached earlier this day, the Bill shall now be read a third time.

Mr. Bissonnette (for the Minister of Regional Industrial Expansion) moved that Bill C-23, an Act to amend the Small Businesses Loans Act, be now read the third time and passed.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I would like to make a couple of short comments before we pass this Bill. I believe it is clear that this Government is really no different in terms of how it receives its instructions from the bank either directly or indirectly. Through the debates in the House and in committee over the last period of time, concerns have been expressed from all sides. I know the Minister himself was concerned initially about the potential of undue influence from the banking community. We realized in committee that the banks were saying—and the small business sector is, I believe, rightfully worried about this—that if the Bill was not changed to go along with the idiosyncrasies of the banks, small business would not get the benefit of this Act. It is unfortunate, Mr. Speaker, that in this day and age we still

have to kowtow to the banks which seem to have as much power over the Government as do the railways.

● (1120)

Having said that, I can tell you, Mr. Speaker, that we in this caucus will be happy to support the Bill in its new form in order to allow the Minister to get things rolling out there in the small business community.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, the proposed 85-15 risk sharing amendment to the Small Businesses Loans Act, a motion deemed unacceptable by the Speaker, is an irresponsible proposal. The amendment would make it possible for financial institutions to refuse to lend to small businesses unable to put up the requisite collateral for the 15 per cent being guaranteed by the banks.

The Minister of State (Small Businesses) (Mr. Bissonnette) thinks he made a good deal by amending his own Bill.

All Members of this House agree that the Small Businesses Loans Act is a popular piece of legislation that makes it possible for thousands of Canadian entrepreneurs to renew their equipment and facilities by borrowing at reasonable rates, since this kind of loan puts less pressure on their available margin of credit than an ordinary loan would, as the present legislation guarantees 100 per cent of the loan amount.

Thousands of young Canadians have taken advantage of this legislation to start their own businesses. Without the Small Businesses Loans Act, they might have swelled the ranks of our one million and a half unemployed or added their names to a long list of welfare recipients. Thousands of women starting their own business for the first time would never have had this opportunity without the Small Businesses Loans Act. Thousands of Canadians who lost their jobs during the recession have gained enough confidence to create employment for themselves and for many members of their communities, thanks to the Small Businesses Loans Act.

A number of important witnesses appeared before the Standing Committee on Regional Development when it was considering Bill C-23. Mr. Al. Droppo, Director of Public Affairs for the Canadian Bankers' Association, said the following before the Committee on March 19 of this year, when explaining the implications of the 90-10 risk sharing measure, and I quote:

[*English*]

Regarding the 90-10 risk sharing feature, it is, of course, self-evident that this change will inevitably result in a marked increase in cost to the lenders because of additional loss write-off.

It continues:

—it should be recognized that transferring additional risk to the lenders will result in some reduction in the volume of loans approved.

[*Translation*]

It is therefore obvious that the 85-15 risk sharing now being proposed by the Minister will reduce the volume of loans approved even further. Mr. Speaker, it is clear that Clause 2 as amended by the Minister goes against the intent of the Act itself, which is to help develop small businesses.

Mr. Speaker, a loan under the Small Businesses Loans Act covers 80 per cent of the purchase cost of buildings and materials. Since 20 per cent is paid by the entrepreneur, and from now on, the borrower must put up collateral for 15 per cent of the loan because of the 85-15 arrangement with the Government, this means he has to invest 35 per cent of the amount before even buying his inventory or looking at funds for salaries, and so forth. Unless this new business person is a millionaire like the Hon. Minister, he will never be able to start a business.

Mr. Speaker, that is why we are against Clause 2, which hinders instead of helps small business development.

Mr. Speaker, the same day, at the Standing Committee on Regional Development, we heard Mr. Geoffrey Hale of the Canadian Organization of Small Business say the following, and I quote:

● (1125)

[*English*]

These loans create approximately three jobs apiece, plus or minus 10 per cent. In the present economic climate, any significant reduction in the incremental lending under the SBLA program is unlikely to be made up by private sector financial institutions.

[*Translation*]

Mr. Speaker, according to the information given by the Minister of State (Small Businesses) and Mr. Hale's statement, 285,954 jobs were created between 1978 and 1983, at a cost of less than $200 per job. If we consider the number of loans, 95,318 × 3 jobs, and divide that by $47,745,234 in benefits paid, we get exactly $166.97—one of the cheapest programs going, especially when the program creates jobs.

Mr. Speaker, finally, if we adopt this Bill with the 85-15 clause, we run the risk of a 15 per cent reduction in employment, something we cannot afford with an unemployment rate of around 11 per cent, and that is why I want to propose that this clause be dropped.

Nevertheless, Mr. Speaker, this morning we have shown our good faith, and although we do not agree with the changes, we are prepared to adopt this Bill, because even if a substantial number of loans will be lost to small business, it is still better than nothing. So even if we do not agree, we are going to help ensure that the legislation will remain in effect and that, as of April 1, we will still be able to provide loans for small businesses.

[*English*]

Mr. George Baker (Gander-Twillingate): Bill C-23 will mean that less loans will be granted by the banks in certain

parts of this country where banks today are very leery or hesitant about giving loans to businesses just starting up or businesses which are expanding, if the businessman does not have a lot of money himself. It is fairly easy to get money if you have money. If you are worth a lot of money, you can get money, That is the way our system operates. If you have a lot of collateral such as land, or if you have a lot of money in savings or investments, you can get all the money you want to expand an existing business or create a new one. That is the way our system works.

However, the Small Businesses Loans Act is there not for those who have lots of money; it is not for the millionaires of this country, it is for people who want to open up businesses or expand them and just do not have the collateral to do it. That is why this legislation was brought in in the first place. That is why it was adopted by the Government. There was a need to assist current and potential business people to establish or expand a business. It provided a Government guarantee on a loan. If that was accepted by the bank, then the person would get the loan.

Let us not forget that that person still had to take money out of his own pocket. He still had to put up 20 per cent, 15 per cent or 10 per cent. We are talking about someone who is trying to start a business and has saved for years and years and years until he finally got the money he needed which, together with the Government loan guarantee, would put him in business. He put all his life savings into that business. The Government guarantee would go hand in hand to enable that man to get a loan in order to start a business or expand a small business.

• (1130)

That is the way it was intended, Mr. Speaker. That is the way it is on the books today. This Bill will change the system somewhat. The bank will now hesitate in issuing the loan because there are now three players in on the act. In the past the small-businessman or potential small businessman had to put his cash on the line. Then the bank had to put its money on the line, but that was guaranteed by the federal Government. Now, under this Bill, the person will still have to put up the cash as a start. The Government will guarantee 85 per cent of what is left, and 15 per cent is held in limbo. Knowing the banks, Mr. Speaker, they will ensure that they are covered. In other words, a person will have to give a personal guarantee on everything down to the kitchen sink in order to get the loan.

If you examine the record of lending institutions in this country, you will discover that banks and lending institutions are hesitant to give loans in certain parts of the country, most of which are rural areas. In Newfoundland banks have traditionally and historically, for the past 20 years, been hesitant to give a loan to a small businessman or potential small businessman. This is the importance of the FBDB, the bank of last resort in a province like Newfoundland. It is absolutely necessary to the system. Many Members in the Chamber may say that FBDB is of no use at all in Canada. It is of use in a place like Newfoundland where banks historically are hesitant to give loans.

This new Bill will make the banks even more hesitant because of that shady gray area of 15 per cent that is now left in the middle. That is actually discouraging investments by banks in potential small businesses and existing small businesses which wish to expand in Atlantic Canada, particularly in Newfoundland. It is a step backward.

There is one thing that should be noted from all of this, which I am sure other Members have noted. The two organizations which claim to represent all small business in Canada are in agreement with this legislation. Mr. Bulloch is in agreement with the legislation. Those organizations claim to have conducted a survey in every province of this country. They say that small businesses agree with the legislation, with the differentials, with cutting back as far as the federal Government guarantee is concerned, and with imposing some sort of fee on the banks. The NDP is even in agreement with that. The NDP stated in this Chamber and publicly in committee that it wanted that fee imposed on the banks. The NDP is in agreement with the organizations representing small business in this country.

For the life of me, Mr. Speaker, I cannot understand why the NDP or the organizations representing small business would be in agreement with placing a fee on a lender to enable that lender to take advantage of a federal Government guarantee. The lender will pass that onus onto the person getting the loan. No one can deny that. Have you ever seen banks, especially in Atlantic Canada, making an intentional give-away?

At one time a small businessman was able to go 90 days with an overdraft on his account. Then there was a cartel agreement between the banks which allowed only 60 days, and then it got down to 30 days. By their very nature banks do not want to give money away. I believe this legislation is a step backward. But then again, how can anyone disagree with all of the business organizations representing small businessmen in Canada? They are in agreement with this legislation. In order to condemn the legislation one would have to say that the organizations representing small business in the country are wrong. You would have to say that the NDP, the Government and the Minister are wrong.

The point is, Mr. Speaker, that I think they are all wrong. That is the bottom line. They are all wrong because this Bill has a built-in discrimination against small business people and potential small business people in the high unemployment areas of Canada. When legislation discriminates against that particular segment of our population it should be frowned upon and should not be supported by the organizations that represent small business in this country. However, I suppose we will have to bow to the wishes of the associations which represent small business in this country and say that perhaps they know more than we do about the reaction of small business and the banks to the underdeveloped areas in the country.

[*Translation*]

Mr. Deputy Speaker: Questions, comments?

Mr. Gauthier: No, Mr. Speaker.

Mr. Deputy Speaker: Debate. The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I would simply like to have a few minutes to make a few comments on Bill C-23.

In its original form, this legislation was aimed at amending the Small Business Loans Act, and in the Bill it was proposed that small businesses could be subjected to amendments in the loans they would negotiate. Originally, 90 per cent of the loan was to be guaranteed by banks, with the Canadian Government of course providing the funds. The amendment put forward and passed in Committee brought that figure down to 85 per cent of the loan. The Bill also has been amended to provide for a one per cent fee to be paid by the bank or rather, of course, by the borrower, as suggested by my colleague for Gander-Twillingate (Mr. Baker). The lending institution will certainly pass the cost on to the borrower. This is their normal way of doing things. But that fee, based on one per cent of the amount of the loan, certainly will increase paper work in the banks and significantly reduce their revenues. Small businesses will be the losers because there is nothing in the Bill to entice banking institutions to improve the system, to increase their loans to small- and medium-sized businesses.

• (1140)

I am concerned with the issue because in my constituency, more than half the jobs are created by small businesses. In my area, Ottawa-Vanier, 87 per cent of our firms are small businesses hiring less than 25 employees, and it is very important that they should have access to bank loans. We are somewhat disappointed with the Government's approach in that amendment. We would have thought the Government would have tried to encourage the banks to make loans at the so-called prime rate. This is not the case. Banks will charge one per cent more, and they will charge it of course to the small businesses. This means that this legislation, rather than providing for better conditions for small businesses, is only aimed at getting more money into the Government coffers once again, and if I understood correctly the comments made by the Minister before the Committee, the Government put those amendments forward in order to save money. This fails to recognize the importance of small businesses as the prime force in job creation, in the generation of employment in Canada for the benefit of Canadians. Those provisions which I view as regressive are therefore prejudicial to small businesses because they strangle the borrowers instead of helping them modernize and improve their operations.

Mr. Speaker, the ceiling on the overall principal of the loan is subject to be changed by the Government, by way of amendments to the Act or by way of the estimates. I had thought the Government would have increased the $100,000 maximum now provided for in the legislation. If we are to extend coverage and encourage modern businesses who want to meet the challenge of a computer society, a modernizing society, this $100,000 ceiling imposed upon small businesses in my opinion is too low in this day and age. I had thought that the Government, in this legislation, would have removed the $100,000 limit, perhaps thereby increasing the opportunity for small businesses to improve, to modernize and better compete in this technological age, in this period of change during which they sometimes find it rather difficult to computerize their operations.

Based on these few comments, and with much reluctance, Mr. Speaker, I must state that we are disappointed with this legislation. The Government, with its majority, certainly will push this Bill through today and regretfully, we have no other choice but to oppose the legislation.

Mr. Deputy Speaker: Are there questions or comments on the Hon. Member's speech? Does the Minister wish to address a question to the Hon. Member? Very well, the Hon. Minister.

Mr. Bissonnette: Mr. Speaker, I was going to answer the questions or meet the expectations of my colleagues, especially the Hon. Member for Gander-Twillingate (Mr. Baker), who said that everyone except the Liberal Party, endorsed this Bill.

However, Mr. Speaker, there is something I must ask. Can the Liberals be right when everyone agrees except them? It makes me wonder who is wrong? If the group of John Bullock, that of Geoffrey Hale, the Members of Parliament and the NDP all agree, and the only group to disagree is the Liberal Party, we should perhaps ask ourselves who is wrong. I ask this question seriously, but I think I know the answer.

To come back to the Hon. Member for Ottawa-Vanier (Mr. Gauthier), who asked a question about the $100,000 limit set for loans, I must tell him that, last year, the average amount of loans was $28,800. The Government therefore had no need to put the limit over $100,000, but this Bill provides some flexibility, which means that, if the market calls for a higher maximum, we shall be able to act, and to do so quickly. This was the purpose of one of the clauses of this Bill.

To reply to other concerns expressed by the Hon. Member for Gander-Twillingate (Mr. Baker), I should point out that, in most countries who have similar legislation to help small businesses, the ratio is not 85 to 15, but 70 to 30. This shows that we are still being very generous towards small businesses. In addition, the Progressive Conservative Government had consultations about this issue, something that the Liberal Party never did once during its mandate. We consulted small businesses. We consulted the bankers. We consulted the groups which represent small business. We are not too stubborn and listen. We changed our minds on the option of having

borrowers pay the 1 per cent fee because, during our negotiations and the consultations that I had throughout the country, the borrowers asked us to make the legislation more flexible and easily accessible to small businesses so that the banks would be attracted by these loans.

We therefore gave this possibility to small businesses. We gave the bankers the opportunity to pass on the 1 per cent fees to their customers, but they are under no obligation to do so. However, they can if they want to.

In return, the banks have promised to promote the small businesses loans program. They have assured us that they will provide information on the program. They have guaranteed that they will do everything to help small businesses to remain in business. We shall develop, with the Canadian bankers, a small business information system because of which there will probably be fewer bankruptcies in the future, which I believe to be extremely important.

Mr. Speaker, in conclusion, I would like to thank all my colleagues in this House who have given prompt and serious consideration to this Bill and I believe that Bill C-23 will be one of the best tools available to small businesses in the years to come and that they will use it a lot.

Mr. Gauthier: I shall be brief, Mr. Speaker. I wish to make two points, the first of which is that we, members of the Liberal Party, are the only ones to oppose this legislation. I want the Minister to know that we do not mind being alone in that, because this bill is regressive any way.

It is a step backward. These new provisions will not serve as incentives but as deterrents. Because we favour progress, we will not support regressive measures such as this one.

To the second question, it was stated that the average loan amounted to $28,000. Anyone who is familiar with statistical data is aware that an average loan of $28,000 means absolutely nothing, Mr. Speaker. There have been many loans of a couple of thousand dollars each, some loans may have involved higher amounts and the average was $28,000. The point I want to make is that in this era of high technologies, the government should make it possible for people to borrow more than $100,000 to upgrade their operation, purchase new equipment, build new facilities or purchase additional land. The only thing I am concerned about is that they will have the power to do so not with the consent of the House and through amending provisions, but through the Estimates, for so-called reasons of expediency. I suggest that using the Estimates instead of coming to the House and amending the legislation through the normal process will not save that much time. I find the argument which you have put forward rather weak. I feel that if the government wished to amend the legislation, it should come to us. If the new provisions were likely to improve the legislation, they would receive our full support; if, on the other hand, they were regressive in nature, they certainly would not get our support.

• (1150)

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion please say nay.

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the yeas have it.

Mr. Gauthier: On division.

Motion agreed to and Bill read the third time and passed.

* * *

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed from Thursday, March 21, consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be now read the second time and referred to the Standing Committee on National Resources and Public Works; and the motion of Mr. Hockin (P. 3227).

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, at the end of the debate last Thursday when this matter was before the House, I was speaking to the motion of the Government to close debate on second reading of Bill C-24. At that time I asked the Government if it would reconsider the March 31 deadline for COSP.

Government Members have received inquiries about extending the program. I have requested an extension of six months. The NDP put forward a motion to extend the program for six months. The Government has received requests indicating varying lengths of time, but for the most part the groups who contacted us request a six-month extension because they feel that period of time would be adequate to service the number of applications to go off oil and on to another form of energy.

Primarily in the Province of Ontario applications are for going off oil and on the natural gas or electricity. In Atlantic Canada, in the Province of Nova Scotia, we do not have the

same latitude. We are unable to convert to natural gas because of limited infrastructure. We are unable to convert to electricity because much of our electrical generation is from oil-fired generators. For that reason, we in Atlantic Canada are somewhat more limited. However, a large number of people would like to convert from oil, if not completely, at least partially. People in Nova Scotia are only able to convert to wood and coal, yet there have been many requests by people who want to do so.

Telephone calls through the toll-free line are being received in the Halifax office from all over Nova Scotia. It is receiving approximately 150 calls per day from people who want to convert from oil or who are making inquiries as to the possibility of doing so. The need is still there.

It would be a very nice token on the part of the Government if it extended this deadline. The Parliamentary Secretary indicated in his speech that it would cost $35 million to extend the program for another three months. I realize there is a cost involved, but we on this side of the House feel that the best dollars spent in energy are for conservation purposes. We ask the Government to consider this extension. It would be very popular with Canadians throughout the country. It would allow the people doing the work to do it at a time when the weather is more conducive and the equipment is more readily available. Otherwise, a great number of people will be unable to convert from oil.

I realize the Government does not want to do this. We in my Party feel that we have to keep making this point. We are receiving so many telephone calls and inquiries on this particular point that we feel we have to mention it again and again. We ask the Government to extend the limit for COSP for another six months.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I am pleased to join in this debate. As a new Member of Parliament, I am surprised that the Government moved so quickly to try to cut off the right of expression not only of Members of Parliament but of their constituents. This is a very important Bill in terms of what it will do to energy conservation.

Mr. McDermid: You are the ninetieth speaker.

Mr. Angus: I may be the ninetieth speaker, but my constituents deserve to be heard on this issue. I come from northwestern Ontario where the frost will not be out of the ground for many months yet. The decision of the Government to end the program as of March 31 makes a mockery of such legislation. In fact, it makes a mockery of the Government itself. People in my area are asking what the Government is doing. They are saying: "They know we have snow up here; they know the ground is frozen". Why is the Government giving them a phoney deadline of March 31 when everyone in northern Canada was cut off last fall? Clearly these kinds of steps do not do any good for the reputation of the Conservative Government.

A number of Members who spoke before me encouraged an extension to the end of the summer or to next fall to allow people to convert from oil to natural gas. That makes a lot of sense. My constituency office has received a number of calls. People are now telling us that they cannot even convert to propane on a temporary basis because the appropriate materials or tanks are no longer available in the short term. These people are excluded from the opportunity to cash in on this program. It is a program that has been well used. I give compliment to the previous Government for putting it in place and continuing it.

• (1200)

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Bourassa (Mr. Rossi) rises on a point of order.

Mr. Rossi: Mr. Speaker, could you ascertain whether there is quorum or not?

Mr. Deputy Speaker: Including myself, there are 20 of us.

[*English*]

Mr. Angus: Mr. Speaker, I was not sure what was happening there, whether you had changed the time limit for me or what.

The Hon. Member made reference to the ninetieth speaker. I am quite happy to be here, legitimately trying to delay the decision as long as we can on this side of the House. The longer we delay it, the better chance there is to allow those Canadians who have not had the opportunity to convert a chance to do so. It is extremely important that we as Opposition Members express those concerns and take whatever delaying tactics we can in order to work on behalf of our constituents. I realize I have a few more minutes, but I am going to wrap up my comments. I just want to reiterate that the Government is tarnishing its reputation with Canadians by such a short-sighted and illogical move, particularly in the north.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I believe I can speak on this motion. As I understand it, it is a motion to restrict the debate. Correct me if I am wrong, but I believe I am permitted to speak.

I have just returned from Vancouver where the oil negotiations are going on between the producing provinces, the Energy Ministers of Alberta, British Columbia and Saskatchewan and the federal Minister of Energy, Mines and Resources (Miss Carney). The consumers are not represented in that negotiation. In those negotiations, they are splitting up a $22 billion pie. The Government has had input from the oil industry. It is now setting down how to give revenues to the provincial and federal Governments and to the oil industry. At the same time, the one little grant, the one little bone, the one little piece thrown away to the ordinary Canadian consumer is being cut off by this Government—a $500 grant to help toward cost of insulation and up to $800 toward converting a

furnace off oil, which we are running out of and which is expensive, to natural gas, wood, electricity or solar heating. This Government is cutting that off. I find that ironic. At the same time that it is helping itself to a lot more money from the pocket of the consumer and helping the oil companies get a lot more money from the pocket of the consumer, it is cutting off this program.

In the energy negotiation that is now going on, when they go to world prices, as they are committed to do, when they deregulate the price of oil, that will mean that old oil, that is oil found before 1974 in Canada, will go up from $4 to $7 a barrel to the world price. We produce about 500 million barrels of oil a year. Of the oil we produce, about 55 per cent is old oil. You do not have to be a great mathematician to take 55 per cent of 500 million, which is 275 million barrels, and multiply that by a $4 windfall, taking the lower figure. That is a gross figure, before royalties, taxes and so on, so it will be lower than the figure I give. It is about a billion dollar figure. I reckon that about $200 million to $300 million will go as a windfall to the oil companies.

For that kind of money, we could extend this program easily for another six months. We could extend it for another year. There are people lined up. We have made the case. The Hon. Member for Thunder Bay-Atikokan (Mr. Angus) and another Member from northern Ontario as well as Hon. Members to my right have made the point.

I am from western Canada. We are affected somewhat. However, in Ontario, Quebec and Atlantic Canada there is more dependence on oil for heating of homes. This is a continuing chance to change that pattern. I predict we will see oil prices come down a little bit and then go up in a few more years. We will then be back to the old scenario of high oil prices and people wanting to get off oil.

I have heard Government Members say that they do not want to give grants, that they are against giving grants. This Government is going to give $1.7 billion in Petroleum Incentive Program grants to oil companies this year.

An Hon. Member: That is wrong.

Mr. Waddell: I say to the Hon. Member who is heckling that the Government has committed itself to phase out that program. That is consistent. It wants to get out of grants. These grants can be called another name. They can be called tax breaks. They are still going to give a regime of tax breaks for exploration on the frontier. They have given oil companies this kind of regime. Indeed, they have to do that if the oil companies are to go to the frontiers. Therefore, there will be grants. They will not be called grants; they will be called tax breaks. In the old days they were called super-depletion allowances. They say they are going to drill for oil in the Beaufort Sea, but first they have to drill for money in Ottawa. They will get these breaks. It is a fact of life in the energy industry that you are going to get a break in order to explore. If we are going to develop the tar sands in Canada, there will be some subsidies in either tax advantages or direct grants.

It is nonsense for Members to say that while they are against grants and want to cut off this grant as well as other grants, grants will continue to be given to oil companies in the form of tax write-offs and tax subsidies. That is a grant. They do not give this grant to the consumers, this bone, this small grant, the one thing that the Canadian consumer got out of the National Energy Program other than somewhat lower prices for oil. They did get this grant. The Government says that if it cuts off this grant people will still take advantage of the program. They say that people are rational beings, that they will conserve and fix up their houses, put in the insulation, change their furnace from oil to natural gas or electricity and so on. That presumes that the cost of a barrel of oil will go up, but I submit the consumers are seeing the price of oil coming down. They are not going to rush out and continue the conversions. We are going to lose the momentum. We have had one million people convert. The program is half over. We have 900,000 left to do it.

We would like the program to continue until 1990. We think the Government is making a mistake in cutting it back. It is being penny wise and pound foolish. However, we accept that they are the Government and they can proceed as they want, but for goodness sake, extend the program for six months. The Government knows there are injustices in northern Ontario. This is a cold country. At certain times of the year you cannot put in a gas line. Evidence was adduced in the House that people in northern Manitoba had ordered heat pumps and furnaces. There is also a backlog in Montreal and Toronto, yet the Government has said March 31, that's it.

The Government can extend the oil deal. It has extended that twice. If Alberta is tough, they will extend it, thank you Premier Lougheed. If the banks are in trouble the Government will help them out. I would like the Government to bail out some of the people in my riding who are unemployed and are losing their houses. The Government can bail out the banks and extend the oil negotiations. We are bringing forward a first case where we have evidence of people who want just a little more time, people who are lined up to apply, and we are only asking that they be given six more months. But what does the Government do? It cuts off debate. It cuts us off as well as the people who have applied.

● (1210)

What have we tried to do? We have tried to extend this program. However, there is no one in the press gallery. One says this with some reluctance, but I would say that the press, with the exception of Mr. Caragata of Canadian Press, has not fully analysed and reported this matter. They are more interested in us if we pull our pants down in Question Period. However, they will not properly cover a debate that really means something to the average Canadian.

This Bill will create a real change for the average Canadian. This is an indication of a policy directive of the Government which will create an injustice to those people in the northern parts of the country who are not getting equal treatment. I thought that being Canadian was all about getting equal

treatment. That is why I appeal to the back-benchers of the Government to put pressure on the Government, because it is in their ridings that people are converting. It is in their ridings that the people are finally getting a little bit of help. Put pressure on the Government so that the Cabinet extends this program for six more months. That is all we are asking and I think it is very reasonable.

I believe that a Government that was really concerned about consulting people and about listening would not bring down the guillotine on this debate. I believe instead that it would say that it was prepared to look at this matter and extend it for another six months because it understands the justice and economic sense of such an extension.

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I must say that I welcome the opportunity to take part in this debate again, but on the other hand, I am disappointed in the new Government's lack of enthusiasm for recommendations and claims that we feel are well founded. Mr. Speaker, I am particularly disappointed that, in addition to setting a deadline in the Bill itself, the Government should have imposed time limitation on debate. It is too bad we have to repeat the same arguments a hundred times to make ourselves understood. However, I am prepared to do so if the Government can be persuaded to review the Bill before the House today.

It is too bad the Government has not understood our message, a message that is clear and unequivocal. The Canadian Home Insulation Program, CHIP, and the Canadian Oil Substitution Program COSP, were very good, I would even say excellent, federal programs, whose ultimate purpose was to promote energy conservation.

After carefully listening to and reading speeches by Members of the various Parties, I think we all agree that these programs have been very useful. However, we in the Opposition cannot go along with the Government's decision to eliminate these programs. As my colleagues have pointed out before, the termination of these programs has taken everyone, and especially the private sector, by surprise. If this Government thinks it can cut and withdraw programs without generating controversy, it is wrong. People do not act without analyzing the consequences of what they do. They do not speak before considering what they want to say. A government cannot afford to draft legislation unthinkingly, especially a government that thinks so highly of consultation and consensus. Mr. Speaker, I understand that the Government has a certain amount of pride and is thus reluctant to reverse its decisions. However, pride has no future but common sense does. And common sense dictates that we should offer entrepreneurs and consumers an extension.

Common sense dictates that the interests of Canadians should be considered above all else. The Government must act to allay the fears and quiet the feelings of panic that have held this country in their grip since November 8 last year.

Mr. Speaker, Canadians have reason to be worried. First of all, when these two programs are cut, homeowners who want to upgrade their insulation and change their heating systems to save energy and money will no longer be able to take advantage of the grants offered by the Government. Second, contractors who are carrying out these conversions cannot possibly cope with any excess demand between now and March 31. Third, what will happen once the contracts have been completed? The answer is simple: there will be a sharp drop in employment, something we cannot afford with nearly one and a half million Canadians unemployed. I fail to understand why, with the kind of unemployment we have, the Government does not at least help maintain existing jobs that were created by private enterprise, if it is reluctant to create jobs directly.

Indeed, Mr. Speaker, not only the government has not yet introduced new job creation programs, not only does it hope that those jobs will be created by magic, not only does it deny small businesses the assistance they need to provide more jobs, not only is the government inactive in job creation, but it has also created unemployment by cutting programs.

Since the election, it has substantially cut the budget of several large companies, it has cut jobs, it has increased the federal tax on several items so that private companies have to raise their prices and the consumers pay more.

Mr. Speaker, I will be kind and leave it at that, but I do not need to say more to demonstrate that the Government has been going too far. We should be realistic and understand all the economic implications of the COSP and CHIP programs for the creation of jobs. We have to realize that those programs contribute to the creation of jobs. How many Canadians would have converted their heating system or would have insulated their homes if those federal programs had not been in effect? Far less, Mr. Speaker, I can assure you. This partial subsidy of the conversion costs has helped Canadians make a decision that thousands of them would not have made otherwise. This is why the implementation of programs such as CHIP and COSP was beneficial to many Canadians, allowing them to change their system so that various contractors throughout the country could have work and create other jobs, thus increasing the performance of their business.

When we refer to an improved performance of a business, we mean a wider scale of better services at more competitive prices so that in the future those businesses will have a sound basis and will continue to thrive. However, through the too early and too quick cancellation of programs, the Government has threatened the infrastructure of businesses which were not solidly established. Such an infrastructure takes a long time to set up and an unexperienced government should not be allowed to give it up.

Mr. Speaker, as I said earlier, businesses and jobs are too important in the Canadian economy. Not only are those jobs a major component of our economy, they are also absolutely essential in the Atlantic Provinces, particularly New Bruns-

wick. Unemployment back home has reached unprecedented levels and we simply cannot let the situation deteriorate further, far too many people are idle as it is. Now then, the programs under consideration today do provide much needed employment. I should think that a job, temporary though it may be, is better than none at all. But there again, if we give small businesses enough time to get organized, we find out that besides creating jobs those programs have created a demand which would not have existed otherwise.

Mr. Speaker, I conclude my remarks by saying that the people of New Brunswick could still have used those programs. Lots of houses throughout the province are still underinsulated and most of them do not even have adequate and efficient heating systems. First, the programs are being phased out prematurely and, second, the Government ought to put off the deadline for at least six months to give the private sector enough time to get organized. In my opinion, Mr. Speaker, the Government should not ignore that possibility nor reject that compromise.

• (1220)

[*English*]

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to take part in this very important debate on Bill C-24. I think it is particularly appropriate that this debate is taking place the day after the Government announced a massive bail-out of one of Canada's major banks. What could be a more glaring contradiction in terms of the policy of this Government? On the one hand it is bailing out a major bank with taxpayers' money, and on the other hand it is cutting off an important program which benefits ordinary Canadians. I would like to take a few minutes to elaborate on that contradiction.

I might also note that yesterday the Minister of Energy, Mines and Resources (Miss Carney) was huddled together with her colleagues from across the country trying to determine ways of making the oil industry more rich, prosperous and fat than it is now. One group in Canada which will lose on the deal which will come from the negotiations between the federal Minister and her provincial colleagues is the consumers of Canada. The consumers will lose on that deal the same as they have lost on Bill C-24.

The Government is prepared to grant massive incentives and give large amounts of money to the oil sector and it is prepared to bail out the banks of Canada, but at the same time it is axing a program which will conserve energy and assist in job creation. Surely, that is the last kind of program the Government should axe under the guise of restraint.

CHIP created more jobs than COSP, but both programs were very effective, particularly in assisting small contractors and small business. Not only has the Government cut off the benefits to people who will be affected by these important programs and the jobs of the contractors who are involved in these areas, but it now has the gall to cut off debate. I would like to commend the NDP critic for his energy and determination in not allowing the Government to get away with this attack on the consumers of Canada.

The elimination of these two programs is affected in a very draconian way. The axe will fall on March 31 and there will be no opportunity for those people who have been hoping and planning to convert to other heating systems. We in this Party introduced a motion to hoist the Bill for six months. That would have given the Government six months to come to its senses. It also would have provided six months for contractors to convert heating systems under the present legislation.

There is a variety of options which are being removed. As the legislation now stands, a home owner could convert to heating by natural gas, electricity, propane, wood, wind or solar energy. The buildings which were eligible for COSP were those which were constructed prior to October of 1980. In my constituency there are many older homes and this program has been particularly beneficial.

When I was in my constituency office a couple of weeks ago, many people from Burnaby asked me why the Government, in its zeal to cut the deficit at any price, was prepared to attack consumers when it was giving PIP grants to the oil industry, one of the most lucrative give-aways this country has ever seen. Is the Government attacking the oil industry? Is the Government asking that industry for equality in terms of sacrifice? No, the Government is attacking the little guy. That is not fair.

The Prime Minister (Mr. Mulroney) last weekend said that, yes or no, sacrifices must be made and that Canadians recognize that sacrifices must be equal. Where is the equality of sacrifice in attacking consumers and in eliminating important energy conservation programs, when at the same time the oil sector is getting fatter and fatter? With the assistance and connivance of the Minister of Energy, Mines and Resources, she and her provincial colleagues—except for that enlightened bastion of reason, truth, light, beauty and justice in the Province of Manitoba, the Government of which is holding out for a fair deal for consumers—are prepared to hose the consumers of Canada, just as the Government is hosing the consumers of the country in the Bill on which it has brought down the guillotine. Obviously, the Ontario Conservatives are leading the charge against the consumers. That kind of regressive policy will be reflected in a significant rebuke at the polls in the upcoming provincial election.

An Hon. Member: What about the Liberals?

Mr. Robinson: The Liberals in Ontario, as elsewhere, will soon be declared an endangered species.

The changes in the legislation will effectively mean the death of COSP on March 31 of this year. The goal of the program was very laudatory. It was to reduce the use of oil in residential, commercial and industrial sectors to 10 per cent of energy use by 1990. It was recognized that the program would involve a very significant degree of conversion to other heating systems, particularly in older homes which are dependent on oil. I believe about 37 per cent of older homes were dependent on oil at the time COSP was established. To date, the program

has been a success. In fact, almost one million units have been converted under the program. Why on earth would the Government see fit to eliminate one of the most successful programs, both in terms of job creation and energy conservation, which we have had in Canada for many, many years? It does not make sense.

Certainly, the program has cost money in the short term, but by conserving energy and assisting in the conversion from oil to other forms of energy, money will be saved in the long term. That is what we in the NDP believe is good planning—spend a little money now so that in the future money will be saved when the cost of oil becomes much higher.

I have already mentioned the benefits of this program in terms of energy conservation. There are also very significant benefits for people across the country and in particular for my constituents in Burnaby where there are many more older homes. There are benefits in terms of job creation. For every $1 million which was spent in this program in 1979 dollars, some 30.5 person-years of employment were created. As a result of the grants which have been made so far, there have been almost 17,000 person-years of employment created. At a time when this country is being ravaged by unemployment, it does not make sense to cut back on a program which creates jobs, and at the same time as it creates jobs, it saves energy.

• (1230)

It makes an awful lot more sense to put money into energy conservation than it does to put money into creating new weapons of destruction. We heard the Prime Minister suggest that star wars will create jobs so let's put billions and billions of dollars into research on star wars, working hand in glove with President Ronald Reagan. If we want to talk seriously about the creation of jobs, let's put the money into sectors of the economy from which we get a lot more bang for the buck than the military sector. I suggest that the energy conservation sector is an important sector. Instead of putting money into the military, we should be putting money into energy conservation.

The Tories, when they were in opposition, certainly did not suggest that this program was going to be eliminated. In fact, they supported the program. I do not recall the Tory candidate in Burnaby during the last federal election saying that if a Conservative Government is elected it is going to eliminate grants for energy conservation. No, there was no suggestion of that. I do not recall the Prime Minister saying on national media that if the people elect a Tory Government one of the first things it will do is cut off very important grants for energy conservation. No, that Party was silent about that hidden agenda.

I suggest, Mr. Speaker, that this Bill is a regressive and backward move. It hits the consumers of this country and attacks energy conservation. Certainly on that basis we intend to fight it with every ounce of energy we have.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate once more in the debate on this Bill. We have been debating this Bill in this House for some time and I think it requires further debate because, obviously, the Government has not yet seen the light. Of course, seeing the light would mean a complete retraction of its initial position. I see some Hon. Members of the Conservative Party across from me, Mr. Speaker, and I am sure that their constituents are telling them, like ours are telling us, that this program needs to be kept.

Bill C-24 was introduced in this House as a result of black Thursday, November 8, when the Minister of Finance (Mr. Wilson) perpetrated his vicious expenditure and program review document on the people of Canada. One of the side effects of this document, of course, is the serious cut-backs in employment and benefits to ordinary Canadians. I am sure that most of the people who would have benefited from this program in the future are the very same people who could least afford to make those conversions on their own.

I see my colleague from Nipissing is here. I am sure that all the people of Springer Township would want that program retained. They would not want it cancelled because they know the value of that program, as do the people of Ottawa West.

I would like to congratulate the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) for the tremendous effort he has put forward in attacking this Bill. It was a very necessary attack because this is very regressive legislation.

I received a letter from the Electrical Contractors' Association of Ottawa. I would just like briefly to read part of it to you, Mr. Speaker, because I know the Hon. Member for Ottawa West (Mr. Daubney) has also received a copy. I am sure he has read it as well, but just in case he has forgotten some of its contents I would like to refresh his memory. The letter was sent to the Minister of Energy, Mines and Resources (Miss Carney). It reads:

> Due to the serious shortage of electrical heating equipment, most of which will not be manufactured until late March, it appears that many home owners who have signed contracts for the conversion of their heating systems will find themselves ineligible for the COSP grant. This is not the fault of the contractor who believed there would be no problem of availability well before the March 31 deadline.
>
> We propose that the COSP program be extended to September 30, 1985, a more realistic date, considering the heating season in Canada does not end March 31.

I am sure that it had not occurred to the Minister of Finance that the heating season does not quite end on March 31 in the balmy part of the country he comes from, but in my part of the country we still require heating as do, I am sure, the people of Ottawa West. The letter continues:

> Our members are concerned that their customers receive the best service possible and we urge you to consider their proposals immediately. Failure to act on these proposals would be a severe blow to many contractors and most unfair to home owners.

Knowing the interest Hon. Members of the Conservative Party have in the well-being of the home owners of this country, I am sure they would not want to do anything which would unduly harm them. We have heard over the last few weeks of debate from some Conservative Hon. Members who have said: "Well, we had to cut back on this because we just cannot afford it". The Conservatives have decided to cut in

certain areas. You will notice, of course, Mr. Speaker, that I said certain areas because I want to demonstrate to you that they did not exactly cut everywhere. I am reading from the CP wire service of this morning:

Roy McMurtry, the former Ontario Attorney General, appointed High Commissioner for Britain last month, will earn between $89,270 and $105,050 annually at his new job—

This, of course, is a retroactive pay increase given to this particular loser. A similar increase in salary is being given to another loser, Lawrence Hanigan. It must make the members of the Conservative Party who won in the last election almost wish they had lost. Just imagine the tremendous salary increase they would have received by losing had they been appointed like Mr. McMurtry, who failed in his bid for the leadership of the Ontario Conservative Party, and Mr. Hanigan, who was clobbered in the riding of Montreal-Laval-des-Rapides by our good colleague from the Liberal Party. I see the Hon. Member from Calgary here. I am sure she is almost wishing that she had lost as well so she could have received an increase in salary of $35,000 or $40,000. That is the reward that has been paid to some Conservative losers.

It is small wonder that we do not have the money to administer government programs when we squander funds on this type of pork-barrelling throughout the country. Since last September we have purchased $173,000 worth of additional limousines. The used car lot beside the west door, Mr. Speaker, is becoming larger by the day. It is extending almost to the next building now. The place is just littered with these automobiles which are used to take Cabinet Ministers from the Centre Block to the West Block or wherever it is they are going. The Conservatives have also spent $100,000 renovating offices. I see the Minister of State for Mines (Mr. Layton) is in the House. He is the one who spent the most money of any Minister in decorating his offices. He has paid well for that fancy wallpaper and whatever else they put in those offices with that kind of money given to outside contractors—bedrooms, blue carpet, blue wallpaper, and whatever else they have in those individual offices. If that isn't enough to make all of us depressed to see that kind of "blue" going in, I do not know what is.

The Government has also rented $31,000 worth of cars for those Ministers who happen to run out of cars on particular days when their limousines are parked somewhere. That is the kind of government waste we have been seeing since last September. Then they stand up in this House and have the unmitigated gall to tell us that they have no money for a program which benefits the poor people of my riding and of yours, Mr. Speaker.

● (1240)

I tell you, the Tories have no shame. Only you, with your unbiased opinion, looking at this from a truly objective standpoint, Mr. Speaker, would understand that it is absolutely incredible that the Conservatives would attempt to perpetrate this on the people of Canada. You know that the Hon. Member for Ottawa West, if they allowed him to speak in this House, if they took the muzzle off him for five minutes, would want to say to the people of his riding who have benefited from this program or who are in the middle of contracts which obviously will not be terminated by March 31, that he would try to get their $800 for them. But he cannot. They will not let him talk in this House, which is unfortunate because I am sure he would have a lot to say.

Mr. Daubney: I have a point of order, Mr. Speaker. I resent the allegation of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) that those of us on this side of the House are muzzled. We are anxious to take part in a reasonable debate—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but I do not think that is a point of order.

[*Translation*]

Mr. Rossi: I do not think the Hon. Member has raised a valid point of order, Mr. Speaker. Hopefully, our colleague will be credited for that time at the end of his remarks.

[*English*]

Mr. Waddell: A point of order, Mr. Speaker. I just want to support the Hon. Member who got up. I ask him if he has taken part in this debate. If not, I invite him to get up after this speaker and take part in the debate. Put your mouth where your—

Mr. Deputy Speaker: That is not a point of order either.

Mr. Boudria: I just wanted to say that the Ontario Conservative Party is, of course, party to this whole business of profiteering in the oil business. As you know, they are very good in their investments in the stock market. A number of years ago the Premier of Ontario had a vision, a Conservative vision, mind you; he wanted to buy $650 million worth of shares in the Sun Oil Company of Pennsylvania. That would, according to him, create jobs in Ontario. Well, it did. Malcolm Rowan, a Tory bagman that they hired to run it, got a job. One job was created with $650 million. Since then the stock has dropped to about half the original price and the Ontario Conservative Party still lives today in shame over that horrible investment.

I just want to tell our New Democratic friends who were referring a while ago to the Ontario Government's purchase of Suncor that their then leader wanted to buy twice as many shares. So the NDP policy is: if it is a bad deal, you buy twice as much and that makes it better; at least, according to their economic and financial logic.

[*Translation*]

We in the Liberal Party want to see the Bill delayed as long as possible, in fact we do not want it to be adopted. Since the Government simply cannot understand that it should drop Bill C-24, altogether, I strongly suggest that at least it ought to be prepared to put it off for six months so that Canadian consumers can complete all heating system conversion projects now under way.

I have many other things to say, Mr. Speaker, but unfortunately my time has expired. I am, sure that other Members like our colleague who took the floor a moment ago, the Hon. Member for Ottawa West (Mr. Daubney), have very interesting comments to make about this measure.

[*English*]

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, it is not with joy but with a realization of the importance of this matter that I rise to continue debate in opposition to the motion before us.

Mr. Malone: What is it?

Mr. Epp (Thunder Bay-Nipigon): To end debate on a Bill designed to put an end to the Canadian Home Insulation Program and the Canadian Oil Substitution Program. With the majority the Tories have they know they can carry the matter through without any difficulty.

In rising to speak in opposition to that motion and in order to keep the debate going, I do so very much in the awareness that this is a very important matter to our constituents who are watching at home. They are listening with a lively interest which I fear Private Members and Ministers in the Government do not have. One of the regrettable things about a Government with a large majority is that it has a sense of omnipotence. Given whatever vision it may have of the future, it can seek to achieve that vision without regard to the needs of the Canadian people.

I am very strongly opposed to this motion. The motion under debate before this motion should have carried. That was a motion for a six-month hoist of the Bill, which would have allowed the Government, together with the Canadian people, to do what is so badly needed. It has become quite clear that at the very least what is needed is some extension of the Canadian Oil Substitution Program which would allow people to make the conversion to natural gas.

I approached the Minister of Energy, Mines and Resources (Miss Carney) on this quite early on, when it became clear that constituents of mine were not going to be able to make the conversion given the sudden imposition of a deadline of March 31. Other Members have indicated since then, in the debate on this Bill, the kinds of difficulties which have arisen in their ridings for the businesses concerned as well as the home owners who want to make the conversion and find that the time left is too short, particularly in the winter when it is impossible to make these installations. Propane tanks, which would allow temporary conversion to get people into the program, have been snapped up and there simply is no means available for people to take advantage of the program.

It is for that reason that some extension of time is absolutely imperative. The decision of the Government to vote down the six-month hoist motion was a denial to my constituents and those of other ridings of fundamental justice; that is, their right to get in on an important program and achieve a conversion which would be to their advantage and the advantage of the country.

Whatever the situation may be these days when we seem to have enough oil and a potential supply which has to be held back, surely we all realize that this is a temporary situation. At some point in the near future, if we continue to be profligate consumers of oil, we are going to run into the most terrific supply difficulties. Everyone knows that. I cannot imagine that Conservative Members from the oil-producing regions of the country are not aware of that reality. To cut off a program which was designed to encourage conservation of that important resource is something which should be rejected for the most fundamental ecological and economic reasons.

We are now faced with a final vote which the Government knows it will carry, and that is one of those displays of arrogance which Governments can fall heir to. In this case it is a display of arrogance based on short-sighted economic thinking and financial reasoning which I think the Minister of Finance (Mr. Wilson) has already begun to appreciate.

• (1250)

Members of the Liberal caucus have been focusing on some of the difficulties that arise here. The decision of the Government to reduce the deficit was laid out for us last November. That has been periodically reasserted in recent days. If you set out to reduce the deficit by taking action which slows down economic activity, the effect is to increase the deficit because of the nature of the programs which this country has long enjoyed and is determined to continue enjoying. The petition on unemployment insurance presented at the economic summit last week showed that the Canadian people are united on the importance of these programs. The Government knows that there are very limited possibilities of touching these. The end result of trying to deal with the deficit directly is to increase it.

Some of us have that fundamental understanding, but if it exists in Conservative circles it is muzzled these days. The muzzling of Members of the Government who know better deserves a little exploration. It is abundantly clear that investment by the Government is a good thing. No one can question the fact that investment by the Government in the Canadian Home Insulation Program and the Canadian Oil Substitution Program made the country more efficient in the use of fuels.

Mr. Malone: Higher taxes.

Mr. Epp (Thunder Bay-Nipigon): If it takes higher taxes or borrowed money, it is still an investment which makes the country more efficient. People who are convinced that we must continue to cut back should study the circumstances of British Columbia. Eighteen months of that strategy has been enough to demonstrate how you can drive a people close to their knees.

We do not need the wisdom of 1929 in this country. We need the wisdom of 1939 which recognized that, with a great challenge and the available resources, we could find the will. The country may have been borrowing money three or four years later, but people were employed. Taxation was applied to the working people and the enterprises employing people and prosperity was achieved for the country. That wisdom brought us triumphantly through a war and built this country to the

greatest heights of industrial achievement it ever reached. It provided a basis for years and years of prosperity after the war. Unfortunately, there is not a bit of that wisdom in the Tory ranks these days.

Mr. Oberle: Who do you want to start a war with?

Mr. Epp (Thunder Bay-Nipigon): I don't want to start a war, I want to deal with the great challenges in this country. I want to deal with the problems of poverty and inadequate housing. I want to deal with the situation of our native communities. To declare a war on poverty in this country would be one means of putting to productive use the unused resources in this country. Surely the Minister of Finance knows that when he does that he will be able to increase taxes. It will create a reduction of tax burdens in other areas as the unemployment insurance fund gets back to the level it should be at. Social assistance costs will drop. When investments are made in Canada's well-being the country will be back on the footing we want. People with skills in energy use and conservation will be employed again by the National Research Council. The technology centres we need will be back in operation. That is the kind of program we should have.

I regret that my time has elapsed, Mr. Speaker. One needs 20 minutes, 40 minutes or days in order to deal with the inequities that the Conservatives are laying on us. On behalf of my constituents who cannot get what they so badly need from the Government, I say how wrong this is and how glad I am to be here this afternoon to keep the debate going a little longer to postpone this most unfortunate action.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I must say I am somewhat disappointed to have to deal with Bill C-24. Unfortunately, ever since this Progressive Conservative Government assumed power, all the bills it has introduced in the House aimed not at creating new job opportunities, but unemployment.

With Bill C-24, the Government is demonstrating once again that it has no compassion whatsoever for the needs of the Canadian people. The proof of that is that no Hon. Member on the Government side has had the courage to stand up and deal with this Bill. They agree prively that we are right, but they just could not admit it publicly. That means, Mr. Speaker . . . The Hon. Member for Richelieu (Mr. Plamondon) whom I am looking at was reported in the newspapers as saying that a company was refused a loan and that he had not been consulted. Now that they have been here for over six months, these guys will have to wake up.

I am now looking at the Minister of State (Mines) (Mr. Layton), the real minister. He is not listening. I wish he would at least listen . . . He said that in the matter of mapping, he was having consultations. He is waiting for the Deputy Prime Minister (Mr. Nielsen) to decide. I say he should have the courage to make a stand. He is there to protect Quebecers' interests. He should not wait for the Deputy Prime Minister to decide. He should say that he wants the mapping office to go to Quebec. If you lack the courage to do so, you should resign and let someone with guts replace you. That is what we need. It is about time people started to—

Mr. Gérin: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: Order, please! The Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) on a point of order.

Mr. Gérin: Mr. Speaker, I do not think that we should allow the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) to deal with the mapping issue, as his government had allowed the situation to deteriorate for the past 10 years.

Mr. Deputy Speaker: This is not a point of order. The Hon. Member for Montreal-Sainte-Marie.

Mr. Malépart: Very well, it is not a point of order. The Hon. Member who just rose is a lawyer. I can appreciate he never understood anything about procedure.

An Hon. Member: He does not know anything.

Mr. Malépart: Also, I am happy I managed to get one of them to rise. I have achieved what I set out to do, but I still hope the Minister will rise and say: "I want the Mapping Branch".

Coming back to Bill C-24, Mr. Speaker, we should remember that the Minister of Finance, in co-operation with the Treasury Board slasher the Hon. Member for . . . our friend from a Quebec constituency, the so-called strong minister from Quebec, the President of the Treasury Board (Mr. de Cotret), has announced a $84 million cut in the funding of the Canadian Home Insulation Program. That means $84 million withdrawn from the economy. That means thousands of jobs, and assistance denied to thousands of Canadian men and women who could use that to improve their homes while conserving energy.

And from the Canadian Oil Substitution Program funding, $95 million will be cut. Those two programs have provided direct help to Canadian men and women, but they do not care. They cut.

From the UFFI Program, $1.5 million have been cut. This also has helped people. Why is all that? The Prime Minister (Mr. Mulroney) needs $50 million to change the colour of our Armed Forces uniforms. No problem. They found that easily.

I think it is one o'clock, Mr. Speaker. To continue—

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

At 1 p.m. the House took recess.

S.O. 21

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

OFFICIAL LANGUAGES COMMISSIONER

TABLING OF ANNUAL REPORT

Mr. Speaker: I have the honour to lay upon the Table the annual report of the Commissioner of Official Languages for the calendar year 1984.

May I remind Hon. Members that, pursuant to Standing Order 46(4), this report is deemed permanently referred to the Standing Joint Committee on Official Languages, Policy and Programs, and their Honours in the Senate will be acquainted thereof.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

HUMAN RIGHTS

REFUGEE STATUS APPLICANTS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, on April 4 next, the Supreme Court will render its decision on the deportation order of seven individuals of Sikh origin. The Immigration officials have denied them a personal hearing and the Sikhs feel that this is a violation of the Charter of Rights and Freedoms.

If the Supreme Court dismisses the government claim in this matter and decides in favour of the Sikhs, it will mean that each refugee status applicant will be entitled to be personally heard by Immigration officials.

It also means that those responsible for the refugee status will be completely overburdened. It has been acknowledged in parliamentary committee that it was essential that each applicant be personally heard. Several Conservative members of that committee agree with me; people should not be treated as mere numbers.

In my opinion, the government should not wait for the Supreme Court order to hear applicants for refugee status. It should be a done as a matter of course.

* * *

[*English*]

FILMS

CANADIAN OSCAR AWARD NOMINATIONS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the strength and excellence of the Canadian film industry has been demonstrated again with four film nominations for Oscars and one winner announced last night.

The Genie Awards were made last Sunday night. The National Arts Centre had to turn away people who wanted to attend, people who wanted to see Canadian films. Yet very few Canadians have a chance to see these Canadian created productions, either by the National Film Board or by independent producers, including those winning the highest awards for excellence.

Film distribution in Canada is still dominated by foreign concerns which are keener to flog their own product and make the profits therefrom than to give Canadian productions a chance. The Government should give high priority to a program of incentives to promote Canadian film production by independent companies and provide support for the National Film Board which has an international reputation and is a regular winner of Oscars. It should negotiate with the provinces to ensure that Canadians in all parts of our country have the chance to see Canadian films.

Measures simply to promote Canadian productions without concern for distribution, as tried in the past, have proven to be futile. The film industry could be a good source of new jobs for Canadians, and it is absolutely vital to our own sense of ourselves as a culture.

* * *

AGRICULTURE

FARMERS' FINANCIAL DIFFICULTIES

Mr. Gordon Taylor (Bow River): Mr. Speaker, the family farm is the backbone of Canadian agriculture. It can produce efficiently as the whole family works without unemployment insurance, workers' compensation, or holidays with pay. When production and prices for farm produce are good, the farmer prospers, but it is always a gamble with weather, prices, inflation, grasshoppers, and interest rates. During the last three years prices stagnated, crops were poor and interest rates high and, as a result, hundreds of farmers across Canada are enmeshed in the worst agricultural crisis since the hungry thirties.

About 25 farmers went bankrupt in 1979, but since then a quarter of a million farmers have gone belly-up, and about 50,000 farmers are currently facing serious financial difficulties. Many of these are our most productive and innovative farmers. In 1979 they borrowed to expand their farms and then got caught in the poor crops, low price and high interest rates squeeze. Many of them have paid in interest almost as much or more than they borrowed, and still owe more than they borrowed. Many banks are on the verge of foreclosing.

In the hungry thirties, federal and provincial legislation forced the financial companies to make sensible settlements, and consequently saved thousands of farms. When the amount of interest paid is close to or greater than the amount borrowed, and the principal is still greater than the amount borrowed, that shows that a farmer can't beat this interest

penalty game. We need legislation now to force sensible arrangements and settlements. We must save the family farm.

Mr. Speaker: I must advise the Hon. Member that his time has expired.

* * *

AUTOMOTIVE INDUSTRY

IMPACT OF JAPANESE MANUFACTURED VEHICLES

Mr. John Reimer (Kitchener): Mr. Speaker, import quotas ending March 31, 1985, have limited shipments of Japanese made cars to Canada to between 166,000 and 170,000 units, or to a maximum of 18 per cent of the new car market.

In 1984 a record 125,000 people were directly employed in the Canadian auto industry and parts manufacturing, with a great many more in related industries. Indeed, the automotive sector has increased its employment level by 25,000 to 30,000 workers in the past two years alone, thereby greatly contributing to the economic well-being of our country. In fact a large portion of our recent national economic recovery is due directly to auto assembly and parts manufacturing.

Therefore, should this quota system be revoked and no alternate secure measure adopted in its stead, the domestic auto market risks inundation by Japanese imports with little or no Canadian value added. Consequently, Canadian jobs would be lost due to production cut-backs. Canada cannot afford, nor should it be asked, to tolerate such a possibility.

A two-year survey released this month by the Wilfrid Laurier University Institute for Business and Economic Studies finds that 55 per cent of Canadians are in favour of quotas and 64 per cent favour sourcing parts in Canada.

Therefore I would urgently plead that the Government ensure that either Japanese vehicle importers invest in Canada to the appropriate level in exchange for market access or, in lieu of this recommendation, extend the import quota for another year.

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PUBLIC SERVICE

EMPLOYMENT EQUITY IN DEPARTMENT OF LABOUR

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the Standing Committee on Labour, Manpower and Immigration today, the Minister of Labour (Mr. McKnight) advised our members that his Department has set targets for women within the senior management ranks of the Department of Labour, the lead ministry in this particular area.

The Minister expressed his satisfaction that his Department intends to increase the percentage of women in senior management ranks from 14 per cent to 17 per cent by 1988. That is a disappointing one per cent increase per year. At this rate, we may see equality in the Department of Labour by the year 2021.

The Minister and the Government have made no meaningful commitment to employment equity as recommended in the Abella Commission report. The Conservative Party promised the stars to the women of Canada and has given them merely a flashlight.

The Minister of Employment and Immigration (Miss MacDonald) has lost the battle over the Abella report. The Government refuses to accept employment equity and set an example. It does not even care. The women of Canada will not be fooled by the Government's lack of commitment and the broken promises of "blarney bulroney" and the band of yes men and silent women in his Cabinet.

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THE ADMINISTRATION

CRITICISM OF GOVERNMENT POLICIES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I am concerned about the priorities of the new Conservative Government. I have just returned from my riding in Vancouver and I am absolutely shocked at the extent of unemployment in British Columbia. The Government said "jobs, jobs, jobs". Now it is talking about the "deficit, deficit, deficit". Mr. "M", one of my constituents whom I met on Saturday, had been unemployed for 16 months. He lost his house as a result of foreclosure by a bank and a finance company. On my return to Ottawa I find that the Government is bailing out a bank. Government does not bail out the ordinary Canadian but it is prepared to bail out a bank.

Another first act of the Government was to get rid of the successful off-oil program. It represented an $800 grant to ordinary Canadians, one of the few grants to consumers.

The Energy Ministers are meeting in Vancouver today. The holders of old oil will get a windfall of between $4 and $7 a barrel, or $200 to $300 million. There was no one at those meetings representing the consumers or the Provinces of Ontario and Quebec.

We have seen the bail-out of a bank and the favouring of oil companies. The Government is forgetting about the job promises and is cutting the energy grants. Those are the priorities of the Government. If it continues like this, the honeymoon will soon be over.

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ANTI-SEMITISM

U.S.S.R.—TREATMENT OF JEWS

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, as Chairman of the Canadian Parliamentary Group for Soviet Jewry, which now comprises 237 Members of the House of Commons, I would like to inform the House that the situation for the Jewish community in the Soviet Union continues to deteriorate. Jewish emigration from the U.S.S.R. has all but ceased.

S.O. 21

Today, hundreds of students from across Canada, representing the National Jewish Students Union network, have come to the city to meet with their Members of Parliament and enlist support in their cause. At this moment they are holding a demonstration at the Soviet Embassy on Charlotte Street to indicate directly the concern of all Canadians.

We have, sitting in the House, representatives of the student organization who have come from all parts of Canada to be with us today. On behalf of the members of our parliamentary group, I welcome them.

We now stand on the threshold of a new era in the U.S.S.R. We have indicated to the Soviet Union that it must address the problem of Soviet Jews and allow those who wish to leave to do so to be reunited with their families.

• (1410)

As we talk today, those brave Jewish citizens of the Soviet Union face continued brutal harassment. Prisoners such as Anatoly Shcharansky and Iosef Begun languish in prison, their only crime that of wanting to be Jewish and openly expressing that desire.

We are all aware that the Secretary of State for External Affairs (Mr. Clark) will be in Moscow next week. We trust this issue will be brought directly to the highest levels of the Soviet Government and that he will convey vigorously the concern of Canadians.

* * *

[*Translation*]

EMPLOYMENT

CHALLENGE '85 PROGRAM

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, if I rise in this House today it is to address my constituents of Drummond.

I want to encourage my constituents, the businessmen and women, the business executives, the farmers, and also, of course, the students, to take up the challenge of the employment program developed by our Government.

I refer specifically to the Challenge 85 Program, which should create 95,000 jobs for students next summer.

I hope that my constituency will amply benefit from the amounts made available under this budgetary item of $205 million and under various other programs announced by our Government.

Mr. Speaker, this program invites the business sector to offer meaningful jobs to students and to provide them with useful skills in anticipation of their joining the labour force. I remind those interested that Quebec employers have until March 29, 1985, to submit their applications to their local employment centre.

Challenge '85 has been designed to help employers meet this objective. This program is intended for Canadians in every sector of the economy, and during the International Youth Year, I invite them to create jobs for young people. In addition, this is an innovative step on the part of our Government since it is the first time that a summer employment program calls for the participation of goods and services suppliers and not only small businesses.

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[*English*]

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS—REMUNERATION LEVELS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Government yesterday announced major salary increases for some of its Tory faithful who recently received patronage appointments. This weekend the Prime Minister (Mr. Mulroney) rejected suggestions that money be spent to improve the lot of unemployed Canadians. He told Canadians that the deficit must be cut, while the boys in the back room were padding the pay cheques of Tory appointees.

What makes these newly appointed Tories so special that the Prime Minister, the boss of bosses, would make such an about-face within two days? In this new system, Tory losers become winners. Conservative back-benchers must now regret their victories when some of their Tory friends will be making close to twice their salaries.

During the election campaign the Prime Minister made an issue of patronage. He even called for a new morality. Where is the morality now? One of his favourite words is "honour". Where is the proof that there is honour or that it is more than a six-letter word? I invite the Prime Minister to eat his own words. If he has even a modicum of honour, I guarantee he will become as sick as he is making the people of Canada with his double-talk.

* * *

[*Translation*]

THE ECONOMY

CREATION OF NATIONAL CONSENSUS

Mr. Barry Turner (Ottawa-Carleton): Last week, Mr. Speaker, Ottawa was the scene of a conference attended by socio-economic participants from various regions of Canada. It is only in months and years to come that we will know whether the conference was successful.

As expected, each group raised the priorities of its own region, but it must be emphasized that it was the first time the Federal Government was able to gather as many socio-economic spokespersons.

It was a step in the right direction. Hopefully, the House will begin to acknowledge our constructive efforts in the

consultation process. There are no ready-made solutions, but we are doing our best.

I do not endorse negative and destructive criticism. The creation of a national consensus calls for goodwill on the part of all Canadians.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF WESTMINSTER SELECT COMMITTEE ON DEFENCE MEMBERS

Mr. Speaker: I would like to draw the attention of Hon. Members to the presence in our gallery of Members of the United Kingdom House of Commons Select Committee on Defence, led by their Chairman, the Right Hon. Sir Humphrey Atkins, M.P.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

NATIONAL ECONOMIC CONFERENCE

JOB CREATION FORECAST

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Government has something on its mind. Certainly it is not Parliament, as there are very few of its Members here this afternoon. I do not know whether I should direct my question to the House Leader. Preferably I will direct it to the Acting Prime Minister, if I may.

During the weekend at the National Economic Conference, the Minister of Finance projected that 50,000 fewer jobs would be created in Canada in 1985 than were created in 1984. With the great business confidence the Government claims to have inspired, why will fewer jobs be created this year than last year?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, as a result of what happened in the National Economic Conference this weekend and of the confidence in our economy as a result of that Conference, we will see the creation of permanent jobs this year and in following years, which is more than the former Government can claim.

FINANCE

REQUEST FOR INTRODUCTION OF BUDGET

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, at least the Hon. Minister should have a smile on her face when she comes up with that answer.

[*Translation*]

Without allowing for seasonal adjustment, 274,000 Canadians who were working the day before the Minister of Finance presented his economic message in November are now unemployed. I therefore would like to know whether the Acting Prime Minister or the Minister of State (Finance) will undertake today to persuade her colleague, the Minister of Finance, to bring down a Budget that will promote job creation.

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, since this Government assumed office, 85,000 more new jobs have been created and 70,000 fewer people are unemployed than there were in September. The Leader of the Opposition should recognize these figures.

Also, I commend to him an article in the paper the other day under the headline "Employment Outlook Best in Years". It was a survey of 1,500 businesses which all said that they expected to hire additional people this year.

* * *

THE ECONOMY

CONFERENCE BOARD FORECAST

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Hon. Member enjoys playing with facts. She will find a little more difficulty playing with numbers. Those numbers are just not borne out in what she said.

Perhaps the Acting Prime Minister will prefer to pass this question to on to her. Since she likes to quote headlines, I want to quote today's report issued by the Conference Board of Canada, that Canada's major banks and investment firms have reached a consensus that the Canadian economy is "gearing down" to a slower rate of growth in 1985, and that 1986 will be even worse. That is not just a headline the Minister was able to find; that is a report of the Conference Board of Canada.

When the Minister of Employment and Immigration next sees the Minister of Finance, will she do her best to impress upon him when he brings down his long-awaited Budget—the longest period between an election and a Budget in modern history—that it should improve the picture and add a few jobs?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I assure the Leader of the Opposition that the Minister of Finance and I have very productive discussions on an ongoing basis. This is more than I can say for some of the Ministers in the previous Government. However, I

assure him that the survey from which I quoted referred to small business, the increase of jobs and the outlook and potential for jobs in small business. That is where the upturn will come; that is where it is predicted. In that area the Conference Board may not be quite accurate.

* * *

• (1420)

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—ASSETS OF PENSION FUNDS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, on the subject of jobs, if this Government can match the record of the previous Liberal Government, it will go down in the annals of history as being one of the great Governments of this country.

My question is for the Minister of State for Finance. Reports are that there are major pension funds, Air Canada, CN, the Alberta Teachers' Union Retirement Fund, the Manitoba Retirement Fund, that are shareholders of the Canadian Commercial Bank. Those assets will be substantially diminished by reason of the negligence of the Government in not monitoring the circumstances of that bank back in September when it first learned of them. What is the Government going to do to ensure that the assets of those pension funds, the assets of thousands and thousands of working men and women, and retired Canadians are protected?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we took very decisive action on the weekend in co-operation with two provinces and six chartered banks to ensure that the assets in those banks and the viability of that bank to produce key growth in western Canada will continue. That is exactly the kind of action we have taken.

PENSION FUNDS' SHAREHOLDINGS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, perhaps I did not explain the point very well.

Some Hon. Members: Hear, hear!

Mr. Johnston: Mr. Speaker, I appreciate any applause I get. The point is that these pension funds hold shares in the bank. Under the proposal, those shares would be substantially diluted. That means that millions and millions of dollars will be lost to those pension funds which looked to this Government to ensure that the bank would never find itself in such circumstances. What protection are those pension funds, as shareholders, not as depositors, going to receive from the Government?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am glad to see that the Hon. Member is wearing his name tag today. We had a number of concerns that went into our decision in combination with other partners in dealing with this bank. Our first concern was for the small businesses that are the borrowers of this bank. The second concern was for the depositors of the bank. We are also concerned about the people who hold assets in that bank in the form of shares. We had our first concern and our priorities straight.

PROTECTION OF BANKING INTERESTS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Minister of State for Finance. Yesterday we learned that the Government of Canada, either directly or through the Canada Development Insurance Corporation, is prepared to put up something in the order of $135 million to attempt to save the Canadian Commercial Bank. Overnight we discovered that the major Canadian banks, together with a number of foreign banks, had deposits with the Canadian Commercial Bank to the amount of $150 million. Why did the Government move to protect those banking interests by directly expending taxpayers' money, rather than by pursuing the practice that has been followed since 1920 of forcing either a rationalization or a merger among the banks, in order to protect what is in fact the single most profitable banking system in the world?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, in addition to the deposits from other financial institutions, there are deposits of a number of small business people in the Province of Alberta, and ordinary Canadians. We did not move to save the bank. The Hon. Member should know that we moved to save the borrowers and the depositors of that bank.

RATIONALIZATION PROPOSAL

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Minister knows full well that the majority of depositors in that bank would have been protected up to $60,000 under the CDIC. Why did the Government not take the steps that have up until now proved to be effective and required of the banking community which, as I said before is the most profitable in the world—do what it has done in the past and come forward with a rationalization or a merger program in order to protect both the Commercial Bank and the depositors as well as those who have pension funds in that bank?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I find it difficult to understand why, when you come forward with information and facts in this House, that is when the Opposition is at its most confused. I repeat, in the process of coming forward with a very responsible solution to this difficulty, we considered a number of alternatives and discussed them with the Province of Alberta and discussed them with the banks. We came forward with the most responsible solution that was available.

RATIONALE FOR GOVERNMENT DECISION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, given that the banks in Canada have shown over the last number of years, notwithstanding the recession, a capacity to make money far greater in amounts than any other banking system in the world, is the Minister now saying that, as a result of discussions with Alberta and the chartered banks, which had $150 million invested in that particular banking operation, it was easier to go to the public of Canada for the money to save them, rather than to ask them to save themselves?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the taxpayers of this country, and this Government, care very deeply about the borrowers in that middle market who deal with that bank, those who have small businesses in a fragile economy and are working hard to create the jobs that these people opposite keep talking about.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

REFUSAL OF GRANT TO DOMTAR

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, in the absence of the Prime Minister my question is directed to the Minister of State (Small Businesses).

A month ago today, I asked the first question about the Domtar case, and at the time, the Government justified its refusal to provide the grant by referring to the size of the deficit. Could the Minister inform the House why the Government has no money for Domtar, when it was able to provide, in record time, $73 million for a bank in Western Canada?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, as the House is aware, the Domtar case is in the hands of the Prime Minister and the Premier of Quebec, and I think I can say we have two eminently responsible people working on this case. If the Prime Minister has anything to announce, I think he will decide when he is ready to do so.

REQUEST FOR EARLY ANNOUNCEMENT OF DECISION CONCERNING DOMTAR

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, if I understand correctly, the Minister has no information on Domtar, but I wonder whether he realizes that any delay in the start-up of this project will have disastrous consequences for the construction schedule. Could the Minister inform the House how long it will take the Government to make a decision? I may remind the Minister that it did not take very long to provide $73 million for a banking institution in Western Canada. How much time does the Government need to settle the Domtar case?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, as the House is aware, Domtar is not in financial difficulty. The matter is being examined by the Premier of Quebec and the Prime Minister of Canada, and when they have reached an agreement, they will announce that fact as soon as possible.

[*English*]

FINANCIAL INSTITUTIONS—FORTHCOMING WHITE PAPER

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of State for Finance. Along with the failure of the Canadian Commercial Bank this last week, we have had in the last three years the failure of 10 trust companies. After each one there was a study into what happened. Despite that, the former Liberal Government and the present Government seem to feel that the way to deal with these is to deregulate the industry. I wish to ask the Minister whether the white paper that she has promised will be tabled shortly will be more than a whitewash. Will it be accompanied by draft legislation? Specifically, will it promote uniformity of legislation with the provinces so that badly run and corrupt companies cannot hide in the gap between federal and provincial jurisdictions?

● (1430)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, one of the first things we did when we took office was to recognize that we need to make some major revisions to our financial institutions legislation. We have been proceeding with that as rapidly as possible. I will be producing a discussion paper on that, because the system has not been looked at by the Government for years and years. We will proceed in an orderly manner, and the House will have occasion to discuss it.

NEW DEMOCRATIC PARTY PROPOSALS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Minister did not indicate whether, along with the discussion paper, there would be legislation. Will she have the committee that is working on the matter look at some of the recommendations that were made by members of the NDP at the time we studied the bank profits question in 1982? At that time we suggested that directors of financial institutions be prohibited from steering loans to companies in which they had interests, and that foreign loans be strictly limited. Would she have the committee look at those proposals so that we can get some real action?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would never ignore the recommendations of members of the NDP.

Oral Questions

AUTOMOTIVE INDUSTRY

QUOTAS ON JAPANESE MANUFACTURED VEHICLES

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Acting Prime Minister as the senior Minister responsible for international trade. The Automotive Parts Manufacturers' Association says that if Japanese auto quotas are not continued beyond March 31, imports, mostly Japanese imports, could take up to 40 per cent of our market and 20,000 Canadian jobs could be lost. Will there be an agreement in place on March 31 either to continue the quotas on imports of Japanese cars or to have in place new commitments by the Japanese to create jobs, to produce and to invest in this country on a basis equivalent to that required and carried out by the North American producers?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in answer to the Hon. Member, as he undoubtedly knows, discussions have been taking place on a very current basis between Canadian industry representatives, representatives of the Government of Canada, and representatives of the Japanese firms and the Japanese Government. An announcement will be made in due course.

PROTECTION OF DOMESTIC INDUSTRY

Hon. Herb Gray (Windsor West): Mr. Speaker, my supplementary question is also directed to the Acting Prime Minister. Will the Government pledge that if there is no agreement in place by March 31, it will implement standby measures to prevent a sudden flooding of the Canadian market with Japanese cars until there is an agreement either to continue quotas or to have the Japanese producers invest or create jobs here, in order to give this country a fair share of the North American investment? This would help the Canadian industry and would also help add to the thousands of jobs that already exist in the industry.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in response to the Hon. Member, I will take his representation as just that, an official representation from the Official Opposition.

REQUEST THAT QUOTAS BE RETAINED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the same Minister. The Government seems to be willing at least to consider abandoning the quotas, and that would be an absurd policy unless it is replaced with something that would guarantee jobs. Considering that Nissan, the most internationally oriented of Japanese car producers, has already said that it has no intention of investing in Canada, and that Honda and Toyota have made a paltry investment in terms of their sales here of $100 million so far, will the Minister recognize the importance of this industry not only to communities like Windsor, St. Catharines, Oshawa and others, but to Canadian exports as a whole, and assure us that the Government will not abandon those quotas?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member for Oshawa, I will again take his representation as just that, a representation from the NDP. I would only add that the $100 million figure to which he refers as being the total investment of the Japanese concerns compares to the approximately $2.5 billion that they have either put in place or have committed with respect to the United States.

JAPANESE INVESTMENT IN CANADA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister is absolutely right. The Japanese have made serious commitments to the American economy in the last few years and have not done so in Canada. In that context, since this industry is not only crucial to jobs but was also responsible for some $25 billion in exports last year, would the Minister assure the House that he will not abandon the quotas until he gets, at the very least, a commitment from the Japanese to invest in Canada in proportion to their sales in Canada?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, when the Hon. Member for Oshawa refers to abandoning quotas, I surely do not need to remind him that the quotas were not put in place directly by the Canadian Government. It was an arrangement whereby the Japanese agreed to put in place voluntary export restraint provisions. That is what we are now discussing with the Japanese. We are discussing their future intentions.

* * *

HUMAN RIGHTS

U.S.S.R.—REPRESENTATIONS ON BEHALF OF JEWISH POPULATION

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Secretary of State will know of the tragic plight facing many Jews living in Russia. Does he intend to have this important topic discussed with the Soviet officials when he visits Russia next week?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, naturally I do intend to raise that question with Soviet officials and have had the benefit of extensive conversations and briefings in Canada with members of the Canadian Jewish community.

* * *

SOCIAL SECURITY

CHILD TAX CREDIT—TREATMENT IN NEWFOUNDLAND

Ms. Sheila Copps (Hamilton East): Mr. Speaker, just so there is no confusion on the part of members of the Government, we are not wearing name tags, we are wearing badges of

support for Soviet Jews. I am surprised that the Hon. Member for St. Paul's is not aware of that.

My question is directed to the Minister of National Health and Welfare. In response to a question put by the Hon. Member for Sudbury yesterday, the Minister said:

> The Hon. Member should not use the one case as an indication that it is occurring either across the province or across the country.

He was referring to the child tax credit issue in Newfoundland. In his letter to me the Minister said:

> It is not the policy of the Government to require that individuals sign over their child tax credit as a condition of receiving financial aid.

He further stated that the form which was used was not a form which had been authorized by the provincial Department of Social Services nor by its regional office. Does the Minister stand by these statements?

Hon. Jake Epp (Minister of National Health and Welfare): Yes, Mr. Speaker.

REQUEST FOR LEGISLATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister was wrong yesterday and he is wrong today. I have here a copy of the form, and further I have the names of other Newfoundlanders who are prepared to sign sworn affidavits indicating that they were required to sign this form before they could receive any help with their electrical bills. Will the Minister promise the House today that he will introduce legislation to forbid this practice? Will he instruct the Newfoundland Government to refund child tax credits to all those Newfoundlanders who were penalized by what has been a current government practice of the Government of Newfoundland?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member asked me if I stood by those statements. In the letter to which she referred, I indicated that that was the situation as I now understand it. If she had read the entire letter, she would also have read those conditional words.

Additionally, we have checked further into the very issue because I thought she might raise it today. If she were to take a look at the agreement between the provinces and the federal Government regarding family allowances and child tax credits, she would see that those things cannot be written over. Officials of my Department have spoken to officials of the Newfoundland Government who have stated very clearly that that is not government policy. Obviously if there are cases other than the Parsons case, they would be dealt with the same way as was the Parsons case, namely, that that is not a policy that this Government endorses nor that the Newfoundland Government will pursue.

TRUST COMPANIES

PIONEER TRUST COMPANY—PLIGHT OF DEPOSITORS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of State for Finance, and returns to the matter of banks. My question refers to a possible double standard in what the Government is doing regarding the banking industry. There has been assistance from the federal Government for the Canadian Commercial Bank, a bank which has a great many very large depositors such as chartered banks and foreign banks which have deposits amounting to $150 million. On the other hand, no government assistance has been given to Pioneer Trust in Saskatchewan which has among its depositors a great many ordinary Canadians and ordinary organizations like school boards, sports organizations, the City of Regina which has deposits amounting to $1 million, and a hospital in Estevan that is run by nuns. Why is the Government so quick to assist its wealthy friends, the large bankers, when it will not provide the same assistance to school boards, hospitals run by nuns, and ordinary Canadian people?

• (1440)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I might point out that many financial institutions, including the Canadian Commercial Bank, also have municipal depositors, hospitals, and other ordinary Canadians as depositors and borrowers, as did Pioneer Trust. I might also point out, in the case of Pioneer Trust, that management voluntarily closed the doors after spending a considerable amount of time trying to find capital which they could not find.

ASSISTANCE GIVEN TO CANADIAN COMMERCIAL BANK

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, what is the difference between the Canadians to whom she referred who have deposits in the Canadian Commercial Bank and the ordinary Canadians who had their money in Pioneer Trust in Saskatchewan and Alberta? What is the difference between those Canadians and the nuns who run a hospital in Estevan, retired farmers, and school boards in the West?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the combination which was put together in the case of the Canadian Commercial Bank, after consideration, made it a viable operation. Because of an isolated problem it ran into difficulties. In the case of Pioneer Trust, there was no ability on the part of the company to raise capital because the company faced serious ongoing difficulties.

Oral Questions

UNEMPLOYMENT INSURANCE

CALCULATION OF SEVERANCE PAY AS INCOME

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I would like to pursue questions which were put to her yesterday regarding the Government's decision to count severance pay as income under the Unemployment Insurance Act, thereby delaying the payment of unemployment insurance benefits. All of us have received a lot of protests from all over the country regarding the harshness and unfairness of that provision. Some Canadians were going to use severance pay to re-establish themselves in employment, some were going to relocate to other parts of the country, and some were going to put the money into an RRSP for pension purposes. Now those people will not be able to do that because they will have to use it for the bare necessities of life.

Considering the many protests, and the petition which was signed by two-thirds of the delegates to the National Economic Conference on the weekend, and considering that there was no consultation on the measure, will the Minister agree to postpone it until she has held the proper consultations, and the full implications of that measure are widely known?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I do not know where the Hon. Member was yesterday, nor where he has been for the last six months with respect to this issue. This measure was first introduced on November 8 of last year. There was consultation on how it could be implemented in the fairest manner. I heard representations from other Members of the House during that period. It has only been in the last week that the Hon. Member seems to have discovered the issue for the first time. I can tell him that the measure will be implemented at the end of this month, and that it will be phased in gradually over the next two years.

CONFERENCE DELEGATES' PETITION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, that is an insult to all the Canadians who have been writing to us for the last few months. Would the Minister tell us what impact studies were done before the Minister of Finance announced that measure, and will she make those studies public? In addition, how can she ignore two-thirds of the delegates at a convention that her Government called? The only clear-cut decision which they made at that conference sought to delay that provision. Is this just another example of Tory media politics?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, if I had known that the Hon. Member was so desirous of being at the conference I might have arranged to have him there. He could then have heard some of the very positive suggestions which were put forward, and he would know in which areas consensus was achieved. As I mentioned yesterday, one of the issues which was discussed in a workshop on unemployment insurance was that the unemployment insurance program was not meeting the needs of Canadians. Therefore, one of the very firm proposals which was put forward suggested we make changes which would better meet the labour market needs of the country. Indeed, that is something on which we hope he will put forward suggestions as well.

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NORTH AMERICAN AIR DEFENCE

UNITED STATES STRATEGIC DEFENCE INITIATIVE—DEVELOPMENT OF TECHNOLOGY

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Now that the United States Undersecretary of Defense for Policy has made it clear that Canada has been invited to participate in the development of star wars technology, could the Minister tell us whether Canada has in fact accepted that invitation? If so, how does Canada, and indeed, how does the United States justify that under the terms of the ABM Treaty, when Agreed Statement "G" of that Treaty prevents the U.S. and the U.S.S.R. from sharing with other states "technical descriptions or blueprints" relating to ABM systems?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Canada has not received an invitation. Mr. Ikle was wrong.

ABM TREATY PROVISIONS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, that is the tenth time the Conservative Government has said that someone in the United States who had made a clear statement was wrong. When is it going to accept responsibility?

The Minister did not reply to a very serious infringement of the ABM Treaty—Agreed Statement "G". The Minister may not know what is in Agreed Statement "G". I have just tried to explain it to him. Will he tell the House whether or not it is the case that the sharing of technical expertise and knowledge by the United States or the U.S.S.R. with other states is prohibited by Agreed Statement "G" of the ABM Treaty?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I repeat that no invitation has been received by Canada. I also repeat that, in the event there is an invitation, any response by Canada will be absolutely consistent with the principles of the ABM Treaty.

SHIPBUILDING

REQUEST FOR ASSISTANCE TO INDUSTRY

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The Minister has on many occasions been made aware of the plight of the shipbuilding and ship repair industry. Positive action is urgently needed because employment in that industry has dropped from 14,000 to 7,000 in direct employment, and thousands of jobs in related industries have dwindled to a mere trickle. What steps will the Minister take to revitalize and give some positive hope to this very important and much needed Canadian industry?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member has correctly pointed out an industry in Canada which is being severely impacted by world conditions. He will be encouraged to know that we have met with the labour unions which are involved with that industry, as well as with the owners. There is some optimism with respect to the offshore activities which are taking place. We have projected, through to 1992, the total government procurement that will either deal directly with shipbuilding or with associated activities. It amounts to some $4 billion. Finally, our negotiations with the United States include specific reference to improving our position with regard to their shipbuilding, including the possibility of getting more defence procurement that the U.S. Navy needs.

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UNEMPLOYMENT INSURANCE

CALCULATION OF SEVERANCE PAY AS INCOME—EFFECT ON ARMED FORCES PERSONNEL

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. As of the 31st of this month, retiring members of the Canadian Armed Forces will lose their UI benefits because of their severance pay, announced by the Minister of Finance as part of the changes to the UI regulations. The Minister of Employment and Immigration went along with those changes. Further changes will take effect next January which will deny many Armed Forces members the benefits of unemployment insurance by counting their pensions in mid-life as income.

Can the Minister today assure the House that she has accepted the recommendation of 83 of the participants at last weekend's economic conference, as well as the thousands of other representations that have been made the Members of Parliament, and stop these unfair changes which are affecting the Armed Forces in Canada? Where has she been the last six months that she has not been listening? Where is the consultative process? Have the Armed Forces been consulted?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am very pleased that the Hon. Member raised that issue. As I indicated earlier, there will be a review of the Unemployment Insurance Act. One of the anomalies in this situation is how it impacts on the Armed Forces. I can see that issue being dealt with at the time of the review. I would welcome any input which the Hon. Member has in that regard.

• (1450)

NEEDS OF RETIRING MILITARY PERSONNEL

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, during last summer's election campaign the Conservative Party promised members of the Canadian Armed Forces that it would be especially sensitive to the difficulties faced by the Armed Forces in adjusting to civilian jobs in mid-life. Does the Minister not agree that the changes announced by the Minister of Finance, obviously agreed to by herself and the chopping Minister of National Defence, do indeed show insensitivity to the special needs of retiring military personnel? You can't promise them sensitivity on the one hand and show insensitivity on the other.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I do not have to read my notes to know that we on this side have sensitivity to the Armed Forces of this country. I want to say to the Hon. Member that I have indicated that this particular aspect would and should be dealt with at the time of the unemployment insurance review so that the anomaly which has been created can be changed within the Unemployment Insurance Act. We are now looking at ways in which that could be done. I would hope the Hon. Member would also come forward with his suggestions.

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INDIAN AFFAIRS

STATUS OF INDIANS IN NORTHWESTERN ONTARIO

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. On January 24 the Minister gave assurances to a large assembly of chiefs of the Nishnawbi Aski nation in Thunder Bay that he would grant, according to the circumstances of the case, band or reserve status to a number of Indian communities in northwestern Ontario, by April 1 of this year. Could the Minister tell us if that is in process and if he intends to meet the deadline?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to advise the Hon. Member that indeed that commitment is clear. The process is going on now and we are hoping we can meet the deadline.

FINANCIAL ARRANGEMENTS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, in view of his answer I wonder if the Minister would assure this House that appropriate financial arrangements will be made

with those communities so that they can administer projects at the local level? Will he further assure us that discussions will commence forthwith with the Province of Ontario to ensure a land base for those communities which do not have one at present?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the Hon. Member is probably aware, the discussions which took place in January contemplated both of those conditions. We will move on both of those conditions, first, with respect to the financing and, second, with respect to the negotiations with the Province of Ontario, as fast as we can.

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AIRPORTS

CONSTRUCTION OF NEW FORT McMURRAY TERMINAL BUILDING

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is directed to the Minister of Transport. The Minister will know that the architectural firm responsible for the design and construction of the new terminal building in Fort McMurray has now been barred from architectural work in Alberta by the Architectural Society. Will the Minister assure myself and the House that there will be no delay in the construction of the terminal building which is long overdue? And have contingency plans been put in place to replace the architectural firm which is now unable to practise in Alberta?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, this is a matter which is currently being considered by departmental officials. I do not anticipate an undue delay in the construction of the facility.

* * *

[*Translation*]

IMMIGRATION

SYSTEM OF PROMOTION FOR IMMIGRATION OFFICERS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is for the Minister of Employment and Immigration.

Last week, following media pressure, the Minister asked for an investigation on the system used to promote immigration officers, which is based on the number of illegal immigrants they can intercept at various entry points in Canada.

Can the Minister tell this House whether this quota policy exists only in Toronto or whether it is applied in all regional offices in Canada?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I believe the Hon. Member knows that my Party and I are certainly opposed to any such standard as quotas. We have said that right along. Nothing has proven, from any internal investigation, that there are quotas in the immigration system. Certainly I have every confidence in the impartiality of the employees in the Department of Immigration in this regard. I do want to tell the Hon. Member, however, that there has been review undertaken of the way in which performance evaluation criteria are used, so that there could be no negligent use of these criteria or anything done in any way which would impact on people coming into this country or, indeed, on the employees themselves.

[*Translation*]

Mrs. Pépin: Mr. Speaker, can the Minister tell the House why she did not put an end immediately to this unfair practice which discriminates against immigrants for the length of the investigation? In addition, can she assure us that this report will not be strictly internal, but that it will be made public as soon as possible?

[*English*]

Miss MacDonald: Mr. Speaker, I can assure the Hon. Member that this independent review which is taking place, is being carried out with the view in mind of eliminating any possibility of employees being pressured to do things they should not be doing. That is really what is at stake here. I want to see that that does not happen in the Department of Immigration, or in any other aspect of the Department for which I am responsible. I cannot answer for what happened previous to the time that we assumed office.

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UNEMPLOYMENT INSURANCE

CALCULATION OF SEVERANCE PAY AS INCOME—GUIDELINES AND REGULATIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In view of the fact that confusion reigns over the announcement of severance pay coming into effect on March 31 with respect to unemployment insurance benefits, and in view of the fact that the regional and local offices of the Unemployment Insurance Commission do not have the administrative guidelines and regulations governing those provisions, is the Minister prepared to table in the House, and to provide to Hon. Members, copies of those administrative guidelines and regulations?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I cannot do so today because I don't have them with me, but I will at the first possible opportunity.

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS—REMUNERATION LEVELS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Acting Prime Minister. Can he explain to this House why the Government has chosen to give Messrs. Lawrence Hanigan and Roy McMurtry salary increases ranging as high as $38,000 a year? This increase alone is as large as the income of an upper-class family of four. How can the Minister reconcile this blatant abuse of power with the campaign promise of making political appointments "a new morality" for the Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Hon. Member will well know, in the case of Mr. Hanigan, as a result of policy changes introduced by the Minister of Transport, his relative responsibilities will be greater than those of his predecessor.

Some Hon. Members: Oh, oh!

Mr. Penner: Smile, Joe.

Mr. Turner (Vancouver Quadra): That's a good try, Joe.

Mr. Clark (Yellowhead): I am pleased to see the enthusiastic response of Hon. Members of the Liberal Party to that decision.

With regard to the question of the Canadian High Commissioner in Great Britain, it is the view of this Government that the compensation to our High Commissioner in Great Britain should be on a par with the compensation to Canadian Ambassadors in Washington and in Paris, and not lower, as was the case with the Liberal Government.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

EXTERNAL AID

GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, how can the Minister cut programs and ask Canadians to tighten their belts when he himself, as a Cabinet Member, can agree to such extravagant favours being given to supporters of the Progressive Conservative Party while every day Canadians have less money to live on?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the major change with the new Progressive Conservative Government is that from now on, salaries of public employees will be public knowledge. They are being made public. In the past, under the Liberal Government, the truth about them was always kept hidden. That is over!

• (1500)

[*English*]

NORTH AMERICAN AIR DEFENCE

DEVELOPMENT OF TECHNOLOGY

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is also directed to the Secretary of State for External Affairs. Canada and the United States agreed at the summit to establish a basis for future co-operation between the two countries regarding research into and development of technology, including space-based systems. Article V of the ABM treaty says:

> Each Party undertakes not to develop, test, or deploy ABM systems or components which are sea-based, air-based—
>
> Or:
>
> —space-based—

How does he reconcile these two diverging statements?

Right Hon. Joe Clark (Secretary of State for External Affairs): The ABM treaty speaks of ballistic missiles; the North Warning System does not.

ROUTINE PROCEEDINGS

[*Translation*]

TRANSPORT

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Transport in both official languages.

* * *

[*English*]

REFORM OF THE HOUSE OF COMMONS

PRESENTATION OF SECOND REPORT OF SPECIAL COMMITTEE

Hon. James A. McGrath (St. John's East): Mr. Speaker, I have the honour to present the second report of the Special Committee on Reform of the House of Commons, to which a comprehensive response is requested pursuant to Standing Order 69(13).

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

Petitions

HOUSE OF COMMONS

TABLING OF EXTRACT OF MINUTES OF MEETING OF COMMISSIONERS OF INTERNAL ECONOMY RESPECTING SALARY REVISIONS

Mr. Speaker: I have the honour to lay upon the Table an extract from minutes of the meeting of Commissioners of Internal Economy held on Monday, March 25, 1985, concerning revisions of the salaries of employees of the House of Commons effective April 1, 1985.

* * *

PETITIONS

CALL FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I am pleased to present a petition from 254 residents of my riding of Grey-Simcoe who strongly voice their concerns and are calling for the return of capital punishment for those who commit premeditated murder or first degree murder of policemen, security guards and civilians, and who have been proven guilty beyond a reasonable doubt.

[*Translation*]

MEDICAL RESEARCH

Mr. François Gérin (Mégantic-Compton-Stanstead): Mr. Speaker, 960 residents of Fleurimont and of my constituency wish to avail themselves of their ancient and undoubted right to present this petition to the House and to ask the Hon. Minister of National Health and Welfare (Mr. Epp), through the Medical Research Council of Canada, to grant the Medicine Faculty of the University of Sherbrooke financial support which will allow it to maintain its present level of research and rate of development.

[*English*]

CHANGES TO UNEMPLOYMENT INSURANCE ACT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present a petition signed by many residents of Calgary, Alberta, calling on the Government to make sure that changes to the Unemployment Insurance Act as they relate to severance pay and pension income be not introduced on March 31.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have the honour to present a petition signed by many people from my riding calling upon the Government to rescind its proposal to change unemployment insurance, particularly as it relates to severance pay and pensions.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition from a number of residents of Calgary calling upon the Government to withdraw its move to have severance pay deducted from unemployment insurance payments. This is a matter which is crucial to maintaining family income when people are laid off.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the duty and privilege to present a petition signed by over 100 residents of the Ear Falls district of my riding who, in common with the majority of the participants in the Economic Conference, petition Parliament to allow laid-off employees to keep their severance pay and receive unemployment insurance without deductions being made for severance pay.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a petition and it reads as follows. Whereas the Minister of Employment and Immigration has announced that workers laid off after March 31, 1985 will have their severance pay deducted from their unemployment insurance benefits, thus effectively eliminating the benefit to the worker of the severance package, and whereas the severance pay is essential—

Mr. Speaker: Order, please. Would the Hon. Member care to summarize the petition, please? I think he knows that rule.

Mr. Waddell: I thought I was allowed to present my petition.

Mr. Speaker: I am trying to say to the Hon. Member that the rules do not allow the reading of the petition. They allow a summarizing of its contents. That, I am sure, is what the Hon. Member is trying to do.

Mr. Waddell: Mr. Speaker, at various times in this House, especially in the last Parliament, Members read the full extent of their petitions a number of times.

Some Hon. Members: Never!

Mr. Speaker: The fact that someone else did it does not make it within the rules. I have tried since the beginning of this Parliament to make the point to all Members and that is why I am rising gently with respect to the Hon. Member for Vancouver-Kingsway (Mr. Waddell). All Members should know by now that the rules say please summarize your petition, and with great respect I invite the Hon. Member to summarize his petition.

Mr. Waddell: Mr. Speaker, I will gently summarize it. It says that the petitioners object to the fact that severance pay is now being deducted from unemployment insurance and they respectfully petition this Parliament that all laid-off employees keep their severance pay and receive their unemployment insurance benefits without deduction.

Mr. Neil Young (Beaches): Mr. Speaker, I also have a petition which I am pleased and honoured to present to the House. It is signed by a number of Canadians living in Alberta who are aggrieved at the Government's announced intention to make certain amendments to the Unemployment Insurance Act and the regulations at the end of this month. They ask this House to protect the Act and request the Minister to rescind this intention to make amendments as of March 31.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, it is my honour to present a petition to Parliament dealing with the plan of the Government to use severance pay as a basis for delaying the payment of unemployment insurance benefits as of March 31. These petitioners pray that that be cancelled and all laid-off employees be allowed to keep their severance pay and receive unemployment insurance benefits without deduction.

LEAD SMELTER IN TRAIL, B.C.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I have the honour to present a petition on behalf of the constituents of Kootenay West dealing with a decision pending by the Government which hopefully will support an application by Cominco Limited to build a new lead smelter in Trail. The petition represents more than 10,000 signatures received by myself.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 134 and 263.

[*Text*]

CNR ADVERTISING BUDGET

Question No. 134—**Mr. Malone:**

1. In (a) 1983 (b) 1984, what was the advertising budget for Canadian National Railway?

2. What portion of the budget was directed towards (a) television (b) radio (c) print media advertising?

3. Has the CN Rail Corporation market share been retained or has it grown as a direct result of their advertising efforts and, if so, by what (a) relationship (b) percentage?

Hon. Don Mazankowski (Minister of Transport): The Management of Canadian National Railways advises as follows:

	1983	1984
1. (a)	$9.6 million	(b) $13.2 million
2. (a)	$3.6 million	$ 4.8 million
(b)	$215,000	Nil
(c)	$5.785 million	$ 8.4 million

3. The portion spent on the individual CN companies' service advertising cannot be directly traced to market share changes as many factors contribute to the sale of services such as sales effort, unpaid media publicity, pricing and competitive activity.

Order Paper Questions

CANADIAN PATROL FRIGATES

Question No. 263—**Mr. Skelly:**

1. To the knowledge of the Government, did the owners of the Saint John Ship Yards remove the present management team of the Canadian Patrol Frigate Program and replace it with a management and a consultant group from the United States?

2. To the knowledge of the Government, are the majority of the members of the new management team from Bath Iron Works, Bath, Maine, and will the cost of their management services to the Program be in excess of $100 million?

3. Will the Bath Iron Works management team be the sole possessors of the management skills required to build the frigates?

4. Will Paramax, a subsidiary of the American Sperry Corporation, be providing weapons systems, sensor systems and communications systems and will other foreign companies, the majority of which are American, be manufacturing the propulsion systems?

5. Will other nations who wish to purchase this frigate be faced with the fact, that all of its systems required for its construction and delivery would be available only in foreign markets, primarily in the United States?

6. Should all systems required for the construction of the frigates be available only in foreign markets, who will build the six new frigates which the Minister of National Defence, on January 10, 1985, committed the Government to build?

7. Were the designs for the frigates completed when the contract with the Saint John Ship Yards was signed and are design changes now taking place?

8. Will the new designs for the frigate's hull require the contractor to (a) dispose of the hull steel already purchased and delivered (b) re-order steel from Algoma Steel of Sault Ste. Marie and, if so, will the new designs and new order necessitate Algoma Steel re-tooling to produce the new steel for the hull?

9. What will be the length of the delays which will result due to the new hull designs and to what extent will be the cost overruns of the program?

10. Will the Government offer to bring the parties on strike at Marine Industries Limited, (M.I.L.), at Sorel, Quebec, and the builders of three frigates, together so that this labour dispute will not delay the building of the frigates or result in further cost overruns?

11. To the knowledge of the Government, will the Saint John Ship Yard owners position on the ongoing labour contract negotiations and the subsequent formation of a Council of Unions in opposition, create a major work stoppage at the yard resulting in further delays and cost overruns to the program?

12. Will the cost of the program be in excess of $3.85 billion, as previously announced, and will delays in the start-up date result in the failure to obtain the frigates on the dates contracted for their completion?

13. Will the cost overruns be absorbed by the contractor so that the program will not cost the taxpayer any more money than originally promised?

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): 1. Saint John Shipbuilding Limited has announced a reorganization of its CPF management team including the appointment of a new program manager. The rest of the management team members remain essentially the same, although there have been a number of organizational changes.

2. The new management team is essentially the same as the old, with the addition of only one new senior member. The Bath Iron Works involvement with the project is a technology transfer agreement with the shipyard. This contract has been in effect for several months and is included with the existing CPF contract price.

3. The management skills required to build the CPFs will be resident in Saint John Shipbuilding Limited and in Paramax Electronics. The majority of personnel in both organizations are Canadian and will remain so.

The significant contribution being provided by other major Canadian firms in the design and construction such as Ver-

satile Vickers Inc., Marine Industries Limited and Versatile Vickers Systems Inc. should be noted.

4. There are two parts to this question, one concerns combat systems the other, propulsion systems.

Paramax Electronics Inc., a new Canadian based subsidiary of Sperry Corporation, was formed to perform the role of combat systems integration. Paramax, a systems integrator, is responsible for the procurement of the individual systems, some of which are offshore, but many of which are Canadian.

Saint John Shipbuilding Limited has had to go offshore for those propulsion system equipments which are not produced in Canada.

The industrial benefits requirement of this program require that offshore purchases be offset by corresponding purchases in Canada.

5. To the extent that equipment is obtained offshore, the answer to this question is yes. However, by no means are all the systems being obtained offshore. The ship design and major systems integration is Canadian and will remain Canadian.

6. See Beauchesne's Parliamentary Rules and Forms, Fifth Edition, Citation 357(G).

7. A contract design was submitted and evaluated prior to contract signing. The CPF final design was not "completed" at contract signing and this was never intended. One of the major activities of the Implementation Contract is to complete the final detailed design. The "design changes" to the extent that they are occurring, are a normal process in the production of warship detailed design.

8. There is no new hull design. All steel ordered and delivered by Algoma Steel to date has met Saint John requirements for construction of the first Canadian Patrol Frigate.

9. The current re-examination of program status at Saint John is not as a result of any new hull designs. There is no cost overrun to the program as implied by this question. Saint John Shipbuilding met with officials of the Department involved in the CPF Project on January 29, 1985 at which time an overview of some intended management reorganization was presented. It was agreed that Saint John Shipbuilding Limited would report back to government officials in the first week of March with additional information relating to organization and program schedule.

10. Versatile Vickers Inc. (VVI) is responsible for the construction of the 3 Canadian Patrol Frigates in the Quebec shipyards. MIL is under contract to VVI to perform CPF work. It would be inappropriate for the Government to intervene in the negotiations between this supplier and its union.

11. The labour negotiations in the Saint John Shipyard are known to have been under way for a number of months and it would not be appropriate for Government to intervene with this process. It is hoped that the matter will be brought to a successful conclusion without incurring any work stoppage, delays and cost overruns.

12. The contract between the Government and Saint John Shipbuilding Limited is a ceiling price arrangement. There has been no increase to the ceiling price since the original announcement by the Government and none is contemplated under the current circumstances. The possible impact of start-up activities on the project schedule are the subject of ongoing discussions by officials with the company.

13. There is no cost overrun to the program as implied by this question. There is a ceiling price contract between the Government and Saint John Shipbuilding Limited.

[*Translation*]

Mr. Dick: I suggest, Mr. Speaker, that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be now read the second time and referred to the Standing Committee on National Resources and Public Works; and the amendment of Mr. Hockin (p. 3227).

Mr. Malépart: Mr. Speaker, as I was saying this morning, when I started speaking to the Bill before the House, ever since the present Govenment came to power, the only Bills we have had to discuss have been Bills that were bad for this country, and that is unfortunate. I think it is important to recall, for the benefit of all the Conservative Members here in the House who have probably neither read the Bill nor realize what is being cut, that the Canadian Oil Substitution Program represents $95 million that this Government has cut. This program was helping consumers to convert their heating systems to electricity, natural gas or other forms of renewable energy.

● (1510)

There is $85 million in the Canadian Home Insulation Program. This program provided for taxable grants of up to a

maximum of $500 for home insulation. Now these grants are going to be cut from 60 per cent to 33⅓ per cent.

Mr. Speaker, as I said earlier, this Government cannot find the money to meet the needs of Canadians but it can find the money to send 1,000 more members of our Canadian Forces to Europe at a cost of $100 million per year. They have no trouble finding money there.

Mr. Speaker, instead of getting involved in star wars, this Government should have gotten involved in the war against unemployment. If it refuses to withdraw this Bill, it should at least extend the program for six months so that everyone who applied after the Minister's announcement that he would make cuts in his program, will still have a chance to benefit from those grants.

Mr. Speaker, I would like to quote from a letter sent to the Prime Minister (Mr. Mulroney) by the President of the Electrical and Electronic Manufacturers Association of Canada:

Mr. Prime Minister:

Aware of your interest in Quebec problems—

He did not know what was coming when he wrote that.

—we take the liberty of making a request concerning the Canada Oil Substitution Program (COSP).

As you undoubtedly know, COSP has been very popular in Quebec. As a result of its termination slated for March 31, 1985, there has been an unprecedented increase in the number of orders from manufacturers of equipment needed to convert to electric heating. We have received so many orders that we fear they may not be filled without compromising equipment safety and quality.

We therefore urge you to extend the deadline, at least with respect to the installation of new equipment. Applications might be submitted until March 31 and the equipment installed between now and August 31, 1985. Such an extension would not require additional expenditures.

Well, Mr. Speaker, these are experts and specialists in energy conversion who are urging the Government to extend the program for at least six months so as to enable Canadians to apply and make sure that conversions meet all safety standards.

Mr. Speaker, I said earlier that the Government cannot find any money to help needy Canadians and has to cut their benefits. However, when a banking institution is about to go belly up, it has no trouble finding millions of dollars. When it comes to increasing the salary of its friends, its former candidates, as my colleague pointed out with respect to Mr. Hannigan, then money is the last of its concerns.

Mr. Speaker, not only did the Government drop the insulation program, it also shirked its responsibilities concerning the removal of UFFI, another cut-back of $1.5 million. Many Canadians were counting on grants of up to $5,000 to renovate and remove UFFI products from walls in their homes.

There again the Government did not bother to consult anybody before imposing cut-backs on all Canadians, as it did in the case of unemployment insurance, housing and insulation. No consultation with the people. But when it comes to showing off, our Prime Minister has proved that as a master of ceremonies, he is second to none, presiding over major conferences where spokesmen for industry, unions and consumers represent their fellow Canadian citizens.

And then, at a cost of $1 million a day, they decided to have a huge consultation, but everybody knew full well that the federal government had already made up its mind, contrary to the promise that party had made during the election and the day following its victory, and contrary to the statement the Prime Minister himself had made, as reported in today's *Citizens:* "You're going to see tens upon tens of jobs being created just as quickly as a new government can be sworn in." Since September 4, because of its stupid decision to try and bring down the deficit on the backs of workers and middle and low-income Canadians, what the government has created is not new jobs, but increased unemployment.

I know that most of my colleagues, that members from both the NDP and the Liberal Party are firmly against this bill. I know also that the greater majority of my colleagues of the Progressive Conservative Party are privately against this bill too, but that they lack the necessary fortitude to stand up and say so publicly. They prefer to hide, play the ostrich and bury their heads in the sand, Mr. Speaker.

You are signaling that my time is about to expire, Mr. Speaker, but I hope a number of Tory members will finally wake up, remember that they were elected to protect the interests on their respective constituents, and not to spin yarns on behalf of their leader.

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I would like to start by saying that I always try to take Governments and Opposition Parties at their word. So far we have had about 17 hours or five sitting days to debate this Bill at second reading. All Parties in the House agreed on the original legislation. Therefore, I do not think it was remiss on the part of Members on all sides of the House to use a few days debating a major change in the legislation which the entire House supported unanimously in 1981.

As an ordinary country boy from the Prairies, I had assumed that even the Conservatives knew that you could not lay a gas pipeline on the Prairies in February or March. They not only want to shut off the debate, they want to shut off 150 homes on Rural Route 2 northwest of Regina. I admit that I have some interest in that area. Under the present Conservative Government of Saskatchewan, the Saskatchewan Power Corporation had devised a good policy to take natural gas to more villages, hamlets and individual farms in the Province of Saskatchewan. These people and the Saskatchewan Power Corporation have been planning to instal a number of new lines based on their number of potential users. They used this Bill as the premise to make a survey of potential customers. Now that the program is to be cancelled, people are not finding the immediate cost effectiveness that there was before. Saskatchewan Power is putting in a new line on Rural Route 2 outside of Regina. It is slated for completion in June. There

are 150 people along that line who have signed up for the service. I suspect that Sask Power operates similarly to power corporations in other provinces which require a sign-up of 65 per cent before they proceed to build a gas pipeline or power line. In this case there is a 100 per cent sign-up. I presume the Tories must have been in Florida all winter if they believe that a plastic or steel pipeline can be installed in February or March.

● (1520)

I realize that a six-month hoist amendment is usually a parliamentary ploy under the rules to kill a Bill. However, this is a rare instance when we moved a six-month hoist in order to delay the passage of this Bill so that the ground could thaw and people who signed up for grants could benefit. That was the simple reason for our proposal.

My hon. friends across the way should recognize that the ground is still frozen and if they want this legislation to pass now I invite them to dig the trenches and install the gas pipelines for 150 homes, mostly farm homes, northwest of my city.

Surely the Government must recognize the sense of encouraging people to convert to less costly fuel services. In 1981 the COSP legislation, which was retroactive to 1980, received second reading in one hour in the House. That means there was unanimous consent by all Parties. This legislation was to have effect until 1990. All the power corporations in every province, every municipal utility corporation and tens of thousands of Canadians based their plans on that assumption. It is not right to change the rules in the middle of the game.

If the Government wishes to change the policy under this legislation it has every right to do so, but there should be reasonable notice given before it proceeds. While our Party has recommended a six-month hoist, I believe this legislation should be delayed for at least one year to account for thousands of Canadians who wanted to convert to natural gas. Some of these Canadians have had to convert to propane temporarily until natural gas pipelines are installed. They are now faced with the problem of the lack of propane tanks.

The effect of this legislation will be the exact opposite to the Government's intention to increase the number of jobs. The COSP Program provided more jobs than will be created if it is ceased. We made a simple proposition but the Conservatives believe that a plastic or steel pipeline can be laid before the end of March, which is only a few days from now. The ground in Toronto may still be frozen even by the end of April. However, it seems that the Conservatives do not understand that logic.

We should support any program that will reduce the requirement for imported oil, that saves Canadian foreign exchange, creates more jobs and gives the Government a return on its investment. I remind Hon. Members that this program is an investment, not an expense. I hope that my hon. friend, the Member for Bow River (Mr. Taylor), would agree that this is an investment whose returns will outnumber the cost to the taxpayers.

It is obvious that a reduction in the requirement for imported oil in Ontario, Quebec and the Atlantic Provinces will provide extra jobs and increase the use of Canadian resources, particularly natural gas.

In conclusion, let me quote the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) who has been a respected Member of the House from western Canada for almost 30 years. As a major spokesman for the Conservative Party in the debate in 1981, when the Conservatives joined with the Liberals and NDP in supporting this legislation that was to be effective until 1990, he said, as reported at page 11099 of *Hansard* for June 30, 1981:

> I do not think there is any question that the House in general understands and supports the purpose of the oil substitution program—

Is the Government trying to help Imperial Oil sell more oil or is it trying to help individual Canadians reduce their heating costs? Let me quote further from *Hansard* of June 30, 1981. The Hon. Member for Qu'Appelle-Moose Mountain said:

> It is a good philosophy to get as many people in the low technology systems as possible to move away from the consumption of oil. It is particularly good, if the alternative is cheaper not only than the present price of oil but the future price as well.

The Hon. Member for Qu'Appelle-Moose Mountain concluded by congratulating the Government and the Minister, on behalf of the Conservative Party, for bringing in this legislation. He said, as reported at page 11101 of *Hansard*:

> I hope he will consider the suggestion that I have made to improve the legislation and make it available to all Canadians. If so, we could achieve this conversion from oil to other energies more rapidly than this bill can by itself.

I ask my hon. friends opposite to reconsider what they are doing. I ask them to maintain the commitments made in 1981. I ask them to permit this Bill to be extended and I hope they will persuade the Minister to do so, so that tens of thousands of Canadians, provincial power corporations and municipal utilities can live up to the contracts they have signed.

I cannot understand why the Government is reversing its position after those people have acted in good faith. I hope that Members of the Government will persuade the Minister to reconsider this legislation. If so, they will get full support and approbation from both Opposition Parties.

● (1530)

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, the decision of the Government to repeal the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act is another indication of its insensitivity, in that these programs helped many average and low-income Canadians. The people who will lose the benefits of these programs are out there today watching the actions of the Government and wondering what they elected on September 4. While these programs are going down the drain, what happens? The office of the Prime Minister (Mr. Mulroney) is given a 57 per cent increase in its budget, and its staff is increased by 30. Also the public relations budget of the Government has been increased by 10 per cent. That money

will be used to advertise its conferences, seminars and other meetings rather than to do things for Canadians.

We have heard much in the House about the consultative process. I wonder how many average and low-income Canadians were consulted about the cutting of these program. They have heard much about expensive conferences, but they have not heard too much in support of their efforts to conserve energy. The Upper Ottawa Valley of eastern Ontario has some of the highest levels of unemployment since the Diefenbaker Government.

Mr. McDermid: That is a great endorsation of the Grits.

Mr. Hopkins: The highest levels of unemployment, I say to the Hon. Member for Brampton-Georgetown (Mr. McDermid). The Grits brought in programs which were useful to the people of that area and in turn to their communities. Coming from a highly populated area of this province, the Hon. Member would not be as sensitive to that.

Mr. McDermid: Oh.

Mr. Hopkins: What he is doing right now clearly demonstrates the insensitive character of the Government.

The UIC regulations are another example of this insensitivity. It will now take into consideration every penny a person earns over a period of time in order to cut back in UIC payments. In many small communities where employment was scarce, people made use of COSP and CHIP. They switched from oil to another form of energy. Any benefit they received for changing from oil to another form of energy automatically increased their disposable income. In the Town of Deep River, three years ago, one home out of three was heated with electricity. I would expect that the number is even higher today as a result of COSP over the last few years. Undoubtedly more people went off oil. Canadians in small communities and in rural areas are conservation-minded. They are the ones who repair their windows.

Mr. Oberle: And their doors.

Mr. Hopkins: That is correct, they fix their doors. They repair their basements and their foundations. They improve the insulation in their homes. In some cases even the small contractors that benefited from CHIP complained that the program was inadequate. I hope the Government realizes that by cancelling these programs it is actually taking away business from small business at a time when it is bragging in the House that it is in favour of small business. Also it is taking away the jobs of Canadians who work in those industries.

In recent years there has been much research into solar energy and the use of wood to heat homes. It is part of the off-oil system.

An Hon. Member: Oh?

Mr. Hopkins: The Hon. Member does not seem to be well informed. I am glad that I am speaking about it; perhaps he will gain some knowledge. In recent years new stoves have been designed to use wood in the heating of homes. This is related to the off-oil program. Many other new technologies have been adopted. For example, waste is being used in burners to heat sawmills which produce the waste in the first place. This provides great efficiency. That program was sponsored by the Department of Energy, Mines and Resources. It assisted small businesses, sawmills and planing mills to change from oil to a system capable of burning waste products to heat their premises. Also attention has been paid to considerable heat loss problems.

Along with all these benefits, these programs have made people more aware of the necessity to conserve energy. The system by which farm homes are heated today has changed dramatically. If any part of the industrial society requires all the assistance it can get, certainly it is the agricultural industry. Many people do not look upon agriculture as an industry, but indeed it is an industry, one of our largest. We should do everything we can to assist it in saving money by changing over to cheaper methods of operation. That is certainly in our interest. It all comes down to the industrial plants which produce the products used in the off-oil program and those which produce the insulation and other materials used to improve home heating systems. Surely that great old slogan that we heard so much about—jobs, jobs, jobs—is the very thing that comes to mind. By the repealing of this legislation, the Government is taking away jobs from people. That is another form of insensitivity.

• (1540)

We have heard a lot about consensus building. What kind of consensus building was done when the decision was made to remove this program? I wonder if at the same time that this Government is planning to remove this program which benefits the average and small-income people, it is thinking of greater technology and the production of other jobs in that area. There is the projected Slowpoke III reactor that uses 5 per cent enriched uranium and produces heat very cheaply. there is a prototype of the slowpoke IV reactor being made at this very moment at Whiteshell, Manitoba, with 5 per cent enriched uranium. It produces both heat and energy. These are some of the things we will have to look at in the future.

A lot of research has been done on waste connected with the operations of nuclear energy. Canada should continue that route of putting emphasis on nuclear energy in this country, the production of heat for homes and municipalities at a cheap rate and with even greater benefit than has been produced in the hydroelectric field by the Candu reactor.

[*Translation*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I would like to say a few words about Bill C-24. This legislation is very important for Canadians. The debate in the House today is on whether or not we are prepared to maintain these two government programs and thus create many jobs here in Canada.

[*English*]

For some reason the Government seems to have forgotten about ordinary Canadians. For some reason it has decided to eliminate the Canadian Home Insulation Program, to get rid of that program and the off-oil program. Both these programs would help a lot of ordinary people. They would create jobs for those who put in the insulation, convert the furnaces, dig the trenches for gas lines and other jobs of that sort.

I want to say in particular a few words with regard to Saskatchewan. I see the Member for Mackenzie (Mr. Scowen) and one or two Albertans in the House, although Bow River is in southern Alberta. The ground is frozen in Saskatchewan until at least March 31. This point was made by the Hon. Member for Regina West (Mr. Benjamin). It is very difficult to put in a gas line in frozen prairie ground.

An Hon. Member: Use dynamite.

Mr. Nystrom: My Tory friend from Quebec says they should use dynamite. I would like to see him come to Kamsack, Saskatchewan to put in a gas line and convert a furnace from oil to gas. The former Prime Minister would not agree with that. That shows the insensitivity of this Government. I know that the Member who was formerly Prime Minister of this country would agree that it shows the insensitivity of the federal Government to the special problems of northern Canada and the Prairies that it would end the off-oil program and the Canadian Home Insulation Program while the ground is still frozen on the Prairies. There is no understanding of the reality of that situation in central and northern Saskatchewan. Therefore, I appeal to the Government to extend this program for another year, or certainly extend it for another three, four, five or six months so that it will be fair to all Canadians. Why are some Canadians more special than others?

The Government says that through this program it will save approximately $350 million a year. This very same Government is going to give corporate welfare to the oil companies this year to the tune of some $1.7 billion. It is a continuation of the old Liberal policy called PIP. It is good enough for the rich, but there is no money for ordinary Canadians. The former Prime Minister must be very embarrassed about this Bill in Parliament today. He is fidgeting in his seat. I know he would love to get up and speak against this Bill.

I also know that he has a lot of respect for this institution of Parliament. If he were Prime Minister, he would not bring in a Bill of closure that affects ordinary Canadians. Today we are dealing with closure. I remember speech after speech of Conservative Members in the last Parliament when going after Liberals, saying they had no respect for Parliament, that they were bringing in closure on matters that affected ordinary people. This Government is doing exactly the same thing that it whined, cried and complained about when in opposition. That is a bit of hypocrisy that I did not expect to see when we had a change of government in this country.

The other important issue is the whole question of the creation of jobs. During the campaign, we heard speech after speech by the Prime Minister (Mr. Mulroney) saying that the most important issue is jobs, jobs, jobs. I would like to see some Conservative back-benchers get up and tell me why it would eliminate this program, which would create thousands and thousands of jobs for people who need them because they are unemployed, and at the same time spend $1.7 billion under the PIP program to assist the big oil companies in this country. Over five years, it will cost $8.6 billion of taxpayers' money. I know the Hon. Member for Bow River (Mr. Taylor) must be very upset and frustrated by this continuation of Liberal policy. I know that he will be supporting us in this debate. I know that he will get up and speak on behalf of ordinary Albertans. It must make him as angry as it makes me to see this program for insulating houses and saving oil being discontinued.

By the way, we would save about 75,000 barrels of oil a day, a lot of it Albertan oil, if the programs were continued. Instead, this Government is going to cut them off and spend the money helping wealthy Canadians, the big oil companies. Yesterday the Minister of State for Finance (Mrs. McDougall) said we would spend millions of dollars of taxpayers' money to help salvage a big bank in Canada, the Canadian Commercial Bank. We are making interest-free loans. There is all kinds of taxpayers' money being used to prop up this bank. Who are the depositors? The Canadian chartered banks and the foreign banks have $150 million on deposit. The trust companies have money on deposit. Greymac had money on deposit. This Government is spending millions of dollars of our money propping up these banks but it will not extend the home insulation and off-oil programs for another three months which will put more people to work and save oil in this country.

Mr. McDermid: CHIP goes on for another year.

Mr. Nystrom: Not the off-oil program. It expires on March 31. A Torontonian may not understand that in certain parts of the country the ground is frozen until after March 31. That is the kind of discrimination there is against parts of northern Canada.

An Hon. Member: He is from Brampton.

Mr. Nystrom: Brampton is pretty close to Toronto. I suppose it is all the same thing.

Mr. McDermid: No. That is how much you know.

Mr. Nystrom: I wish that some Members from southern Ontario would realize that this country is not a homogeneous country. There are geographical differences, and they should be sensitive to that when it comes to the off-oil program. I hope they will rise and give us a bit of support in the House.

• (1550)

The riding of the Hon. Member for Mackenzie is north of mine. I would hope that he would rise and assert his independence and speak on behalf of his constituents. I would hope that he would not be simply a puppet of the Conservative Prime Minister who happens to sit across the way.

Those are some of my concerns. I am concerned that so much of our public money is going to help the rich, the powerful and the privileged. I have mentioned the Commercial Bank of Canada with its big depositors. Yet Pioneer Trust with its ordinary depositors is not getting the same kind of help. School boards have deposits in the Pioneer Trust Company as do a hospital run by nuns in Estevan, the City of Regina, sports groups and retired farmers. A retired businessman from my riding sold his business and put all his savings in Pioneer Trust. That money has gone down the drain and there has been no assistance from the Government. Yet the Government will spend $1.7 billion this year helping the oil companies through the PIP program.

Perhaps this is what Progressive Conservative means. I do not know, but it seems to be a real contradiction that government back-benchers will sit mute when it comes to helping ordinary Canadians. They will not say a word and they will applaud like sheep when the Government helps the big banks and the big oil companies in a continuance of the Liberal policies of old.

Now the Government is bringing in closure to end this particular debate, a debate that would help people in my riding and indeed in ridings right across Canada. The Government wants to save money so it can give more to the oil companies. Let government back-benchers rise. There are a few moments left. Let them justify the spending of $8.6 billion on the PIP program over five years and the spending of over $1 billion of taxpayers' money on the PIP program this year, while cutting off a program that will help the ordinary citizens of the country.

I put that challenge to Hon. Members. I believe they should assert their independence and not be afraid to speak. Are they a bunch of blind sheep who are following the directives of the PMO? When government back-benchers sat on the opposition side, some of them expressed themselves freely. Of course, at that time they had a Leader who was more open and generous and who believed in an independent approach to Parliament. He was a guy who understood western Canada and the entire country. Now we have a different Conservative Leader and it is more of the same old insensitive Liberal approach that we have seen for so many years. I appeal to the independence of back-benchers in the Conservative Party?

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am rising in support of what has already been said by our energy critic and by the critics of the New Democratic Party.

Mr. Speaker, obviously, the Government's decision to use closure for this Bill is totally unacceptable, especially since we all know that many residents of Quebec, Ontario and other Canadian provinces have been unable to take advantage of this program, due to Canada's geography, and I am referring to frost, Mr. Speaker. To illustrate my considerations I would like to read a few telegrams, which should be of interest to the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid).

Oil Substitution Act

Mr. Speaker, I have here a telegram from the riding of Laval-des-Rapides in Quebec, and I assume others were sent to Progressive Conservative Members, requesting at least an extension to take care of all contracts signed before March 31, and I quote:

Reference COSP. Only ten days before the expiry date, we—

The electricians of Quebec,

—cannot meet our commitments to our customers. Equipment not available. Increased demand as a result of your measures—

That means the measures taken by this Progressive Conservative Government

—has created untenable situation in which consumer will be one to suffer—

Mr. Speaker, the consumer is going to suffer as a result of a Bill. Today the Government is asking for closure, even if in some cases, because of our geography, it will be impossible to make any changes before March 31.

—demand—

That is, the electricians of Quebec,

—urgently demand review of measure to stop COSP.

They are demanding, at the very least, that March 31 be considered the deadline for signing contracts and not for finishing the work.

Mr. Speaker, any Member representing a riding in the northern regions of Quebec, Ontario, Saskatchewan, British Columbia, Alberta or Newfoundland can tell you that the March 31 deadline as it applies to contract completion is totally unrealistic because it is physically impossible for electrical contractors or gas companies to fill all orders before that date.

Mr. Speaker, instead of imposing a closure motion as it is doing today, the Government and Conservative Members ought to make the Minister of Energy, Mines and Resources (Miss Carney) understand that Canadians should at least have the right to apply for conversion until March 31. That is why we in the Liberal Party are against this Bill, for we know very well that all Canadians have had nothing but praise for COSP.

Mr. Speaker, I would like to mention other Government agencies where people understand how you go about converting from oil to other forms of renewable energy. Today, Mr. Speaker, the Canadian International Development Agency, CIDA for short, has announced that the Canadian Government will be making a grant of over $8 million to Kenya to do just that, to undertake a similar program of conversion from oil to other forms of renewable energy. I want to commend the Canadian International Development Agency, we have at least one Government agency that understands how important it is to switch from nonrenewable to renewable energy. The sad part of the story, Mr. Speaker, is that the Government will deprive Canadians of a similar program.

Mr. Speaker, I believe we do not have a quorum.

Mr. Deputy Speaker: I will check.

We do have a quorum. The Hon. Member for Hamilton East (Ms. Copps).

Ms. Copps: Mr. Speaker, I am sorry to see that Progressive Conservative Members do not want to hear anything about a Bill which is definitely not in the interest of Canadians. The Parliamentary Secretary does not know that CIDA, the Canadian International Development Agency, has announced today a grant of more than $8 million to Kenya—at least CIDA is aware of the fact that conversion from oil to other renewable energy sources is highly recommended. Unfortunately this Government and the Minister of Energy, Mines and Resources do not seem to understand that Canadians would benefit from that kind of conversion. Mr. Speaker, it is obvious that what should happen—

[*English*]

Mr. Brisco: Mr. Speaker, I rise on a point of order. In light of the actions of the Hon. Member, I think it should be a matter of record that at the time the quorum was called, there was one Liberal Member in the House.

Mr. Deputy Speaker: That is not a point of order.

[*Translation*]

Ms. Copps: It is too bad that even senior Progressive Conservative Members do not know the Standing Orders of the House, Mr. Speaker. It is too bad, but that is the way it is. They are always in the Opposition, so they do not know how to run a government.

Mr. Speaker, I would ask you to please give the Tory Members a chance to reconsider their decision to impose closure.

• (1600)

I am surprised there are so few Members here. There are 40 of us on this side. We sit on all sorts of committees. I am the labour and housing critic. I also sit on the Labour, Manpower and Immigration Committee. In any case, Mr. Speaker, we in the Liberal Party are willing to debate this very interesting issue. On the Government side, there are 211 Members, most of whom have nothing to do because they are not Ministers nor Parliamentary Secretaries and because they are not willing to debate in the House a subject that is so important to all Canadians, especially those living in the northern areas of our provinces.

Mr. Speaker, I know that our Prime Minister, a so-called representative of the northern part of the province of Quebec . . . why is the Prime Minister and why is this Government tabling a Bill that discriminates against the people in our North? It discriminates against Quebecers who live near James Bay, it discriminates against Ontarians who live in Timmins, Timiskaming, Blind River and all the other parts of Ontario where they cannot possibly dig in pipes before March 31. The Government should at least accept a motion to withdraw this Bill or grant a six-month extension to give the electricians of Quebec who are sending telegrams to Ministers and all Members of this House a chance to finish the work contracted before March 31.

Mr. Speaker, it is, I hope, common knowledge that this kind of construction creates a lot of jobs for Canadians. Home renovation and especially this kind of renovation is very labour-intensive. Mr. Speaker, we have just had a conference to find out exactly how we are going to resolve our economic problems in this country. Why do the Conservatives want to cut a program they already said was a good program? Why are they accepting this form of closure instead of fighting for their constituents in Cabinet and in the caucus, so they will at least keep some of the promises that have been ignored since September 4, ignored not only by Cabinet but by Members on either side of the House. Mr. Speaker, we urge you to speak for Canadians and to ask this Government to wait at least six months and withdraw this motion for closure which amounts to disenfranchisement of the rights and freedoms of all Members.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 45, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Algoma (Mr. Foster)—Agriculture (*a*) Beef import quotas (*b*) Government position; the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Labour Relations (*a*) Canadian National railways lay-offs (*b*) Government position; the Hon. Member for Burnaby (Mr. Robinson)—Canadian Armed Forces (*a*) Dismissal of lesbian personnel (*b*) Request for assurance of no further dismissals.

GOVERNMENT ORDERS

[*English*]

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise (for the Minister of Energy, Mines and Resources) that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be read the second time and referred to the Standing Committee

on National Resources and Public Works, and the motion of Mr. Hockin (p. 3227).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I would like to add a few words to what has already been said. The Minister of Energy, Mines and Resources (Miss Carney) and the Government of Canada have decided to cut off the Canadian Oil Substitution Program which was established some four years ago. In addition, the Government has decided to terminate, ahead of schedule, the Canadian Home Insulation Program. The Government has said that these programs are being terminated to save money. According to certain Conservative Members, the most needy have already been taken care of and only the fairly well-off have not yet taken advantage of the program. However, as the Minister of Energy, Mines and Resources has stated, the main intent of the Bill is to save money for the Government of Canada. As previous speakers have pointed out, it does not make sense when compared with other initiatives which the Government has taken.

I would like to make reference to a point which was made by a member of the NDP with respect to PIP. He asked why so much money—indeed, billions of dollars—was being spent to pay oil companies for the cost of drilling. The amounts are absolutely staggering. They run into billions of dollars. The answer to the Hon. Member's question is quite simple. The answer lies in the reason PIP was introduced in the first place and why the Government cannot simply discontinue the Petroleum Incentives Program. If the Government did that, the oil companies would not drill for oil in the offshore areas. There would be no activity off the coasts of Newfoundland or Nova Scotia if the Petroleum Incentives Program were not in place. It is interesting to note the amounts of money which are involved and the fact that the money goes directly to the oil companies from the federal Treasury after the drilling is finished.

The Government of Canada is in a difficult position. During the election campaign it said that it would do away with PIP and replace it with a tax incentive program at the end of the year. However, we have not heard anything about that. In fact, the Estimates still show the same amount of money for the oil companies which are exploring. Let there be no doubt that once that money is removed, a lot of oil companies which are presently drilling for oil off the east coast of Canada will also be removed. I suppose it is only fair to make reference to that, since we are debating COSP.

Many people imagine Newfoundland as being a rich territory, like the Clampett's on television used to live in where there was black gold and Texas tea and everybody became millionaires because of oil. The fact is that the only thing which most Newfoundlanders know about oil and gas is that the prices have increased drastically. The prices have increased for two main reasons. Of course, one of those reasons is the taxes which have been placed on the bottom line by the provincial Government of Newfoundland. When people have to pay 22 per cent on the bottom line to fill up their cars on top of the increased charges—because Newfoundlanders are at the end of the line as far as the distribution system for gasoline and oil is concerned—then we can see why this program is so important.

It is important that some financial assistance be given to the people who want to convert and get away from burning oil in their furnaces and stoves. It should always be kept in mind that without the incentive which that program provides, a great many families will not be able to convert to wood.

There has been a lot of discussion in the House about the conversion to other sources of energy, but not very much of that discussion has concerned wood. If we examine the figures that the Minister of Energy, Mines and Resources presented to the House, we see why wood conversion is so important to provinces such as Newfoundland, Nova Scotia and Prince Edward Island. When we look at the projections of the Department, we find that some 59 per cent of the residences it thought would qualify and convert to wood have not to date converted. When we look at the yearly figures we discover that the projections of the Department have shown far fewer people than the numbers which actually utilized the program. There has been 126 per cent achievement over what it projected would take place during the years this program has been in effect. So we are left with 59 per cent of the total number of dwellings which were thought would convert over a ten-year period. We are still left with that 59 per cent in Newfoundland which have not converted mainly to wood.

We also have to keep in mind that this Bill today does away as well with the possibility of having more hospitals in the Province of Newfoundland convert to wood chips. This was something which happened over the last few years because of this legislation and the incentives which were provided.

● (1610)

I think the bottom line is that we have in this chamber today a Minister of Energy, Mines and Resources who brings in legislation to remove money from the hands of ordinary Canadians and poor people who need that little grant to install a wood stove in the basement in order to give that person some heat. Those people don't want to pay $500 a month for oil in the months of December, January, February and March. They want to be able to put a chunk of wood in their furnace in the evening when they go to bed, and that one chunk of wood in the type of stove now being used would last the entire night.

These poor people who are looking for a little bit of assistance, a measly $800 to convert to wood, are now having that opportunity taken away from them. They will now be left to the fortunes of whatever side of the bed the federal Government gets out of in the morning. That will determine what the price of oil is which these people will have to pay to operate their furnaces.

Before the election the Conservative Party said it was not going to increase oil and gas prices—just the opposite. We can talk all day about the PIP program and all of the philosophical arguments about the rich being the only ones left who did not take advantage of the program. We can talk about the fact that the Minister of Energy, Mines and Resources in January

approved a program to sell oil cheaper to the United States refineries than to Canadian refineries. The reason for that, Mr. Speaker, is that the Minister of Energy, Mines and Resources decided to reduce the foreign charge on oil to the Americans but did not reduce the taxation charges to Canadians. So Canadian oil is sold at a cheaper price to the United States than it is to Canada since the month of January. Here we have the bottom line, Mr. Speaker. We come from all that philosophy down to this Bill, and this Bill takes away a simple $800 from the pockets of a poor person in Canada who wants to convert to wood or to another energy source. That is the bottom line in this debate and that is what the bottom line should be. Let no other Hon. Member proclaim again that only the rich people are left, that all the poor people have taken advantage of the program. As I mentioned before to an Hon. Member, can you imagine, Mr. Speaker, someone earning $100,000 a year having to go out and get splits for his stove? Can you imagine, Mr. Speaker, someone earning $100,000 in Newfoundland wanting to convert to wood? That is absolutely ludicrous. It is the ordinary person who wants to save money. That is the person who takes advantage of this program. It is not the man who goes to the Board of Trade or the woman who goes to a bridge party.

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am also very pleased to take part in this debate. May I say at the outset that I was extremely disappointed that the Government with its huge majority should choose to move closure, all the more so since this program has always been and still is quite popular in Quebec. In recent years, this program has gained wide support and acceptance among Canadians because they realized that it had two major objectives. The first major objective was to reduce demand in traditional energy sectors, in keeping with Canada's energy policy.

The second objective, aspect or benefit is that conversion in one case and insulation in the other led to a significant decrease in heating costs so that, as a direct consequence, hundreds of thousands of Canadians found it less expensive to keep their homes well heated. All of a sudden, practically overnight, they simply decide to cancel both programs. To me, this was a very harsh and totally unacceptable decision, so much so that for months now our offices have been swamped with hundreds of letters urging us to give consumers more time to benefit from this program which has proved to be extremely popular.

I can only say that the reaction of our constituents is quite understandable. Not so long ago I came across some statistics concerning the Maritime Provinces where the program gained such wide acceptance that nearly 80 per cent of eligible households applied under these programs. The situation in Quebec may not be as encouraging, but still 30 per cent of eligible applicants did benefit from the program.

I can appreciate the attitude of the Minister of State (Small Businesses) (Mr. Bissonnette) when he says that Quebecers know one thing for sure—the Conservatives are not there to pamper Quebec, they are there to administer Canada.

Well, perhaps I might remind Government Members who gained the confidence of Canadians last September 4 that they may not be there to pamper Quebec, but that is no excuse to disregard basic principles of justice and fairness in the distribution of public funds.

I think we should also recall that before the election on September 4, the present Government had promised to create hundreds of thousands of jobs. They promised they would deal with the problem on a grand scale. They promised to deal with the problems of the agricultural sector. They promised to reduce interest rates. They promised to stabilize the dollar. They promised that more services would be available. It did not turn out that way, however. Not only have they failed to deal with any problem of substance, they have managed to create a host of new ones. Unemployment is as substantial as it was before September 4. Interest rates are rising. The dollar is losing ground every week. And now, in addition to all those problems, they are adding one more, which comes as a shock to Canadians who were counting on making certain changes in their homes in the next few months, in order to reduce their heating bills.

I think the use of closure is absolutely undemocratic. We must not forget that the Government has 211 Members. On the basis of this historic majority, the Government should give the opposition parties a chance to demonstrate the relevance of all the arguments in favour of this program and let them try to persuade the Government to act fairly and equitably towards all Canadians and especially those who, for various reasons, have not yet been able to proceed with conversion and take advantage of the grants available.

In concluding, I would urge those Members who are supposed to represent the interests of Quebec to consider the flagrant injustice of the fact that not quite 30 per cent of Quebec homeowners have been able to take advantage of this admirable program, while statistics for Western Canada show that 80 per cent were able to take advantage of the program in those provinces. Therefore, we must provide an extension. We must extend the deadline to provide a fair deal for these Canadians who, like many others have already done, would like to take advantage of a program that has proved its worth from every point of view.

● (1620)

[*English*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is as follows: Mr. Hockin, seconded by Mrs. Mailly, moves:

That the question be now put.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

The House divided on the motion (Mr. Hockin), which was agreed to on the following division:

(*Division No. 19*)

YEAS

Messrs.

Attewell
Belsher
Bertrand (Mrs.)
Bissonnette
Blais
Blenkarn
Boyer
Brightwell
Brisco
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Charest
Chartrand
Clark (Yellowhead)
Clifford
Clinch
Coates
Cochrane
Collins (Mrs.)
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Desjardins
Dick
Domm
Duguay
Edwards
Ellis
Elzinga
Epp (Provencher)
Fennell
Fontaine
Fraleigh
Fraser
Fretz
Gagnon
Gérin
Gervais
Girard
Gormley
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Grisé
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Hudon
James
Jelinek
Jepson
Jourdenais
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Mantha
Martin (Mrs.)
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McDougall (Mrs.) (St. Paul's)
McKenzie
McKinnon
McKnight
Mitges
Nicholson (Niagara Falls)
Nickerson
Nowlan
Oberle
O'Neil
Paproski
Pennock
Peterson
Pietz
Plamondon
Porter
Ravis
Redway
Reid
Reimer
Ricard
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
Winegard
Witer—142.

NAYS

Messrs.

Allmand
Althouse
Angus
Baker
Benjamin
Blackburn (Brant)
Blaikie
Boudria
Copps (Ms.)
Deans
de Corneille
Dingwall
Epp (Thunder Bay-Nipigon)
Finestone (Mrs.)
Foster
Frith
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Isabelle
Jewett (Ms.)
Johnston (Saint-Henri-Westmount)
Kaplan
Keeper
Langdon
Lapierre
MacLellan
Malépart
Manly
McCurdy
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Orlikow
Parry
Penner
Robichaud
Robinson
Rodriguez
Tardif (Richmond-Wolfe)
Turner (Vancouver Quadra)
Waddell
Young—48.

Mr. Speaker: I declare the motion carried. Consequently, the next question is the following one. Miss Carney, seconded by Mrs. Champagne, moves that Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, be read the second time and referred to the Standing Committee on National Resources and Public Works. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Mr. Gray (Windsor West): Mr. Speaker, would it be possible to have the record of decision on this vote be the same as the one on the previous vote, with the exception of the Hon. Member for Outremont (Mrs. Pepin), who was not present for the vote just taken and whose vote she would like to be recorded against the second reading motion which Your Honour just read?

[*Translation*]

Mr. Speaker: I suppose the Hon. Minister is rising for the same reason?

Mr. Lapierre: But not on the same side.

Mr. Speaker: Not on the same side, as the Hon. Member for Shefford (Mr. Lapierre) said. Yes, I realize that.

[*English*]

Does the House agree with that procedure?

Some Hon. Members: Agreed.

The House divided on the motion (Miss Carney), which was agreed to on the following division:

Oil Substitution Act

(Division No. 20)

YEAS

Messrs.

Attewell
Belsher
Bertrand (Mrs.)
Bissonnette
Blais
Blenkarn
Boyer
Brightwell
Brisco
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Champagne (Mrs.)
(Saint-Hyacinthe-Bagot)
Charest
Chartrand
Clark
(Yellowhead)
Clifford
Clinch
Coates
Cochrane
Collins (Mrs.)
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crofton
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Desjardins
Dick
Domm
Duguay
Edwards
Ellis
Elzinga
Epp
(Provencher)
Fennell
Fontaine
Fraleigh
Fraser
Fretz
Gagnon
Gérin
Gervais
Girard
Gormley
Gravel
Gray
(Bonaventure-Îles-de-la-Madeleine)
Grisé
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Hudon
James
Jelinek
Jepson
Jourdenais
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Mantha
Martin (Mrs.)
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McDougall (Mrs.)
(St. Paul's)
McKenzie
McKinnon
McKnight
Mitges
Nicholson
(Niagara Falls)
Nickerson
Nowlan
Oberle
O'Neil
Paproski
Pennock
Peterson
Pietz
Plamondon
Porter
Ravis
Redway
Reid
Reimer
Ricard
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow
(Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Toupin
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
Winegard
Witer—143.

NAYS

Messrs.

Allmand
Althouse
Angus
Baker
Benjamin
Blackburn
(Brant)
Blaikie
Boudria
Copps (Ms.)
Deans
de Corneille
Dingwall
Epp
(Thunder Bay-Nipigon)
Finestone
(Mrs.)
Foster
Frith
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Hopkins
Isabelle
Jewett (Ms.)
Johnston
(Saint-Henri-Westmount)
Kaplan
Keeper
Langdon
Lapierre
MacLellan
Malépart
Manly
McCurdy
Mitchell (Ms.)
Nicholson (Miss)
(Trinity)
Nunziata
Nystrom
Orlikow
Parry
Penner
Pépin (Mrs.)
Robichaud
Robinson
Rodriguez
Tardif
(Richmond-Wolfe)
Turner
(Vancouver Quadra)
Waddell
Young—49.

Mr. Speaker: I declare the motion carried.

Bill read the second time and referred to the Standing Committee on National Resources and Public Works.

* * *

BUSINESS OF THE HOUSE

Mr. Gray (Windsor West): Mr. Speaker, what business does the Government House Leader have in mind for the ensuing few days?

Mr. Hnatyshyn: Mr. Speaker, after consultation with Opposition House Leaders, it is my intention to call Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, as the first item of business tomorrow, followed by Bill C-19, an Act respecting the reorganization of Bell Canada. It was my intention to call the motion on the Order Paper, No. 17, with respect to CN pensions as the first item of business for tomorrow. In view of the fact that unavoidably and due to a tragic circumstance, the critic for the Official Opposition will not be in the House until Monday, it is my inclination to have that motion called at the beginning of next week when it is convenient to all Parties, with the concurrence of the Minister and the New Democratic Party. That will be the business for today, tomorrow and Thursday. Keep tuned in for further announcements.

Mr. Speaker: It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

Mr. Speaker: Is there unanimous consent for the House to proceed to Order No. 105?

Some Hon. Members: Agreed.

* * *

CANADIAN HUMAN RIGHTS ACT

AMENDMENT TO PROHIBIT DISCRIMINATION

Mr. Svend J. Robinson (Burnaby) moved that Bill C-225, an Act to amend the Canadian Human Rights Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I am pleased to rise today to speak on Bill C-225, an Act to amend the Canadian Human Rights Act. This very important legislation has been introduced in this House on several occasions. The purpose of the Bill is straightforward and yet fundamental, and is set out in the Explanatory

Notes. It is to implement the repeated recommendation of the Canadian Human Rights Commission that "sexual orientation" be added as a prohibited ground of discrimination at the federal government level. At the present time under federal law, gays and lesbians receive no legislative protection from discrimination under federal jurisdiction.

The Bill would include as a prohibited ground of discrimination "sexual orientation" in addition to the other grounds which are set out in the Canadian Human Rights Act. As well, provisions of the legislation would require that the Canadian Human Rights Commission conduct a comprehensive study of all federal legislation and regulations to determine which, if any, might discriminate on the basis of sexual orientation and to report the results of that study to the Minister of Justice (Mr. Crosbie) within one year of the coming into force of the Bill. Subsequent to that report, the Minister would be required to report back to the House on the steps that he has taken to remove the discrimination on the basis of sexual orientation from all existing federal legislation.

I might say initially that this occasion is, I suppose, somewhat historic in the following sense. This Bill or a similar Bill has been introduced in this House on a number of occasions. On each occasion on which it has been introduced, members of the Opposition or members of the Government have talked the Bill out. I am very pleased that the Government, through the Parliamentary Secretary to the Minister of Justice (Mr. Speyer), has agreed that for the first time in the history of this nation this very important question will in fact be studied and given the thoughtful study that it deserves.

I understand that the Government is prepared to allow the subject matter of this Bill to be referred to the Standing Committee on Justice and Legal Affairs. That committee has struck a special subcommittee which is charged with the very important responsibility of examining the implications of the coming into effect of Section 15 of the Charter of Rights and Freedoms.

One of the issues which is being addressed by that subcommittee which I have the honour to be a member, is the whole question of the extent to which current federal legislation and practices may discriminate on the basis of sexual orientation. Therefore, I welcome the commitment of the Parliamentary Secretary as well as of the Chairperson of that subcommittee, the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer), who has recognized the importance of study without in any way precluding a decision to be made by that committee.

The parliamentary subcommittee is considering the whole question of equality rights. As I have indicated, one of the questions that has been addressed by the Minister of Justice in that study is the question of discrimination on the basis of sexual orientation. I have noted as well that each year for the last four years the Canadian Human Rights Commission has strongly urged Parliament to amend the Canadian Human Rights Act as I have suggested in this Bill, that is, to include the provisions dealing with sexual orientation.

There are some who ask why it is necessary, why the Government should add sexual orientation as a prohibited ground of discrimination and what is the need for change in this area of the law. After all, we are not dealing with a visible minority. Certainly there continues in Canada today to be a great deal of discrimination against visible minorities. The report *Equality Now*, an excellent report which was tabled in the last Parliament, has documented the extent of discrimination against visible minorities.

I would suggest that gays and lesbians in Canada today continue to be subject to discrimination and to many of the hardships and much of the pain that is faced by visible minorities. Indeed, I would venture to suggest that if all of the gays and lesbians in Canada were to suddenly become tomorrow a visible minority, Canadians would realize the extent to which gays and lesbians are active in our community, indeed are active in communities across Canada at all levels of our society.

There is still a great deal of discrimination. Gays and lesbians are still the victims of too much pain and too much violence in Canada. Discrimination exists in hiring practices at the federal level. One of the most glaring examples of that discrimination, of course, was the recent firing of five women from the Canadian Armed Forces, women with an outstanding record of service to the forces and to their country. They were treated as common criminals. They were interrogated by military police. They lost their jobs and lost their livelihood.

I would urge that this Parliament recognize that that is a grave injustice. Policies which allow for the firing of gays and lesbians from the Armed Forces, policies which prevent the hiring on the basis of sexual orientation in the Armed Forces, RCMP or External Affairs, are policies which have no place in the law books of Canada today.

I would suggest as well that we must look seriously at federal statutes, including the Criminal Code, the Canada Labour Code, the Public Service Employment Act, the Income Tax Act and the Immigration Act. To the extent that this legislation discriminates on the basis of sexual orientation, that legislation too should be amended. In the case of the Criminal Code, for example, there are still far too many discriminatory provisions in the area of gross indecency which perpetrate an unequal age of consent, provisions with respect to bawdy-house laws which have been used in a repressive manner against the gay community and which, once again, should not be in the Criminal Code today.

I spoke earlier of pain and I spoke of violence. Once again, we do not have to deal just with the pain and the violence of the five women who were fired from their jobs in Nova Scotia. We are reminded of the tragic death, the suicide of a middle-aged married man in St. Catharines who burned himself to death after he was arrested on a gross indency charge. I would suggest that to the extent that this Parliament fails to act to put an end to discrimination against gays and lesbians, we must all share to a certain extent in the tragedy and in the responsibility for tragedy that occurs because such discrimination continues.

I recently met with a group of gays and lesbians in Sudbury in northern Ontario. One of the people who was there was a

young high school student. He spoke to me of the harassment, the taunts and, yes, the beatings that he faced in his school because of the fact that he happens to be gay. That cannot be acceptable in Canada today.

● (1710)

The National Gay Task Force of the United States documented in an excellent report on anti-gay and lesbian victimization the fact that violence continues to be far too widespread. The introduction to the report reads:

> After centuries of oppression, invisibility, and isolation, gay and lesbian people have claimed the right to participate fully in society and to enjoy the same rights and privileges accorded heterosexuals. In the ensuing struggle, ever greater numbers have "come out" and built new relationships, institutions and communities.
>
> While greater visibility has helped to strengthen gay/lesbian self-respect and community, for many it has resulted in greater vulnerability to violence and crime. Now that lesbians and gay men have a higher profile, they are more readily identifiable to those who deliberately seek to victimize them because of their sexual orientation.

The report goes on to document the very serious statistics indicating that more than nine in 10 of the respondents to the survey put out by the task force indicate that they experienced some form of victimization because of their sexual orientation. That can include threats of violence and being punched, hit, kicked or beaten.

As well, there is an added dimension of oppression and pain and that is the oppression of having to conceal one's sexual identity from one's friends, one's family and one's fellow employees. That particular form of oppression can be just as invidious. When the Canadian Coalition of Lesbians and Gay Men appeared before the Constitution Committee, this was put very eloquently in the following terms:

> In the present circumstances, gay people are either vulnerable to discrimination, or are forced to try to escape such oppression by concealing their sexual identity. Neither alternative can be countenanced in a democratic society. The first alternative offends the principle of minority rights. The second alternative is surely one of the most oppressive forms of discrimination—to pressure people into lives built around deception and lies. Imagine what it would be like for heterosexuals to be either exposed to unjustified discrimination against them, or to be forced to conceal their husbands and wives from co-workers, to never be truthful about their home lives.

That is the situation today.

I would like to make it very clear that this Bill is not in any way a statement of endorsement of a particular lifestyle. Once again, it is clear that the Bill is not suggesting that the majority does or does not endorse homosexuality as a way of life, but rather that we genuinely accept the principle of supporting the rights of a minority. It is one thing to recognize that someone has a right to do something, and something quite different to say that it is the right thing for that particular person to do.

The majority of Canadians recognize that democratic civil liberties require the elimination of discrimination against gays and lesbians. Just as the native Indian needs protection from racism and women need protection from sexism, gay people need protection in law from homophobia.

There are other forms of violence to which gay people are subjected. The violence of certain extreme elements of the Evangelical community like the Jimmy Swaggarts of the t.v. world incites people to violence under the guise of Christian philosophy. I suggest that this is a perversion of Christian philosophy. When people say things like Jimmy Swaggart did in his publication *The Evangelist*, we know that there are problems. After quoting from the Old Testament, he said:

> In Old Testament days the practising homosexual was stoned to death.

He went on to quote from Romans and then said:

> God is saying here that not only is the homosexual worthy of death, but (perhaps) also those who approve of homosexuality.

That kind of hate literature has no place in Canada today. Those same purveyors of hatred have promoted the hatred of gays and lesbians by taking advantage of public concern over the deadly disesse AIDS. There is in our community today a health care crisis. In the last three years in Canada, 105 people have died from AIDS and the incidence is increasing dramatically. It is therefore essential that we improve the level of funding of research as well as education about this deadly disease in a sensitive and responsible manner.

In conclusion, I would argue that the time has surely come for us in Canada to recognize that no man and no woman should be denied the fundamental equality of access to jobs, housing and services on the basis of his or her sexual orientation. Changes in the laws will not overnight change the hearts and the minds of people whose response to gays and lesbians promotes pain and oppression. However, such changes are an essential first step toward the creation of a society in which each individual is recognized for his or her inherent worth and dignity as a human being. Such changes in the law will hopefully also hasten the day when no man or woman and no young student in Sudbury or anywhere else in the country will be the victim of fear, violence and intolerance because he or she happens to be gay or lesbian. That day cannot come too soon.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, some weeks ago, a parliamentary subcommittee was established for the purposes of studying in detail across the country the question of equality rights in Canada. The Hon. Member for Burnaby (Mr. Robinson) has quite accurately stated that the subject matter of the Bill on which he spoke should properly go before that subcommittee.

I would like to emphasize that in no way does my Party associate itself with the comments made by the Hon. Member. Nevertheless, he is correct that the matter should be referred to the subcommittee because the subject matter ought to be studied and voted upon and a report ought to be made to the Justice Committee and in turn to the House.

I suspect that very soon in this debate there will be another motion which would refer the entire subject matter of the Bill to the subcommittee on justice. The Government accedes to that request because it has already had many other such requests and notices of testimony that will ensue with respect to that subject matter.

I do emphasize that the reflections and submissions that have been made today by the Hon. Member for Burnaby in no way reflect upon what I personally believe nor upon what Hon. Members on this side of the House believe.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I intend to speak on this matter and to move a motion. I do not know whether or not a member of the Liberal Party wishes to speak. If not, I will speak briefly and move the motion to which the Parliamentary Secretary referred.

First, I would like to congratulate the Government for setting up the committee on equality and I would like to congratulate the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer) who is present. He is a new Member. I would like to point out that he had better be successful with this committee. I grew up in Etobicoke-Lakeshore. If the Hon. Member is not successful, I will come back and run against him. I am sure he will have some measure of success with this committee.

I was listening to the words of the Hon. Member for Burnaby (Mr. Robinson). He said that just as the native Indians need protection from racism and women need protection from sexism, gay people need protection in law from homophobia. In 1984, it still takes courage to say those kinds of things in the Canadian Parliament. People will read *Hansard* of today years in the future and will wonder why I am saying this. However, it is a fact of life that it is still very courageous for someone to take on those issues.

• (1720)

The riding of Vancouver-Kingsway was once represented by Angus MacInnis. Against a tidal wave of public opinion, he took up the cause of the Japanese-Canadians from 1941 to 1945. Unfortunately, he is not here to see some of the results of his labours and realize that in 1985 something is being done to correct the wrong that was done to the Japanese-Canadians. We are now acknowledging the hurt and the consequences of the actions which the Government took back then. It took a long time for society to respond to that issue.

His wife, Grace MacInnis, was the only female Member in the House of Commons in 1968. Today, there are many female Members in the House who are very active. When we see the swell and tide of the women's movement today we realize that sometimes it takes a long time to accomplish things.

The Hon. Member for Burnaby is courageous, outspoken and on the cutting edge of some of these issues. I applaud him, and apparently his electors do as well, as he received a handsome mandate in the last election.

The Hon. Member made reference to the gentleman who committed suicide after an unfortunate incident in southwestern Ontario. There could be a lot of debate about that issue, but I believe that all reasonable Canadians must feel that that suicide was a waste. Did that man have to do that? Are we in a society which forces a person to feel so much guilt that he has to commit suicide? He was a family man. There is something wrong. That suicide should not have happened. Therefore, I look forward to hearing representations on these matters in committee.

The Parliamentary Secretary should not back off too quickly, because basically we are recognizing equality. I feel as a social democrat—and I think my feeling is shared by others—that we are discussing equality. I think we all agree that people should be treated equally, without discrimination. We should end discrimination wherever possible in Canada. I think we are all committed to that. It is one of the things which makes Canada such a great country.

I welcome the Bill and the fact that the Government has referred it to committee. In addition, I am glad that the Hon. Member for Etobicoke-Lakeshore is chairing the committee. I am sure he will do a good job as he is well qualified. Again, I salute the Hon. Member for Burnaby for his courage, tenacity and willingness to tackle these very important civil liberty issues in Canadian society. It is a tradition which was evident in the CCFf and is evident in the NDP and in other Parties. People such as Gordon Fairweather, John Diefenbaker and Pierre Trudeau also worked very hard on these important issues.

I would like to move:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-225, and Act to amend the Canadian Human Rights Act, be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject-matter thereof referred to the Standing Committee on Justice and Legal Affairs".

The Acting Speaker (Mr. Charest): Hon. Members have heard the terms of the motion. Is it the pleasure of the House to adopt the amendment to the main motion?

Some Hon. Members: Agreed.

Mr. Nunziata: Mr. Speaker, is unanimous consent required?

The Acting Speaker (Mr. Charest): The motion is debatable.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I am pleased to make a few remarks on the Bill under consideration introduced by the Hon. Member for Burnaby (Mr. Robinson), not to mention the amendment moved by the Hon. Member for Vancouver-Kingsway (Mr. Waddell).

First I want to congratulate both Members on their courage to raise in the House an issue which is highly controversial but which, in my opinion, in 1985, must be discussed in Parliament, be it here in the House or in one of the committees.

As Hon. Members know, illegality surrounding the whole question of homosexuality disappeared with the adoption of an omnibus Bill introduced by a Liberal Government in 1968. At the time, it was said that the Government did not have any business in the bedrooms of the nation. To put it shortly, the purpose of the 1968 Bill was to remove any suggestion of criminality from homosexual relationships. However, the mes-

sage conveyed to the Canadian public was not that this House, the then Government and the Opposition Parties wanted to encourage or promote homosexuality in Canada by adopting that Bill. On the contrary, the House was attempting to tell Canadians that they should show tolerance and acceptance of principles which are not necessarily endorsed by the majority. In a sense, it was a way of alleviating the tyranny of the majority over minorities, over people who oftentimes share marginal ideas.

The fact remains that there is a widely spread sentiment among Canadians today, including those who do not share the views of the gay community, that persons who belong to that minority group do suffer from discrimination, that time has come to debate the issue in the Canadian Parliament and to take appropriate measures so that protection under the Canadian Charter of Rights and Freedoms be readily available to all Canadians.

I think that the matter ought to be referred to committee. Indeed, I commend the Government for seeing it that way. Besides, I would suggest that the amendment moved by the Hon. Member for Vancouver-Kingsway makes it easier to debate the issue: we are not going to refer the Bill to committee, only the subject-matter of the Bill. The question is: Does the Canadian Charter of Rights and Freedoms provide enough protection against discrimination with respect to homosexuals?

Mr. Speaker, we need only mention the provincial charters and especially that of my own province, Quebec, which contains provisions to protect people against discrimination on the basis of homosexuality. I think that unless we want to go through life with blinkers on, we can hardly object to the subject of the Bill being referred to an appropriate committee of the House for discussion. I realize that some Canadians may not agree with a proposal to add a provision protecting homosexuals. However, if the subject is referred to committee, they will have a chance to express their views, and it will also be an opportunity for those who favour this point of view to come here to Ottawa before Parliament to express their opinion.

Personally, I support the amendment proposed by the Hon. Member for Vancouver-Kingsway. I think the time has come to discuss this question openly here in Parliament.

● (1730)

[*English*]

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, I intend to speak quite briefly and not in any way to challenge the intent of the amendment or the original indication of the Parliamentary Secretary that this matter be referred to committee. I would just like to go on record as expressing regret for part of the remarks of the Hon. Member for Burnaby (Mr. Robinson), namely, his reference to Evengelical Christians. I do not think those comments added to the merit of his address. In fact, they detracted from it, and I think that someone in this Chamber should make that point for the record.

I believe, Mr. Speaker, that one does not increase understanding and tolerance for one group of Canadians by indicating intolerance and rejection for another group of Canadians. Let us try to maintain in as wide a frame of reference as possible this desire for understanding and try to get inside the point of view of those with whom we disagree. We should ask ourselves what they are trying to say and what they represent.

I certainly, as much as the Hon. Member for Burnaby, abhor any incitement to violence against any group of Canadians. However, I think we must respect the values and convictions which have been part of Canada and its traditions, traditions which Canadians must honour.

I welcome the decision of the Government's spokesman to refer this matter to committee for a number of reasons. First, I think we need to take a very searching look, as a Parliament, at this proposal. We cannot do that within the time available in this hour. We need the more thorough inspection which can be given by the committee. We need to hear from the various groups within Canada who will make representations to the committee, and we may, indeed, find that worth-while things are said against the proposal, things which this Parliament needs to hear and considerations this Parliament needs to weigh. We do not have the opportunity within this hour, but I certainly anticipate that the committee, in giving a more thorough examination to this question, will afford us that opportunity.

Most of all, Mr. Speaker, I believe that the examination of this issue by the committee will enable all Hon. Members of Parliament, regardless of Party and personal convictions, and will equally enable all Canadians, regardless of their backgrounds, to consider a very important distinction which must be drawn between personal morality and the law; common law or criminal law. We do not need, because of personal convictions, to use the law to enforce those convictions on others. Conversely, we do not need to suggest that in the law being changed we imply a change of moral perspective on the part of individual Members of Parliament or Canada as a society. I do not feel it at all necessary for us to imply any approval of homosexuality because of any change which may be made in the status of homosexuals before the law. Whether we approve or disapprove is a matter of personal conviction which we as individuals take, and have a right to take, and we may insist in taking that stand as individual Members of Parliament with regard not only to our own behaviour but to our own attitude toward other individuals.

All Canadians have a right to equality before the law. All Canadians have a right to what is referred to in the original motion as "human rights". We have those rights for one reason alone, namely, we are people and, therefore, we have the right to claim certain rights and privileges which require no other claim but our humanity.

I look upon this motion in those terms and I welcome the opportunity of this committee and this House to examine this proposal again. But in no way should it imply to the Canadian people that we as a Parliament are changing our attitudes as individual Hon. Members with regard to personal behaviour or

personal values. We are but taking a searching look at the rights of Canadians, in particular one group of Canadians, and these are rights which we would want for all people simply because they are people with us.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I do not intend to speak very long and I do not intend to address the subject matter of this particular motion. I do however question the necessity to refer this matter specifically to the committee. One reason is that April 17 will be a very momentous and historic day in this country. On that day the equality rights provisions of the Charter of Rights and Freedoms comes into effect. The Government is proposing Bill C-27, which will be discussed tomorrow. The Government also issued a discussion paper entitled *Equality Issues in Federal Law*. In effect, what the Government has proposed to do in Bill C-27 is to deal with the non-controversial items of equality, which are basically housekeeping matters in the existing legislation, that is, changing husband and wife to "spouse" and changing son and daughter to "child". The Government has then referred the more controversial aspects of Section 15, equality rights, to this special subcommittee headed by the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer).

I personally question the necessity for that particular subcommittee. On April 17 of this year, Section 15 will be the supreme law of this country. No federal majority can in any way change that supreme law because it will be part of the Constitution and of the Canadian Charter of Rights and Freedoms. It will be a matter of interpretation by the courts to determine the extent of this particular section in the Charter of Rights and Freedoms.

Much to my chagrin, and to the chagrin of all those who fought so very hard during the constitutional debate, the Government has not taken definitive action to correct the inequities, imbalances and discrimination which exist in present federal legislation. In that respect, I understand there are over 1,000 pieces of federal legislation. The former Government initiated an audit of the legislation, and it was the intent of the previous Government to amend the laws in major ways to conform to Section 15 of the Charter of Rights and Freedoms. Instead of providing the necessary leadership to articulate what the Government feels the definition of equality to be, the Government has decided to allows the whole matter to have more public debate and more consultation. Therefore, the special subcommittee of the Committee on Justice and Legal Affairs will travel across the country to hear the views of Canadians.

It was said by one human rights activitist that one does not define minority rights by the views of the majority. It would appear, Mr. Speaker, that that is what the Government is suggesting. The subcommittee will travel across this country and listen to the views of people, and no doubt the majority views will be articulated. There comes a time when the Government has to provide the necessary leadership. There comes a time when the Government has to make the tough decisions. The time has come, in my view, Mr. Speaker, for this Government to tell Canada what it believes to be the definition of equality, what those words in Section 15(1) mean in the Charter of Rights and Freedoms. Those 46 words will produce, no doubt, millions upon millions of other words in legal jurisprudence to define that particular subsection.

• (1740)

The Government, by its actions in refusing to provide leadership and amend the legislation to obviate the inequality which exists in federal legislation, is forcing litigation. It is forcing those minority groups, Indians, women, the visible minorities, gays and lesbians and all the others, to fight their battles again. When they fought their battles in 1982, they won and the result was Section 15(1). But now the Government is saying that these people have to refight those battles and come before a committee to articulate again their views and concerns. It will then be up to the subcommittee to make recommendations to the Government. Then they will have to wait, the oppressed and the discriminated against, for further legislation to amend the existing legislation.

It seems to me that if I was discriminated against, I would not bother appearing before this special committee. It would be a colossal waste of time. What I would do is to issue a writ. I would go to court immediately and have the courts define what Section 15(1) means. It is, as I indicated previously, the supreme law of the country now. This Government alone cannot change Section 15(1). Indeed, it requires the consent, as I understand it, of seven provinces with 50 per cent of the population before this section can be changed. I concede that there is an override provision, but it seems to me that it ought not not be used, and I am even somewhat concerned that it exists. Section 15(1) says:

> Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

What is missing is sexual orientation. It is not here. No doubt this matter was debated at length in this House and in committee, and a decision was made. I was not here at the time but many compromises had to be made in order to ensure that we had a Charter of Rights and Freedoms. One of those compromises was that the legislation would be delayed three years in order to allow the federal and provincial Governments to ensure that their respective laws conformed to the Charter of Rights and Freedoms. As you are aware, Mr. Speaker, although the previous Government initiated the audit of our legislation and started the process, this Parliament has not completed it. I fully expected that this Government would have introduced that legislation to make April 17 a more historic and momentous day.

The discussion paper the Government tabled, called *Equality Issues in Federal Law*, indicates that the list under this section is open-ended in the sense that sexual orientation is not excluded because it is not enumerated, but that the items enumerated are not exhaustive. By the wording of that particular section one could challenge discrimination based on sexual orientation in the courts and could very well be successful.

I now go back to the process suggested by the Government and the NDP. They are suggesting that this matter be referred to the Standing Committee on Justice and Legal Affairs, and presumably it will also be referred to the subcommittee which will be travelling across the country. Notwithstanding the fact that I disagree with this travelling road show because I think the Government should provide leadership and amend the legislation and provide Canadians with a definition of equality, no doubt sexual orientation will be one of the items discussed before the committee. Therefore, in conclusion, I question the need for this process. Perhaps the Government is trying to give a message with respect to its position on this Bill. I personally do not think it is necessary specifically to refer the subject matter because no doubt it will be discussed before the committee. But once again, in my view, those who would waste their time by attending this subcommittee would perhaps better serve his or her cause by immediately going to court and getting a judicial interpretation of what equality means in this country now.

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, as a Member of this House and one who has the honour to be Chairman of the Subcommittee on Equality Rights, I cannot let the comments that were just made pass without some rejoinder. I came into the House this afternoon not intending to speak but simply to be here and listen to what the Hon. Member for Burnaby (Mr. Robinson) had to say in the course of discussing this Bill, which is now to be referred to the Standing Committee. That is as I think it should be because the subject-matter can then be carefully considered and all points of view can be heard. Therefore, the last thing I wish to do is to talk at length now and run the risk that this Bill will be talked out and the subject-matter not referred to the committee.

But with respect to what the Hon. Member for York South-Weston (Mr. Nunziata) has said, I will speak briefly now and when we have debate on Bill C-27 I will return to this Chamber again and speak at greater length, because he has taken a point of view which, if it were to be shared widely, either by Members of this House or by citizens of this country at large, would be harmful to the quest on which we have now embarked to establish true equality among men and women of all backgrounds who make up this country and are proud to call themselves Canadians.

When I hear the Hon. Member say it would be wasteful for people to invest time and energy to appear before our committee, then I think he does a profound disservice to the parliamentary process of this country. When I hear him say that his best advice to anyone would be to issue a writ and appear in court and try to assert his or her remedies under the Charter, then I say that that is the most narrow legalistic view that could possibly prevail. Indeed, I invite the Hon. Member to reconsider the traditions of his Party as well as of other Parties in this House in developing equality in programs and laws as the legal foundation on which men and women can stand and be seen to be equal, not only under the law but before the law.

To say that this is just a matter of law is to miss almost entirely the point and the purpose. The issues that are being referred to the Subcommittee on Equality Rights are not narrow legal issues. Yes, they come from the Constitution. Yes, they involve constitutional law. Yes, lawyers will have points of view on them. But, more profoundly and most important, we are looking at the social, economic and cultural policies of this country which are reflected in laws enacted through the decades. Our quest is to see whether those laws can now be changes. Wherever distinctions are made, we must ensure those distinctions are valid and do not employ any form of discriminatory practice or attitude. In making those changes we are going to carefully consider what has gone before so that we do not take part in unravelling important social relationships that have been developed in the laws and practices of Canada over many decades.

• (1750)

I see, Mr. Speaker, a three part process on which we are embarked. One is the narrow side of housekeeping amendments to eliminate from federal statutes the anomalies that are discriminatory in nature. That is what Bill C-27 is now before this House for. On the other side we also have the process whereby the conflicts and disputes will come before the courts of law and judges will decide whether rights are being infringed upon and what must be changed. That process will indeed start on April 17, but it will continue as long as Canada is a country and as long as we have the Charter of Rights and Freedoms. The main purpose and process, the one on which we are now embarked as a committee, is to look at the broad and difficult policy considerations that are thrown up by the new provisions of Section 15.

Put very simply, Mr. Speaker, if we as Members of Parliament do not take that challenge to review profoundly the 1,100 federal laws in order to ensure that they are changed and brought into line with the spirit and the letter of Section 15, then we will have abdicated our role as parliamentarians, and the law makers of the country would be the appointed judges who sit in our courts. I, for one, much prefer to see the laws of this country made in the Parliament of Canada by men and women who are here elected by the people of this country.

I do not shrink away from the consultative process that is embarked upon. I think it is much preferable to have the men and women of Canada speaking on the issues. Reasonable men and women can differ on the issues before us. It is far better that the matter be turned over to a committee to weigh all these points of view and hear them together than that the Minister of Justice (Mr. Crosbie) should make these points and decide what the laws should be.

The Member for York South-Weston referred with some pride to the fact that the previous Government had started an inventory of federal laws. In fact, less than two hours ago when our committee was meeting we heard from the Minister of Justice that the review of federal laws in light of Section 15 was not commenced within the Department until January of 1984. With that fact on the record and known to other

members of his Party, it does not do him any great service to come to the House and lament the fact that there has been foot-dragging on this issue. Along with trade issues, this subject is very much the issue of the decade. It deserves the careful time and attention that it will receive.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Amendment (Mr. Waddell) agreed to.

Mr. Nunziata: Mr. Speaker, on a point of order, am I entitled to speak on the main motion?

The Acting Speaker (Mr. Charest): Yes, you may debate the motion as amended.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I cannot help but respond to the comments made by the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer). I was indicating that by the Government's lack of action and by its refusing to make the tough decisions, the Government is forcing minority groups to go to court. If one is serious about equality, one would be well advised to go to court rather than wait for the subcommittee to hear deputations and wait for legislation to be introduced in the House. I question what the results of this travelling committee will be. Certain questions are raised in this particular discussion paper. In a news release of the Minister of Justice (Mr. Crosbie) he asks the question which this subcommittee should address, that is, whether requirements relating to length of employment for maternity benefits under the Unemployment Insurance Act should remain greater than requirements for regular benefits.

This issue will be discussed before this special committee and ultimately the Government will have to make a decision. Does the existing legislation constitute inequality? Should the Unemployment Insurance Act be amended? The Government will have to make that decision. It seems to me that the Government wants to govern by plebiscite and public opinion polls. The Government is afraid to make the tough decisions and afraid to protect minority groups. It is afraid to offend anyone. If you are sincere and true and believe in equality, you will make those tough decisions.

By re-opening the old wounds and issuing a discussion paper, the Government is telling these minority groups that everything is up for discussion again. The equality provisions have already been included in Section 15 of the Charter of Rights and Freedoms, but we must now define what equality means. Mr. Speaker, I thought that was what the debate was all about in and before 1982.

Mr. Robinson: Mr. Speaker, I rise on a point of order. I hesitate to interrupt the Hon. Member, but he did indicate earlier that he had no intention of talking this particular motion out. I would hope that, in the spririt of co-operation which he showed earlier, he might recognize that there is a danger of doing that.

Mr. Nunziata: With respect to the Hon. Member for Burnaby (Mr. Robinson), I did not indicate that I did not intend to talk this Bill out, and I do not intend to talk it out, but I think it is necessary to respond to the comments made by the Hon. Member for Etobicoke-Lakeshore. I have very serious concerns about this committee re-opening discussion on the question of equality. It is forcing these people to litigate if they truly want to further their particular goals. The Government should be making those decisions with respect to the issues that are raised in this discussion paper.

• (1800)

The Acting Speaker (Mr. Charest): Order. Shall the motion as amended carry?

Some Hon. Members: Agreed.

Motion (Mr. Robinson) as amended, agreed to, Bill withdrawn and subject matter thereof referred to the Standing Committee on Justice and Legal Affairs.

The Acting Speaker (Mr. Charest): The hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been made.

AGRICULTURE—BEEF IMPORT QUOTAS. (B) GOVERNMENT POSITION

Mr. Maurice Foster (Algoma): Mr. Speaker, yesterday, in the absence of the Minister of Agriculture, (Mr. Wise), I put a question to the Acting Minister of Agriculture concerning the Government's plans with regard to meat import quotas, especially as they relate to European Economic Community beef and U.S. beef coming into Canada.

On December 21, after three and one-half months, the Government invoked the meat import law as a result of the massive shipments of subsidized beef into Canada in the fall of 1984. The Government set the quota at 146.5 million pounds of beef. Although it took the Government three and one-half months to make this decision, I think it is a commendable move by the Department, especially in light of representations

which we are receiving from the Canadian Cattlemen's Association and other groups.

The quota allotment for the EEC was fixed at 5.9 million pounds, yet since that time the Government has already let some seven million pounds into the country. I understand as well that the Government has negotiated an increase of some 44 million pounds from the 21 million pound quota for the United States, to some 65 million pounds.

According to a CP press report on March 15, it seems that the EEC is demanding a quota of some 23 thousand tonnes, or 51 million pounds of beef. It is trying desperately hard to increase that quota of 5.9 million to some 33 million pounds in this calendar year. They have registered a countervailing duty against a number of farm commodities, such as honey, maple syrup, tobacco, mustard seed and a number of other items, for $51 million. It would appear from the response by the Acting Minister of Agriculture that the Government is proceeding to negotiate with the EEC. However, I see no reason for negotiations when the EEC was dumping subsidized meat in unprecedented amounts by up to 48 cents a pound into the Canadian market in 1984. The historical average from 1978 to 1983 was some 5.9 million pounds and I do not understand why the Government should negotiate for up to 33 million pounds or even higher.

In order to put the question in perspective, the United States allows some 11 million pounds of meat into that country. The United States with 240 million people has a market that is ten times the size of the Canadian market. If that 11 million pounds is suitable for the United States, 5.9 million pounds or less would be suitable for Canada.

The Minister said that he is currently negotiating. I am concerned about allowing the 33 million pounds that the EEC is apparently demanding. This would mean that our meat imports from all sources—from Australia, New Zealand, Nicaragua, the United States and the EEC—would be some 216 million pounds.

• (1805)

It is important for the Government to stiffen its backbone and to stop acting like a jellyfish. It should march into the GATT tribunal in Geneva and fight for our beef producers in light of the 51 million pounds of subsidized beef which was allowed in last year and what the EEC is demanding now. Mark my words, if the Government does not do that, Canada will become a dumping ground for the entire world, because other countries will know that the Government of Canada is not prepared to go to GATT and fight countervailing duties such as the one which is now being proposed by the EEC.

It is very interesting that the Australian Minister of Primary Industry expressed his concern and support for Canada. In fact, I understand Australia offered its support in the GATT tribunal to stop the wholesale dumping of subsidized beef into the Canadian red meat market.

I certainly hope that the Parliamentary Secretary will be able to indicate that the Government is prepared to stand up and fight for our beef producers and to maintain the integrity of our meat import law which has been set at 146.5 million pounds for this calendar year.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am almost tempted to frame one of the sentences my colleague from Algoma (Mr. Foster) pronounced a few minutes ago, when he referred to a measure taken by this Government as good. It must be the first time. I will have to re-read *Hansard*, since I have not been exposed to very many words of praise coming from my hon. friend from Algoma.

Mr. Speaker, obviously the Government is not backing down under pressure. However, it is consulting more with the exporting countries, as was announced when the import quotas were imposed. Mr. Speaker, Canada has a number of international trade obligations and rights and as a result, our trading partners are entitled to take part in a consultative process, as is happening at the present time.

[*English*]

In the case of the EEC, its publicly announced intention to retaliate against Canada's system of import controls in accordance with its perceived GATT rights is not the overriding criterion by which the Government is being guided. Rather, it is by our announced intention to work out an arrangement which would continue to safeguard Canadian industry from unfair and damaging import competition.

[*Translation*]

Mr. Speaker, it is quite clear that a negotiated settlement is preferable to a series of attacks and counter-attacks which benefits nobody and which could not serve as the basis for a long term trade policy. The Canadian people clearly indicated their stand when they elected us on September 4.

I suggest that the era of confrontation is over. We must negotiate and deal openly with our partners. It is all very well to stand up and fight for Canadian farmers. But we are not here to fight but to solve problems. Mr. Speaker, we have solved quite a number of problems since September, without too much fuss about it. What matters is providing Canadian farmers with a sound administration both of our export and domestic markets. That is what the Hon. Minister of Agriculture (Mr. Wise) has been doing all along, and that is what the government will go on doing in the weeks and months to come. There is no need to worry, in my opinion, about the way this matter is being dealt with. I think that we did what we had to do and I can assure the hon. member for Algoma (Mr. Foster) that Canadian beef producers can count on our monitoring the situation constantly.

• (1810)

[*English*]

LABOUR RELATIONS—CANADIAN NATIONAL RAILWAYS LAY-OFFS. (B) GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like this afternoon to pursue a couple of concerns I raised in the House about lay-offs at the CNR. I expressed concern sometime ago about the lay-off of railway carmen announced in early March, a lay-off which the CNR explained in terms of a reduced workload in the area of passenger rail equipment. This reduced workload is related to a VIA decision not to go ahead with plans to removate old equipment, a decision which I think will prove to be a mistake. When service is restored to several passenger rail routes this June, they will need all the equipment they can get and the new equipment will not yet be on stream.

I expressed concern more recently about even larger lay-offs announced just several days ago of some 474 railroaders across the CNR system. The injustice of this lay-off has been compounded by the fact that the CNR chose to give only two weeks' notice to these workers when normally they would be required to give several weeks' notice. The CNR has used the regulation in the Canada Labour Code which provides that companies can waive the normal notice period if employees will be in receipt of supplementary unemployment benefits.

Yet, many of the younger workers laid off at the Transcona shops, for instance, will not be eligible for such benefits as they will not have worked for the company the required two years, and yet will still only receive the minimum two weeks' notice. In my opinion, this is a violation of both the spirit and the letter of the Canada Labour Code. The CNR should be ashamed of itself. How the president of CNR expects to increase productivity or to improve its corporate image by acting in this way is beyond me. I certainly would not break my back for someone who was ready to cut off my livelihood on two weeks notice in order to improve his quaterly profit margin.

What is needed is a commitment to employment security, something the rail unions are in the process of negotiating. This was in conciliation at the time of the lay-off, and still is. What is the CNR up to? Is it trying to reduce its workforce before it agrees to a no lay-off clause or is it just the usual disgusting tactic of having a lay-off during the negotiation process, a tactic which has gone on for years and years?

I say to the Government and to the Minister that if the new Government is serious about trying to create a new era of labour management relations, it will at the very least instruct the CNR to give full notice to these employees who were laid off as a result of the most recent announcement. If it is really serious, it will order the CNR to cancel the lay-off altogether in view of the fact that negotiations are proceeding at this time, and stop asking railroaders and their families to pay for the short-term financial needs of this Crown corporation.

The CNR has been allowed to rent rolling stock from American railroads. These thousands of cars are not repaired in Canada, but returned to the U.S. for repair to create and sustain employment in the United States of America. Is this the new Government strategy, I ask, for creating jobs, jobs and more jobs here in Canada? Instead of renting American equipment, we should be employing all the Canadian rail workers we can to repair and maintain our own fleet of rolling stock, both passenger and freight, proceeding with the boxcar rehabilitation program that was planned for Transcona, and eventually building in Transcona the new hopper cars of which a prototype is about to be developed.

Keeping people working on the railroad is an investment in our future. It is a way of increasing the confidence the Government is always talking about. It would be a way of helping put to an end the erosion of the workforce of both the CNR and CPR as a result of short-term profit strategies, combined with an uncritical attitude toward technological change that is increasingly putting employee and public safety at risk.

• (1815)

The work force of the CNR and the CPR has been decreasing literally by the thousands for a number of years. It the railways have their way, it will decrease by a lot more. Whether it be the attempt to run cabooseless trains, the changes at the hump in Symington Yard where far too much is being expected of a new generation computer and human judgment is being removed altogether through the removal of the manual car retarders, the plan to have robot locomotives work in the yard, the attempt to reduce car inspection frequency and quality by utilizing trainmen instead of carmen to do inspections, or the attempt to abolish divisional points like Nakina, Ontario; all add up to a need for the federal Government to yell "halt", and to give Parliamentarians and the public an opportunity to take a second look at just what is going on with the railways in this country.

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I appreciate the opportunity to reply to a question asked of me in the House by the then Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). I know the Hon. Member is aware that some of the questions with which he prefaced his statement will not be answered by the Minister of Labour.

Regarding the plans of Canadian National Railways to lay off 474 workers in Montreal, Winnipeg, Moncton and various other locations across Canada, I would like to explain that under Part III of the Canada Labour Code, 16 weeks' notice and the establishment of a joint planning committee are required whenever 50 or more employees are terminated over a four-week period within a single industrial establishment. The group notice requirement does not alter the fact that each individual employee to be terminated is still entitled to two weeks' notice or two weeks' pay in lieu thereof.

A lay-off does not constitute termination under the Code when, for example, it lasts for less than three months or it is longer than three months and the employee receives supplementary unemployment benefits, or it lasts up to 12 months and the employee maintains recall rights pursuant to a collec-

tive bargaining agreement. However, a lay-off is deemed to be a termination whenever the foregoing conditions cease to exist, such as upon the exhaustion of supplementary unemployment benefits, or when the lay-off lasts beyond 12 months in a recall-rights situation under a collective agreement.

A complaint of non-compliance with the group termination provisions in Division V.2 has been investigated by officials in the St. Lawrence region. I am pleased to advise that CN intends to pay each employee five weeks' supplementary unemployment benefits for each year of service, and furthermore that each employee has recall rights for life, under the collective agreement. At this time, there is no apparent violation of the group termination provisions of the Code. The lay-offs in question do not constitute terminations under the Code, because the employees will receive supplementary unemployment benefits.

Regional officials of Labour Canada will monitor the situation in order to ensure that all affected employees receive the benefits to which they are entitled under the Code, and that the provisions of the Code are complied with, particularly since the supplementary unemployment benefits will expire at different times because of the varying years of service of each employee. I believe that that would indicate to the Hon. Member and to the House our intention to ensure that the Canada Labour Code be adhered to. We in Labour Canada are determined always to adhere to the legislation under which we operate.

CANADIAN ARMED FORCES—DISMISSAL OF LESBIAN PERSONNEL. (B) REQUEST FOR ASSURANCE OF NO FURTHER DISMISSALS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, on March 5 last, I questioned the Minister of National Defence (Mr. Nielsen) with respect to a very serious situation in Nova Scotia in which five women who were members of the Canadian Armed Forces and who happened to be lesbians lost their jobs at Canadian Forces Station Shelburne. At that time, I pointed out to the Minister that the women posed no threat whatsoever to Canada's national security and that they were qualified members of the Armed Forces. I asked him why he allowed a policy to remain on the books which discriminates so blatantly against Canadian gays and lesbians.

● (1820)

I would like to take this opportunity to amplify that question and express the very serious concern that today in Canada this kind of firing can take place. The current policy of the Canadian Armed Forces is set out in Canadian Forces orders and regulations 19-20. It is a Draconian order. It states:

> 7. Service policy does not allow homosexual members or members with a sexual abnormality to be retained in the CF.

It goes further. It forces individuals who are members of the Canadian Armed Forces to identify anyone that they may suspect to be a homosexual. Paragraph 2 of the regulations states:

> If a person subject to the Code of Service Discipline becomes aware, or suspects that a member of the Canadian Forces . . . is a homosexual, or has a sexual abnormality, he shall report the matter to the commanding officer—

The military police are then brought in and the individual is apprehended and questioned. In some cases, the person is questioned over a period of days. In this particular instance, one of the women was questioned for several hours in a small room, as if she was a common criminal.

I would suggest that the policy of the Canadian Armed Forces in firing qualified men and women who happen to be gay or lesbian is completely unacceptable. It is a very serious denial of the fundamental rights and freedoms of those individuals.

What is the basis for that policy? In 1981, the former Chief of Staff for the Canadian Armed Forces said that in such a milieu, persons having unusual behaviour traits may attempt to inflict them upon others. He said that there was only one method of assuring the service men and women that their rights would be respected and that was by denying employment to homosexuals. That argument is patently unacceptable. Of course, anyone, anywhere in Canadian society who does not respect the rights of other individuals with whom he or she works is subject to the full sanctions of the law.

Another excuse was given by Admiral Falls. He stated:

> As a matter of fact, experience has shown that the presence of homosexuals can be most disruptive. Such disruption often takes the form of physical attacks on the homosexual(s) concerned, and it is possible to prevent this sort of thing only by avoiding the employment of homosexuals in the first place.

We have heard that argument before with respect to blacks, women and other minorities. We would love to be able to employ them but they might be beaten up if we hire them, so we will not hire them! Once again, I suggest that this Parliament should reject that kind of reasoning.

The final argument which was made by the Armed Forces in denying the right of men and women to join the Armed Forces who may be homosexual, and in firing others, is that those individuals may be a threat to national security. There are all sorts of bases upon which an individual might become a threat to national security, but how can it possibly be suggested that someone who makes no secret of their sexual orientation is a threat to national security? Surely, that argument is patently ridiculous. I would suggest that even the Armed Forces today does not attempt with any great degree of conviction to put that argument forward.

Pending a review of this particular policy by the Subcommittee on Equality Rights which has been charged with this responsibility, not only in the context of Section 15 of the Charter or Rights but also in the context of the referral of the Bill which I proposed today that would end discrimination on the basis of sexual orientation, I would urge that the Government not wait until that study has been completed. There has been too much pain and suffering inflicted on people who are not criminals, but who happen to be gay or lesbian. Certainly, these are people who are outstanding members of the Armed Forces. I would call upon the Government to institute a moratorium. I ask the Parliamentary Secretary to the Minister

of National Defence (Mr. Wenman) to give a commitment that, pending the review of this very serious question, and in recognition of the denial of rights of the individuals involved, the Government will undertake that no men or women will be dismissed from the Armed Forces, will lose their jobs and their livelihoods, on the basis of their sexual orientation.

● (1825)

It is not only a source of great pain, considerable financial loss and personal hardship to those individuals who are the victims of discrimination, but I would remind the House that for those many individuals who remain within the Armed Forces, at all levels, and who happen to be gay or lesbian, there is an additional element of oppression by virtue of the fact that they must maintain the secrecye of their sexual orientation. That oppression in many cases is certainly as serious as the oppression suffered by individuals who are kicked out of the Armed Forces.

I have had correspondence and telephone calls from a number of these people, and I emphasize, at all levels of the Armed Forces. Let us bring the Canadian Armed Forces into the twentieth century. Let us recognize the right to equality for men and women in the Armed Forces who happen to be gay or lesbian and put an end to this policy of blatant discrimination.

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the points and questions raised by the Hon. Member in his question to the Minister of National Defence (Mr. Nielsen) on March 5 are worthy of thoughtful and serious consideration. I am pleased to say that our Government has decided to give the matter that kind of thoughtful and serious consideration through the process of a parliamentary committee. We will follow the work of the committee with considerable interest and await the outcome in the very positive spirit with which the House of Commons has just considered the motion of the Hon. Member.

Referring to the Hon. Member's specific question, as the Hon. Member will recall, the Minister pointed out that he is in fact part of the formal grievance process which flows from the prevailing National Defence Act. On March 5 the Hon. Member stated, "There is no grievance provision in place for these women". I would, however, like to inform the Hon. Member that several of these former members of the Armed Forces are now in the process of pursuing their redress according to the law. They are now at the level of the Chief of the Defence Staff and could possibly go beyond that to the Minister and, indeed, to the Governor in Council.

The Hon. Member is aware that the Minister made mention of the existing Canadian Armed Forces policy and regulations in this area. However, since the sub-committee on justice and legal affairs has begun its meetings on the broad issues, and since a report is expected from this committee some time next September, it would be inappropriate for the Minister to comment substantively on these regulations and specific cases, so as not to prejudice or disrupt the sub-committee's work.

The Hon. Member is aware that the Minister of Justice (Mr. Crosbie) appeared this afternoon before the sub-committee dealing with these issues. Parliament will have to await the results of its deliberations and I am sure its report will form an important part of the information for the Government in dealing with these very important issues.

I am confident that the intent and interpretation of the provisions of the Charter of Rights and Freedoms will assure justice and equality among Canadians. The Hon. Member is now assured of his opportunity to express his point of view further in this committee and in this House of Commons, as are those who will present their opinions both for and against these points of view. We look forward to that discussion on behalf of the Canadian Armed Forces.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

The House adjourned at 6.29 p.m.

HOUSE OF COMMONS

Wednesday, March 27, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

THE ADMINISTRATION

GOVERNMENT POSITION

Mr. Alain Tardif (Richmond-Wolfe): Before September 4, Mr. Speaker, the Prime Minister (Mr. Mulroney)—then Leader of the Opposition—would visit the Eastern Townships and the Bois-Francs region, harping on his favourite theme: job creation.

He promised to spur the asbestos sector, spoke of more active development in forestry, guaranteed that textile and footwear industries would be protected, and committed himself to creating more jobs as a result of better promotion of agri-food business through more intensive research. Practically in the same breath, the Conservative Party emphasized the need to boost and support those sectors whose main objective is external trade—Domtar and asbestos, among others. This region was also slated to become a strategic centre since the cartographic institute was to become reality.

Here is the tally after six months in office. Jobs: hundreds have been lost, thousands more are about to disappear. Asbestos: nothing whatsoever has been done. Footwear: quotas have been slashed. Cartography: the project is under review. Agriculture: pork producers are still waiting for their cheques. Research: Victoriaville's $14 million research project has been cancelled. Domtar: not a single Quebec Minister knows what is going on.

Yet, we are amazed at the haste with which $40 million were handed out to Kruger in the Maritime Provinces, not to mention the $73 million to a western bank, and over $600 million in defence expenditures to please the Americans.

[*English*]

HUMAN RIGHTS

U.S.S.R.—TREATMENT OF JEWISH POPULATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am certain that Members of Parliament, and indeed all Canadians, will join in the appeal brought to us yesterday by the Jewish Students' Network in Canada on behalf of Soviet Jewry. With the emergence of the new Soviet leader, Mr. Gorbachev, we can be hopeful that there will now be an opportunity for a relaxation in the Soviet Union's policy which would permit the emigration of Jews who wish to go to Israel. A realistic goal would be the reinstatement of the Soviet policies of the late 1970s which permitted large numbers of Soviet Jews to leave for Israel.

We also welcome the statement made yesterday by the Secretary of State for External Affairs (Mr. Clark) indicating that he intends to take up the case of the Soviet Jews with Soviet authorities when he visits the U.S.S.R. next week. During his visit, I would urge him to endeavour to arrange to meet with the Jewish "Refusenik" groups so that he and we can be briefed on their present difficult situation.

* * *

ENERGY

AGREEMENT WITH WESTERN PROVINCES

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, the new agreement on oil and gas pricing in Canada initialled yesterday by the Minister of Energy (Miss Carney) and her provincial counterparts in western Canada is further evidence of the Government's positive record of success.

Some Hon. Members: Hear, hear!

Mr. Pennock: This agreement, like the Atlantic Accord, is proof that consultation and co-operation are the way to achieve positive results. For over four years, agreements of this nature eluded the previous administration.

Since September Canada's economy has witnessed growing signs of strength. The unemployment rate has fallen. Investment confidence is strengthening. Consumer spending and manufacturing orders are rising, and interest rates have dropped.

There are tough economic decisions that lie ahead of us, but those decisions will be made after listening to the people of Canada and getting their advice and opinions. The recent

economic conference was an opportunity for Canadians to be heard and for politicians to listen.

On September 4 last, the people of Canada placed their confidence in this Government. We have achieved much in seven months. We will achieve more in the next four years.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

TIME FOR PRESIDENT TO RESIGN

Mr. André Harvey (Chicoutimi): Mr. Speaker, I rise in the House today to urge the President of the Canadian Broadcasting Corporation to hand in his resignation to the new Progressive Conservative Government. Requested by the Government to cut $75 million, the President failed to show any understanding for the plight of isolated areas where the service is inadequate and the unemployment rate has reached astronomical proportions as a result of Liberal waste and the absence of any economic policy for 20 years.

Unfortunately and predictably, the cutbacks were apparently not carefully considered, and I have the impression that the nonchalant way our region was dealt with is only the tip of the iceberg. I am therefore convinced that those who helped to "fatten" the system and expand this corporation cannot be expected to have the ability to manage negative growth and take a more reasonable approach.

Since the way the cutbacks are made is more important than the actual amounts involved, I think it would be perfectly legitimate to ask the President of the Canadian Broadcasting Corporation to give the new Progressive Conservative Government a chance to appoint a president more attuned to this country's new political and economic principles.

The President of the CBC should therefore have the courage to respond to the demands of a new Canadian reality, as of September 4, because in addition to the $75 million cutbacks, Canada needs an entirely new management style in public affairs, and the new Government should not be expected to take every manager by the hand to put Government spending in 400 Crown corporations and 40 departments on a more rational footing.

* * *

WOMEN

APPOINTMENT TO DECISION-MAKING POSITIONS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, the Conservative Government is very fond of consultation as we all have noticed. Few major initiatives have been taken by a government paralyzed by indecision and uncertainty. However, there is a consensus in Canada the Government has not yet discovered, a consensus supported by all Canadians, and I am referring to the view that more women should be appointed to decision-making positions on the boards of Crown corporations, in government agencies and on commissions. This is a genuine consensus that is supported by all the polls.

Even if the Government keeps giving us the assurance that appointing women to management positions is one of its priorities, that is obviously not what is happening. Last week, at Air Canada, only one of thirteen appointees was a woman. That is 7 per cent, Mr. Speaker. On a committee of experts in botany, two out of eight appointees were women and this was two out of five at the Social Sciences and Humanities Research Council of Canada.

An Hon. Member: Incredible!

Mrs. Pépin: If the Government is so keen on governing by consensus, it should appoint women to decision-making positions, and it would certainly be a good thing for Canada.

* * *

[*English*]

NATIONAL PARKS

DEVELOPMENT OF FOUR MOUNTAIN PARKS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, in 1981 Parks Canada initiated the Four Mountain Parks Planning Program to develop long-range management plans for Banff, Jasper, Kootenay, and Yoho National Parks. This program included extensive public consultation during which the vast majority of participants rejected wholesale tourist-oriented development within these parks in favour of little or no development, in keeping with Parks Canada's own mandate which puts first priority on ecological and historical integrity. The consensus in this regard was overwhelming, yet Parks Canada ignored popular will and recently proposed a pro-development management plan for the four mountain parks block. Is the new parks policy of the Conservative Government to ignore public opinion, to turn our national parks into Disneylands, and to sacrifice our environmental heritage to the market-place?

The year 1985 is the 100th anniversary of Parks Canada. All Canadians are justifiably proud of our national parks, and this should a be a year of celebration. Instead, ever since the election of the Tories, a dark, disturbing cloud of cut-backs, insensitivity, and uncertainty, has descended on our national parks system. I call on the Government to respect the mandate of Parks Canada, the wishes of the majority of Canadians, and our environmental heritage, by rejecting Parks Canada's pro-development scenario for Banff, Jasper, Kootenay, and Yoho National Parks.

HUMAN RIGHTS

RELIGIOUS FREEDOM—CANADIAN EXAMPLE

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, for over 100 years Canada has stood as a rock of freedom in an often troubled and tormented world. This country was built by hardworking, dedicated individuals who came to Canada because they could be free here, free to prosper, and free to speak out and participate in a democratic society that treated them as equals. For many, the greatest freedom of all was the freedom to worship in their own way.

● (1410)

Last week in my riding I met with a group of people whose friends and relatives, who live in another country, are being persecuted because of their religious beliefs. They spoke of the torture, killings, and beatings which have been perpetrated by the Government on these religious followers. All these people want is the freedom to worship God in their own way.

To us in Canada religious freedom is a basic and fundamental right. Yet, for millions of people around the world it is not. Let us always be mindful and thankful of the freedoms and rights for which this country has proudly stood. In addition, let us, as Canadians, remain committed to maintaining our freedoms and continuing to set an example for other countries of the world.

Some Hon. Members: Hear, hear!

* * *

EXTERNAL AID

GENESIS OF RECORDING TO ASSIST AFRICAN FAMINE VICTIMS

Mrs. Mary Collins (Capilano): Mr. Speaker, the power of music is used to soothe, to uplift, and to seduce. Now, Canadian musical artists have combined their talents to use the power of music to persuade Canadians to help feed the starving people of Africa.

We have all heard the record *Tears Are Not Enough,* the Canadian music community's response to an international call for help. I am proud to inform the House that the genesis of this unique venture occurred in my riding of Capilano, British Columbia. There, world acclaimed producer David Foster wrote the words, while Bryan Adams and Jack Vallance created the music. Others such as Bruce Allen and Terry David Mulligan formed the Northern Lights for Africa Society which will donate the proceeds from the sales of the record, the video, and the CBC documentary on the making of this record, to the African Famine Relief.

Fifty-five Canadian artists gathered together in a studio on a cold February afternoon and spent 15 hours to record the song, without recompense, and forgoing other engagements. Anne Murray, Cory Hart, Robert Charlebois, and Liona Boyd are just some whose generosity is only exceeded by their artistry.

Yes, we have a new hit in the Canadian recording industry, but it will be Canadians across the country who support this venture and transform music into dollars for famine relief. In the words of the song:

We can learn to share
And show how much we care
We can make the difference
Don't you know that tears are not enough?

Some Hon. Members: Hear, hear!

* * *

OFFICIAL LANGUAGES

COMMISSIONER'S ANNUAL REPORT

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, yesterday the Commissioner of Official Languages tabled his annual report. At that time he stated:

> The Canadian Government, indeed Canadians generally, need to wake up to the fact that progressive polarization threatens the probable extinction of most French-speaking minorities outside Quebec and, by ricochet, drastic reductions of the English freedoms within that province.

That is an alarming statement for both English and French-speaking minorities. However, I would like to advise the House that the ricochet effect has already started.

For some time the Anglophone minority in Quebec have been subject to repeated attacks on their language rights. Since 1981, 90,000 Anglophones have left that province. The situation has been equally critical for our French-speaking brothers in other provinces.

As well, the Commissioner made the following pleas. He urged the new Tory Government to use its financial and regulatory clout to extend bilingualism in the private sector. He urged the Government to help Canadians who go to the courts seeking delivery of minority language rights under the Charter of Rights. Finally, he urged the Government not to undercut language reform through spending cuts in the Budget which is to be brought down in May.

We support these measures and we urge the Government to respond positively to these recommendations as soon as possible.

* * *

ENERGY

AGREEMENT WITH WESTERN PROVINCES

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, Canadians watched with appreciation yesterday as the Minister of Energy, Mines and Resources (Miss Carney) and her provincial counterparts announced in principle a new energy accord with the producing western provinces. This agreement is the result of skilful leadership by the Minister. It also fulfils another of my Party's election promises, that is, a new approach to energy development in Canada.

More important, however, it indicates the priority this Government places on the oil and gas industry and its importance to all Canadians. It recognizes the potential of this industry to grow, to be an economic multiplier, to help Canada become more energy self-sufficient and to create jobs in various parts of the economy.

Equally important, it sounds the death knell of that most devastating energy policy developed by the previous Government, which contributed so dramatically to the loss of jobs and the downturn in our economy, especially in western Canada. The Minister's announcement signals another step in Canada's road to economic recovery. It demonstrates the value of thoughtful progressive leadership.

* * *

● (1415)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF BRITISH COLUMBIA MINISTER OF UNIVERSITIES, SCIENCE AND COMMUNICATIONS

Mr. Speaker: May I indicate the presence in our gallery today of the Hon. Pat McGeer, Minister of Universities, Science and Communications in the Province of British Columbia.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

NORTH AMERICAN AIR DEFENCE

UNITED STATES STRATEGIC DEFENCE INITIATIVE—INVITATION TO PARTICIPATE IN RESEARCH

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Why did the Prime Minister not advise the Secretary of State for External Affairs that Canada had been asked to participate in star wars research? Why did the Prime Minister allow his Minister to hang in the wind yesterday, because he was not able to respond directly? Was it because there is a difference of opinion between the Prime Minister, the Minister of National Defence, and the Secretary of State for External Affairs? Could the Prime Minister clarify the position of the Government on this issue?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the clarification, if required—and I think my right hon. friend would acknowledge this—is that a communication was delivered to the Deputy Prime Minister in Luxembourg. Given the different time zones and time frames, I think any fair minded person would agree that obviously net everything is instantaneous. Having said that, I think there is no doubt but that the Right Hon. Secretary of State for External Affairs has set out the position of this Government on that and other issues, with great courage, thoroughness, and dignity. I salute him for that because I know that that calm and reasoned approach finds favour with the Canadian people, and I hope with my right hon. friend.

[*Translation*]

YOUTH—USE OF FUNDS FOR JOB CREATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I must point out that the Prime Minister did not answer the question. I have a supplementary.

If Canada were to participate in U.S. Star Wars research, this would oblige the Government to spend several billion dollars of Canadian taxpayers' money on a U.S. arms program. It would be naive to think otherwise. Would it not be better to spend those billions on creating jobs for our young Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the Leader of the Opposition will agree that the Government is going to do what he probably would have done himself in similar circumstances. When we receive a request from our allies, we discuss it in Cabinet and make a decision as soon as our schedule permits. We have just received this invitation. I am now going to submit it to my Cabinet colleagues, and we shall announce our decision to the House in the near future.

For instance, we recently received a request from the Prime Minister of Israel and from Egypt, asking us to consider the possibility of replacing the Australian contingent on a peace mission in the Middle East. That is a proposal, an invitation we have just received. We are going to submit it to Cabinet and we shall announce our decision in due time.

[*English*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, of course the Secretary of State knew about Israel's invitation because it was made to him directly. I might say that this Party would support the Government's participation in replacing the Australians in that particular enterprise.

JOB CREATION FACTOR

Right Hon. John N. Turner (Leader of the Opposition): The Prime Minister said, or is reported to have said, that if star wars will create jobs then we should consider taking part. That is how he was reported. Does the Prime Minister think that there is some burning desire among Canadians, particularly young Canadians, to make a living off the escalation of the nuclear arms race?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what I said was that if a proposal were brought forward consistent with the requirements of the ABM Treaty which

could create, say, 10,000 jobs in Winnipeg-Fort Garry, we would take a look at it.

● (1420)

Unless my right hon. friend is saying that job creation and the dignity of human beings in Canada are unimportant, and I do not believe that, and unless he is suggesting that this Party is a Party of warmongers, after we fought off the Liberals on the question of nuclear arms—remember Mr. Diefenbaker fought you to a standstill and prevented nuclear arms from coming into this country. That is the position of this Party.

The last time nuclear arms were allowed on Canadian soil, it was by the Liberal Party of Canada, and Canadians will never forget it. That is the difference between you and I.

Mr. Chrétien: Mr. Speaker, it is very easy for the Prime Minister to rewrite history, but we are dealing with the problems of today.

Some Hon. Members: Oh, oh!

Mr. Chrétien: I was there at that time. I was not a back-room boy; I got elected in those days.

CANADIAN POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, when the Prime Minister is seriously considering the Americans' request for us to participate in star wars, will he live up to the reputation of Canadians, that we have always been on the side of peace, and not get into an adventure which will lead to escalation of the arms race around the world?

Right Hon. Brian Mulroney (Prime Minister): We are very conscious of the tradition, in which this Party has played an honourable role, of searching for a durable peace in the world. I think my hon. friend would agree that it was not the most glorious moment in the distinguished history of the Liberal Party when it reversed itself and accepted nuclear arms on Canadian soil. I know you would be as ashamed of that today as you were then.

Miss MacDonald: So was Pierre Trudeau.

Mr. Mulroney: In fact a very distinguished Canadian, the Right Hon. Pierre Trudeau, then a very distinguished journalist, said that the Liberals were the defrocked princes of peace for what you did on the nuclear arms issue.

This Party will always be here to protect the integrity of Canada and make sure that our approach to the quest for a durable peace is always serious and at the top of our priorities.

Mr. Chrétien: Mr. Speaker, I was around in those days and I remember the Minister of Veterans Affairs having to resign because the Diefenbaker Government broke its word. The same thing happened with the resignation of Douglas Harkness, who had to resign because Mr. Diefenbaker was breaking his word.

PARLIAMENTARY RESOLUTION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I am asking the Prime Minister if he is about to break the word of this Parliament, given a year ago when he was Leader of the Opposition, when all in this House agreed that Canada would never participate in any way, shape or form in star wars?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend should go back—

Mr. McDermid: Who is rewriting history now?

Mr. Mulroney: Yes, he is rewriting history, not of years ago but of months ago.

Mr. Chrétien: Three weeks ago he said they were against it.

Mr. Mulroney: I take seriously the observations of my hon. friend. I think he would take seriously the fact that, because it is not a partisan matter, we have no lessons to learn from anyone in regard to our commitment to the strength of our allies and the sincerity of our desire to be of assistance in the procurement of a durable and honourable peace. There is nothing more important to Canadians, irrespective of their political views, and nothing brings Canadians together with more certainty than the assurance that this Government, any national Government, is deeply and irretrievably committed to a genuine search for a peaceful solution and de-escalation of nuclear tensions in the world. Nothing is more important, and we are committed to that to the fullest.

Mr. Chrétien: Why are you reversing yourself?

* * *

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. Last year, following the patronage appointments by Messrs. Trudeau and Turner of over 200 Liberal individuals, the Prime Minister indicated that he had joined the majority of Canadians who were sick and tired of this kind of partisan appointment to serious jobs. At that time he said specifically that if he were elected he would make a basic change in the whole approach. Since then there have been Conservative appointees to Air Canada, Via Rail, the Senate, and Citizenship Courts, to name just a few. Instead of 200 appointees, we have now had over 1,000 Conservative appointees.

● (1425)

Some Hon. Members: More! More!

Mr. Broadbent: They are yelling "more". More pigs at the trough, that is what they are yelling on the other side. Where is the change? Why is Conservative patronage any better than Liberal patronage?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, before my hon. friend dissolves in exasperation, I would like to tell him that I have spent a very long weekend looking for Conservative appointments made by the NDP Government of Manitoba.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Try as I might, Mr. Speaker, and I have a fine eye in this matter, I could not find a single one. In contrast, this Party has appointed distinguished people like Stephen Lewis, and Mrs. Gold to the chairmanship of the Committee on the Status of Women. Long after these people opposite should have done so, we recognized the distinguished service of Tommy Douglas and appointed him to the Privy Council of Canada. Many other distinguished NDP members have been appointed, and there will be more, because we believe that the Public Service and these appointments should reflect the best of Canada.

Having said that, I have been talking to my friend, a very distinguished parliamentarian, the Member for St. John's East, who, with his task force on parliamentary reform, will hopefully be bringing forward some mechanism that will allow us all to improve on what was a very sad and sorry Liberal record.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the facts stand for themselves. To understate it, 95 per cent of the appointees whom the Government has named have been Conservatives. The Prime Minister knows it. The only reason they got the appointments was because they were Conservative, and the whole country knows that as well.

VIA RAIL CHAIRMAN

Hon. Edward Broadbent (Oshawa): Mr. Speaker, last October the Government froze the wages of all the working people in VIA Rail so that they could make their contributions to the viability of the government of that entity. Having done that, how could the Government announce, just two days ago, that the new chairman of VIA Rail, a former Conservative candidate, would have his salary increased to $135,000? Why is there one sense of justice for ordinary workers and another for Tory patronage?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if the Hon. Member were to be fair, I think he would recognize that it has been my privilege, as Prime Minister, to make more non partisan appointments in six months than any of my predecessors whom anyone in this House can remember.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Lawrence Hanigan is widely regarded as an outstanding leader in mass transportation in Canada. If I recollect accurately, the Montreal *Gazette* pointed out with considerable pride the accomplishments of Mr. Hanigan in this field. He is a very distinguished Canadian and Quebecer who, it is true, once stood for the Progressive Conservative Party. Given his remarkable record of accomplishments over a long period of time, I do not think that that should disqualify him from serving as chairman in an area of public endeavour where he has received such high marks over the years. I think you should be standing up and congratulating us for this fine public service appointment.

• (1430)

Mr. Broadbent: The Prime Minister should go to all the workers in VIA Rail and explain to them why they should have their wages frozen while this man gets an increase up to $135,000 a year. Let him explain that to the working people of Canada.

APPOINTMENT OF FORMER SPEAKER TO CANADIAN TRANSPORT COMMISSION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my final supplementary question concerns a sacred trust that the Prime Minister entered into during the television debates. He said: "A series of appointments should be looked at attentively by House of Commons committees." "I propose to you tonight," he said to the people of Canada, "that this notion be extended so that all political appointments, for example to the CTC, be approved by a House committee." A sacred trust. How could the Prime Minister make that commitment on the one hand and then, after he obtained office, appoint Marcel Lambert, a former Conservative MP, to the CTC? It is the CTC about which he said appointments should not be made unless approved by a committee of the House.

In addition to his response, will he tell us that there will be no more such appointments coming from the Government until he sets up a committee to vet all such appointments?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am appalled at the splenetic observations of the Hon. Member. He disparages a former Speaker of the House who served here for 25 years.

If my hon. friend is going to criticize me for it, I will accept the criticism because it is true that we have appointed people with previous political backgrounds, including Marcel Lambert, Lloyd Francis, and Stephen Lewis, and I am proud of it.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Ed, stand up again.

An Hon. Member: Let Ian ask the questions. He did so well yesterday.

Mr. Speaker: Order, please. We did so well yesterday.

ENERGY

AGREEMENT WITH WESTERN PROVINCES—MINISTER'S ROLE

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, yesterday the Minister of Energy, Mines and Resources signed an agreement with the three oil producing provinces.

Some Hon. Members: Hear, hear!

Mr. Johnston: I would not have done so, but I draw your attention to the fact that not one Member of the Tory caucus or the Cabinet, for that matter, knows what is in the agreement, and yet they have the audacity to stand here and insult their constituents who want them to act independently. They applaud an agreement—the form, not the substance. She could have sold the farm and they would still be standing up like trained seals applauding.

Let me refer to the text of a wire communique which I have in front of me. It says that the Minister said the Prime Minister gave her free rein to negotiate the agreement. "But before making the details of the pact public," she said, "I owe him the courtesy of telling him what I initialled." I ask the Prime Minister if it is true that he gave the Minister of Energy a free rein to negotiate an agreement which affects billions of dollars of federal government revenue and to initial what she pleased?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, when he had the First Ministers' Conference the Hon. Member from Westmount went on TV and said that it made him ill. The last time there were energy negotiations, the Member for Saint-Maurice was on the phone to Marc Lalonde and Marc Lalonde was saying: "Don't do this or you are out."

Mr. Chrétien: I signed twice, and no delays.

Mr. Mulroney: You signed all right—with invisible ink.

Some Hon. Members: Oh, oh!

Mr. Mulroney: That is what you signed. We know all about your deals.

In point of fact, I see my hon. friend from Westmount is stumbling from success to success here.

Mr. Gauthier: You are fumbling from joke to joke.

Mr. Mulroney: The Minister of Energy, Mines and Resources goes with the full support of the Prime Minister and her Cabinet colleagues, with whom all of this was amply discussed.

The difference is that I have full confidence in my Ministers and I encourage them to go out and innovate, accept the responsibilities, and make deals that benefit western Canada and all of Canada.

Some Hon. Members: Hear, hear!

Mr. Johnston: Mr. Speaker, if I may, I recognize in the gallery the presence of the distinguished Mayor of Westmount. But that is no reason for the Prime Minister to insist on forgetting that my riding is Saint-Henri-Westmount. I am sure the mayor would agree with that.

TAX REVENUE INQUIRY

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, after listening to the Prime Minister's answer it seems to me that the Minister did not have a free rein. I am less nervous about the agreement as is the Minister of Finance, I suppose.

It is clear from the response of the producing provinces that the PGRT will be reduced or eliminated.

Some Hon. Members: Hear, hear!

Mr. Johnston: My question is directed to the Minister of Finance. The rumour is that he is seriously examining a value added tax, which will affect every transaction of every Canadian in every walk of life, to replace the revenue that will be lost through the reduction or elimination of the PGRT. Will that happen? Yes or no?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Minister of Energy, Mines and Resources and I have been in close consultation on this on a regular basis in order to find a solution to the energy problems that the country has been beset with since October, 1980.

We feel that the result will be extremely good for western Canada, eastern Canada, and all Canadians, in terms of bringing this country together and creating the economic growth to create the jobs that are needed.

APPROACH TO WORLD PRICE LEVEL

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Finance. I would remind him that Premier Lougheed and Prime Minister Trudeau drank a champagne toast to the previous oil agreement. It did not work out exactly right.

While we do not know the details of the oil agreement, we know that the Government is moving to deregulate and go to world price. That has a potential short run effect of reducing the price at the gas pump for consumers. Will the Minister of Finance agree in principle that such benefits should be passed on to the consumers and not be absorbed by the Government through petroleum compensation charge collections, or by the oil companies pocketing windfall profits?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member should know, I said in my statement last November that the petroleum compensation charge would be phased out. As far as the profitability of the oil companies is concerned, they have demonstrated a willingness to reinvest these profits in the Canadian economy to find oil and gas production, as well as to create the jobs that Hon. Members

are asking us to encourage. Surely you cannot have it both ways. Either the oil companies will do what is right for the country and create jobs, or they will take their money and go elsewhere. We want them to leave their money here, create the jobs, and find the oil and gas production.

INVESTMENT BY FOREIGN OWNED OIL COMPANIES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, the majority of the oil industry is still foreign owned and those big multinationals will benefit by going to the world price because they will get a windfall when their old oil moves to the world oil price.

Is the Minister prepared to introduce real legislation that will require these foreign oil companies to reinvest the windfalls they will get, in Canada? Will he also indicate to the House whether he is prepared to protect the consumer in the long run when the price of oil is liable to skyrocket again if there is an OPEC oil crisis, now that we are dependent on the OPEC price? Will he protect the consumer in the long run from the effects of drastic increases in this free market for oil?

• (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it seems to me that the Hon. Member asked two questions. First, are we confident that the oil companies will reinvest their cash flows into the Canadian economy and create the jobs? Yes, we believe they will. My colleague, the Minister of Energy Mines and Resources, and I have had extensive discussions and we are confident that they will do that and that they will create the jobs that we need here in Canada.

The second part of the question, I believe, was whether there would be some protection for the consumer in the event that, under price decontrol, there was a spike in the oil and gas price. That is something we propose to do.

* * *

[*Translation*]

OFFICIAL LANGUAGES

COMMISSIONER'S REPORT—REQUEST FOR LEGISLATION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the report of the Commissioner of Official Languages was tabled in the House yesterday. The least that can be said is that it is an alarming report for francophones, for a bilingual Canada, and for those who believe in linguistic equity.

Considering that the Federal Government must set the example and be the driving force in linguistic matters, can the Prime Minister tell the House whether he intends to introduce a Bill in the not too distant future with a view to reinforcing the powers of the Commissioner of Official Languages to enable him to promote, encourage and even require linguistic equity, or, to put it another way, to meet the wishes of Canadians to have a public service sector that closely reflects the example they are giving?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my colleague is raising a very important issue. In the November Throne Speech, we indicated that as a Government we feel that bilingualism has to be a vital aspect of our national existence, a sentiment that is widely shared, I believe. Like my colleague, I am concerned about the undoubtedly justified remarks of the commissioner and, this morning, I asked the Deputy Prime Minister to make early arrangements to convene all Deputy Ministers in the Public Service so that we might undertake an operational analysis to enable us to define the parameters required for such a Bill.

FRENCH AS LANGUAGE OF WORK IN PUBLIC SERVICE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): A supplementary question, Mr. Speaker.

In his report the Commissioner of Official Languages mentions the progress we have made in Canada in the language of education and the language of communication, and he raises the important question of the language of work in the Public Service of Canada.

Is the Government prepared to explain to the Committee on Official Languages Policy and Programs its policy concerning the important question of the language of work in the Public Service of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I did not look into that aspect of the question, but I think it is a very reasonable suggestion. If people cannot work in French, it is a myth, and everything must be done to maintain the integrity of that instrument, that cultural and linguistic wealth, either by coercion, or by making sure that it will be sought after as an instrument of work. The remarks of my colleague are quite appropriate and I will give them due consideration.

* * *

[*English*]

NORTH AMERICAN AIR DEFENCE

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is also for the Prime Minister who talked earlier about aspects of Canada's history as a promoter of peace, as a peacemaker and his wish to have his Government continue on this path. This is very commendable, and it would be even more commendable if the Prime Minister would say now, today, clearly, that Canada and the Canadian Government are opposed to the militarization of outer space and will not take any part whatsoever in research or otherwise in any development of an anti-ballistic missile system.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if I were to make that comment without consulting with my Cabinet colleagues, the Hon. Member would accuse me of running a presidential-style government. We are opposed to a presidential-style government. This is a parliamentary democracy.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I believe in consulting with my colleagues before making statements. I do not think that my hon. friend would find in my background, or in the background of this Party, anything other than initiatives designed to assist in the achieving of a durable and helpful process that will result in peace for the world.

Ms. Jewett: Mr. Speaker, we may have to treat the Prime Minister like a president because two of his Cabinet colleagues, the Secretary of State for External Affairs and the Minister of National Defence, are going in opposite directions.

Some Hon. Members: Oh, oh!

Ms. Jewett: We have to ask him what path it is we are to understand that Canada is following.

CANADIAN PARTICIPATION INQUIRY

Ms. Pauline Jewett (New Westminster-Coquitlam): I ask the Prime Minister again will he support his Secretary of State for External Affairs who said last month that Canada would not participate in any way in the star wars project?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have to protect myself from time to time against misquotation. I have just been misquoted, I am sure inadvertently, by the Member for New Westminster-Coquitlam.

The statement was that at the time the Government of Canada had no plans for any kind of involvement in any way with the Strategic Defence Initiative. As the Hon. Member will know, the Government of Canada, along with all of the other members of that alliance she now wants to join, NATO, has now received a formal invitation to consider participation in research that is consistent with the ABM treaty, under the Strategic Defence Initiative.

Ms. Jewett: You have heard about it? I am glad you have heard about it.

Mr. Clark (Yellowhead): We are going to consider that proposal.

Mr. Benjamin: Send it back unopened.

[*Translation*]

BILINGUALISM

DECISION TO REDUCE NUMBER OF BILINGUAL POSITIONS AT RENOUS PENITENTIARY

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, my question is directed to the Solicitor General of Canada. Last Monday, the *Telegraph Journal* reported that the Solicitor General had decided to reduce the proportion of bilingual positions at the new penitentiary institution in Renous from 50 per cent to 30 per cent. In the light of statements by the Commissioner of Official Languages who deplores the state of bilingualism in Canada, and especially in the light of the Prime Minister's reply, to the effect that bilingualism is a vital issue, does the Minister intend to maintain his decision?

[*English*]

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, the measures taken with respect to hiring at the Atlantic Institution, or Renous as it is sometimes known, were designated in the light of the best interests of local residents for hiring purposes. These measures are not written in stone. For my hon. friend to raise it in this context shows that he lacks a certain appreciation of fairness and local conditions.

Some Hon. Members: Oh, oh!

Mr. Nunziata: Look who's talking. What about Hatfield? And you talk about fairness.

[*Translation*]

Mr. Robichaud: Mr. Speaker, I have a supplementary. Since New Brunswick has been officially recognized as a bilingual province, and especially since the Solicitor General has a rather special relationship with our Premier, and Premier Hatfield, in his better moments, sees himself as the defender of Acadian rights, did the Minister consult the Premier prior to reaching this decision?

[*English*]

Mr. MacKay: Mr. Speaker, as I indicated, I am always prepared to listen to representations from my colleagues, or provincial Premiers.

Some Hon. Members: Oh, oh!

Mr. Chrétien: Which room in the Chateau?

Mr. MacKay: I repeat to my friend opposite that this particular measure was taken after consultation with the Commissioner of CSC who is, himself, a Francophone from New Brunswick. It was not done with any intent to be unfair to anyone except to promote the best interests of local residents and to provide maximum utilization of local people at this new institution.

[*Translation*]

FORESTRY

SIGNING OF SUBAGREEMENT WITH QUEBEC

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

Since forestry is important to Quebec's economy, and especially to the economy of a region like Abitibi-Témiscamingue, I would like to ask the Minister when, further to the general agreement signed with Quebec on regional economic development, he intends to sign a subsidiary agreement on the forestry industry?

● (1450)

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, it is true that we are anticipating further arrangements with Quebec concerning the forestry industry in that province. When an announcement is to be made, it will be made by my colleague, the Minister of State for Forestry.

* * *

[*Translation*]

MINES

MAPPING INSTITUTE IN QUEBEC—PRIME MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I would like to inform the Prime Minister that we missed him during the past few days and that the people of the Eastern Townships were anxious to see him return to the House so they can get replies on two important issues, especially the one about the Mapping Institute. The Prime Minister, who has a good memory, will recall that last July he made a formal and solemn commitment to the people of the Eastern Townships that the Sherbrooke project to decentralize mapping activities would be carried out on schedule. Is the Prime Minister a man of his word and can we still take him at his word today?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend is somewhat mistaken. As far as formal commitments to move the Mapping Institute is concerned, those were made by the Liberal Party to Sherbrooke in four successive elections, and nothing ever came of it. The Liberal Party misled the people of the Eastern Townships during four successive elections. They misled those people and that is why former Liberal Members are sitting upstairs, not down here in the House.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The people of Quebec knew where they belonged. We on this side of the House are considering several possibilities in this area, despite the heavy financial burden we have inherited. I hope to be able to make an announcement in this connection in the near future.

* * *

REGIONAL ECONOMIC EXPANSION

FORMAL COMMITMENT TO START NEGOTIATIONS WITH DOMTAR

Hon. Jean Lapierre (Shefford): Mr. Speaker, I think it is in very poor taste to make disparaging remarks about candidates who were beaten in the last election, because the Prime Minister's own people may well be up there in four years' time. Speaking of formal commitments . . . last week, before the people from Domtar and representatives from the Eastern Townships, the Prime Minister made a formal commitment to start negotiations with Domtar within the next few days, and that is what he said last Tuesday. Considering this formal commitment, could the Prime Minister explain to the House why Domtar has not yet been contacted by his Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend misunderstood what I said. What I meant was that the good ones were beaten and the others turned up on the other side of the House. I was only pointing out the unfairness of it all, and I am sure the Hon. Member will agree with me.

[*English*]

Mr. Speaker: I remind Hon. Members that any reference to the presence of anybody in the gallery is not permitted.

Mr. Mulroney: I apologize, Mr. Speaker.

[*Translation*]

I can inform my hon. friend that negotiations are continuing, that progress is being made in the Domtar case, and that I hope to be able to make a statement on the progress of negotiations in the near future.

* * *

[*English*]

AUTOMOTIVE INDUSTRY

IMPORTATION OF JAPANESE MANUFACTURED VEHICLES

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Prime Minister. On March 15, in response to a question from the Hon. Member for Mississauga South, the Prime Minister indicated that in a conversation with Prime Minister Nakasone, a topic of great interest to southwestern Ontario was discussed. I guess we can assume in context that that concerned the automobile industry. There are two possibilities that would interest the people of southwestern Ontario, one, that there is an agreement to continue the automobile quotas on Japanese manufactured

automobiles for an additional year, or that there will be a commitment to a level of Canadian manufacture of Japanese automobiles and job creation in Canada proportionate to the Canadian sales of Japanese automobiles. I would ask the Prime Minister which is it.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, if the Hon. Member had checked with his Leader yesterday, he would have found that similar questions were put and answers were given. I would suggest that he check *Hansard* to get the appropriate answer.

DISCUSSION WITH JAPANESE PRIME MINISTER

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I would direct this question to the Prime Minister. He had the discussion with Prime Minister Nakasone. Did he discuss with the Prime Minister of Japan the issue of quotas being extended for Japanese manufactured automobiles imported into Canada, and did he discuss the imposition of the conditions of the auto pact on Japanese cars, as are imposed upon cars which are manufactured by North American manufacturers, or not?

Right Hon. Brian Mulroney (Prime Minister): Yes, Mr. Speaker, I did. As I indicated to the House, I discussed with the Prime Minister the impact of this on Canada generally and southwestern Ontario in particular.

Mr. Deans: Did he say anything back?

* * *

IMMIGRATION

ERNST ZUNDEL—DEPORTATION PROCEEDINGS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I have a question for the Minister of Employment and Immigration. The Minister has announced that since Ernst Zundel was sentenced to 15 months a determination must now be made about his possible deportation. Will the Minister please explain to the House what steps are involved in this process and how long it will take?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the order to launch an inquiry into deportation proceedings for Ernst Zundel was signed today. That inquiry will commence as soon as it is possible, given the arrangements that will have to be made by the adjudicator in this case. I would just add that any further judicial proceedings will depend upon the outcome of that inquiry.

[*Translation*]

HOUSING

THE BUDGET—RESTORATION OF HOUSES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, it is obvious that the head clown is back in the House of Commons to get a round of applause from his 211 jerks.

Mr. Speaker, my question is directed to the Minister of Labour responsible for CMHC . . . Bissonnette, give him a shove and wake him up!

The Minister knows full well that the residential restoration program is very important to all Canadians and Quebecers alike. Can he tell us why he has decided to reduce Quebec's budget by 35.7 per cent, as compared with only 9 per cent in the case of Ontario?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I appreciate the opportunity to reply to that question. For the first time since RRAP has been in place, a form of self-assessment, which was taken from the 1981 census form wherein individual Canadians declared whether they felt their housing was adequate, was used in distributing the dollars that all Canadians put forward as tax dollars for repair and renovation.

[*Translation*]

ALLEGED PENALIZING OF QUEBEC

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): I have a supplementary question, Mr. Speaker.

I think the Minister is not too familiar with this file, I am referring to the residential rehabilitation and restoration program, not to insulation.

If the Minister knows what I am talking about, can he tell me why Quebec has been penalized to the tune of 35 per cent, while the cut-back was only 9 per cent in Ontario? Is this another case like Domtar or Melchers, or is it another one of the Prime Minister's promises to be generous towards Quebec? We see now what he meant.

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am sorry if the Hon. Member did not understand repair and renovation. I do, and I know the people of Canada do. I say once more to the Quebec lieutenant of the Liberal Party that we now have in place in Canada a formula for the distribution of tax dollars for repair and renovation which was devised on a self-assessment done in the 1981 census in which individual Canadians said whether they felt their housing was adequate.

● (1500)

[*Translation*]

REGIONAL ECONOMIC EXPANSION

ANNOUNCEMENT CONCERNING DOMTAR

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have two questions for the Prime Minister which concern representatives of the Common Front and Domtar workers in Windsor, Quebec. When will the announcement on Domtar be made? And furthermore, could the Prime Minister give the House the assurance that this announcement will ensure the continuation of this project which is to provide 5,000 jobs in the Windsor area, in Quebec?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, first of all, I think an announcement will be made in the near future, and second, I have every reason to believe that our involvement will be seen as a useful contribution towards reaching a settlement so that construction can proceed.

PROTECTION OF DOMTAR JOBS

Mr. Mike Cassidy (Ottawa Centre): I have a supplementary, Mr. Speaker.

Mr. Speaker, is the Prime Minister aware of the fact that Domtar is starting to lay off 100 employees working on these projects because of the delay? Bearing that in mind, will a decision be taken very shortly to ensure the continuation of present jobs and the upgrading of both plant and employment in the region?

Right Hon. Brian Mulroney (Prime Minister): A decision will be made at a time to be agreed upon by the Government of Quebec and this Government, with a view to promoting economic expansion in the Eastern Townships.

* * *

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that, with the exception of three, the petitions presented by Hon. Members on Tuesday, March 26, 1985, meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Grey-Simcoe (Mr. Mitges), the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) and the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) do not meet the requirements of the Standing Orders as to form.

HEALTH, WELFARE AND SOCIAL AFFAIRS

REFERENCE TO STANDING COMMITTEE OF CONSULTATION PAPER—EXTENSION OF TIME TO REPORT

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations between the House Leaders of the respective Parties in the House and I think you will find that there will be unanimous consent forthcoming to the following order:

That, in relation to its Order of Reference dated February 7, 1985 concerning the document entitled *Child and Elderly Benefits—Consultation Paper*, the deadline for submitting the final report of the Standing Committee on Health, Welfare and Social Affairs be extended to April 3, 1985.

Mr. Speaker: I take it that the Hon. President of the Privy Council (Mr. Hnatyshyn) has unanimous consent for the introduction of his motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CAPITAL PUNISHMENT—CALL FOR FREE VOTE

Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I have the honour to present the petition of the undersigned 17,742 residents of western Canada calling for a free vote of the Members of Parliament on the issue of reinstating capital punishment for the conviction of premeditated murder or the killing of police officers and prison guards.

Mr. Jack Shields (Athabasca): Mr. Speaker, I have the honour to present a petition of the undersigned 15,957 residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide a remedy, humbly sheweth that whereas in the past year the lives of 11 police officers have been—

Mr. Speaker: Order, please. I believe the Hon. Member is reading the petition. Would the Hon. Member please summarize the petition?

Mr. Shields: Mr. Speaker, in the past year 11 police officers have lost their lives and the response of the Canadian public to these tragic events has been to call upon the Government of Canada to take proper action so that a free vote can be held in the House of Commons for the reinstatement of capital pun-

ishment for the killing of police officers and others protecting society. In duty bound, your petitioners ever pray. I have the honour to present this petition which was signed by 15,957 residents of Canada.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have great pleasure in presenting a petition signed by 17,756 Canadians who now avail themselves of their ancient and undoubted right to provide a remedy to prevent the premeditated murdering of human beings including police officers and guards who are in the front line trenches. They are calling on Parliament to hold a free vote to reinstate capital punishment. And as in duty bound, your petitioners will ever pray.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I too would like to present a petition signed by 16,311 Canadians, over 5,000 of whom are from the area of Muskoka. The undersigned your petitioners humbly pray and call upon Parliament to hold a free vote of its Members on the issue of reinstating capital punishment for the conviction of premeditated murder or the killing of police officers and prison guards. And as in duty bound, your petitioners will ever pray.

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present a petition signed by 44,721 residents of the constituency of Ontario and of Metropolitan Toronto requesting a free vote of the Members of the House of Commons on the reinstatement of capital punishment for the conviction of premeditated murder or the killing of police officers and prison guards.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, it gives me pleasure to present on behalf of independent groups, associations and individuals across Canada a petition with 16,486 signatures, bringing the total of signatures to 128,973. Combined with those petitions previously submitted, the total number is 168,250 signatories who are asking for a free vote on capital punishment. These petitions were organized by independent groups and individuals interested in seeing a return to capital punishment.

MR. ANATOLY SHCHARANSKY

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I have the honour to present a petition presented to me yesterday by the North American Jewish Students' Network. This petition was signed by approximately 800 concerned Canadians who are asking that the Parliament of Canada urge the Soviet Union to release Mr. Anatoly Shcharansky, a Prisoner of Conscience, so that he can be reunited with his wife Avital in Jerusalem.

TESTING OF CRUISE MISSILE ON CANADIAN SOIL

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a petition to present signed by over 500 residents of Essex-Windsor requesting the Government to declare Canada a nuclear-free zone, to oppose Cruise testing and to make clear its commitment to peace in this country in the future.

[*Translation*]

PRICE OF GASOLINE

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am also very pleased to present to the House a petition signed by a group of constituents who strongly object to the fact that they have to pay more for gasoline than do Canadians in other provinces. I am tabling the petition.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 153 and 240.

[*Text*]

CORRECTIONAL SERVICE OF CANADA

Question No. 153—**Mr. Friesen:**

1. As of December 31, 1984, what is the total number of inmates in federal institutions?

2. By Province, how many employees (wardens, assistant wardens, security officers, stenographers, clerks, etc.) are there in federal institutions?

3. Per inmate, which is the most (a) cost effective (i) maximum (ii) medium security institution (b) expensive (i) maximum (ii) medium security institution?

4. Was a decision made to install cablevision facilities in federal institutions and, if so, by region (a) on what date (b) at what cost?

Hon. Elmer M. MacKay (Solicitor General of Canada): I am informed by the Correctional Service of Canada as follows:

1. As of December 31, 1984, 12,068 inmates were registered.

2.

Newfoundland	—	nil
Prince Edward Island	—	nil
Nova Scotia	—	311
New Brunswick	—	451
Quebec	—	2,708
Ontario	—	2,017
Manitoba	—	357
Saskatchewan	—	686
Alberta	—	903
British Columbia	—	1,411
Northwest Territories & Yukon		nil

3. (a) Most cost effective:

(i) Maximum security institution—Saskatchewan Penitentiary

(ii) Medium security institution—Drumheller Institution

(b) Most expensive:

(i) Maximum security institution—Regional Psychiatric Centre, Prairies

Order Paper Questions

(ii) Medium security institution—Mission Institution

4. A decision was made in June, 1982 by the senior management of the Correctional Service of Canada to proceed with an evaluation of TV reception in penitentiaries and to carry out, where necessary, the required modifications and installations in order to bring signal reception up to an acceptable standard by using the most cost-effective source. No priorities were established for the project which was to proceed according to available resources within each region.

(a) Date of first project approved by each region for the installation of a cable distribution network:

Atlantic	—	April, 1984
Quebec	—	March, 1983
Ontario	—	October, 1984
Prairie	—	June, 1983
Pacific	—	January, 1984

(b) Capital cost allocated and/or spent by region to install a cable distribution network and/or an antenna reception system by region:

Atlantic	—	$ 27,065
Quebec	—	$168,616
Ontario	—	$ 85,000
Prairie	—	$208,600
Pacific	—	$268,348

Inmate labour has been utilized to the greatest extent possible with the limitations of technical expertise and security considerations.

WELL DRILLINGS OFF ATLANTIC COAST

Question No. 240—**Mr. Howie:**

1. From January 1, 1984 to date, how many drillings have been carried out off the Atlantic coast in search of oil pools?

2. How many of the drillings found an oil pool large enough to be financially feasible for future oil production?

3. What is the anticipated yield, in barrels, of the oil reserves?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): 1. Seventeen exploratory (wildcat) wells (oil and gas) have been drilled, including nine offshore Nova Scotia and eight offshore Newfoundland.

2 and 3. Under Section 50 of the Canada Oil and Gas Act, information on exploratory wells is held confidential for a period of two years, and seismic information on the nature of the structures drilled is held confidential for five years. Therefore, the requested information cannot be released.

[*Translation*]

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

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

MOTIONS FOR PAPERS

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, I ask that all Notices of Motion for the Production of Papers be allowed to stand.

Mr. Speaker: Shall all Notices of Motions for the Production of Papers stand?

Some Hon. Members: Agreed.

• (1510)

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (CANADIAN CHARTER OF RIGHTS AND FREEDOMS) AMENDMENT ACT

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved that Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I rise on behalf of the Government to move second reading of this Bill which I believe is an important and significant piece of legislation. The Bill is brought before the House as a result of the enactment of the Canadian Charter of Rights and Freedoms which occurred in 1982. Also in 1982, certain provisions of the Charter of Rights and Freedoms—which is now the ultimate law of the land in Canada—particularly those relating to equality matters, were not to come into full force and effect until April 17, 1985, in order to give Governments across the country an opportunity to prepare for the massive changes which will result in Canada and to the system of laws as a result of the enactment of the Charter of Rights and Freedoms.

The federal Government, provincial Governments and territorial Governments, once the Charter had been proclaimed, undertook to review their legislation, regulations and administrative practices to ensure that they were consistent with the Charter as far as it could be determined. As a result of the review which has taken place in the Government of Canada, a broad range of federal initiatives were undertaken to bring about conformity with the Charter. This Government assumed office last September and it has moved as quickly as possible to ensure that Canadian laws reflect the values which are enshrined in the Charter.

There has been some cheap criticism of this Bill and the way in which we are dealing with the question of equality issues in the Charter from the spokesman of the Party which was formerly the Government.

Mr. Keeper: Where are they?

Mr. Crosbie: The hon. gentleman from the unofficial opposition asks "Where are they?" I ask that question as well. On the day that a Bill is being introduced to amend Canadian laws to ensure that they comply with the Charter of Rights and Freedoms, there is not one member of the Official Opposition in the House. Let the record show that. Not even the official critic is here! The rat pack has disappeared. They are gnawing away somewhere in the building. They are certainly not in the Chamber, so let the record show that. But in any event, there has been some cheap—

Mr. Keeper: Here they come.

Mr. Crosbie: The rodents have their snouts coming from behind the curtains as a result of our call. I plead with them to take some interest in the Charter of Rights and Freedoms.

There has been the criticism that we are not moving quickly enough. As a matter of fact, the critic for the Official Opposition wrote to people across Canada suggesting that they should not appear before the subcommittee of the Standing Committee on Justice and Legal Affairs which the House has appointed and requested to do the job of looking at *Equality Issues in Federal Law: A Discussion Paper.* That paper has been referred to the subcommittee in order that it can take representations from the public across Canada, to involve them in consultation, dialogue and what should be the answers to the policy issues which are raised in the paper. The critic of the Official Opposition actually wrote to groups across Canada suggesting that they not appear before the committee or give their views to the committee because the committee was unnecessary. As he is a member of that committee, I suppose he is hoping that he will have an easy time of it if no one appears before it.

I want to point out that the project of reviewing federal statutes to discover if they comply with the Charter commenced on April 1, 1982. That is when the human rights law section was established in the Department of Justice. For over two years our predecessors were in charge of the operation of reviewing federal statutes to discover whether they complied with the Charter in so far as that could be determined. Of course, the courts will ultimately determine whether they do or do not comply.

I can assure the House that there were no concrete proposals left behind by the predecessor Government with respect to that question. As well, there were no answers left behind by that Government to the questions which are raised in the discussion paper. I would say to the Hon. Member for York Centre (Mr. Kaplan), who is the official critic for the Official Opposition, that if he has any answers he should give them in committee. If he can give quick answers to these intricate quesions, then the committee can report very quickly if it decides that his answers are correct and can be acted upon. As a matter of fact, he said that the Liberal Government was ready to implement laws. The peculiar thing is that the Department of Justice was instructed by the Liberal Government to examine issues and not to reach conclusions or suggest solutions. The Department was asked to examine the statutes of the Government of Canada to discover if they were in conflict, in any respect, with the Charter and not to provide conclusions as to how the policy questions which were involved were to be answered. I hope, if the Hon. Member for York Centre does have the answers, that he will present them to the committee and it can then report to us.

What is the Bill about? The Bill is to ensure that federal statutes which are obviously in conflict with the Charter will be amended so that the conflict will no longer exist. This Bill contains amendments to over 50 federal statutes. It is the result of the examination of more than 1,100 Canadian statutes.

Action has already been taken in certain areas. For example, the Criminal Code amendments, which are now under consideration by the Department of Justice, have already dealt with the issue of the abolishment of writs of assistance. Other initiatives are under way to ensure consistency with the Charter. As Members will know, the Minister of Indian Affairs and Northern Development (Mr. Crombie) introduced amendments to the Indian Act which will end discrimination, against Indian women. Those amendments are now before a standing committee of the House of Commons.

In addition, the Minister of Consumer and Corporate Affairs (Mr. Côté) will be bringing forward amendments to the Combines Investigation Act. When that is done, certain provisions of that Act, which we feel are in breach of the Charter, will be amended.

The Chief Electoral Officer and the President of the Privy Council (Mr. Hnatyshyn) are currently looking at the Canada Elections Act with respect to Charter concerns as well as other changes. That Act is now being considered by the Standing Committee on Privileges and Elections.

Officials of the Departments of Finance and National Revenue are reviewing certain seizure provisions in the Income Tax Act and related statutes. When that legislation is brought before the House for amendment in connection with the next Budget, the legislation will also be amended in connection with any provisions of the legislation which we believe offend the Charter of Rights and Freedoms.

Another statute which is being dealt with separately with reference to Charter concerns is the Emergency Powers Act. Obviously, that is a difficult area and a comprehensive review is required.

From time to time the Criminal Code of Canada will be amended and Charter issues will be part of that continuing review. By 1987 or 1988 we are aiming to have the project of reforming the Law Reform Commission study and the reformation of the Criminal Code of Canada complete. We intend to deal with Charter concerns in the ongoing Criminal Code review.

In the sphere of the promotion and protection of official languages of Canada, Charter concerns are also being looked at separately with reference to the present assessment of the

Official Languages Act which is nearing completion. We expect to have a Bill before Parliament in the fall which will ensure that the Act is consistent with the Charter.

Of course, the last initiative is the one which I mentioned earlier, the document which is entitled *Equality Issues in Federal Law: A Discussion Paper*. That has been referred to the special subcommittee of the Standing Committee on Justice and Legal Affairs.

The Charter guarantees equality, but it does not indicate how equality will be achieved. We believe that the people of Canada have a right to be heard on the complex policy issues which are outlined in this discussion paper and on other such issues which may be brought forward by anyone who appears before the committee. We think the public should be involved before changes are proposed in areas such as mandatory retirement and with respect to what should be done with pensions and annuities as a result of the fact that women generally live a longer life than men. The public should be involved in any decisions taken with respect to the question of gender discrimination—if that is the right description—in the armed services. The armed services have certain rules which do not permit persons to continue in the armed services who may be lesbian or homosexual. These are some of the difficult policy issues on which the committee will be asked to express an opinion.

● (1520)

In adopting this procedure, we are being the opposite of elitist. We are giving minorities a chance to be heard. I have heard some criticism, Mr. Speaker, from those who are active in women's groups and other groups that this is unnecessary. Well, it may be unnecessary for those particular persons. They are obviously interested in these kinds of public issues. They have studied them. They are at the forefront of the movements for women's rights, rights for the handicapped or visible minorities or whatever it may be. What we want to do through this committee, Mr. Speaker, is to involve the ordinary men and women of Canada in these issues. That is the purpose of having the committee. These persons have a right to be heard and we are giving them a chance to be heard.

There are some people who have said—I don't know how this twisted reasoning came about, how they could go from one supposition to the other—that we are permitting the majority to tyrannize the minorities. That would be a criticism, of course, of the whole parliamentary process and history certainly demonstrates that the reverse is true. It is Parliament, the House of Commons, which has responded to the needs of minorities throughout Canadian history. It is this House of Commons which responded to the needs of the minorities when the Charter and the revised Canadian Constitution was being considered in 1981-1982. The Charter itself was adopted through the parliamentary process. To suggest that we should not have a parliamentary committee consider equality issues which are controversial and raised by the Charter is certainly a peculiar bit of reasoning indeed.

I want to make it plain, Mr. Speaker, that we are not asking the committee for legal opinions. That is not what the committee was appointed for. The courts will give us the definitive legal opinions on matters which may arise under the Charter which are not clear or are in dispute. It is the Charter itself which raises the question, "What is reasonable in a free and democratic society?" We know that there are many situations of discrimination or discretion and choice throughout our legislation and our policy. The question is whether it is proper discrimination, discretion and choice. With respect to many of these issues the final question is going to be, "What is reasonable in a free and democratic society?"

In a free and democratic society, is a mandatory retirement age contrary or not to the Charter? On the face of it, it is contrary to the Charter because if there is a mandatory retirement age, it is a discrimination against those who are being forced to retire. The question then becomes, "Is that a reasonable rule in a free and democratic society"? That is not a legal question, Mr. Speaker. It is a question which anyone in the country can have an opinion on and your opinion, Mr. Speaker, is just as good as mine. Normally, I would not admit that, but today I do admit that anyone's opinion on issues like these are just as valuable as another person's. One doesn't have to be a Ph.D., a great lawyer at one of the bars of this country or particularly skilled in any direction to have a view as to whether mandatory retirement is a fair and reasonable rule in a free and democratic society.

Those are the kinds of questions which the committee, chaired by the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer), will have to seek answers to and make its recommendations. The other members of the committee, just for the record, are: the official critic for the Opposition, the Hon. Member for York Centre (Mr. Kaplan); the Hon. Member for Burnaby (Mr. Robinson), the official justice critic for the New Democratic Party; the Hon. Member for Scarborough Centre (Mrs. Browes); the Hon. Member for Gloucester (Mr. Clinch); the Hon. Member for Capilano (Mrs. Collins); and the Hon. Member for Lotbinière (Mr. Tremblay). It is a seven-member committee and those members of the committee are going to have their hands full, Mr. Speaker, because these are pretty complex questions.

The paper sets out a number of programs and policies which are reflected in Canadian laws which may be flawed in light of the equality guarantees in the charter. We are asking the committee to get information and views from Canadians as to whether they think these laws should be changed and, if so, how they should be changed. It is the role of the committee in Parliament to make policy choices among the competing options, keeping in mind the charter guarantees. It is the views of individual Canadians which are essential if we are to make the best possible choices. This is for us to do, not the courts. We are not asking the parliamentary committee to do the job which the courts will be asked to do.

Before I forget, Mr. Speaker, I would like to put on the record the names of some of the people in the Department of Justice who did the hard and gruelling work of examining

1100 statutes to see where conflicts might be, making recommendations, preparing this equality paper and preparing the legislation. They are Clare Beckton, who is on loan to us from Dalhousie University; John Scratch; Carole Johnson; Stan Cohen; Stephen Sharzer; Barbara Hough and Michèle Joubert; Lewis Seale looked after communications; Assistant Deputy Minister John Tait; and Martin Low, who is general counsel for human rights law in the Department.

The names of the drafters of this particular piece of legislation should be on the record as well and they are Guy Laurin and François Lafontaine. These are the people we have to thank for the hard work which has gone into this paper, Mr. Speaker, and it was very hard work. They had to deal with every other Department and agency in the Government of Canada in ways which are very complex.

I mentioned the criticism that somehow we were tyrannizing the minority by having this sub-committee. That is such a silly argument, I think it deals with itself. The committee is going to have to deal with the question of what is reasonable in a free and democratic society with reference to these particular issues. It is social policy which we are asking the committee to deal with. We are not suppressing minorities. The committee is giving the minorities a greater opportunity to put forward their views on these particular issues. In this Bill we are acting where it is wise to act. Through the discussion paper we are consulting where it is wise and necessary to consult.

With respect to the Department's review of the statutes, I am not claiming that this is some stroke of genius of mine. We have only been in the Government for the last six months. It was the decision of our Liberal predecessors, with which I agree, that the statutes should be reviewed based on the assumption that it was preferable to change questionable legislation rather than leave it to individual litigants to assert their rights in court. That involves costs, delay and hardships. So where it is clear that legislation is questionable, we are now changing it so it does not have to be challenged in court, and there are a lot of areas where it is not clear.

Of course, we want to avoid disruption of important government programs because of adverse court decisions. As you know, Mr. Speaker, in trying to decide whether or not some particular provision of the legislation is *au fait* with the Charter, there are very few decisions of the Supreme Court of Canada to go by. So it is a difficult proposition because we do not have many precedents in Canada to go by, although you can look at the U.S. precedents for some assistance.

● (1530)

The provisions proposed for amendment here are clearly contrary to Section 15 and do not involve complex social and economic concerns. The complex concerns will be dealt with by the subcommittee. It is also worth keeping in mind that the Charter does not dictate solutions in this area. It sets certain minimum standards and our committee is going to have to consider taking those standards into account in deciding what substantive policy should be reflected in our laws.

What are some of the provisions dealt with in this legislation? We deal with powers of entry in federal statutes. Do not think this is an unimportant piece of legislation because it is not. It deals with many important areas. Powers of entry in federal statutes such as the National Defence Act and the Canadian Human Rights Act are dealt with. There are also provisions to ensure that all Bills the Government presents to the House, and all regulations, are examined to ensure that they are consistent with the Canadian Bill of Rights and the Charter.

This is only one part of the over-all approach I described to try and ensure Charter conformity. There are a number of federal statutes which presently authorize entry to premises without a warrant, and other places, to ensure compliance with the regulations or evidence of contravention of statutes. The issue here is whether the guarantee in the Charter against unreasonable search and seizure in Section 8 is violated by these provisions.

In this Bill we are treating differently those powers of entry which authorize an inspection as against those which authorize a search. As you know, Mr. Speaker, in a routine matter an inspector will come to see if you are complying with some statutory regulation. It might have to do with agricultural or dairy products, or they might be coming in to examine the books. In those kinds of cases we believe a warrant should not be required unless the inspection is taking place in a private dwelling. If it does take place in a private dwelling, there should be a warrant. People who work in closely regulated activity expect to be inspected regularly, but there has always been a distinction between dwelling places and other premises.

So there are amendments in this Bill to statutes such as the Fish Inspection Act, the Canada Grain Act and the Textile Labelling Act which provide for a warrant when you are making a non-consensual entry for an inspection. That means that the person whose premises you are inspecting has not consented. A search will occur if an entry is made to seek evidence of a contravention of a statute. We are amending those federal statutes which contain search powers to provide that you must have a warrant when you wish to enter a building to seek evidence of a contravention of a statute.

We also spell out when a warrant will not be required. If a delay in obtaining a warrant will result in danger to human life and safety, or in the loss or destruction of evidence, then a warrant would not be required. The courts will, of course, have the opportunity to review whether or not those kinds of circumstances existed. There are changes to the Fisheries Act, the Environmental Contaminants Act and the Migratory Birds Convention Act in connection with inspection powers in those Acts. So the purpose of these amendments is to provide for reasonable searches, but in the meantime to provide that legitimate inspection functions in agriculture, fisheries and the environment will not be hindered.

There are important amendments to the National Defence Act. For example, the major changes provide for a greater degree of equivalence between the code of service discipline and the criminal law. I would just give one example. The

amendments provide that any accused may have the benefit of any defence available under the Criminal Code or any other federal law if the person is being tried on a charge under the code of service discipline. That is a major change. The legislation will end double jeopardy. It will permit an accused to plead that he has previously been acquitted or convicted or punished by a service tribunal, a civil court in Canada or by a court of competent criminal jurisdiction in another country. That was not the case before. I will not mention some of the other changes because of the quick passage of time, and I do not want to be too long in introducing the Bill.

There are amendments to the Canadian Human Rights Act which reflect the Canadian tradition of procedural fairness. These changes have to do with a situation where the Commission finds a complaint to be substantiated and then appoints a tribunal to look into that particular complaint. Since the Commission presently makes a decision whether the complaint is substantiated and also appoints the tribunal, there is a possible perception that the Commission is making a finding of guilt before requesting the appointment of a tribunal. Now, under the new procedures and these amendments, the Human Rights Commission will screen complaints and determine whether a tribunal should be appointed. But we provide for an independent office, the president of the tribunal, who is independent of the rest of the Commission and he will now appoint a tribunal from persons listed and it will be done independently and appear to be done independently. It will give a better perception than the present provisions provide. By the way, the Human Rights Commission has been supportive of that amendment.

I am glad to see the official critic of the NDP is here even though his Official Opposition counterpart is not.

The Bill also deals with a number of areas where, quite clearly, equality provisions of the Charter were being violated; changing references to members of one sex, where there is no justification, to exclude members of the opposite sex; changing words such as "wife" to "spouse", "widow" to "surviving spouse", in various acts such as the Canada Shipping Act and so on. There is another group of amendments which deal with age. In the Canada Corporations Act the age 21 is replaced by age 18 as their criterion for pilotage and so on.

The Minister of Justice already has an obligation under the law to examine Bills and regulations to ensure they are consistent with the Bill of Rights. I am referring to the Bill of Rights enacted under the late great John Diefenbaker when his Government was in power. These amendments provide a similar obligation on the Minister of Justice to examine regulations and Government Bills to ensure they are consistent with the Charter. That is new. They also provide for the co-ordination of the examination of regulations under the Statutory Instruments Act, the Department of Justice Act and the Bill of Rights.

Then there are a whole set of other miscellaneous amendments. For example, the Minister of Fisheries and Oceans has the power to suspend or cancel leases or licences. There is a change being made there. The right of the Minister to order forfeiture is abolished. There are amendments to the Immigration Act to provide that when there is an inquiry of an adjudicator, and we heard of such as inquiry today, it will be held in public unless it is established that the person concerned or some Government interest would be adversely affected. The bar against action for false imprisonment in the Canada Shipping Act is removed and there are other amendments of that type.

Let me again emphasize that this Bill is not put forward as our sole initiative in ensuring consistency of federal laws with the Charter. There will be many other pieces of Government legislation in this session dealing with Charter issues. Of course, as decisions are made on the issues that come before the courts, we will have to act. One example which comes to mind is with respect to the Customs Tariff item which, about 10 or 12 days ago, was found by the federal Court of Appeal to be contrary to the Charter provisions with respect to the concept of immoral and indecent when people bring goods into the country. The House will have to amend the customs legislation in that respect.

● (1540)

As a result of court decisions, in the future the House will have to make changes in legislation from time to time. We also recognize that there may be aspects of federal legislation that we missed in this review. It is a continuing process to ensure conformity with the Charter. New problems will be identified from time to time. I have an open mind on the need for further changes and in connection with the nature of changes that we or other Members of the House may propose.

I am pleased to have the opportunity to move second reading of this Bill. I am a bit disappointed at the reaction of the Official Opposition to the steps we have taken, particularly since they were exactly the steps that they were going to take. They have not offered any suggestions for any different steps in the last six months. However, their ranks are rife with hypocrisy and hypocrisy is often their standard on issues such as this.

I was shocked by the actions taken by the Member for York Centre. As I mentioned earlier, he had the audacity to write to groups across the country suggesting that they not take an interest in this matter and not appear before a House of Commons subcommittee. I have never heard of any Members of the House writing to groups across the country trying to persuade them not to appear before a committee that the House had decided to set up. I am happy to realize that no one has paid any attention to his advice in that respect. I am delighted that other members of his Party, such as the Hon. Member for Mount Royal (Mrs. Finestone), are demonstrating more interest in the matter than is the official critic. I know the Hon. Member for Mount Royal will be following the issues closely.

If the official critic for the Opposition can give answers to the issues raised in the discussion paper or can persuade the subcommittee to accept some good, sound, sensible policy advice, then the committee can make interim reports from

time to time and we will be pleased to prepare the necessary amendments. The subcommittee has been asked to report at the end of August. It may find that it needs more time. If so it will have only to report to the Government and House asking for an extension of time. It can make an interim report and go on to deal with the matter in more depth.

Evidence of the seriousness with which we take this matter is shown by the calibre of the Members that we on this side have appointed to the committee. The Chairman himself is a distinguished lawyer with a great interest in this particular subject. We have appointed the Member for Capilano (Mrs. Collins), who is one of our women Members. I suppose I am allowed to mention that without being held to be discriminatory. We also have the Member for Scarborough Centre (Mrs. Browes), who is another of the Canadian women who were elected to the House in the last election of September, 1984. We on this side of the House are very glad to have a very healthy representation of women. We want more, of course, and will have more as the years go by. Two of the five Members whom we have on this subcommittee are women members of the PC caucus. We notice that the Opposition have appointed all male Members to represent them on the committee, although the Hon. Member for Mount Royal will be appearing in substitution.

Mr. Nunziata: We're only entitled to one member. You only allowed one.

Mr. Crosbie: You are only entitled to one member, but do you not trust the women members of your caucus?

Mr. Nunziata: The official critic is our member.

Mr. Crosbie: Mr. Speaker, if there is only one member allowed from the Official Opposition, surely they could appoint one of the lady Members if they feel I am making a valid point. Apparently the rat pack does not trust the lady members of their caucus. The official critic for the New Democratic Party is on the committee and I know he will make a distinguished contribution.

We have two other distinguished Members from our side of the House on this committee. They are going to give it their all. They want to work co-operatively with the Members of the Opposition. I am sure we will have great co-operation from them in travelling across Canada so that anyone who feels he has a contribution to make or an opinion to offer will have the opportunity to do so. I would like to tell the people of Canada who might be watching now that they do not have to have a Ph.D., a BA, an LLB, an MA or a B.Sc. You do not have to be a Liberal, Conservative or New Democrat. You do not have to be anything in particular. All you have to do is be interested and you can come before this committee and give your views on the issues it is raising. Believe me, there are many interesting issues that will be discussed before that committee.

I think I have gone on long enough, Mr. Speaker; I know other Members are anxious to speak. I look forward to hearing from the committee when it gives its first report. I know it will be a non-partisan committee engaged in the non-partisan activity of protecting the rights of Canadians and giving us its views on how the Charter affects Canadians, particularly with respect to questions of equality, and pointing out how we should deal with some of the esoteric issues that are raised in the discussion paper. I can promise that once the committee reports we will move as quickly as possible to reach decisions on the matters it reports to us and then proceed with additional legislation. This will not be the last legislation to ensure compliance with the Charter of Human Rights and Freedoms.

Some Hon. Members: Hear, hear!

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following Bills:

Bill C-34, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1985; and

Bill C-35, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1986.

* * *

STATUTE LAW (CANADIAN CHARTER OF RIGHTS AND FREEDOMS) AMENDMENT ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Crosbie that Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

The Acting Speaker (Mr. Paproski): The Hon. Member for Mount Royal (Mrs. Finestone).

Mrs. Finestone: Mr. Speaker, my question is directed to the Minister of Justice (Mr. Crosbie).

The Acting Speaker (Mr. Paproski): There are no questions. Under Standing Order 35(2) you are entitled, if you are going to be speaking for the Party, to speak for 40 minutes. There are no questions for the first three speakers. I can recognize you as the first official speaker, or I can recognize the Hon. Member for York-South Weston (Mr. Nunziata).

Mr. Dingwall: Mr. Speaker, I rise on a point of order. Perhaps there might be a disposition within the House, if there is unanimous consent, that the Minister of Justice (Mr. Crosbie) may entertain a question, notwithstanding the purport of S.O. 35.

The Acting Speaker (Mr. Paproski): I think there would be a great opportunity for you to bring that matter to the attention of the Hon. Member for St. John's West (Mr.

Crosbie). However, we must proceed under rule 35(2) today. The first three speakers have 40 minutes with no questions. I would like to recognize the Hon. Member for York-South Weston (Mr. Nunziata).

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I rise on a point of order. You are entirely right in saying that there is no provision under our rules for questions to the three first speakers who have a 40-minute period for their speeches. However, I thought I heard an Hon. Member requesting that you ask for unanimous consent. With all due respect, I think the Chair must ask if there is consent. If there is not, of course, we will forgo the questioning. However, there might be consent, and I would plead with the Chair to ask whether there is consent or not.

Mr. Baker: The Minister is leaving. He's afraid to answer questions.

• (1550)

The Acting Speaker (Mr. Paproski): I believe the Hon. Minister has left the House. We will forgo that opportunity at this time and perhaps the Hon. Member could bring it up with the Hon. Member for St. John's East (Mr. McGrath) in order to change the rules under Standing Order 35(2) to permit a question and answer period after 40-minute speeches.

Mr. Dingwall: Point of order.

The Acting Speaker (Mr. Paproski): It concerns this ruling, I cannot recognize the Hon. Member. I have already mentioned that.

Mr. Dingwall: Mr. Speaker, I certainly do not want to question your ruling but I thought that a Member has a right to ask for unanimous consent in order to question a Minister who has just made a very important statement which was flippant in its content. Perhaps the Speaker would be so accommodating and put forward the question to see if there is unanimous consent.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some Hon. Members: No.

Mr. John Nunziata (York South-Weston): Mr. Speaker, indeed, the record will show that the Minister of Justice (Mr. Crosbie) did not have the common decency to remain in the House to listen to Hon. Members speak on Bill C-27.

Mr. Speyer: Mr. Speaker, I rise on a point of order. The Hon. Member is correct that it is a tradition for a Minister to stay in the House to hear the critics reply to an initial speech introducing a piece of legislation. Regrettably in this instance, the Minister of Justice is now briefing the Prime Minister. He was supposed to do that at 3.15 today but he gave the speech that I was going to give so that I could be in committee with both critics.

I think everyone can understand that in these circumstances the Minister of Justice came here to give a speech but regrets that he is not here. I certainly will be listening with great attentiveness to the speeches given by both critics.

Mr. Nunziata: Mr. Speaker, notwithstanding what the Parliamentary Secretary has had to say, it is obvious where the priorities of the Minister lie. The Minister had the unmitigated gall and audacity—

Mr. Mazankowski: Where were you?

The Acting Speaker (Mr. Paproski): The motion is that Bill C-27, an act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, be now read the second time and referred to the Standing Committee on Justice and Legal Affairs. I would like to hear the Hon. Member's debate.

Mr. Nunziata: Mr. Speaker, I did not intend to comment on the fact that the Minister has shown disinterest in this particular piece of legislation, but the Minister himself—

The Acting Speaker (Mr. Paproski): Will the Hon. Member please carry on with his speech on the Bill?

[*Translation*]

Mr. Rossi: Listen, you clown on the other side who does not know anything!

Mr. Speaker, the Hon. Member raises a point of order to explain the absence of a colleague. That Member was not in the House when the same Member for—I forget the name of his riding—pointed out that our critic was not in the House. So he explains—

[*English*]

The Acting Speaker (Mr. Paproski): That is not a point of order. The Hon. Member was in the Chamber when the Minister was here. He understands what is going on in the House. The Hon. Member for York South-Weston (Mr. Nunziata) has the floor for debate on Bill C-27.

Mr. Nunziata: Mr. Speaker, I fully intend to debate Bill C-27. It is important to note with respect to Bill C-27 that the Minister is not here. As I indicated, it shows a lack of interest on behalf of the Minister of Justice and I did intend—

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I rise on a point of order. Before the Hon. Member keeps sounding off, I think he should explain where he was for the first three-quarters of the speech by the Minister of Justice.

Mr. Mazankowski: Where is the critic?

The Acting Speaker (Mr. Paproski): Order. This is exactly why I do not want to hear debate about who is in the House and what is happening here. The debate is on Bill C-27. The Hon. Member has been around for six or seven months and I hope he understands the situation. I do not want to get into

this wrangle of who is in the House and who is not in the House.

I hope the Hon. Member will take part in the debate in which he has 40 minutes. He has 40 minutes on Bill C-27. Approximately five minutes have been deducted from that since the points of order have come up. The Hon. Member for York South-Weston has the floor on Bill C-27.

Mr. Nunziata: Mr. Speaker, I am rising on a point of order, not to speak on Bill C-27. My point of order is that the Minister of Justice, in his opening comments, commented on the absence of the official critic for the Official Opposition. He also commented on the fact that I was absent for the first five minutes—

Mr. Speyer: Twenty-five minutes.

Mr. Nunziata: Perhaps the Parliamentary Secretary can confirm that it was because there was an urgent meeting of the Justice Committee to deal with some very urgent matters.

My point of order, Mr. Speaker, is that you permitted the Minister of Justice to comment on the absence of the official critic for the Official Opposition. Now you are denying the Opposition the same right to comment. In fairness, what is good for the goose is good for the gander. We should have every right to comment on his absence.

The Acting Speaker (Mr. Paproski): The goose and the gander have had their say. The Hon. Member has the floor to speak on Bill C-27.

Mr. Nunziata: Mr. Speaker, could I have an indication as to how much time I have to speak on this Bill?

The Acting Speaker (Mr. Paproski): The Hon. Member may carry on. He has plenty of time and I will give adequate warning. I will give the Hon. Member the full time that he requires. He may carry on with his debate.

Mr. Nunziata: Can I have an assurance that the time occupied by the points of order will not be deducted from my time?

Mr. Andre: Get up and give a speech or sit down.

The Acting Speaker (Mr. Paproski): The Hon. Member has until 4.36.

Mr. Nunziata: Thank you, Mr. Speaker. The official critic for the Liberal Party has considerable interest in this Bill, considerable interest in the whole question of equality rights and considerable interest in Section 15 of the Canadian Charter of Rights and Freedoms. It was totally unfair of the Minister of Justice to comment on the fact that the Hon. Member is absent. At least the official critic for the Opposition is monitoring the situation. The Minister of Justice does not even have the common decency to stay and listen to Opposition critics explain their position on this Bill.

Mr. Taylor: You haven't said anything yet.

Mr. Nunziata: It is obvious that Hon. Members opposite are very sensitive about this Bill. It is quite obvious why they are sensitive.

It is also interesting to note that the Minister of Justice spent a great deal of time defending Bill C-27. He was correct in doing so because, in my respectful submission, Bill C-27 is quite simply a cop-out. It is a cowardly act on behalf of the Government because it is afraid to make tough decisions that are necessary with respect to equality in this country. Rather than providing the necessary leadership, the Government has introduced a Bill that basically does very little. In effect, all the Bill does—and is there any wonder why the Minister had to go on the defensive because he had nothing good to talk about with respect to this Bill—is change the language in the various pieces of legislation. I believe the Minister indicated there are about 50 pieces. It changes "husband" and "wife" to "spouse". It changes the words "son" and "daughter" to "child". What it does not do is address the very important issues facing this country concerning equality rights.

• (1600)

This Government had a choice. This Government could have taken definitive action as a result of the extensive audit initiated by the previous Government and as a result of the work done by the Justice Department to indicate the inequities and parts of the various pieces of legislation that do not conform to the Charter. The Government could have made a decision on issues such as mandatory retirement, sexual orientation, combat roles in the Canadian Armed Forces and whether those roles should be open to women. But this Government refused on the pretext that it had to consult and on the pretext that it wanted more information from the Canadian people.

In my submission the Government was afraid to lead, it was afraid to make decisions. Instead, it opted for a consultation process which, in my view, is a cop out. It appears the Government and the Prime Minister (Mr. Mulroney) are afraid to make those very important decisions. The Government is afraid to alienate any individual in society. Therefore it has decided to put off the issue of equality rights for many months, if not years. April 17, 1985 will be upon us in a few short weeks. The supreme law in this country, the Canadian Charter of Rights and Freedoms, will be law. No federal majority, not even the Conservative majority we have today, can over-rule the supreme law of this country.

Of course, there is the over-ride provision in the Charter of Rights and Freedoms, but I would hope this Government will not exercise that over-ride position, as the Government of Quebec has done consistently since 1982.

What does Section 15 of the Canadian Charter of Rights and Freedoms provide? There are 46 words in Section 15, a mere 46 words, but the importance of those words is indeed tremendous. Section 15(1) reads as follows:

> Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in

particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age, or mental or physical disability.

That will become law on April 17. At the Constitutional Conference of 1982, as a result of compromises and considerable conflict resulting from the compromises, it was decided to put off the implementation or proclamation of Section 15 for three years. This was in order to give the federal Government and the 10 provincial Governments the opportunity to audit their respective legislation and there was the understanding that that legislation would be brought into conformity with Section 15 of the Canadian Charter of Rights and Freedoms.

What has happened, Mr. Speaker? You are aware, Mr. Speaker, that there were certain Conservative provincial Governments that fought tooth and nail for the entrenchment of rights and freedoms in the Constitution. Those same Governments are continuing to procrastinate and delay and are doing everything in their power to obstruct the implementation of this section.

Specifically, what have the provinces done since 1982? We know the province from which I come, Ontario, which has a Conservative Government for a few short weeks longer—

Mr. Shields: You dreamer.

Mr. Nunziata: —has put together a 400 page document. Has that province taken definitive action? No, Mr. Speaker. The Ontario Government has not amended its legislation to conform with the Charter of Rights and Freedoms. It will be a long time before we get some definitive action out of that Government as long as it continues to be the Government of Ontario.

What has Quebec done? Quebec claims a blanket exemption from the Charter of Rights and Freedoms for all of its laws because of certain conflicts that existed at the time, and Hon. Members are aware that Quebec was not part of the constitutional accord.

Much to the credit of the Province of New Brunswick, that province has passed a law to eradicate the worst clashes between provincial laws and the Charter. I am proud to say that Government has taken definitive action and it was supportive of the Charter right from the start.

Mr. Valcourt: That was Premier Hatfield.

Mr. Nunziata: What is happening in Alberta, Newfoundland and Saskatchewan? Precious little is happening in those provinces. All they are doing is what this federal Government is proposing, and that is to encourage further debate on this important subject.

What has British Columbia, Manitoba, Nova Scotia and Prince Edward Island done? Those Governments have done absolutely nothing. This suggests to me and to the people of Canada that those Governments are not sincerely interested in or concerned about equality rights in Canada.

What has the federal Government done? As I indicated previously, the previous federal Government initiated an audit of the approximately 1,100 federal statutes in order to determine the extent to which those statutes would contravene the Charter of Rights and Freedoms. It was the intention of the previous Government to make the tough decisions and to implement the laws that would change the old laws to bring federal legislation in conformity with the Canadian Charter of Rights and Freedoms.

Unfortunately for the issue of equality in this country, the Conservative Government came to power on September 4 with an overwhelming majority, with a mandate from the Canadian people to make decisions, with a mandate from the Canadian people to provide the leadership that they were promised. What do we have, Mr. Speaker? We have a total lack of leadership with respect to the issue of equality rights in this country. This Government has opted basically to do nothing. This Government has opted to force the minority groups, the women, the visible minorities, the young, the disadvantaged and the disabled to fight their battles again when all these groups in 1982 came forward and fought. They fought hard. They got their Charter of Rights and Freedoms. They thought the battle was fought and won. They thought the wounds of discrimination that have existed for so long were beginning to heal. They thought that discrimination was coming to a rapid and quick end. What has happened? This Government is intentionally reopening those wounds of discrimination. This insensitive Conservative Government is forcing those groups, the women, the visible minorities, the disadvantaged, the young, the old and the Indian groups to come forward and fight their battles again. That is totally unfair.

• (1610)

I agree wholeheartedly with my colleague from York Centre (Mr. Kaplan) who said to those groups that this Government is not interested in the issue of equality. If you want to ensure and protect your right, Mr. Speaker, you must go to court and let the courts determine what equality means. Let the courts define what Section 15 means.

Those people have been provided with no alternative. This Government is continuing to procrastinate on these very fundamental and very important issues facing the country. The sad part is that the Government is forcing these people to litigate, which is not a desirable consequence. We, the 282 elected Members of Parliament, should be making the decisions, not the courts of law. We represent all the good people of Canada and we should be the advocates of civil rights, human rights and equality. We should protect the minority groups. It is the 282 individuals in this House of Commons who should be making the decision, not having the courts defining Section 15 in a purely legalistic manner.

These people have no option but to go to court. There is no option but to have a court of law make a decision to interpret equality in their particular case based on a particular set of circumstances. What makes matters worse is that the Government refuses to establish a fund. It will not put money aside to assist these people, who for the most part are not affluent, so that they can litigate.

The Minister indicated that he will think about it, but he has not provided money. It costs money to litigate. The Minister is forcing these people to litigate, but is not providing them with money. It is a strange and ironic situation. Equal opportunity to litigate does not exist. The poor minority groups do not have that opportunity. If someone affluent wants to exercise his right and have a legal determination of what equality means in his particular circumstance, he can have that opportunity. He has the resources. He can go to court and get a legal interpretation.

The Government has provided us with a do-nothing piece of legislation. It refuses to provide leadership. It has established a subcommittee of the Justice Committee, a travelling road show, a make-work program for the Tory back-benchers. It will go across this country to again hear the interest groups, the minority groups. It will hear what they have already said.

I have a bit of advice for Members opposite. All they need do is look at the minutes of the various committees which dealt with the Constitution, including the Justice Committee in 1982. Read what those groups had to say. What they tell the committee today will be the same as they told the committee three years ago. They want equality, an end to discrimination. Members opposite can save a lot of time and effort by simply reading *Hansard* and reading the minutes of the Justice Committee two, three or four years ago to see what these groups had to say.

What could possibly be expected of this travelling road show, this subcommittee? It is a farce and a camouflage because this Government is too cowardly—

Mr. Robinson: Mr. Speaker, I rise on a point of order. I wonder if the Hon. Member might indicate why, if this travelling committee is a farce, his Party will be participating in the committee?

The Acting Speaker (Mr. Paproski): That is not a point of order. It is debate. I know the Hon. Member for Burnaby (Mr. Robinson) will have the opportunity to reply.

Mr. Nunziata: Mr. Speaker, notwithstanding that that is not a point of order, I think it is important to reply to the question of the Hon. Member for Burnaby (Mr. Robinson). I will tell him why we intend to participate in this committee. It is because the Government has decided that it wants to be the champion of popular causes. It wants to champion the views of the majority in this country. Notwithstanding our profound disagreement with the procedure that is being followed by the Government, we want to monitor this committee. We want to speak out for the minority groups in this country. We will again go to bat for them, as we did a few short years ago. This committee will soon be hitting the road. It will be packing its gear.

Mr. Shields: Mr. Speaker, I rise on a point of order. Is the Hon. Member expressing the views of the Leader of the Opposition (Mr. Turner) or his own views?

The Acting Speaker (Mr. Paproski): That is not a point of order.

Mr. Nunziata: Mr. Speaker, I would have expected the Hon. Member to know better. This troupe will be travelling across the country. What can result from this exercise in futility? As Shelagh Day, a community activist, said, you do not define minority rights by majoritarian views and values. That is not the way to do things.

What will happen as a result of this committee? The majority of Canadians might say that they do not believe in mandatory retirement. There may be a minority which says that mandatory retirement is necessary. They might talk about combat roles for women in the Armed Forces. The majority of Canadians might believe that women should not be enlisted in the Armed Forces. Precious little comfort that is to the women who want equality in the Armed Forces. Precious comfort that is to the women who want the right to get involved in combat roles.

What is this committee going to do? Will the committee say that because the majority of Canadians say no, therefore equality does not mean that women are entitled to get involved in combat roles in the Armed Forces; or is the Government going to say that, notwithstanding what the majority says, it believes women should have full equality when it comes to the Armed Forces? Given its actions, I believe this Government will opt for the former rather than the latter option. It is afraid to offend people. It believes that minority rights in this country are defined by majoritarian views and values.

The Charter is important because it involves the protection of individual rights. Although Canada has one of the best records anywhere in terms of safeguarding the rights of its citizens, we must never become complacent. In many places around the world it is a sad fact that rights are too often proclaimed and too seldom protected. Countries that have constitutions with glowing affirmations of human rights are often the same countries where violations of basic rights are an every day occurrence. It has been said many times that the price of freedom is eternal vigilance. The protection of rights is indeed one of the most solemn duties we face in a free and democratic society.

As I indicated previously, on April 17, 1982 the Constitution Act was proclaimed in this country. A tremendous step forward was taken at the time in terms of protecting the rights of future generations. The Act provided for the patriation of the British North America Act from the United Kingdom but, more importantly, it included a Charter of Rights and Freedoms. In my respectful opinion that Charter is second to none in the world.

• (1620)

The patriation of our Constitution was largely a symbolic gesture since Canada has long been regarded as a sovereign and independent nation. However, the Charter of Rights and Freedoms was intended to have a more direct impact on our daily lives. Why was the Charter necessary? The answer is

quite simply that Canadians wanted their rights enshrined in the Constitution. It was recognized at the time that full equality was not a reality in this country. In a great many cases only lip service was paid to the concept.

We wanted a Charter because we as a nation believe in freedom and equality and we believe profoundly in justice. The Charter is merely and affirmation of that fact. It is a statement of principles entrenched in our most basic law. It is intended to protect individual rights and freedoms each and every day as part of a living, breathing constitutional document.

As Hon. Members know, when the Constitution Act was proclaimed in 1982, the implementation of this part of it was delayed for three years. That was one of the political compromises that was necessary in order to entrench the Charter of Rights and Freedoms in our Constitution. April 17 of this year could be a more historic and momentous day if the Government opposite would take the definitive action necessary to ensure that full equality becomes a reality in this country.

The implementation of Section 15 attests to our full maturity as a free and democratic nation. The words of Section 15 form the core of one of the most significant parts of the resolution, a part that former Prime Minister Trudeau called the people's package. Canadians have cause to be proud of this Charter because it is indeed one of the best in the world. It is the legacy of Mr. Trudeau, a testament to his political courage and determination.

Much more could have and should have been done by this Government to enshrine full equality in the laws of Canada. There was a great deal of hope and anticipation on April 17, 1982 when the constitutional resolution was proclaimed by the Queen. We all recall that very momentous and historic day.

I sense none of that same mood as we approach the date for the proclamation of equality rights. At the end of three years, Canadians were expecting the federal Government to present a Bill containing the necessary amendments to the laws that fail to comply with the provisions of the Charter. What Canadians expected and what the Government is offering through Bill C-27 are two different things. Many laws, both provincial and federal, still to this day contravene the equality rights provisions contained in Section 15.

In some respects, the foot dragging on equality rights on the part of the federal and provincial Tories should not come as a surprise. As I indicated previously, five of the Tory provincial Governments opposed the constitutional resolution and fought against it tooth and nail. Sterling Lyon of Manitoba was particularly adamant that there should be no constitutional guarantees of any rights whatsoever. There were many supporters of his point of view among Conservative Members of this House, many of whom are still here today. I take comfort in the knowledge that *Hansard* faithfully recorded their remarks. Indeed, it must be difficult for these Members who opposed the Constitution to witness their own Tory Government carrying on where Mr. Trudeau left off with respect to enshrining equality rights provisions, albeit the Government is carrying on meagrely and modestly, as shown by this proposed legislation.

We all know that the dinosaurs within the Tory caucus were brought into line once a deal had been struck with nine of the ten provinces. One of the aspects of that deal between the federal Government and the provincial Governments was the three-year delay. Those Governments are continuing to procrastinate and delay. Where there should have been substantive measures put forward, we have a Bill that falls desperately short of the mark. Bill C-27 falls far short of what is necessary in order to guarantee full equality in the Constitution. The Bill constitutes an exercise in language reform rather than a true application of the spirit of the Charter.

The policy questions that were raised in the document entitled *Equality Issues in Federal Law* are the policy questions that should have been decided by the Government. This legislation does not address age discrimination as it relates to mandatory retirement or sexual discrimination as it relates to pension contributions for women in the Public Service. It does not address the issue of whether requirements relating to the length of employment or maternity benefits under the Unemployment Insurance Act should remain greater than requirements for regular benefits. It does not deal with the issue of whether combat roles in the Canadian Armed Forces should be open to women. It does not address the question of whether mental or physical disability ought to be a bar to immigration in some circumstances. It does not come to grips with whether native Canadians should remain effectively excluded from participation in the Canada Pension Plan because participation is tied to income as defined in the Income Tax Act and earnings on a reserve are non-taxable. Bill C-27 does not deal with whether persons should continue to be excluded from the Canadian Armed Forces on the basis of their sexual orientation.

There are many, many unresolved issues in many areas of discrimination based on race, ethnic origin and physical disability that remain completely untouched by Bill C-27. In many respects, April 17, 1985 will be a sad day for justice and equality in this country.

The Government could have corrected the inequities and injustices that continue to exist in our free and democratic society. It could have dealt bigotry and racism a body blow. It could have told the provinces to bring their legislation into line and it could have led by example. Instead, it has left all of the tough decisions out of Bill C-27. It has put them off into yet another subcommittee and discussion paper for further review and further public hearings.

I was not present in the House three years ago as were many Members opposite. They know about the many hours of debate that took place with respect to the Constitution and the Canadian Charter of Rights and Freedoms. They know and will remember well representatives of dozens and dozens of different organizations coming to Ottawa to make their views known. Now the Tories want to repeat a significant portion of that process. The purpose of this exercise is questionable but we all know what the results will be. The results will be more

procrastination and more delay. Delay is a key word because justice delayed is justice denied, and justice is being denied to all those groups that are suffering from discrimination in this country.

• (1630)

The Tories are paralysed with fear about doing the wrong thing. So they do nothing so as not to offend anyone. They are afraid to lose a seat or two. They are afraid to go to bat for minority groups. They are prepared to take on popular causes, but they are afraid to go to bat for the people who are suffering. We all know that consultation is important. It is a vital element in the legislative process. Governments should not take precipitous or hasty action for the sake of appearing decisive. That was the fatal flaw of the nine-month Tory Government. Neither should Governments let consultation be an end in itself. A balance must be struck, otherwise the consultative process becomes like molasses in the decision-making machinery of Government. It gums up the works and nothing gets done.

In conclusion, I wish to reiterate the serious concerns which my Party has with respect to this legislation. We will, of course, support the legislation because it will tidy up some of the language in the legislation which now exists. However, we will continue to press for full equality. We want to ensure that equality becomes a reality in the very near future. We disagree profoundly with the procedure which is being proposed by the Conservative Government. If it were truly interested and sincere about equality, the Minister of Justice (Mr. Crosbie) would be in the House to listen, and the Government would take the definitive action which is so necessary.

I look forward to further discussions with respect to this legislation in committee. I am sure that other members of the Official Opposition will have more to say on Bill C-27.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I had the honour four years ago, as a relatively new and young Member of Parliament, to sit on an historic committee. That committee was the Special Joint Committee on the Constitution of Canada. That committee was charged with the responsibility of reviewing a proposed constitutional resolution and hearing not only witnesses with respect to the proposed Charter of Rights and Freedoms, but also the provinces and other concerned groups about the constitutional process.

I recall vividly the fact that witness after witness came before the committee—whether they were representatives of native people, minorities, women's groups, or the disabled—to urge the Government to strengthen the resolution which had been tabled in the House. That resolution was strengthened. The equality rights section of the Constitution was improved significantly.

The constitutional package came into effect on April 17, 1982. It was felt that Governments needed three years, until April 17 of this year, to bring their legislation into compliance with the provisions of Section 15, the section which deals with equality rights. We waited three years, but I would suggest that when this Government finally moved on January 31 it was a black day for human rights in Canada. What it constituted was a bitter betrayal of the hopes of women and minority groups in Canada who had hoped that the Government would take its responsibilities seriously, not simply to review legislation, but where the review showed that the legislation was in conflict with the fundamental principles of equality, that the Government would bring forward changes.

I would like deal briefly with the arguments which were made by the Hon. Member for York South—Weston (Mr. Nunziata). I appreciate that he is a new Member and that he was not present for some of the debates which took place subsequent to the passage of the Charter of Rights and Freedoms. As Members, we have been witness to the most extraordinary rewriting of history which this Chamber has probably ever seen. That Member stood and attacked the Government for refusing to move on issues of concern to minorities. He attacked the Government for listening to the majority and refusing to heed the concerns of minorities, including the disabled and the minority which is discriminated against on the basis of sexual orientation.

I would like to remind Members of what really happened and of the history of the Liberal Party after the passage of the Charter of Rights and Freedoms. The history of his Party, when it was in Government, was a history of explicitly and deliberately denying the claims to full equality for the groups which the Hon. Member for York South-Weston now stands up self-righteously to defend. What is the record? I would like to give the House a couple of examples.

A special parliamentary committee was struck to look into discrimination against the disabled. That committee tabled in the House a report which was entitled *Obstacles*. That report very eloquently documented the history of abuse and inequality. I would like to salute the members of that committee. In my view they did an outstanding job of bringing to the attention of Parliament and the Canadian people discrimination, both economic and social, against the physically and mentally disabled people of Canada.

That report was tabled in 1981. I would remind Members of the House that the Liberal Party was in Government from 1981 until 1984. I would ask the Hon. Member for York South-Weston—who has attacked the Conservatives for doing nothing to assist the disabled in the country—where was he and his Party when the disabled people said that it was time for action? For him to suggest that they were prepared to take action to remedy the historic injustices against the disabled, when they did nothing for three years after the tabling of the report, surely to goodness Canadian people must recognize that something is wrong.

The Hon. Member for York South-Weston said that this Government was copping out on human rights and fundamental justice. He accused the Government of listening to the views of the majority. Both of those criticisms, Mr. Speaker, may be well founded but, I recall vividly, as a member of the Justice Committee—and the Hon. Member suggested we should look at the records of the justice committee—hearing

the Liberal Minister of Justice, Mark MacGuigan—who got his reward in the Federal Court—refuse to move on amendments to the Canadian Human Rights Act which would strengthen the protection of minorities in this country. I proposed those amendments to strengthen the Canadian Human Rights Act, but the Minister of Justice of the day said, no, there was not a consensus of the majority to move forward on those amendments. The Hon. Member for York South-Weston says that the Tories are waiting for the majority, that they are abandoning the minorities to the will of the majority. Where on earth was he when his Minister of Justice stood up before the Justice Committee and made exactly that argument? He said he was not prepared to amend the human rights legislation because the majority was not ready. What utter hypocrisy, Mr. Speaker, on the part of that Party and that Hon. Member.

● (1640)

I would like to deal with some of the concerns which we in this Party have with respect to the process which the Government has undertaken in the area of equality rights. We strongly support, and historically have always supported, the concept of a charter of rights entrenched in the Constitution. We fundamentally disagree with the inclusion of Section 33 of the Charter which allows any Government, provincial or federal, to override the most basic and fundamental rights in this country at the stroke of a legislative pen. However, we recognize that in the contest between the judiciary and Parliaments, as former Justice Tom Berger put it so eloquently in his book *Fragile Freedoms*, "Judges may not always be wiser than politicians but they should be able to stand more firmly against angry winds blowing in the streets". It was that philosophy which very much guided this Parliament and members of this Party in supporting the concept of an entrenched Charter of Rights.

Following the passage of the Charter, one would have hoped that the Government would be moving forward very quickly to review legislation—there were some 1100 federal statutes and many more regulations and policies—to bring it into compliance not just with Section 15 of the Charter of Rights but with the other section of the Charter as well. I note that the spokesperson for the Official Opposition was silent with respect to all of those other vital sections of the Charter: freedom of association, freedom of speech, freedom in terms of the media and fundamental legal rights. I would have hoped that this Government, in reviewing its legislation, would have recognized that many of its statutes and policies conflict, and conflict seriously, with the values set out in the Charter of Rights and Freedoms, and not just in Section 15 but in other sections as well.

I might note as well, Mr. Speaker, that it was not until January of 1984, some two years after the Charter of Rights came into effect, that the Liberal Government finally got around to starting its review of equality rights. One must question, then, the seriousness with which it approached that very fundamental review process. But the review was undertaken and on January 31, Bill C-27 was tabled in the House of Commons along with a discussion paper. The Bill is a thick Bill but there is very little of substance in the legislation. The fact is that in issue after issue that the Government should have addressed directly by way of legislation, it has copped out. It has abrogated its responsibility and has called for further study.

What does the Bill do, Mr. Speaker? There are a whole series of changes to the legislation dealing with inspection and powers of entry and search. I do not believe anyone would disagree with the direction the Government is taking in those sections. Then there are some proposed changes to the National Defence Act. I would note that the National Defence Act was the subject of extensive challenge in the Supreme Court of Canada and the majority of the Supreme Court in the decision in *McKay v. the Queen* upheld the validity of that Act. But that was before the Charter of Rights came into effect. A concurring minority of judges in the McKay decision found that the provisions of the National Defence Act were inoperative as being in breach of the Bill of Rights in so far as they purported to deal with defences which might not have a military connection. One would have thought and hoped that this Government would have been at least prepared to strike down those provisions of the National Defence Act which permit the trial of members of the Armed Forces, civilians and others without any kind of military connection for the offence. One would have hoped, in short, Mr. Speaker, that the Government would at least have gone so far as to adopt the reasoning of Mr. Justice McIntyre in the McKay decision. There are some of us who found the very powerful dissent of former Chief Justice Laskin persuasive. However, at the very least, one would have hoped that this Government would have accepted that far more fundamental changes in the National Defence Act were required than the changes which were brought forward in this Bill. Certainly, we will look forward to hearing from witnesses from the Department of National Defence as well as from the Department of Justice on that question.

The amendments to the Canadian Human Rights Act which restore some semblance of independence to the process of appointment of tribunals are certainly unobjectionable. I would have hoped the Government would have gone further and accepted the recommendations of the Special Committee on Discrimination Against Visible Minorities in the report *Equality Now!* and had the Canadian Human Right Commissin reporting directly to Parliament, but that was not to be.

There are amendments as well, Mr. Speaker, in some other relatively non-controversial areas, although I would note that one amendment to the Immigration Act of 1976 gives rise to very serious questions. Under the proposals in Bill C-27, an adjudicator in an immigratin hearing is given for the first time discretionary power to decide if a hearing is going to be open to the public. In the past it has always been the prerogative of the immigrant to ask for a closed hearing. It is most important, in my view, that this prerogative continue, because in many cases a refugee from another country who is seeking refugee status may have very sensitive issues to raise. He may,

for example, wish to make some very strong statements about the country he is leaving and does not want himself or his family to be prejudiced by the statements he is making. I would suggest that this change, instead of promoting equality, is a step backward. There is no requirement whatsoever for us to deny the right of a potential immigrant or refugee to have a closed hearing at the option of that individual.

• (1650)

However, it is in the area of equality rights that this Bill is most lacking in substance. Indeed, tremendous work was done by women right across this country to persuade the Government to strengthen the provisions of the Charter of Rights, not just in Section 15 but to include as well a very clear statement in Section 28 of the Constitution. Hopes arose that there might actually be some real equality, a real equal rights amendment in Canada for women. But this Government has come forward with a shocking betrayal of the hopes of Canadian women for equality.

I know a number of my colleagues are going to be addressing this question in greater depth, including the Hon. Member for Broadview-Greenwood (Ms. McDonald) who has worked very hard on this question, both as a Member of Parliament and, before she was elected, in promoting euqality for women in her capacity as Chairperson of the National Action Committee on the Status of Women. I know that she and other members of my caucus share my concern, my anger, my sense of betrayal because this Government has not moved further.

What has the Government done to promote equality of women in Canada? What it has done in this Bill is to change a total of nine laws. The irony of this approach is that the majority of those changes do not enhance the rights of women, they enhance the rights of men. For example, the amendments would offer the same benefits to husbands and widowers to which wives and widows are now entitled under a number of Acts, including the Merchant Seamen Compensation Act, the Veterans Rehabilitation Act, and several others. It would give marriage settlements made on men the same protection under the Bankruptcy Act from a spouse's creditors as that which women now have. It would remove the possibility of preferred treatment for women under the National Defence Act; that is, the application of the code of service discipline. In short, there is but a single change, one piece of legislation which is being changed by this Government to benefit women, and only one. That change is to the Canada Shipping Act so that a woman who works aboard a ship will have part of her earnings payable to dependants at home, just as a man can do now. That is it. That is the sum total of this Government's response to the demand of Canadian women that they be granted equality—one change in one Act which is virtually of no consequence. What an incredible failure by this Government to take seriously its responsibilities for the promotion of equality of women in Canada today.

I am not going to take a great deal of time to emphasize some of the areas that we in this Party believe this Government should have moved forward in. Some of my colleagues will be elaborating on that point. However, I would remind Members of this House that women continue to be the victims of discrimination, economically and socially, in many different spheres. A report released just a couple of weeks ago clearly documents the fact that a woman in 1982, working full time, earned on average about 60 per cent of the wage of a working man. This wage gap has not closed, it has become bigger. Federal legislation continues to discriminate against women in many respects. The Unemployment Insurance Act continues to discriminate against pregnant women. I might say that one of the concerns of this House was to overrule the absurd decision of the Supreme Court of Canada in Bliss which said that discrimination against people who were pregnant was not discrimination on the basis of sex, even though the only people who can become pregnant are women. Well, we in this Parliament made it very clear that we did not accept that logic, and we had hoped that this Government would have come forward with meaningful legislation to amend the Unemployment Insurance Act and other legislation with respect to pensions to deal with the fact that two thirds of the elderly women in Canada today live in conditions of poverty. But this Government has done nothing.

With respect to discrimination against women, the Government has again moved in a manner which is almost worse than not having moved at all because it gives Canadians the illusion of action, but in fact no meaningful action whatsoever has been taken.

What about the disabled? There is no excuse for further study of the issues of concern to the disabled community of Canada. One of the finest reports ever tabled in this House was the unanimous report of the Special Committee on the Disabled and the Handicapped. I want to salute the contribution of my colleague, the Hon. Member for Beaches (Mr. Young), who will be speaking in the course of this debate and who was a member of that committee. The committee tabled a report which made a whole series of very important recommendations for changes in policy and federal legislation and for encouragement of independent living as well as an end to discrimination in the workplace. There were many other similar recommendations. The studies have been done but what is this Government proposing? The disabled community in Canada appeared before the Special Joint Committee on the Constitution, and I recall vividly as a member of that committee how, day in and day out, they would come to our committee until finally the Government was forced to respond to their cry for full equality. Following the entrenchment of the rights of the disabled in Section 15, this special committee held hearings in cities and towns right across this country. It heard from the disabled and submitted a unanimous report recommending action and changes in the law. We waited with great interest and great hope for the response of this Government to those recommendations. But what did it do? Did it in fact implement, let us say, 50 per cent of the changes recommended? Did it implement three or four of the key recommendations made by the committee? No. The single change made by this Government to assist the two million Canadians who are

disabled was an amendment to the Canada Shipping Act to change the word "lunacy" to "mental disability". Shameful, absolutely shameful. After years of study, after unanimous recommendations for change, after the disabled had got their hopes up that this Government might just take seriously its obligations—and I stress that, its obligations—to respond to the call for equality as set out in the Charter, what does this Government come forward with? An amendment to the Canada Shipping Act to change the word "lunacy" to "mental disability".

● (1700)

If I were a member of the disabled community today and looked back at the promises that were made, the hearings that were held and the recommendations that were made, I would ask how much longer we must wait, how many more studies there must be, and how many more hearings must be held before the Government will finally realize that a disabled person in the country is entitled to full equality rather than to having a single word in the Canada Shipping Act changed from "lunacy" to "mentally disabled". What a cynical cop-out on the part of a Government which purports to be concerned about the rights of the disabled.

The Official Opposition is urging all of the groups that appeared before the Constitution Committee to boycott the deliberations of the special committee on equality. Their official critic has actually sent out a letter to every group that appeared before the Constitution Committee urging them not to appear. I suggest that that response is totally wrong. Every group that appeared before the Constitution Committee in 1980 and 1981 and before the Special Committee on the Disabled and the Handicapped should appear once again before this committee. They should demand that the Government finally accept its responsibility to change laws to implement full equality for the disabled.

I suggest that that is a more appropriate response than that of the Official Opposition which is telling those groups to stay away and have nothing whatsoever to do with the committee. Those groups should come to the committee and demand that the Government explain to the disabled community why it refused to take action, why it labelled the disabled in the country as a grey area, and why it did not change the laws that it should have changed.

There have been other studies done by the House. A Special Committee on Visible Minorities in Canadian society was struck. It produced an excellent and very strong report clearly documenting the extent of discrimination against visible minorities in Canada. Your Honour was a prominent member of that committee and is well aware of the fact that that committee made many important recommendations for legislative change to improve the position of visible minorities in Canada. I looked with great care through the Bill that was tabled by the Government. There was not a single amendment which responded to the report, *Equality Now!* So much for the concern of the Government for the recommendations to improve the position of visible minorities. So much for the concern of the Government to respond to the cry for equality from the disabled. So much for the response of the Government to the cry of Canadian women for equality. There was nothing, silence, abdication.

One of the recommendations that was made by the Special Committee on Visible Minorities, which held hearings across Canada, was that the War Measures Act be reviewed so that never again would 20,000 Canadians be uprooted from their homes and have their property confiscated as occurred during World War II to Canadians of Japanese origin. Never again at two o'clock or three o'clock in the morning would Canadians, who have broken no law whatsoever, be scooped from their homes in the Province of Quebec under the provisions of the War Measures Act. Where is the response of the Government to the suggested changes to the War Measures Act? There is silence, nothing at all.

Another recommendation made by the Special Committee on Visible Minorities was that the Canadian Human Rights Act be amended to cover systemic discrimination, in other words, discrimination which may not be intentional, but practices which might have the effect of discriminating against minorities in Canada. There are two cases, one of Bhinder and the other of O'Malley, before the Supreme Court. In both of those cases the federal Government stood deaf, dumb and mute and refused to say before the justices of the Supreme Court of Canada that it does not accept systemic discrimination and that it believes that that kind of discrimination should be barred by the provisions of the Canadian Human Rights Act.

I checked with care the legislation that was tabled by the Government hoping that it may have accepted the recommendation of the Committee on Visible Minorities to make it very clear that the Canadian Human Rights Act applies to systemic discrimination. You will know, Mr. Speaker, of the issues that I am referring to here such as job requirements in terms of height, for example, that might discriminate against women, or the wearing of a turban which might discriminate against Sikhs. I looked in vain. Nowhere did the Government deal with that question. Not only did the Government refuse to deal with the question in the context of this Bill, but it refused to stand before the court and argue in support of that broad interpretation of the Canadian Human Rights Act. In the event that the Supreme Court of Canada does uphold the decisions in the cases of Bhinder and O'Malley, I hope that the Government will move very quickly to amend the Canadian Human Rights Act.

The other very important issue which the Government has refused to come to grips with is that of financial aid for groups and individuals who want to challenge various federal legislation and policies as being in breach of the Charter of Rights and Freedoms. I am sure there will be many such challenges, because the Bill which was tabled in the House certainly has no substance. The effect of the Government's response to Section 15 of the Charter of Rights is to force minority groups and women into the courts to defend their rights and freedoms. Indeed, the Member for Etobicoke-Lakeshore (Mr. Boyer),

who chairs the Special Subcommittee on Equality Rights, described the Government's effort as a housekeeping Bill. I think that is an accurate description of the Bill.

The fact is that so far the Government has refused to accept its responsibility to establish financial aid for individuals who do seek to challenge legislation that may be in breach of the Charter. This is in direct violation of a promise that was made by the present Prime Minister of Canada (Mr. Mulroney) before he became Prime Minister. On August 14, 1984 he was asked by the coalition of provincial organizations for the Handicapped whether he supported the provision of resources by the federal Government to disabled Canadians for the establishment of a rights and freedoms defence fund. The Prime Minister said that a Progressive Conservative Government would financially assist all Charter of Rights cases deemed to be of national importance. He said that cases involving rights of the handicapped and disabled would certainly fall into this category. Mr. Speaker, one would have thought that the promise was fairly clear and one would have hoped that the Prime Minister of the country, being a man of his word, would have fulfilled that promise to the disabled, other minorities, and women. Yet the Minister of Justice (Mr. Crosbie), in reply to a question which I put to him in the Justice Committee, indicated that he personally did not mind making a contribution to funds established by private groups such as the women's groups that are establishing a fund now. He said, "I personally feel that is the best way to go about this. Then they have independence and no one is interfering". He went on to say, "You are suggesting the Government should do all this, the Government should finance it all, but I say that is very much open to argument".

• (1710)

During the election campaign in August the Prime Minister promised that he would establish a fund to assist litigants who want to challenge legislation. In the next breath, when he is in government, his Minister of Justice refuses to establish that essential fund. To suggest that groups and individuals have rights but to deny them the tools with which to fight for those rights, is a hollow remedy.

You are signalling that my time is coming to an end on this speech and I will draw my remarks to a close. Once again, I want to register my profound concern and anger at the fact that the Government has refused to take seriously the challenge which Parliament set forth in passing the Charter of Rights. That Charter does not belong to governments, it belongs to people. The effect of the Government's inaction is to force women and minorities into the courts but to refuse to assure them that they have the financial resources to defend their rights.

Women, the disabled and other minorities are gravely disappointed with the approach that the Government has taken, and I hope that they will make their views known loudly and clearly to the special committee that has been established to consider Section 15 of the Charter of Rights and Freedoms.

In closing, I am reminded of the somewhat mocking words of the great British poet, A. E. Housman, who said, "Be still my soul, it is but for a season. Let us endure an hour and see injustice done". There has been too much injustice and too many hours have passed. The time to promote full equality is now. I appeal to the Government to recognize that and to move forward quickly to comply both with the spirit and the letter of Section 15 of the Charter of Rights.

[*Translation*]

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, as the Member for Madawaska-Victoria, I welcome this opportunity to rise in support of the motion by the Minister of Justice (Mr. Crosbie) for second reading of Bill C-27, legislation aimed at amending certain federal Acts to bring them into line with the Canadian Charter of Rights and Freedoms. However, Mr. Speaker, although I have already had an opportunity, as Parliamentary Secretary, to take part in the adjournment debate, this is the first time in this House, that I have a chance to speak to my constituents, and I want to take advantage of this opportunity to thank the people of Madawaska-Victoria for having given me the privilege of representing them here in Parliament, and also to describe briefly for my hon. colleagues the riding of Madawaska-Victoria.

My riding is located in the northwestern part of New Brunswick. To the west it borders on the Province of Quebec and to the south on the State of Maine, in the United States. My riding extends along the St. John River from the Quebec border to Perth, Andover, and has a population of about 57,000. Seventy-five per cent are Francophones and of French ethnic origin, while 25 per cent have English as their mother tongue. The federal riding of Madawaska-Victoria covers six provincial ridings, five of which are represented by provincial Members in the Government of the Hon. Richard Hatfield.

Mr. Speaker, following the example of some of my colleagues, I would like to explain to the Members of this House that Madawaska-Victoria is a very special riding, because the people belong to what we refer to as the legendary republic of Madawaska, and also because of those hardworking people in the Victoria, Tobique area.

Mr. Speaker, my constituents are mainly engaged in the agro-food business and forestry. I wish I could be as eloquent as some of my colleagues have been with respect to their own ridings, in describing Madawaska-Victoria as a region with warmhearted people, beautiful rivers and marvelous landscapes. However, the people of Madawaska-Victoria also have some major problems. The statistics are nothing to be particularly proud about, but I feel they reflect the legacy we received from the previous Government.

My riding's per capita income is lower than the provincial average, and need I add, Mr. Speaker, that the average per capita income in New Brunswick is much lower than the Canadian average. The unemployment rate in my riding is

very high, in fact it is higher than the provincial and national average.

We hope this situation, which has existed for a long time in Madawaska-Victoria, is going to change, and we are confident that by electing this Government on September 4 we are now on the right track.

The people of Madawaska-Victoria have traditionally supported the Official Opposition in federal elections, and they have seen what good this has done them. Mr. Speaker, that is the context in which should be considered my election on September 4 and for which I am truly grateful to my constituents in Madawaska-Victoria. They gave a massive support to the Progressive Conservative Party at the last election and gave their confidence to a team led by the Prime Minister (Mr. Mulroney). During my mandate and during this Parliament, I really intend to prove worthy of their confidence by discharging my responsibilities as best I can.

Mr. Speaker, after being in power for almost seven months, even if we are young and inexperienced members, we follow the proceedings in the House and we are tempted to make some comments . . . I listened carefully to the comments made by the Hon. Member for York South-Weston (Mr. Nunziata) a while ago in reply to the speech made by the Minister of Justice (Mr. Crosbie). I also heard the criticisms of my colleague, the Hon. Member for Burnaby (Mr. Robinson). Certain things were brought out in the speech made by the spokesman of the official opposition.

It is clear from their speeches since September 4 that they are frustrated after being decimated throughout the country, but when I see in this House the logic and rhetoric of the Liberal Party, I am grateful that my electors had enough wisdom to elect a member of the Progressive Conservative party. I thank the Canadian people for having elected a government which has avoided the Liberal Party rhetoric.

• (1720)

[*English*]

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member. I thought he was making his maiden speech and I did allow him a few minutes to speak about his constituency, but I must now ask him to speak on Bill C-27.

Mr. Valcourt: Mr. Speaker, that is what I am going to do. I listened with attention to the comments made by the Hon. Member for York South-Weston (Mr. Nunziata) in reply to the speech of the Hon. Minister of Justice (Mr. Crosbie) and I was saying how amazed I was at the rhetoric.

The Acting Speaker (Mr. Paproski): I understand. I heard the Hon. Member repeating the same thing in French. I would like him now to carry on with Bill C-27.

[*Translation*]

Mr. Valcourt: Of course, Mr. Speaker, Bill C-27 now being considered comes under attack by the Official Opposition and the New Democratic Party. I do not want to prolong the debate, but the Opposition is trying to prove that Bill C-27 is a very minor piece of legislation which is not quite in the same league as the Canadian Charter of Rights and Freedoms. Well, Mr. Speaker, they have to admit that the Canadian Charter of Rights and Freedoms adopted in 1982 does enshrine the rights and freedoms of all Canadians and did make radical changes in our society. Courts, provincial legislatures, the Federal Government and all citizens are affected by the Canadian Charter of Rights and Freedoms, because the Constitution, our most basic law, acknowledges those rights in no uncertain terms.

They now claim that the Government is not doing anything. Well, none of the critics has mentioned the fact, among others, that as recently as September 14, 1984 the Supreme Court of Canada rendered a decision in the Southam-Hunter case with respect to the powers of entry and inspection provided under some federal Acts. In less than four months the Government took into consideration the principles of that decision and embodied them in Bill C-27 which contains amendments related to powers of entry and search as well as powers of entry and inspection.

As a lawyer, Mr. Speaker, I can assure my colleagues in the House that those amendments stemming from the Supreme Court of Canada decision in the Southam case are more than welcome. The critics of the Official Opposition or of the New Democratic Party can say what they like, but the fact is that the Government did not wait for years before taking action, with the result that the amendments can now be found in Bill C-27.

Mr. Speaker, I also deplore the fact that the official critic of the Liberal Party has urged all Canadians from coast to coast to boycott the hearings of the major committee duly appointed to look into the document entitled "Equity Issues in Federal Law, A discussion paper", that was recently published and tabled by the Minister of Justice. This committee, made up of representatives from the Government, the Official Opposition and the NDP, was asked to consider some truly important issues in the light of the Canadian Charter of Rights and Freedoms. Of course, our hon. friends from the Liberal Party will regard that as evidence of inaction and lack of leadership, claiming that the Government should put an end to its consultations and take some strong positive action. What the Official Opposition critic is saying is that we should not seek the Canadian public's views on the important issues raised in this document, including retirement, status, age of majority, sexual preferences of individuals. These critics are consistent with the philosophy of the Liberal Party which claims to be the sole possessor of all knowledge and the supreme judge of all truth

and virtue . . . Yet, the very first lines in our Charter of Rights and Freedoms provide, under Section 1, that these rights and freedoms are—

—subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.

Mr. Speaker, no government, even one controlling 211 seats in the House, can rightfully claim that it has the exclusive knowledge of what is good for Canadians.

Mr. Speaker, you are signalling that I am about to run out of time. I urge all my hon. colleagues, irrespective of their party affiliation, and even my learned friend the Hon. Member for Bourassa (Mr. Rossi) to contribute positively to this debate on Bill C-27 and to refer it without delay to the Standing Committee on Justice and Legal Affairs for further study and possible improvements.

[*English*]

The Acting Speaker (Mr. Paproski): Are there any questions or comments?

Since there are no questions or comments, we will resume debate. The Hon. Member for Mount Royal (Mrs. Finestone).

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, as April 17 approaches, I take great pride in both my country and my Party.

Three years ago the Liberal Government and its provincial counterparts brought to Canada the guarantees that are so vital to life in a democratic society such as ours. The Canadian Constitution with its entrenched Charter of Rights and Freedoms expresses in legal language the values that we hold dear, the values we proudly stand for on the world stage, the values we wish to protect and pass down to our children and to our children's children.

[*Translation*]

For the first time, the Charter was entrenched in the Constitution to fight against oppression and discrimination. The Canadian Charter of Rights and Freedoms asserts the basic freedoms and rights to equality of every Canadian. Section 15 of the Charter lists these rights:

—the right to the equal protection and equal benefit of the law without discrimination . . . discrimination based on race, national or ethnic origin, color, religion, sex, age or mental or physical disability.

• (1730)

[*English*]

We are all aware that Section 15 of the Charter comes into force on April 17. Unfortunately, we will not be able to greet the present Government's treatment of Section 15 with the enthusiasm that we should have for the Charter as a whole or that which we were able to show and demonstrate for this Charter. There will be small reason for us to celebrate that day. The present Government has done less than half its job. Almost two months ago, it introduced Bill C-27 into this House. The Bill was to ensure that federal legislation complied with the Charter. In part, it sought to ensure compliance with the forthcoming implementation of the equality rights provisions of this Charter by amending only 50 pieces of federal legislation out of 1,100 statutes which they had to look at, including legislation in the Livestock Pedigree Act and the Merchant Seamen Compensation Act.

I really do not think that these were the major issues that the Coalition of Women's Groups had in mind when they fought so hard to ensure that this vital section found its place in the Charter reflecting our value system. In fact, it is a tremendous disappointment.

What the present Government failed woefully to do in Bill C-27 was to bite the bullet. It failed to bite the bullet on a score of other equality issues that it is obliged to address in order to ensure compliance with the grounds outlined in Section 15. Instead, it has chosen to introduce partial and cosmetic changes. It has merely tinkered with language and delayed decisions on a number of truly critical equality issues through the mechanism of another discussion paper.

I suggest that the Government is afraid to address too many of the hard issues of the day. It lacks the political will to treat unpopular issues. Governing a country of over 25 million people is not a popularity contest. Canada prides itself on its multicultural nature and, therefore, it makes it an even more complex society, along with its bilingual character. Unfortunately, this Government has not yet learned really to face the facts. Perhaps it will one day realize that it cannot have everyone love it all the time. This Government is busy perfecting the art of protracted consultants and is confirming to everyone what the initials PC really stand for. In the meantime, it subsists on language doctoring to appease the requirements of Section 15 in the few pieces of federal legislation that it proposes to amend with this Bill. The present Government's treatment of the obligations imposed upon it by this Charter, particularly the equality provisions, show too clearly its timidity and its inability to face the hard facts of political life.

The Liberal Government set in motion an audit of federal statutes almost two years ago. Its purpose was to determine whether those statutes contained provisions that would be discriminatory, that is, whether the distinctions were made in legislation for irrelevant or capricious reasons or whether the legislation contained valid distinctions that would not amount to a denial of the equality rights and thereby create unexpected and unlawful discrimination practices.

[*Translation*]

I am well aware that a complete review of all the federal statutes is a monstrous task. I am also aware of the complexity of the decisions required to determine whether this or that order includes a denial of the rights to equality, or, to go even further, a recognition of these rights.

[*English*]

For example, a straightforward statute audit would probably be inadequate to examine equality issues in areas such as criminal law, the legislative treatment of reproductive capacity, pensions, and the position of Indian women, but even here the Government did not respect its own constituency or intentions. Here something more than a statute audit is needed.

We will need to see a very sophisticated level of constitutional analysis, argumentation and policy review. We will need to examine laws and other jurisdictions such as international jurisdictions that we have signed. We will also need to give in depth consideration to numerous law reform proposals in light of the equality provisions of the Charter.

The parliamentary Subcommittee on Equality Rights proposed by the Minister of Justice (Mr. Crosbie) is an appropriate vehicle in these very limited cases for determining whether certain federal laws need to be amended to conform with the Charter. In these limited areas, I support the naming of that subcommittee. This subcommittee will have the delicate task of balancing social, economic, political and constitutional considerations as it examines our federal laws.

This Government has gone beyond simply delaying decisions on some of the more difficult questions. It has avoided its responsibility to make the hard decisions of political life by not introducing more comprehensive legislation on equality. It could have ensured that all distinctions be given the broadest and largest interpretation, thus setting the appropriate tone and sending out the kind of message of openness to our visible minorities, to the native people, women, the handicapped and the courts of this land. Instead, it has tossed the bulk of equality issues, equality issues that need no more discussion and which should be legislated immediately, into a discussion paper.

The Charter of Rights educational fund, a volunteer group of women lawyers, certainly gave us something as a model, for they produced a 2,000-page document addressing and recommending in great and minute detail the needed changes. How can the Minister of Justice with all his staff and all their resources not feel both embarrassed and irresponsible when he presents such meagre, almost unimportant technical changes as his response to the April 17 deadline? I think it is a shame.

My colleagues, the Hon. Member for York Centre (Mr. Kaplan) and the Hon. Member for York South-Weston (Mr. Nunziata), expressed their concerns for the present Government's action. Only the least controversial amendments have been introduced, they noted. All the issues that dealt with unpopular groups or were controversial or expensive to implement have not obtained justice from the Department of Justice. My confrères feared that the neglect of the Government to implement the Charter fully might result in the Government's relying on public opinion, which can be very insensitive to women, minorities and to the determination of their rights.

[*Translation*]

Mr. Speaker, if the Government allows the general public to make the decisions about these rights instead of acting itself to entrench vested rights in the Charter, the Conservatives could be allowing the majority to determine the rights of the minority. I should not have to remind the Minister of Justice (Mr. Crosbie) of the danger of this. Unfortunately, this must be done, and urgently, because I am very much afraid that this discussion paper will give the Government an excuse to blame the so-called majority for any possible irresponsibility.

[*English*]

If this Government is afraid to bite the legislative bullet, those in this country who are minorities or disadvantaged groups will have no recourse but to go through a prohibitively expensive court process to see non-complying legislation tested and struck down.

I listened to the comments of a number of Members here with respect to *Obstacles* and the document *Equality Now!* I remind Hon. Members that *Equality Now!* was just recently tabled and was in the process of being addressed by our Government. With respect to *Obstacles*, 116 of the 145 recommendations have been implemented, and follow-up responses and meetings have been taking place. Is this Government going to treat its women and its minorities fairly, without forcing them to undertake expensive, unnecessary and time-consuming court challenges? Actions to date lead me to assume that the Government is going to let these groups incur incredible costs. It is patently clear from the the limited actions taken in Bill C-27 to correct inequalities that the Government is unresponsive to the handicapped, visible minorities, and native and women's groups it was elected to serve. Time, effort, thought, new directions and legislative change recommendations went into the report, but they were not heard. The Government has made many promises. The time for action is now.

● (1740)

I would suggest that the voices of the Minister of State for Multiculturalism (Mr. Murta) and the Secretary of State (Mr. McLean) have not been heard in an appropriate manner, and I think that is a shame. Why did they not insist on appropriate legislative change?

[*Translation*]

Let me give you an example. Bill C-27 does not deal with the issue of sexual orientation. Quebec is the only province to have shown enough courage to guarantee non-discrimination based on sexual orientation. Indeed, what has the Federal Government done until now? Has it acted fairly to provide true equality, especially for women? Has it taken its responsibilities seriously? I do not think so. We can look in particular at their actions on the issues of sexual orientation, the disabled, visible minorities and women. The Government has suggested a discussion on these issues so that it would not have to make a decision which the public might not like.

Mr. Speaker, we have had enough rhetoric. The Charter on equality deserves better than to be evaluated on the basis of its popularity at the polls.

[*English*]

Surely the Government could have opened its mind a little further and accepted certain legislative provisions that contained distinctions between the treatment of certain sectors of society, distinctions that the needs of society and the welfare of its members will support. I am referring specifically to the handicapped, to older workers and to maternity benefits under the Unemployment Insurance Act.

With respect to the latter, maternity benefits have been called into question by the discussion paper. The legislation that permits pregnant women maternity leave benefits is not discriminatory but, rather, provides distinct treatment on the basis that it is conducive to the welfare of our society as a whole, recognizes women's attachment to the labour force and makes a place for them. It is also in keeping with our signature on international covenants. Yet the Hon. Minister of Justice has chosen not to make a decision in time for the coming into force of the equality section. He has let the issue sit on the discussion paper.

Dealing as I do with a variety of portfolios, I am aware of the complexities of some of the decisions we must make when squaring the equality provisions of the Charter with our existing and future federal legislation. As I stated a few moments ago, I cannot fault the Government for reflecting carefully on the implications of the Charter, but I absolutely deplore, first, the Minister's cynicism and, second, the Government's seeming inability to make a number of straightforward decisions about straightforward laws, whether they deal with unemployment insurance benefits for pregnant women, family allowance cheques, mandatory retirement, needs of the handicapped or equality needs of the visible minorities.

Rather than proceeding with an abundance of caution, the Government has demonstrated an abundance of paralysis. It has cast the bulk of equality issues into the public arena when it should instead act as the Liberal Government was prepared to act. Perhaps it is time to see a little more courage coming from the other side of the House, a little less rhetoric and a little more keeping of the promises that were in the hearts and minds of the men and women who elected the Government with such a great majority. It should begin to live up to the things it promised the country.

Mr. Corbett: Mr. Speaker, the Hon. Member has gone to great lengths to criticize the Government for its handling of this issue. A criticism was levelled at the inaction and inappropriate direction that has been taken. The Hon. Member reminds me somewhat of the justice critic of her Party whom I understand she may possibly have replaced as a member on the subcommittee.

In his comments, the justice critic of the Official Opposition has been even more harshly critical of the Government's handling of the entire affair and indeed has even made the comment in committee that the interest groups to which the Hon. Member has referred should boycott the hearings. Of course, the opinions he expresses in committee and beyond committee are substantially felt and we have heard them in the House. Does the Hon. Member support the justice critic of the Official Opposition in his position that interest groups should indeed boycott the hearings of the subcommittee?

Mrs. Finestone: Mr. Speaker, it is too bad that the Hon. Member did not bother to listen to what I said. If he had, he would have been somewhat clearer in his ability to question our direction.

First, I would like to advise the Hon. Member and the Minister of Justice, who did not seem to know it that I am very pleased to be sitting on the subcommittee. I am even more pleased because the Government did not take into its hands the decisions that it should have taken. It left some of the thorny issues which I had said needed to be addressed by the subcommittee for the subcommittee to consider, and it is for that reason that I am pleased to be sitting on that subcommittee. However, it left a great many other questions to that subcommittee which it did not need to leave.

There were reams and reams of real documentary evidence presented in the documents *Equality Now!* and *Obstacles* as well as evidence obtained through hearings that had been taking place from 1980 to 1981 on which the Government could easily have acted and shown the courage of leadership. That was the issue addressed by our critic. That is why I believe the Hon. Member for York Centre was perfectly right. I have not seen the document to which the Hon. Member refers but I believe the intent behind the Hon. Member's action was that those groups that have spent much time, money and effort to enunciate their plans are asking what the point of returning is because the Government did not listen to them in the first place.

The reason other groups should come, and I would encourage them to come, is that there are other thorny issues that have social, economic and political consequences which go beyond the limits of discrimination as we understand it and which have very serious social impacts. Those are the things at which we should look and those are the things I think we will address with a great deal of care at the same time as we will insist on looking through the documents that were already tabled, so that in committee we may make some of the hard decisions the brave Minister of Justice was not prepared to make regarding his over-all responsibility.

Mr. Stackhouse: Mr. Speaker, I have not yet had the privilege of meeting the Hon. Member for Mount Royal (Mrs. Finestone) but I have had the great pleasure of listening to her on a number of occasions. Then as now, I have listened with interest and benefit. I have always admired the graceful way in which she addresses the House. It sets an example that I wish some of her fellow members of the Opposition might emulate.

I would like to focus attention for few moments on one theme that ran throughout the Hon. Member's remarks. Indeed, this theme began almost at the beginning of her speech. She was referring to the Constitution and her own Party's share in bringing that Constitution and the Charter into existence as the basis of government in this country. I quite agree that her Party and its then Leader deserve great credit. They certainly took what could be called the lion's share in initiating that great development. But we must recognize that the Constitution belongs to all of us. Both sides of the House of Commons participated in the leadership which made the Constitution possible and all of the provinces engaged actively in the process. The courts were involved. Ultimately, the Constitution became the achievement of all Canadians. It

was not due to what the Liberal Government did, but in spite of it.

● (1750)

The Constitution Act was initiated as a partisan venture which expressed the views of the then Government. But it had to become bigger than that. There had to be consulation with the nation which the Government had not intended. That consultation was forced on the Government by provincial Governments, the strong and courageous stand of the Opposition Parties and, finally, it was forced on it by the courts. In that great constitutional debate we have an example of what we were trying to achieve through the process which is under consideration in this legislation, that is, to bring the entire nation into the discussion and to involve all interested parties.

Over and over again the Hon. Member said that this Government wants to maintain its popularity and that democratic government is not a popularity contest. I believe that the Hon. Member is misreading the situation. The word "popularity" originates from the word "populus". It involves the populace of the country. This Government is striving to involve the population of Canada in a Bill which is vital to all groups. Surely, the wisdom in that is that the Government should not attempt to set forth the rights of certain minority groups and risk polarization in society. Very frequently that has been the result, because social change has been made without the widest consensus possible.

I would hope that the Hon. Member would see the merits and the value of the process in which we are engaged. In spite of the credit which is due to her former Leader, the former Prime Minister of Canada, I have to believe that no one ever talked so much about unity and no one ever did so much to polarize the country. With the style of government in which we are now engaged, we are striving to avoid polarization by bringing the people of Canada together to express their consensus in legislation which will achieve their common aspirations.

Mrs. Finestone: Mr. Speaker, I would like to thank the Hon. Member for his observations as they give me an opportunity to express my point of view. He spoke about *vox populi*. It was the *vox populi* that said they were going to elect a large and strong Conservative majority. Every Tory Member is a representative of a riding and the people who live in it. The people have given them a mandate and have shown trust. The issues before this House—when it comes to minority and majority responsibilities and how a Government must respond—are the responsibilities of those Members. Government Members will have to face their electors. If the electors do not like what they are going to do, they will let their Members know. The electors certainly let them know when the universality issue arose. Government Members changed their view.

I am not concerned. This is a consultation with the public. Members of the Government have come into the House to put into operation a new form of government and a new direction. They can go back and consult their constituents one by one if they wish, but not when it comes to legislating the kind of values which stand behind the people who are the most vulnerable and weak in our society.

I am a new Member and I am learning lots of things. I do not know if he is a new Member, but I look forward to meeting him. I would like to bring to his attention—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, but I would like to indicate that she has 30 seconds remaining.

Mrs. Finestone: I would like to bring to the attention of the Hon. Member a list of very important witnesses who represent the grass roots all the way along the political spectrum. Those witnesses came, in 1980 and 1981, to the constitutional hearings to express their concerns and to indicate what needed to be done to put Section 15 into application. All the texts of the drafts of law were there.

The Acting Speaker (Mr. Paproski): The time allowed for questions and comments has now terminated. I will now recognize the Hon. Member for Broadview-Greenwood (Ms. McDonald) on debate.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am pleased to have the opportunity to speak on Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms. There is nothing very objectionable about the Bill. What is wrong with it is the omissions. The Bill consists of a lot of trivial points. Certainly, amendments are required. But the really important issues were not dealt with in the Bill. Those issues appear in the discussion paper.

The Bill has been referred to as housekeeping legislation. If it had really been housekeeping, it would have been much better. It is no better than a lick and a promise. With regard to justice and equality, what is needed is a good spring cleaning. That, we do not have.

[*Translation*]

What is scandalous is that, instead of introducing legislation to ensure equality with regard to pensions, equal opportunities in the labour market and maternity leave, the Government wants to have a discussion. It has raised the question of equality on the matter of pensions, but is it fair that women should receive a lower pension because they live longer than men on the average? It is obvious that women need the same pensions as men. They pay the same for housing, food and transport. Their pension is lower because pensions are linked to wages and women do not earn as much as men.

[*English*]

Instead of dealing with that very important matter in a concrete manner, it has been relegated to discussion. The sex-based mortality tables are used to compute annuities, which will mean that women will get lower amounts than men. There is no discrimination on the basis of race or any other behaviourial characteristic in the tables. Simply, women get lower annuities than men because they live longer. However,

there is no discrimination between the different races because they have different mortality rates. There was a recommendation made by the Royal Commission on the Status of Women as far back as 1970 on this matter. It appeared in the green paper on pensions, and women's groups have lobbied for that reform for years. The women will have to raise this matter again and again. But the Government only wants to discuss the matter.

The Minister of Justice (Mr. Crosbie) showed a decided lack of enthusiasm when he introduced the Bill. It is clear that the Government feels that we have to have equality because it is in the Charter and something has to be done. Certainly, the Government will do the absolute minimum. The Minister said that he wanted to hear the groups and that they would be given an opportunity to be heard. However, he has not been listening because groups, individuals, experts and people from across the country have been saying that they want equality, justice and specific amendments to legislation without further delay.

The Charter of Rights Educational Fund has recently released a report which has a much more ambitious and to-the-point approach to the issue of equality. That group raises the real issues. It points out that there is discrimination against women on matters such as the lack of protection for women's health products. That is a hidden form of discrimination which has not been raised. The old boys' network in employment matters discriminates against women with respect to employment. That matter has not been raised for discussion. Unemployment insurance limits against women—

The Acting Speaker (Mr. Paproski): Order, please. When debate resumes on Bill C-27, the Hon. Member will have 16 minutes remaining for debate, plus the ten-minute question period.

[*Translation*]

It being six o'clock, this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, March 28, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (CANADIAN CHARTER OF RIGHTS AND FREEDOMS) AMENDMENT ACT

MEASURE TO AMEND

The House resumed from Wednesday, March 27, consideration of the motion of Mr. Crosbie that Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, when the House adjourned yesterday I was pointing out the severe limitations of Bill C-27. It deals with rather trivial matters and puts the important matters of equality, for which women have been struggling for the last number of years, into a discussion paper to be considered again, as if we need continually to discuss whether equality is a good thing or whether we want it. I pointed out that groups such as the Charter of Rights Educational Fund have proposed much more serious measures for achieving equality for Canadian women.

I also pointed out the real problems in the legislation and some of the hidden and systemic forms of discrimination which appear, for example, in the provisions for pregnancy. As opposed to being outright sex discrimination it has the effect of being discriminatory on the basis of sex.

The discussion paper which the Minister brought forward has a very hostile tone toward women. For example, in the area of maternity benefits the discussion paper notes that the Supreme Court of Canada found a distinction on the basis of pregnancy not to be a distinction on the basis of sex for purposes of the Bill of Rights. That is the famous pregnant person case, the Bliss case. But the discussion paper does not admit that. It does not mention the fact that the Department of Justice appealed the case against Stella Bliss when she won the case in a lower court. The discussion paper notes, I suspect reluctantly, that it would not be possible to appeal such a decision on the new wording of Section 15 because it is broader. It points out that this whole matter will be reopened before the courts.

Why is Section 15 more broadly defined than the old wording under the Bill of Rights? It is because of cases such as the Bliss case which made women insist on a better wording. The discussion paper notes that the primary purpose for pregnancy leave, the 15-week period, is social adjustment. In fact, that is a misnomer. The primary purpose is recuperation after the pregnancy and the delivery, and child care. The Department of Justice does not deal with real people who are raising children.

The discussion paper asks if the male parent should be permitted to receive benefits for part of the allowed time. It asks if the couple should be allowed to choose who will take the parental leave. The obvious answer to that question is, yes. That has previously been proposed. I proposed that when the House was amending other discriminatory provisions in the Unemployment Insurance Act a couple of years ago. Both parents should be involved in parental leave. Obviously, only the mother can take advantage of the maternity benefits section, but when it concerns child care, both parents should be able to take part. It is time we realized that in a lot of cases both parents want to take part, and they should be allowed to do so.

[*Translation*]

The issue of combat roles for women in the Armed Forces is more complex. It is a fact that women play a major role in creating and protecting life, but it is also true that our Armed Forces are using the exclusion of women from combat roles to exclude them from high ranking positions. This rule excludes women from our peace-keeping forces. They are not even allowed to work in the kitchen for our Forces in Cyprus. For many women, the army is a career, and this rule is a barrier to their professional advancement.

[*English*]

The paper discusses women in the Armed Forces, and I think it does so quite stupidly. Nowhere is it admitted that the reason for excluding women from combat roles is the reason for excluding them from career opportunities. Rather silly statements are made about national security. For example, a potential enemy may view a mixed force as being less capable of dealing with an invasion. I would ask the Department of Justice to name the enemy who is going to invade Canada because there are women in the Armed Forces. It is absolutely preposterous. The paper raises the problem of female prisoners, yet females as civilians are indeed the victims of all kinds of violence in war. They have participated in wars. This problem has been faced before.

The discussion paper also indicated that the cost of making trades available to women may be prohibitive. I wonder if it is

more prohibitive than providing new uniforms to the Armed Forces. So many of the casualties in war are civilian. They include women, men and children. So the notion of keeping women out of the Armed Forces in peacetime, when jobs could be provided for women, seems to be unreasonable.

● (1110)

Only very near the end of the discussion do we reach the nitty-gritty. The exclusion of women from combat related roles prevents their promotion. The discussion paper asks, "Can some alternative method be found to provide that opportunity?" That question does not need to be asked. Of course, some alternative way should be found. If it is decided that they should be excluded, obviously, it is only justice that other means be found to give them opportunities for promotion.

This Section ends with a threat. It is in the driest possible language but it is a threat. I quote from page 33:

A concomitant question is whether equal access in peace time means equal liability for compulsory combat duty in war.

What the discussion paper is saying to Canadian women is, "If you want jobs in the army, you are going to be in for a lot of trouble so perhaps you should not be seeking equality because you are really going to get it". It does not raise the real problem, that women are the child bearers and, for the most part, the child rearers. That does not even get discussed and that might be a good reason for keeping women out of combat roles. Both men and women are child rearers and army life is not very good on families. That problem is not addressed.

The very significant question of women wanting to be in combat roles because of their involvement in the peace movement is another matter which is simply excluded, although, frankly, I do not see that there is a contradiction with respect to an army which is going to be engaged in conventional defence measures and in peace-keeping roles. I would note that women are excluded even from peace-keeping roles in the Canadian army, jobs which require alertness, tact and diplomacy rather than physical strength, and I believe this is something where women's abilities could be very well used.

The discussion paper notes with respect to the Canada Elections Act that there is a form of discrimination in that spouses of Armed Forces electors are denied the opportunity to choose a place of residence for voting. It does not raise similar problems for spouses of civilian employees engaged abroad. It seems to me very reasonable, when a family moves, that the spouse and any adult children should have the opportunity to vote. The family unity is important, and other members of the family, apart from the bread-winner, should not be denied their opportunity to vote. Yet this is a form of discrimination which the paper does not even recognize.

Family allowance is one of the most scandalous discussion areas in the discussion paper. It refers to two-parent families and whether the family allowance is paid to the "female parent". Again, we do not hear of mothers or fathers; it is the "female parent." This betrays an enormous amount of ignorance as to how hard the woman's movement fought to have the role of mothers recognized so that they would get the family allowance, because overwhelmingly it is the women, the mothers, who are doing the work of raising the children. Let me quote from page 33 of this very foolish discussion paper:

The assumption behind this sex-based distinction appears to be that female parents are the primary care givers.

Appears to be? The Department of Justice does not know who looks after the children.

Mr. Boudria: Where has it been?

Ms. McDonald: Where, indeed, has it been?

This, therefore, excludes males from control over Family Allowance money unless they have custody of the children.

Poor fathers are being excluded. This is absolutely preposterous. In many families the family allowance cheque is the only money to which the mother of the family has direct access and we know that women have access to very little money. Full-time workers who are women receive only 60 per cent of what male full-time workers receive. On average women are only earning half as much as men. Yet the Department of Justice wants to take more money away from women, the small amount in the family allowance cheque, and see that it goes to the main bread-winner of the family. Let me quote again from page 33:

Both parents have an obligation in law to care for and support their children, and payment to the female parent disregards the sharing of this obligation.

The Department of Justice cannot distinguish between a legal obligation, which indeed is there, and reality. In fact, overwhelmingly the women do the child care work and deserve to get the family allowance. They should not have to fight for it.

We know that 10 per cent of Canadian wives are beaten in any one year, according to statistics gathered in a recent survey. Should these women have to negotiate to get the family allowance cheque? These are women who are at home raising their children and who are economically dependent on their husbands. I quote from Page 33 of the paper again:

Should the state take the responsibility of selecting one of the two parents on an arbitrary basis when there are undoubtedly other selection mechanisms available?

It is not arbitrary. Women in reality, in real life, are doing this work, and the Department of Justice does not know it because it is incompetent and should not have been writing this paper. People who know something about how Canadians really live ought to have been writing the paper.

● (1115)

Let me give another example of the stupidity in this paper. In the Criminal Code it is an offence for a male to have sexual intercourse with a female under 14 not his wife. That is statutory rape. It is not an offence, this discussion paper points out, for a woman to have sexual intercourse with a male under 14. What a preposterous problem to raise. How many boys under the age of 14 have become pregnant or received venereal disease as a result of the activities of Canadian women? This is absolutely outrageous. There is a physical difference between

men and women and boys and girls, and girls under 14 do need this kind of protection. The Badgley report pointed that out when it was published last August.

It is absolutely outrageous to see this totally arbitrary notion of equality. Yet when we come to the real problems that women are actually suffering, the real inequalities, these people are not there protesting or coming up with constructive alternatives. They are quite complacent about all the economic problems, such as women earning only half the income that men do, the fact that they have very little economic independence. They do not address any of the issues of women's pensions, women as homemakers being excluded from the Canada Pension Plan which results in their being poor in their old age because they do not have adequate means of support.

All these issues have been brought before the House. We have been lobbying year after year. But they have only been looked at as a matter of principle—whether we should be allowing women equal pensions; this is a matter to be discussed. Well, it is time we stopped discussing these matters. It is time that the Government took a principled stand and brought in legislation on all these issues.

Canadian women will, of course, continue to lobby on these issues. They are not going to quit. But I think it is very unfortunate that they have again to come before a committee to plead their case for equality. I remember the time I was President of the National Action Committee on the Status of Women lobbying for equality at the time of the Charter fight. We won that fight. We hoped the Charter would really mean something, that it would have some guts to it and that women would not have to continue to go to court and again lobby time after time after time. But the Government is obviously very reluctant to bring in concrete measures.

The Minister of Justice's remarks yesterday in the House were shameful. And his approval of equality is as reluctant as it could be consistent with his position as Minister of Justice. It is very clear that women are going to get justice and equality in only the smallest possible measure. It probably means that women are going to have to go to the courts to fight for equality on measures which should have been brought in by way of legislation. A responsible Government would have legislated and not forced women to take the trouble, time and effort to plead their case in court. The fight will continue on these issues, I assure you of that, Mr. Speaker. I only regret that the Government is not leading the way with constructive, useful and fair legislation for Canadian women.

Mr. Deputy Speaker: Questions and comments? Resuming debate.

Mr. Roger Clinch (Gloucester): Mr. Speaker, as this is the first opportunity I have had to speak on a Bill in this House of Commons, may I seek the indulgence of the Chair for a few moments to talk a bit about the county I represent, Gloucester in northeastern New Brunswick.

[*Translation*]

If we were to look for a region in Canada that reflects the Canadian mosaic, the riding of Gloucester would do that perfectly, Mr. Speaker. Everyone has heard of the Acadian peninsula, located in the heart of the riding. Towns and villages such as Caraquet, Shippegan, Tracadie and Lamèque depend mainly on the sea as their source of income, and the people in these communities are among the hardest working individuals I have ever met, Mr. Speaker.

• (1120)

[*English*]

In the summer the whole region is a paradise for tourists.

[*Translation*]

The Village acadien and the Caraquet Acadian Festival are very well known, as well as the Centre marin and the Shippegan Fisheries Festival.

[*English*]

In the region of the urban centre of Bathurst the hospitality and the festival during the summer months which reflects that hospitality will attract thousands of tourists who can visit some of the finest beaches on the East Coast of Canada. Along the coast of the beautiful Bay of Chaleur, nestled between the Gaspé Peninsula and the Town of Grande Anse, are the small coastal localities which include Clifton, Stonehaven, Janeville, New Bandon and Salmon Beach. The urban centre of the riding is Bathurst, the city in which I was born, and I am very proud to say my family still lives there. Bathurst is the economic centre of the northeast of New Brunswick. The major private employer in the riding is Noranda whose Brunswick mine is one of the largest lead-zinc deposits in the world.

[*Translation*]

The forestry industry also plays a very important role in the region's economy, thanks to Consolidated Bathurst Limited, which has one of its operations in Bathurst.

[*English*]

Fishing, mining, forestry and the peat industry are the natural resources which initiate much of the economic stability of Gloucester. However, the greatest of its natural resources is its people. With both founding groups, Anglophone and Francophone, living harmoniously, Mr. Speaker, we can truly say that Gloucester county is an example to New Brunswickers and all of Canada.

[*Translation*]

Mr. Speaker, I am proud to represent in this House all groups and individuals in the riding of Gloucester. I greatly appreciate their support and confidence, and I want to give them the assurance that throughout my term as a Member of Parliament, their needs will always be uppermost in my mind.

[*English*]

Bill C-27, which provides for amendments to over 50 statutes to ensure Charter consistency, results from an extensive review of federal laws carried out by the Department of

Justice. There are a number of other Government initiatives also under way to amend other laws which might conflict with the Charter. In the past Canadians have become increasingly concerned with the protection of rights and freedoms. It is for this reason that I think it is very important that the people of Canada work together to ensure that the Charter forms an integral part of our laws.

A major part of this endeavour is the discussion paper on equality issues. It is a great honour for me, as a new Member of Parliament, to have been appointed to the House of Commons subcommittee on Justice and Legal Affairs which will be reviewing and discussing equality issues in this great nation. Equality is a fundamental goal in Canadian life. The Government is committee to eliminating any discrimination in legislation and policies that could prevent Canadians from moving toward equality. The discussion paper is a step toward attainment of that goal.

The Government considers it most important that we have the widest possible consultation with the people of Canada. This committee can and should be used on a platform by all concerned groups to tell parliamentarians how they want our laws to be changed. Before making firm proposals the Government needs to know the views of Canadians on all the issues.

Ours is a free and democratic society as described in Section 1 of the Charter. There must be an opportunity to advise on the way the equality rights of Section 15 are applied. It is important that we raise the broad issues on which policy decisions, once made, will have an impact on many statutes in this country. Section 15 reinforces the responsibility that governments have to shape laws, policies and programs to the goal of equality. But I submit that equality cannot be achieved by government alone. Individuals and groups must promote this equality through their dealings with each other.

• (1125)

[*Translation*]

Subcommittee consideration of Canadian Charter of Rights and Freedoms Section 15 will give the people of Canada an opportunity to have their say and express their views in connection with the practical implementation of those basic rights and freedoms, including equality before and under the law, equal protection and equal benefit of the law. Inequality may derive from the law itself as well as from the way it is administered.

[*English*]

This is the first initiative, to ensure that federal laws are in conformity with the Charter.

The task of reviewing federal statutes is an enormous one and issues can be missed. As courts interpret provisions of the Charter in specific cases, changes may be necessary in federal laws that are under review.

The issues raised in the discussion paper involve difficult legal policy choices where the views of reasonable peoples may differ. It is not clear that these provisions are contrary to the Charter. To assist the Government and make the appropriate policy choices, public consultation is essential.

No doubt some equality measures will be dealt with in the same manner as other Charter rights as they come up and the courts make decisions on issues presented to them, but I think it is understood that protecting human rights in law is not something that can be done once and for all.

[*Translation*]

To the extent that our laws deal with equality, we want to know what kind of experiences people have had with them. Many of these questions have already been studied, but few solutions were proposed, a situation we hope to remedy.

This process is the best assurance that changes will reflect more than the views of public officials or the opinions of politicians. This House committee will listen to representations from every region of Canada.

[*English*]

There are many topics which will be open for discussion with Canadians. Among those distinctive areas where people may be experiencing some inequality are age, sex, race, citizenship, marital and family status, to name a few.

Age-based distinctions are common not only in our society but throughout the world. The rationale for many of these distinctions originates in the earlier times and in different societies. Most age distinctions are made with respect to youth and the elderly in Canada. Hence, we have an age of majority and the age for mandatory retirement. As such, age distinction in Canadian society must be re-examined to determine if they are justifiable in today's society. There are other statutes that contain age distinctions and I know that these will also be considered by the House.

Section 28 of the Charter stipulates that Charter rights are guaranteed equally to men and women. Any distinctions made on the basis of sex must be examined carefully to determine if they result in adverse consequences which cannot be justified.

• (1130)

Mental and physical disability are enumerated grounds in Section 15 of the Charter. In recent years Canadian society has become more aware of and concerned about the treatment of disabled persons. The Canadian Human Rights Act prohibits discrimination on grounds of physical or mental disability. It is entirely possible that an assessment of reasonable limits under the Charter will consider factors similar to those used under human rights legislation.

Human rights legislation in all jurisdictions in Canada identify race as a prohibited ground of discrimination. However, Section 25 states that the guarantees in the Charter of certain rights and freedoms—

—shall not be construed so as to abrogate or derogate from any aboriginal treaty or other rights or freedoms that pertain to the aboriginal peoples of Canada—

[*Translation*]

Section 15 applies as well to the Immigration Act and the Citizenship Act. Two basic questions come to mind concerning

citizenship: first, the requirements an applicant must meet to become a citizen and, second, the obligations inherent in the status of citizen—and this will certainly be the focus of discussions.

[*English*]

Although marital status is not an enumerated ground under Section 15 of the Charter, every human rights code in Canada prohibits discrimination on the basis of marital status at least with respect to employment. Some of the areas of distinction that may be of concern will include equality rights in relationship to income tax, old age security, remarriage and immigration.

In conclusion, Mr. Speaker, may I say that the Canadian Charter of Rights and Freedoms must be interpreted in the light of what Canadians expect from their society. I am certain that deep feelings will be aroused by some of the questions which will be asked and some of the answers that will be sought.

The Government has the responsibility for making laws and policies. However, individual Canadians have a fundamental role in this process. So I invite all Canadians to take advantage of the opportunity to voice their opinions. It is a forum which reflects the heart of the Charter, giving Canadians the power to help shape the laws that they want and need.

Some Hon. Members: Hear, hear!

Mr. Clinch: Today, governments must face the challenge of providing leadership in the continuing struggle to achieve equality in this country. While the courts will play a significant role in the protection of rights, it is the responsibility of the governments of this country, along with all citizens, to promote the goal of equality. If equality is not to remain merely an abstract principle, the guarantees in Section 15 must be seen as a motivating force for governments to act.

Multiculturalism has become a recognized principle in our society and any definition of equality must encompass this reality.

[*Translation*]

We have to make sure that equality as advocated means something; no one should be denied opportunities for reasons which have nothing to do with his or her abilities.

[*English*]

The parliamentary committee represents an opportunity for Canadians to put forward their equality claims in a forum where they can contribute to legislative change. This committee offers Canadians a chance to help legislators make changes they want consistent with the Charter. By ensuring the availability of this forum, government policy choices will be made with the confidence that all claims have been heard and all claims have been assessed.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Are there any questions or comments?

We shall now resume debate. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, it is a pleasure to participate in this debate. I would like to congratulate the Hon. Member for Gloucester (Mr. Clinch) on his maiden speech today.

Some Hon. Members: Hear, hear!

Mr. Boudria: I am sure I speak for all Hon. Members when I say that we certainly hope the Member for Gloucester will participate on a daily basis in speeches, questioning the Government and ensuring that this Government always acts in the best interests of the constituents of the riding of Gloucester, because we know they are counting on him to use those good words on their behalf. We will be here to remind the Hon. Member that he must do that now that he has made his maiden speech.

We are dealing with a very important issue. As all Members know, it is almost four years since we started discussing it. We have passed the time for consultation. This is now the time for action. I believe that all representation has been made. I am sure the people who came to speak to the committee a number of years ago were not under the impression that they would have to do their work twice, that they would have to repeat everything again through a second series of consultations with this Government.

I must take some objection to some of the words the Minister of Justice (Mr. Crosbie) used yesterday. He accused a number of Hon. Members yesterday of not being here. To use his own words, he said: "There are no members of the rat pack in the House".

Mr. Kaplan: Shame.

Mr. Boudria: I am not the one who will say today that there are no members of the dense pack in this House. I will leave it at that. However, when we are discussing the Charter of Rights, one would not think that the Minister of Justice would be absent from this House for five minutes.

Mr. Nunziata: He left right after his speech.

Mr. Boudria: I cannot say that he left right after his speech yesterday, Mr. Speaker, but I am sure he would want to be here for the rest of the deliberations on this very important issue. In the event the Minister does not show up, we hope that this House will be blessed with the presence of a number of Cabinet Ministers who will participate in this debate and listen to what Hon. Members have to say. Unfortunately, at the present time there is only one such Cabinet Minister in the House.

Mr. Cadieux: Where is the Leader of the Opposition (Mr. Turner)?

Mr. Boudria: The changes we have seen in this legislation are purely cosmetic. We are talking about amending 50 pieces of legislation. I think that is getting carried away a little. For

one, I do not consider that putting in the word "spouse" for "husband" and "wife" is a major change. It is purely cosmetic. The same is true when it comes to replacing the words "son" and "daughter" with "child". I hardly consider those changes very substantial when it concerns equality of people.

I think we should seize this opportunity in debating this very important issue to remind the Government of some of the commitments it has made toward equality. I think we should remind the Government of the promises it made in terms of equality for women.

• (1140)

Mr. Taylor: Which of you is making the speech.

Mr. Boudria: I await anxiously the participation in this debate of the Hon. Member who is heckling me from across the way. I am sure he will recall the meaningful commitments of the Government toward establishing equality. Equality is not achieved simply by replacing one word with another in a document, saying that everything else is too controversial and that one has to return to the drawing-board for more input. That is not leadership; that does not advance equality. There will not be equality for women until we change the situation whereby women on average make 60 per cent of the salaries of men. That is first and foremost. I, along with other Members in the House today, have children. In fact, I have a daughter, and I will never accept the notion, and I am sure, Mr. Speaker, you would not either, that she is worth only 60 per cent of someone else's son. That is not good enough for me and I am sure it is not good enough for all Hon. Members. Equality has to manifest itself in a way where there is financial equality, and many things will evolve from that equality.

I listened to the Hon. Member for Broadview-Greenwood (Ms. McDonald) when she spoke about the family allowance issue. That is an important issue because if we remove from women the only money they have in many cases, we will not achieve a step toward equality. We will go one step backward, and that is not progress. We have to start by achieving financial equality. At that point, if it ever happens, perhaps we will realize that the law is unfair because family allowance cheques are always made out in the names of women. Once financial equality has been achieved, perhaps that would be a proper subject to raise. We need not worry about it this week or next week because at the pace we are going now, financial equality will not be achieved in the near future.

The other day the Hon. Member for Hamilton East (Ms. Copps) indicated very eloquently in the House that the Minister of Labour (Mr. McKnight), the lead Ministry in terms of equality for women within the Government, was satisfied, pleased, proud and so on, to have a 1 per cent increase in the number of women participating within his own Department. That Department is supposed to set an example for all other Departments. In fact, the Hon. Member for Hamilton East calculated that it would take until the year 2025 to achieve equality within that Department, the Department which is supposed to act as a catalyst for other Departments. That is dismal. It does not coincide with some of the Tory promises during the election campaign last summer, promises in terms of fairness and equality. I should like to read a few of them to you, Mr. Speaker, because I am sure you will recall having heard some of them.

Mr. Nunziata: And making some of them.

Mr. Boudria: No, no, our Speaker is non-partisan. One promise was to work with the provinces to achieve complete pension reform which would guarantee all Canadian men and women fair and adequate pensions for their retirement years. For many years the federal Government tried to convince provincial Governments to include the child rearing drop-out provision in the Canada Pension Plan so that women could leave the workforce for a number of years without affecting their level of pension. That is not to say that the provision meant that women had to contribute while they were off work; it merely asked that they not be penalized for the years they were removed from the workforce for the purpose of child rearing.

Who was against this provision and fought the federal Government for years and years? It was the Conservative Premier of the Province of Ontario. Even after all other provinces wanted to end the present structure and opt for the child rearing drop-out provision, Ontario refused. The provinces must be in accord before changes are made to the Canada Pension Plan. I am sure the House is aware that the CPP does not have a Quebec component. Therefore Ontario represents greater than a third of the population of the country and has an effective veto over changes to that plan. It used that veto for years to stop the child rearing drop-out provision from coming into effect. That is a dismal effort in terms of equality.

Only recently have we seen a last minute, deathbed repentance on the part of the Conservative Government of Ontario which now claims to be ready for this particular change. It is taking a long time to reach this point, and women have been penalized because of the actions of the Government of Ontario which refused the change. It refused this change because it had borrowed extensively from the pension fund and did not want to add benefits in that it would have to repay some of the funds it owed. In order not to repay, it told the women of Ontario that they could not get the increase in benefits they deserved which the rest of the country and the federal Government wanted to give them. That is the sad record of the CPP.

I should like to continue with some of the Tory promises in terms of achieving equality, particularly for women. Government Members promised to make the federal Public Service a model to be followed in regard to equality of women in the workplace. I have already enumerated what the Minister of Labour is advocating. I do not read in this particular promise that the Government would act as a catalyst for the private sector from the year 2025 and on. This was not advocated during their campaign. Another promise was to implement an effective affirmative action program with adequate control, monitoring and evaluation mechanisms within the federal Public Service, its agents and Crown corporations. They have

not exactly lived up to that one either. The effort has been pretty poor.

Another promise was to hold an economic summit to establish national objectives. It may have been held, but I do not think it has been successful. Also it was promised that at the conference the question of barriers to women's economic equality would be a top priority. People watching the television last weekend and listening to what the government had to say on various issues discovered that this was not a priority by any stretch of the imagination.

In order to achieve equality, we must start by offering the financial equality to which I referred earlier. As well, we listened to a discussion of the issue of spousal abuse. Of course, spousal abuse is a euphemism for wife battering. As we know, in about 95 per cent of the cases the victim is the female and the aggressor is the male.

• (1150)

While a Member of the Ontario Legislature, I had the opportunity of serving on a parliamentary committee which looked into this very important issue. It is indeed a sad one. The Hon. Member for Broadview-Greenwood raised this issue. She indicated that one in 10 women were beaten regularly by their male spouses. That is quite true, but I would like to add to that. The operative word here is "regularly". The real figure is even worse than the one we heard referred to a little earlier. The prospect is actually sadder than some of us would think it is and that is unfortunate.

Perhaps we must remind ourselves very frequently of the important issue of spousal abuse. The issue of financial equality to which I referred a while ago is closely tied to that issue. It is not tied into the fact that the wife is the victim but it is tied into the fact that the wife is the victim regularly. Many times a woman is in a situation which is almost inescapable, as we learned while sitting on the parliamentary committee. There are many occasions on which women leave their households but because of financial pressures and all kinds of other pressures, they must return to places where they are being battered because there does not seem to be any other alternative offered.

There are a variety of other issues as well which I do not wish to deal with any deeper at this particular point in time. Wife beating is nevertheless just another way of describing that general malaise that will not correct itself until we begin by having financial equality for women. We start with financial equality and then we will worry about the other issues. It is only through financial equality that we will begin to accomplish anything.

I heard the Hon. Member for Gloucester say that the equality rights of the Charter at the present time do not refer to marital status. Of course, as we know, the list in Section 15 of the Charter of Rights is not exhaustive. In other words, it describes the protection and equal benefit of the law without discrimination, but it is not an exhaustive list. I am sure all of us here in the House today and all Canadians want to end any discrimination in terms of marital status as well.

I would like to speak very briefly about age discrimination because I think it is an increasingly important issue. I know that a few of us here are losing a few hairs or are getting a little grey on top. I think it is about time that we started to worry increasingly about that particular topic. The baby boom generation is getting older and older. This issue has always been an important one but the numbers are so significantly larger now that the retirement age legislation that now exists is not only discriminatory but very soon will be totally impractical.

When looking at some of the so-called major amendments to these 50 pieces of legislation, we see that the Pilotage Act has been amended by deleting the age factor in the calculation of intervals between examinations. In other words, the frequency of medical examinations will not increase with age. However, we see no reference in the amendments to changing the mandatory retirement age of 65. If we are going to amend that piece of legislation in reference to age, why amend only part of it and not the other? It would seem to me that the most discriminatory thing of all is the fact that compulsory retirement age remains 65.

[*Translation*]

Mr. Speaker, Government is facing difficult decisions with this Bill—no one will deny that. However, the Government was elected to make difficult decisions, and a review and referral of the question to a parliamentary committee is unacceptable. I do not really have anything against the amendments as proposed, but I must point out that they are cosmetic rather than of any real substance. We do intend to support the Bill, but we would like to see amendments that go much farther than the present ones, so that Section 15 of the Charter of Rights and Freedoms will become effective as soon as possible, to protect the rights of Canadians.

Mr. Kaplan: Mr. Speaker, the Hon. Member did not have a chance to talk about the consultation process, in the little time available to him to discuss the Bill's shortcomings. I would like to put a question to the Hon. Member, who is well aware of this Government's tendency to launch consultation projects. What does the Hon. Member think about the consultation being proposed, in the absence of any decision by the Government to act responsibly with respect to equality issues?

Mr. Boudria: Mr. Speaker, personnally, I think the time for consultation is over and has been for quite some time. Canadians have appeared before the parliamentary committee in the past, so there has already been consultation. I fail to see what we would accomplish today by having Canadians take part in the debate and voice their claims again in order to obtain their rights. In drafting the text, Mr. Speaker, we already agreed that these were rights and not privileges.

If we ask them to take part in another round of consultations and to make representations, are we not in fact saying that these rights are not rights but privileges, Mr. Speaker? I think this is entirely unacceptable, and I would like to add, and

I am sure my colleague, the Hon. Member for York Centre (Mr. Kaplan) is aware of this, that the Government is entirely mistaken, Mr. Speaker, and especially the Minister of Justice (Mr. Crosbie), when he informed Hon. Members yesterday that the previous Government, the Liberal Government, had done no work at all on this question. Mr. Speaker, as the House is aware, Cabinet documents are not available to the new Minister, so he is in no position to accuse Members of the previous Government of having failed to work on this question. He does not know. In any case, the Minister does not know what the previous Government did, but we can see for ourselves that the Minister has done nothing at all.

[*English*]

Mr. Nunziata: Mr. Speaker, as you are aware, when the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) was a Member of the Ontario Legislature, he fought very hard day in and day out for equality rights for women, visible minorities, the aged and the disadvantaged in our society. I am sure the Hon. Member is aware that, as part of the constitutional compromise made in 1982 resulting in the entrenchment of the Charter of Rights and Freedoms in the Constitution Act, it was agreed that Section 15 of the Charter would be delayed for three years in order to give the provincial Governments and the federal Government an opportunity to conduct extensive audits of their respective legislation. It was delayed in order to give the provincial Governments and the federal Government an opportunity to bring those laws into conformity and compliance with Section 15 of the Charter of Rights and Freedoms.

• (1200)

The Hon. Member for Glengarry-Prescott-Russell was a member of the Ontario Legislature. As I have indicated, he fought very hard for minority rights. He is aware that the Government of Ontario has done precious little to bring its laws into conformity with the Charter of Rights and Freedoms, and specifically Section 15. All the Government of Ontario did was produce a 400-page document to articulate the controversial issues. The Government of Ontario has failed miserably in implementing changes in provincial laws which would ensure compliance and full equality in provincial legislation.

My question to the Hon. Member for Glengarry-Prescott-Russell is: Does he believe that the Government of Ontario has proceeded quickly enough to implement the necessary changes in Ontario laws to ensure full compliance with Section 15 of the Charter?

Mr. Boudria: Mr. Speaker, indeed, that is an excellent question. I am sure we all agree that the provinces played a major role in this. But I think the provinces should have seized the opportunity to reassert their commitment toward minorities, women and all people who are disadvantaged, financially or otherwise, and those who are discriminated against. I know that equality has been a low priority for the Government of Ontario. Of course, it published and distributed a very extensive document, in a manner which was not dissimilar to what the federal Government is doing now. The matter is a hot potato. It raises certain controversies. So information was distributed to inform the people of the important issues and the Government waited to see what would happen. It requires a bit more than that if we are going to look into the fundamental rights and freedoms of people.

We measure how civilized a society is by how well it treats its minorities and disadvantaged people, not by how strong the people are. In all societies there are strong people, whether it is or it is not a civilized society. What makes the so-called civilized societies different is the factor of how well the minorities are treated. We must be willing to give the minorities the priority which they deserve and we must be willing to make difficult decisions. They may be decisions on affirmative action.

We have witnessed the reluctance of the provincial Government of Ontario to deal with that issue. Affirmative action programs in Ontario have been delayed and delayed, and nothing has been done by the provincial Government. It has only provided years and years of indecision. I think the best way to summarize the policies of the Government of Ontario is that the best decision is indecision.

[*Translation*]

Mr. Deputy Speaker: One last question. The Hon. Member for Ottawa-Vanier.

Mr. Gauthier: Mr. Speaker, I want to congratulate my colleague from Glengarry-Prescott-Russell (Mr. Boudria) on his last answer. Concerning Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, the table of contents does not include the Official Languages Act, and I am wondering whether the Hon. Member might give us his impression or view as to why the Government did not deem it appropriate to list the Official Languages Act as being vital to the minority groups he mentioned? As everyone knows, the language issue is important in Canada, and a controversial subject in many regions. I should like to ask him if, in his opinion, there is a major reason why the Government avoided or forgot about including the Official Languages Act in Bill C-27.

Mr. Boudria: First, Mr. Speaker, may I commend the Hon. Member for Ottawa-Vanier (Mr. Gauthier) for all the work he has done with respect to the official languages. I see some Members on the other side who have a somewhat different reaction about this. Even Conservative Members will acknowledge the hard work done in the field of official languages by the former chairman of the Committee on Official Languages Policy and Programs. If Conservative back-benchers are not satisfied, they can join the debate.

Mr. Speaker, I just want to say briefly that the primacy of the official languages must be upheld, of course. The Hon. Member for Ottawa-Vanier made that point on many occa-

sions in a Private Member's Public Bill introduced in the House, and I would have hoped that the Government would have jumped on that opportunity to reaffirm its policy on this matter.

[*English*]

Mr. Deputy Speaker: I recognize the Hon. Member for York East (Mr. Redway) on debate.

Some Hon. Members: Hear, hear!

Mr. Alan Redway (York East): Mr. Speaker, if the applause keeps up I will not have time to speak.

Some Hon. Members: Hear, hear!

Mr. Redway: I can tell that I am very popular when I rise in this House!

It is a pleasure to address a few remarks to Bill C-27 which, as many Hon. Members have indicated, is an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms.

Bill C-27 has been described as an omnibus Bill. It amends over 50 separate pieces of legislation. In preparing this legislation, the Government reviewed in excess of 1,100 separate statutes in an attempt to bring them into line with the Charter of Rights and Freedoms. In particular, the Government attempted to bring those statutes into line with the Charter prior to April 17 of this year. Of course, that date is very significant.

Some Hon. Members have previously referred to the significance of that date. I would like to remind Hon. Members of the significance of the equality section, Section 15(1), which reads as follows:

> Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

That is a very important section of the Canadian Charter of Rights and Freedoms.

It is interesting to note that there is another section of the Charter which limited the time in which Section 15(1) would come into effect. That is Section 32(2) which reads as follows:

> Notwithstanding subsection (1), section 15 shall not have effect until three years after this section comes into force.

The Constitution Act of Canada and the Canadian Charter of Rights and Freedoms came into force by proclamation on April 17, 1982. Three years from that date, which is a few short days from now, Section 15(1) of the Act will finally come into force and be part of the law of this country. I have been shocked in the past, Mr. Speaker, to find that, notwithstanding my belief and understanding that this was not only part of the basic rights and freedoms of this country from time immemorial, but part of the rights recognized around the world as basic rights and freedoms, the courts of this country really did not recognize these rights and, frankly, I suspect do not recognize these rights at this present time, and will not recognize them until April 17 of this year.

• (1210)

As a lawyer practising law a year or two ago in Metropolitan Toronto, I had the occasion to raise this point in a case in court involving a matter where I felt very strongly that the accused party had been discriminated against. I referred to the common law of the Province of Ontario. I referred to the Charter of Rights and, in particular, to Section 15(1) of the Charter of Rights. I was shocked, quite frankly, when the judge pointed out to me that, according to Section 32(2) of the Charter, in fact this section does not come into effect until April 17, 1985. So it is not in effect even at this time.

I always thought, as I indicated, Mr. Speaker, that these rights which are enunciated here were part of the basic rights and freedoms of this country, that they had been part of the basic rights and freedoms which evolved from the British common law which is in force in this country, apart from the Province of Quebec. I believed these rights were in force as a result of importation, perhaps one might say, from other countries such as the United States and France with their Bill of Rights, and that it was imported into this country certainly by the United Nations Declaration of Human Rights of which we are signing members. I thought it was in force in this country through the Bill of Rights which a former Prime Minister, the Right Hon. John George Diefenbaker, introduced into this House and which was passed into law. I always thought that, as a result of that long chain of events, this was and always had been part of the rights and freedoms of every canadian. But that is not so. Mr. Speaker, and it is still not so today and will not be so until April 17 of this year.

I am particularly delighted, therefore, notwithstanding that I do not usually like to see the days of my life zip by, that we are coming up to that date so that at long last all Canadians will have these rights and freedoms which are set out in Section 15(1), the right that every individual is equal before and under the law.

Some Hon. Members of this House have indicated that they have many concerns about this Bill. One concern is that the Bill does not go far enough, that it does not take into account all of the positions put forward in the past by many different groups and organizations. They have concerns that the special committee, which will be headed by the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer) and represented by Hon. Members on all sides of this House, and the hearings which it is going to hold, is merely a duplication of things which have happened in the past.

I was interested to note, Mr. Speaker, some of the comments which Hon. Members have made in that regard and the points to which they have directed their attention. In particular, I note that a good deal of attention has been paid to the question of the equality rights of women. That is a very important and significant area which obviously must be addressed. But it seems to me that Hon. Members of the Opposition have overlooked the fact that it was but a week or two ago that the Minister of Employment and Immigration (Miss MacDonald) rose in this House and announced some very important and significant improvements and strides as far as women's rights

in this country are concerned. You will recall, Mr. Speaker, that that announcement had to do not only with the rights of women but also took into account the rights of visible minorities, the disabled and native people. It provided for equality of opportunity for all of those groups in hiring, training, promotion and in pay and provided that this new policy which was announced by the Minister would apply to the federal Public Service, to federal Crown Corporations, to all industries which are regulated by the federal Government and to all businesses doing business and having contracts with the federal Government worth over $200,000. That took into account and affected some one million employees in this country.

So it is not as if nothing has been done. It is not as if this Bill is the only initiative which the Government is taking with respect to the question of equality rights in the Charter of Rights and Freedoms.

This Bill is only one of many initiatives the Government is taking and has been taking. Another initiative in which I have been involved in particular is Bill C-18 which amends the Criminal Code. This Bill has been part of extensive hearings by the Standing Committee of this House on Justice and Legal Affairs for a number of months and represents a great many amendments to the Criminal Code. In particular, the committee deals with the question of writs of assistance. For some reason or other, although that Bill was introduced in the House prior to the Christmas recess, we are still dealing with it. Obviously, there were great numbers of people who were interested in making submissions to the committee on that point. I think that in itself is a good indication that people across this country want to be heard and consulted. They do not want to consider that they have already been consulted on these issues; they want their voice heard whenever a subject of this sort is raised. I am sure that they are going to come out in large numbers to meet the special committee dealing with this subject. I am sure they are going to have some very important things to say and that their words will be heeded. I am also sure there will be recommendations forthcoming from that committee which will be helpful to this House in formulating the proper types of amendments to the legislation which will finally deal with these subjects, hopefully once and for all.

Another point which many Hon. Members of the Opposition have raised has to do with age discrimination and the whole question of the compulsory retirement age. That is also a very significant and important aspect and one which is certainly not clear cut. I do not believe any Hon. Members of this House would really suggest that there is a clear-cut answer which everyone in this country would rally to and support right at this present time.

I remember personally, Mr. Speaker, a few short years ago, as the mayor of a major municipality in this country, dealing with this issue with a member of our own fire department. He was a man who came up to retirement age not only under the terms of a pension plan but under the terms of a collective agreement with the firefighters' association. He wanted to carry on beyond the mandatory retirement age but was opposed in that wish by the trade union of which he had long been a member. That was quite understandable. The union had legitimate reasons for opposing this man carrying on beyond the mandatory retirement age.

On the other hand, all of us know good and legitimate reasons why people should carry on beyond those now mandatory retirement ages. The question is not clear cut, Mr. Speaker. There are strong arguments on both sides. That is a question with which, I am sure, the special committee will be dealing and will have many submissions on.

There are a vast array of other issues as well. If one looks at the number of subjects which are being dealt with by the special committee in its consultations, one finds it involves a vast array of subjects other than the very limited ones which have been raised by Hon. Members of the Oppsition to date. For example, the question of disability as it applies to the Armed Forces; immigration; voting; unemployment insurance; the question of sexual orientation; citizenship and whether rights can be restricted to Canadian citizens or should apply to all Canadian residents.

● (1220)

That in particular is a very controversial subject. As recently as this past weekend I had people in my own constituency suggesting to me that we should be restricting old age security payments to citizens of this country. It is items such as this which are certainly not clear cut and need a complete public airing. That is what the subcommittee of the Standing Committee on Justice and Legal Affairs is going to be dealing with and I am sure we are all going to benefit by it.

Having said all that, I want to reiterate that this is not the only piece of legislation the Government has introduced so far dealing with the subject of rights and freedoms, and it will not be the last. We have this Bill, C-27. Then there is Bill C-18. There is already an amendment to the Indian Act which the Minister of Indian Affairs and Northern Development (Mr. Crombie) has introduced. There will be amendments to the Combines Investigation Act, Canada Elections Act and the Income Tax Act, just to name a very few, which will have an impact on this whole issue.

The most important thing of all is the fact that we will on April 17 finally have those equality rights enshrined in the laws of this country, rights that we do not have at the present time. The general principles will be enshrined and we may want to go beyond those general principles. We may want to extend those rights even further. I think that is really what the members of the Opposition are talking about. They are not talking about bringing things into line with the Charter of Rights and Freedoms; they are really talking about possibly going beyond the base limit that the Charter of Rights and Freedoms provides. I think those are the things that we are going to be dealing with in the near future when the subcommittee reports, and they will be very important issues.

Having said all that, I think all of us as Canadians should be looking forward with great anticipation and rejoicing to the dawning of April 17, 1985 when finally, once and for all, we have these equality rights enshrined in the law of this land.

[*Translation*]

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano).

Mr. Gagliano: Mr. Speaker, I have a question for the Hon. Member for York East (Mr. Redway) and it has to do with mobility. It has been said—

[*English*]

On the mobility question, especially in the construction industry in Quebec, we have quite a problem. I had a case in my riding where a young Canadian from British Columbia moved to Quebec. He had to follow his wife because she was transferred to Montreal. He is a pipeline welder and he found a job but unfortunately he could not get a permit to work. Can the Hon. Member comment on what Bill C-27 does concerning mobility rights throughout this country?

Mr. Redway: Certainly mobility rights are very significant and the Charter of Rights speaks to that issue. Regardless of the diversity, regardless of the fact that there are many different regions, this is one country. We all have different points of view and different perspectives based on our geographical location and perhaps our cultural origins, but at the same time it is one country and everyone, regardless of how proud they are of their own region or their own ethnic and cultural background, is enormously proud of the fact that they are Canadians. To me that means any Canadian should be able to work in any part of this country.

At the same time we should not only look at the question of working in different parts of the country, but the economic and commercial life of this country should also be open and equally available to all. Certainly that is what the Charter of Rights is all about and I hope we will not see this sort of thing in the future. I hope that from now on we will have a country where people can move from region to region to work, and where people can truly be proud to be Canadians in every part of the country.

Mr. Kaplan: Mr. Speaker, I would like to have the views of the Hon. Member about whether he feels this legislation is an adequate response by the Government to the obligation it has to review our laws and bring them into compliance with the Charter. At page 6 of the discussion paper put out by the Minister of Justice (Mr. Crosbie) he makes an interesting concession. He says that Section 15 reinforces the responsibility that governments have to shape laws, policies and programs to the goal of equality. But then we have this pathetically short statute which deals mostly with questions of grammar and semantics and very little with rights.

Mr. Boyer: Read the rest of the sentence.

Mr. Kaplan: The rest of the sentence says that the Government alone cannot achieve equality.

Mr. Boyer: Right on.

Mr. Kaplan: That is the Government's opinion, but I am emphasizing the admission by the Government that it has the responsibility to shape laws, policies and programs to the goal of equality, as well as to show some leadership.

Is the Hon. Member satisfied with the leadership that is shown to other governments by this measly piece of legislation which the Government has put before us? Why does he not think that the Government had a responsibility to deal with all the other areas where it is so obvious that changes are required to bring laws into compliance with the Charter? Why is the buck being passed to a consultation process and a parliamentary committee when the duties of the Government are recognized so clearly in this sentence of this document?

Mr. Redway: Mr. Speaker, the "measly little Bill" that the Hon. Member refers to is 111 pages long. While I have been here admittedly a short time, I cannot remember another Bill introduced in the House which was 111 pages long. That is not to say that the Bill contains all of the amendments and changes in legislation that the Hon. Member might like to see; but as I explained in my earlier remarks, this is only one of a number of initiatives the Government is taking and has taken in order to bring the laws of this country into line with the Charter of Rights and Freedoms.

For instance, the Hon. Member well knows that Bill C-18 deals with the rights of citizens. He is a member of the Standing Committee on Justice and Legal Affairs and knows full well that that is one of the issues being dealt with in that particular Bill. He knows as well, I am sure, because he was here in the House, that the Minister of Employment and Immigration (Miss MacDonald) has announced that policy relating to the rights of women.

I referred to the impact of that particular policy and those new regulations, but one of the things I neglected to comment on was the fact that involved in that was putting in place a procedure whereby the federal Public Service and the Government are sitting down to bring forward a policy—hopefully we will have an interim report by the end of June—to provide for equal pay for work of equal value in the Public Service for women, minorities, the disabled and native groups. That to my mind is a great step forward and something I am sure the Hon. Member supports and wants to see.

What disturbs me, of course, is that the Hon. Member and the Government he was part of had a long, long time to bring forward legislation of that sort. They had 16 years rather than six months to do it in. For some reason the Hon. Member and the former Government did not do that. Now, for an unexplained reason, he is being highly critical of the initiatives of our Government in those respects. I hope the Hon. Member will look at these things and give credit where credit is due. We tried to do that in the past whenever his Government brought forward good initiatives. I am sure the Hon. Member will do the same for us.

• (1230)

Mr. Marchi: Mr. Speaker, April 17, 1982 was certainly a landmark date in terms of the proclamation of the Constitution and the Charter of Rights and Freedoms. Toward that

end hundreds, perhaps thousands, of minority groups and individuals came to Ottawa, at great expense, to make their views known to the Government. Hundreds and thousands of other individuals wrote to the Government on the various issues that this Bill addresses. The Hon. Member for York East (Mr. Redway) indicated that he has met with a number of individuals and groups in his constituency.

I would like to follow up on the earlier question that was asked of him and ask what he can tell those minority interest groups that are once again being asked to come before another committee. Perhaps on April 17, 1982 they thought that they were given a special privilege which others did not have and that some social equality was being undertaken. They assumed that on the proclamation date of April 17, 1982 that would come to be. What can he tell those groups when they are now invited by the Government to come back to repeat the same story they told the Government and Parliament only three years ago? How can we justify calling those groups in again when we heard that message loud and clear the first time?

Mr. Redway: Mr. Speaker, I am delighted to have an opportunity to answer that question. I believe the consultations which occurred previously were directed specifically to the general principles of the Charter of Rights and Freedoms. Those principles were not brought into effect, as far as equality rights are concerned, as of April 17, 1982; they will only come into effect on April 17, 1985. On April 17, 1985 you, I and all Members of the House will be able to tell those groups that at long last they do have the rights and freedoms on which they made their positions known in 1981 and 1982. Those rights will finally come to fruition.

At that time they were dealing with the general principles which I had always felt we had in our law. However, apparently we do not and will not until April 17 of this year. They came to make their views known on those general principles. At the same time, no doubt, they made known their views on particular issues and items of concern to them. Now, within the framework of a general principle that guarantees equality for all, they will have the right to put forward those views and have them shaped within that context and finally dealt with. Hopefully, they will all come away from the round of consultations which is about to commence very pleased and content that this is the country which we always thought it to be, a country where equality reigns and a country that we can all be very proud of.

Mr. Neil Young (Beaches): Mr. Speaker, I am glad to have the opportunity to speak to Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms. I was fortunate enough to have been a member of the Special Joint Committee of the Senate and House of Commons when Canada's Constitution was before it. At that time groups of handicapped persons appeared before that committee to argue for inclusion of their rights and for exclusion of discriminatory practices that had gone on in this country for very many years. I also sat as a member of the Justice Committee which was finally able to convince the then Government to include prohibitions of discrimination against disabled individuals on all grounds whereas previously the only exclusion had been in the area of employment.

I was also a member of the special House of Commons Committee on the Disabled and Handicapped which produced a report entitled *Obstacles* which was tabled in the House. That report was highly praised by Members on all sides of the House and by disabled groups and individuals across the country. In fact, Mr. Speaker, this report has become something of a bible in terms of issues affecting the disabled community in countries across the world. I mention that for a number of reasons. In Bill C-27 the Government missed a golden opportunity finally to do something that would be of great benefit to the disabled and handicapped community in the country.

Other speakers have addressed issues of equality with respect to women's issues and others. I do not want to repeat those arguments except to say that I am in agreement with much of what has been said. In so far as the disabled are concerned, the Government not only missed an opportunity but appeared to be avoiding accepting any responsibility in this area.

I listened with great interest to the comments of my good friend, the Member for York East (Mr. Redway). I was associated with him before on the Board of Governors of Centennial College in Scarborough and know him very well. He was extolling the virtues of this particular piece of legislation, saying that magically on April 17 every Canadian will be in a position to enjoy every right that previously had been denied to them under the Charter of Rights and Freedoms. I am not as convinced as he apparently is.

As you know, Mr. Speaker, discrimination is a very subtle thing which is very difficult to prove. Simply by saying certain things in the Charter of Rights and Freedoms without having enforceable regulations to accompany them will not magically end the discrimination in several weeks' time when the Charter of Rights and Freedoms comes into full force and effect. I predict that it will not come into full force and effect until there have been many, many court challenges under the provisions of that charter. It will be a very expensive proposition for many groups which simply do not have the financial resources to press the case before the courts.

I express disappointment, not only on the contents of the Bill but also on the discussion paper which was tabled several weeks ago by the Minister of Justice entitled *Equality Issues in Federal Law*. When I took a look at the discussion points that were put forward by the Department of Justice with respect to disabilities, I found the terminology and language used in those sections to be quite offensive. Throughout the points that it raises, the Justice Department continues to perpetuate the myth that a disabled or handicapped person is somehow ill or sick. The Minister of Justice would be well advised to ask his officials in the Department to obtain some copies of the Obstacles report. I would be happy to send them a copy.

• (1240)

The emphasis of that report was to dispel the myth that a person with a disability or a handicap is somehow suffering from an illness. Those people are not ill, they are simply disabled. They are whole in every other respect. However, the thrust of the points made by the Department of Justice in this paper is that they are ill or sick. I find that offensive and it displays a mentality that exists not only in some parts of the Government but in the Canadian public and people elsewhere. We must dispel that myth in order to come to grips with our collective discrimination against people who have a disability.

I would have been impressed if the Minister of Justice had said that in order to enforce any rights under the Charter it is necessary to have public funding. Disabled groups simply do not have the funding that is necessary to enable them to press cases before the court finally to determine what their rights are. There is a real need for such funding, which in fact was apparently recognized by the Conservative Party during the last election campaign. During the campaign the Coalition of Provincial Organizations of the Handicapped circulated a questionnaire to every candidate and each Party. Several weeks ago COPOH circulated the response to those questionnaires to all Members of the House.

One of the questions asked of the Government when it was the Official Opposition was if it would support the provision of that kind of defence fund to those organizations and individuals in order to press their cases before the courts. The Conservatives gave the assurance that they would do so but only to organizations concerned with issues which the Government considered to be of national importance.

Organizations do not necessarily reflect the views of individual disabled Canadians at the community level. Surely if the Government still intends to provide those necessary funds for disabled organizations, it should also consider implementing our recommendations in the *Obstacles* report. Disabled people are quite capable of looking after their own interests.

Why does the Government not consider making funds available to COPOH and other consumer self-help organizations for them to use as advocates on behalf of disabled individuals? We made that recommendation in the *Obstacles* report. That committee, which was made up of Members from all sides of the House, was totally non-partisan and I hope that anything I am saying now is not construed as being partisan because that is not my intention. I believe that this particular issue, above all, is one that is non-partisan and one which every Member of the House can agree with.

I do not stand here to say that the NDP is the only Party and I am the only Member who cares about disabled individuals because I know that that is not the case. For instance, I know that the Minister of Indian Affairs and Northern Development (Mr. Crosbie) was quite concerned and interested in the committee's report with respect to disabilities affecting the native population. Their difficulties are entirely different from those facing disabled individuals living in urban communities. In northern communities, for example, the fact that there are no roads makes it extremely difficult to be mobile in a wheelchair. Transportation costs make it very expensive to own or repair a wheelchair in the north, and when one considers that disabled people are at the low end of the income scale, it becomes virtually impossible for that individual to have the kind of mobility that such a device makes available to them. I know that the Minister is aware of these problems facing native peoples and wants to address them.

The assumptions made in the discussion paper entitled *Equality Issues in Federal Law* are unfortunate. There is a bald statement that individuals who are disabled may not be suited to be employed in Canada's Armed Forces. I see absolutely no reason why an individual who is confined to a wheelchair could not be employed by the Armed Forces in the communications area. No one even argues that a person in a wheelchair should be on the front line in an infantry troop, but we must open our minds and stop assuming that a disabled person has every opportunity closed to them. Surely a better approach would be to consider how best we can assist a disabled person to fit into an employment field rather than putting up other barriers, preventing adequate employment opportunities for him and saying that his disability makes him unemployable in certain categories. I would ask the Department of Justice to reconsider its approach to developing legislation to assist disabled individuals.

With respect to immigration, we heard many witnesses before the Committee on the Disabled and Handicapped. We heard about reuniting families from around the world. Our Government could set an example for other governments in the world by asking if it is fair to continue to deny a family the right to reunite simply because a child whom they were forced to leave in the country from which they emigrated happens to be developmentally handicapped. I suggest that is not fair at all. The argument used for preventing their reunion is that the child is developmentally handicapped—commonly referred to as mentally retarded—and the child would be a burden on the state in terms of health costs. That is the argument which is made. It helps to cement the myth that persons who are developmentally handicapped are somehow mentally ill. They are not, they are mentally disabled.

• (1250)

A young child who was developmentally handicapped appeared before the committee in Vancouver. He made the point that he deeply resented being forced to be represented by the Canadian Association for the Mentally Retarded. In fact, he wrote his presentation himself; it was one of the best papers presented to the committee. A member of the committee said: "If you don't like being referred to as being mentally retarded, what else would you like to be called?" The child said: "Simply because I have an IQ of 60 does not mean to say that I am stupid. Members of Parliament might be stupid but I ain't". The person who asked the question deserved that answer.

In the early stages of the committee hearings we had problems understanding the difficulties faced by these people.

By the end of the hearings we certainly had a greater and much deeper degree of understanding about what it meant to be disabled in society. If one is not personally involved, one cannot fully understand some of the difficulties of disabled persons because one does not have the disability.

There are several other points I could make, but I do not have much time left. Some of the bodies which make regulations affecting disabled individuals could be forced under pending legislation to start becoming much more sensitive to the needs of various groups. For example, the CRTC makes regulations covering such things as telephones. It has yet to deal in a forthright way with employed individuals who are hard of hearing and who are denied access to telephones because those systems are not compatible with hearing aids. That is an area upon which the Government could move quickly so that the telephones of people with hearing problems could be made compatible and they would be able to maintain employment. Surely the Government could pass legislation which would require that to take place. It is a very simple device. I am no great supporter of Bell Canada, but in this case it is being a very responsible corporate citizen. Bell Canada has made its telephones fully accessible to deaf and hard of hearing people. However, foreign importers of telephones refuse to do that. Surely the Government has a responsibility to tell those importers that if they want to import telephones into Canada they have to be accessible to individuals who require hearing aids in order to function fully in society.

The last point I should like to make would not cost the Government a red cent, not a dime. It should finally do what organizations representing the disabled have been calling for over the last two years. It should establish a subcommittee on disabilities and handicaps of the Standing Committee on Communications and Culture, for example. These organizations and disabled individuals must have a forum in which to bring their concerns before people who are making decisions on their behalf; in other words, legislators.

I welcome this travelling committee. I think it is a great idea. It will fill a void. It will allow the Government to hear the real concerns of those individuals. I have no qualms about it. In fact, I wish I was a member of the committee. However, the one productive thing which the House could do quickly would be to establish a subcommittee on disabilities and handicaps under the House of Commons Standing Committee on Communications and Culture. It would go a long way toward allowing people who need a voice to be heard.

Some Hon. Members: Hear, hear!

Mr. Baker: Mr. Speaker, I should like to ask the Hon. Member a question. I listened this morning to Hon. Members praising the fact that certain things were changing. They indicated that persons should have mobility rights, the right to work in any part of the country, and not to be discriminated against because of where they live.

The Hon. Member is familiar with the high unemployment areas of Canada. He has visited northern and rural areas. Very shortly the summer student employment program will start. Because of Section 15 of the Charter, on Monday of this week the Minister of Employment and Immigration (Miss MacDonald) sent a telex to all Manpower offices in Canada removing the residency requirement as it related to potential employees on summer student employment projects. She indicated that it was no longer a requirement for a student to be resident in a community or an area to which the job related or for which referrals went out. The Hon. Member knows that when grants are given to communities in high unemployment areas, they expect students in the community to work on the grants. In fact, there would be absolute war in some communities where normally jobs are not available if students from major metropolitan areas with available jobs were hired to work in those communities.

Mr. McDermid: It works the opposite way.

Mr. Baker: I will deal with that Hon. Member this afternoon when the Minister makes her statement on the energy pricing agreement. Does the Hon. Member for Beaches (Mr. Young) agree with the telex the Minister sent on Monday? There are exceptions to the Charter in terms of affirmative action programs, and the Government approves money to create employment in a high unemployment area. Her telex indicated that this summer the residency requirement would no longer be in place and that Manpower offices would have to match jobs with students across the country by computer. Does the Hon. Member agree with that particular aspect of the Charter?

Mr. Young: Mr. Speaker, I have not seen the telegram to which the Hon. Member referred. However, as a general principle, I think the community is better able to determine its own priorities by itself.

My concern in terms of employment opportunities does not centre on the summer student employment program. It concerns a number of areas affecting disabled persons. We cannot isolate unemployment and only say that it is the major problem of the disabled community. Of course it is, in that without a job one cannot become a whole person. However, each one of their problems is synonymous with the other. We cannot talk about providing a person with decent and adequate employment without providing them with an education or access to an education. We cannot talk about education and employment without talking about access to transportation, to get them from home and to the job. We cannot talk about adequate employment without talking about deinstitutionalization, getting people into the community and supporting them. All those matters are intertwined. May I call it one o'clock?

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

FIREARMS

STUDENT KILLED IN MONTREAL HOLDUP

Mr. David Berger (Laurier): Mr. Speaker, on Thursday evening, March 14, a tragedy of an unspeakable nature occurred in my constituency. A 19-year-old student by the name of Emmanuel Tavares was shot to death in an attempted holdup while tending to his family's convenience store during the dinner hour. He was described as the type of kid every man would like to have as a son. His father said that he went to school and helped the family. He did not have a girlfriend, only his books; indeed, three or four books were open in front of him at the time of the shooting.

He was a former member of the Sun Youth Organization where he played football and baseball. He was six feet two inches tall, and weighed 250 pounds. He always volunteered to help out if needed, it was said.

At his funeral the parish priest stated that it was in the hands of young people to do something about it; not to waste his life but to make it into something positive and to do something to prevent this kind of tragedy from ever happening again. The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) has a private Member's Bill on gun control on the Order Paper, a Bill which will be debated soon. I would hope that Members of the House will allow it to proceed to committee so that we can study the additional steps that may be taken to see that this young man did not die in vain.

* * *

ABORIGINAL RIGHTS

COURT BAN ON MEARES ISLAND LOGGING

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, yesterday's decision by the B.C. Court of Appeal to prohibit logging on Meares Island until the issue of Indian rights has been addressed is certainly cause for celebration. We can all be happy that some of the oldest, largest stands of cedar in the world, some more than 1,500 years old, are to be saved, at least temporarily, and hopefully permanently, from the mechanized death and destruction of clear cutting that MacMillan Bloedel had in mind.

We can be happy that on the eve of a constitutional conference to determine the nature and shape of the treaty and aboriginal rights of Indian people, a Canadian court has seen fit to make such a decision out of respect for the need to address the issue of Indian rights. The rights of Indian people are realities which Governments and corporations should not, and in this case now cannot, ignore.

Let us hope that the day comes when Indian people do not have to go to court in order to have their rights respected, and let us hope that the provincial Government in British Columbia will finally see the wisdom of taking their rights seriously and will get down to working out a resource policy that takes Indian rights into account, as well as taking into account the need for protecting ecologically invaluable areas like Meares Island. While it is at it, the British Columbia Government should also declare its support for the proposal to create national marine and terrestrial parks in South Moresby.

* * *

[*Translation*]

PUBLIC WORKS

EXPROPRIATIONS AT MIRABEL—SIGNING OF AGREEMENT PROTOCOL

Mrs. Lise Bourgault (Argenteuil-Papineau): Yesterday, at Sainte-Scholastique, Mr. Speaker, we experienced emotionally charged moments when, at 2.20 p.m., after 16 years of struggles, the expropriated landowners of Mirabel signed an agreement protocol to settle one of the many despicable confrontations sparked by the previous administration.

Mr. Speaker, barely six months went by since our Government promised to reach a humanitarian settlement concerning what is widely labelled as a white elephant and a monumental error on the part of the Liberal Government.

No matter what our colleagues in the Opposition may say, consultation and a humane approach to the problems experienced by those people have led to progress in and the impending settlement of this case. Whatever the views of the handful of former Government Members who survived the onslaught, the approach advocated by our Prime Minister, the Right Hon. Brian Mulroney—dialogue and consultation—has given and will give results.

When the Minister of Public Works (Mr. La Salle) signed this historic agreement yesterday, he proved that our Government is on the right track by being open with the people.

Lastly, Mr. Speaker, I want to say to my constituents of Argenteuil-Papineau, and more particularly to my constituents of Mirabel, that the experience I had yesterday was as exciting as the evening of September 4, 1984.

S.O. 21

[*English*]

GOVERNMENT EXPENDITURES

COMPLAINT HOTLINE PROPOSAL

Mr. Jack Shields (Athabasca): Mr. Speaker, we have all read and heard of the many horror stories with regard to government waste and inefficient use of taxpayers' funds. Such waste amounts to the millions of dollars. I know that all of us here in the House are concerned. I know that taxpayers across the country are concerned. Therefore I am seeking the assistance of all Hon. Members of the House in supporting a motion that I am having drafted at the present time and will be placing on the Order Paper, a motion which will allow the federal Government to install, from coast to coast, a hotline to a special department or agency in Ottawa that would take complaints or suggestions on government waste as Canadians see and observe it firsthand.

It is my firm conviction that, in this way, taxpayers can be encouraged to protect their investment in the federal Government of Canada, their tax dollars, by observing what is happening in the hinterlands of this great country of ours. It is also my contention that federal government employees would be encouraged to use the hotline to report government waste as they observe it within the Departments—

Mr. Speaker: The Hon. Member's time has expired.

* * *

[*Translation*]

THE PRIME MINISTER

VISIT OF UNITED STATES PRESIDENT—ABSENCE OF GOVERNOR GENERAL

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I share the sentiment of the many Canadians who expressed shock and dismay when they realized that Her Excellency the Governor General, Madame Jeanne Sauvé, would not participate in ceremonies surrounding the visit of the President of the United States.

It has been alleged that Mr. Reagan's visit was a working visit, not an official visit from a head of State, but the welcoming ceremonies for the American President definitely made it look otherwise. What every Canadian ought to know, Mr. Speaker, is that our Prime Minister (Mr. Mulroney), cheap, self-centred and jealous, was afraid that the media and the TV cameras would focus coverage on a great lady, our Governor General, Madame Jeanne Sauvé, Indeed, I am convinced that such a cheap behaviour will be the downfall of the Prime Minister and gradually undermine his evident hopes of being a great statesman one day.

[*English*]

UNEMPLOYMENT INSURANCE

CALCULATION OF SEVERANCE PAY AS INCOME

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, as of April 1 of this year Canadian workers who, through no fault of their own will lose their jobs, will be dealt yet another economic blow. The Minister of Employment and Immigration (Miss MacDonald) has decreed that severance and vacation pay will now be used to reduce UIC payouts to the workers. Clearly this step is an outright theft of the equity that these workers have built up over their work life.

In the community of Ear Falls, the corporate sector, with the blessing of the Government, has closed a mine, thus putting hundreds out of work. Some of these workers were laid off before the decision to which I referred was made, and are therefore able to retain their profits from their work. Others who are to be laid off after April 1 will lose their equity.

In the community of Atikokan, construction of the hydro project is winding down and the workers there will lose their vacation benefits in order to prop up the Unemployment Insurance Fund.

The citizens of Canada do not accept this regressive attack on workers and their families, as evidenced by the petitions we have tabled over the last number of days. Many of those who have been laid off in Ear Falls and Atikokan will not find jobs easily. They do need the full benefit of UIC, payments as well as their savings throught vacation and severance pay. On behalf of my colleague, the Hon. Member for Kenora-Rainy River (Mr. Parry), and myself, I call on the Conservative Government to rescind this regressive decision.

* * *

CHARTER OF RIGHTS

EXCLUSION OF RIGHT TO PROPERTY

Mr. Jim Jepson (London East): Mr. Speaker, the Canadian people have now recognized how confidently and methodically the Government is working to restore economic and social health to our country. Our recovery is a reality, because Canadians are sure that effort and enterprise will be fairly rewarded, and because the rules of the game are being upheld by the Government in a just, consistent, and reliable way. The process of renewal, as well as the everyday life of our country, are conducted on the basis of certain principles enumerated within the Charter of Rights and Freedoms. I have risen to speak because I believe our Charter has a serious flaw.

Within any system that relies on incentive, investment, and enterprise, something important is missing when there is no guarantee of the right to private property. We are fortunate enough to live in a stable country where this right is not overtly threatened; we all exercise it more or less freely. But each day, more and more rules, regulations, legislation, and by-laws hamper the activities that should be protected by this liberty which is traditionally defined as a fundamental right,

and as such must be positively protected. Only by including it in the Constitution will this liberty take its place beside other basic freedoms.

• (1410)

Let us take a progressive step by instituting the right for all Canadians to purchase or acquire property in full knowledge that this liberty has the approval and protection of our Charter. To ignore the protection of private property is to disregard one of the greatest assurances of freedom and prosperity our country enjoys today.

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

THE NEW FEDERALISM

Ms. Carole Jacques (Montreal-Mercier): Mr. Speaker, I wish to take advantage of this opportuniry to salute our new Canadian federalism, the components of which were clear for all to see last month during the First Ministers' Conference in Regina. As a Member of this House, I had the privilege of attending the Conference as an observer. I am proud to be part of a Government that speaks with one voice, a Government that favours change within the Canadian federal system and which has taken the right approach and the appropriate means to get along with the provincial governments. This new strategy has already born fruit.

Whether we are talking about the agreement with Quebec on tourism and industrial development, worth $1.6 billion, or the agreement with Nova Scotia worth $200 million or the important agreement signed on February 11 of this year with the Province of Newfoundland—the Atlantic Accord—there has already been a visible change in the area of federal-provincial relations.

Mr. Speaker, for years the Liberals refused to sign agreements that did not fit in with their centralist approach. Since the Progressive Conservative Government came to power, Canadians have seen a new openness on the part of their Government in Ottawa. They are also seeing—

Mr. Speaker: Order, please. I am sorry to interrupt the Hon. Member, but her time has expired. The Hon. Member for Shefford (Mr. Lapierre).

* * *

AGRICULTURE

PORK PRODUCERS

Hon. Jean Lapierre (Shefford): Mr. Speaker, I would like to draw the attention of this House to a fundamental question that today is affecting 70,000 pork producers in Canada. Two weeks ago, the Prime Minister and the President of the United States were drinking champagne together, but today the champagne has turned sour for 70,000 pork producers in Canada. Since this morning, the markets have been panicking, not only in Toronto but also in Montreal, and pork producers . . . and I see the Parliamentary Secretary who should be listening instead of shouting. The Parliamentary Secretary ought to realize that hog producers in Quebec and across Canada are on the brink of bankruptcy as a result of a unilateral decision made by the U.S. Government, and that unless drastic steps are taken today to save Canada's pork industry, it will be the Government's fault, for smiling and talking instead of making tangible gains. When it comes to taking action, the American Government thinks nothing of imposing a special tax on Canadian products.

Mr. Speaker, I predict that today, the price of pork will drop by more than 10 per cent, and within the next few days, there is going to be a major crisis for which the Members opposite will be responsible, if they neglect to react when Americans are up to dirty tricks against Canada.

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PUBLIC WORKS

EXPROPRIATIONS AT MIRABEL—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, yesterday was a historic occasion, and I say historic because at long last people who bear the scars of sixteen years of unrelenting struggles can now look forward to a better future. I am referring, of course, to the expropriated landowners of Mirabel.

I want to congratulate the Minister of Public Works, the Hon. Roch La Salle, who in five months—yes, only five months—has shown that goodwill, fairness and justice could pave the way for a most humanitarian agreement.

It was simply a matter of sitting down and discussing so as to hear and understand one another. And the trademark of our Government and of our leader, the Right Hon. Prime Minister Brian Mulroney, is a policy of dialogue, consultation, compassion and humanism.

Unlike the previous administration which was unable to settle this case, the Progressive Conservative Government did proceed with diligence and efficiency, finally closing the book on this contentious issue which had lasted long enough.

[*English*]

REFUGEES

RIGHT TO ORAL HEARINGS

Mr. Dan Heap (Spadina): Mr. Speaker, in Canada there are over 12,000 people who are waiting to have their status as refugees determined by the Government. Over 2,000 of those people are awaiting a decision of the Supreme Court of Canada which will decide whether they have the right to an oral hearing that, until now, has been denied to them. All observers who have studied the matter agree that those people have that right. Thousands more may enter into the same danger.

I call on the Minister of Employment and Immigration (Miss MacDonald), first, to publish the report by Rabbi Plaut, which has been due for many months. She should cease the delaying of that publication. Second, I would ask that the Supreme Court decision be put before the Standing Committee on Labour, Employment and Immigration, if and when it is published, and that the committee be asked to recommend action on the matter of oral hearings at once.

ORAL QUESTION PERIOD

[*English*]

NORTH ATLANTIC TREATY ORGANIZATION

UNITED STATES STRATEGIC DEFENCE INITIATIVE—INVITATION TO PARTICIPATE IN RESEARCH

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister. The Prime Minister told me yesterday that the Deputy Prime Minister failed to inform the Right Hon. Secretary of State for External Affairs about the American invitation to take part in the research on star wars because Luxembourg is in a different time zone from Ottawa, and because—using the Prime Minister's words—"not everything is instantaneous".

I ask the Deputy Prime Minister were there no telephones in Luxembourg? Did the Deputy Prime Minister not know how to dial long distance? Or, did the Deputy Prime Minister deliberately want to let his colleague, the Secretary of State for External Affairs, look ridiculous?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am surprised at two things. One is that the Right Hon. Leader of the Opposition did not welcome me back.

Some Hon. Members: Hear, hear!

Mr. Nielsen: The second thing is that he would embark on splitting five and ten-minute hairs in time zones, rather than address the more important and substantial political and strategic dimensions of what we were discussing in Luxembourg with NATO Defence Ministers.

The Prime Minister was quite right. The time zone was one factor. I think the other factor which has been mentioned is that of telephone security. The Leader of the Opposition knows as well as I that we have no mission in Luxembourg, and that the discussions which take place within the four walls of the conference centre on matters of this nature are NATO secrets. The fact of the matter is that, as soon as I learned that the substance and/or text of the letter, which I received very late in the afternoon, was indeed public in North America, the text of that letter was communicated over open telephone lines to the Secretary of State for External Affairs—

Mr. Clark (Yellowhead): At an ungodly hour of the morning.

Mr. Nielsen: Yes, at an ungodly hour of the morning, as the Secretary of State for External Affairs advises me. It was ungodly at this end, but not ungodly at the other end.

NOTIFICATION OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to apologize to the Deputy Prime Minister for not welcoming him back. The question I would ask him is: did Joe welcome him back?

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): The time zone reference is really a reference from the Prime Minister, but I wanted to get on the same linkage as the Deputy Prime Minister.

[*Translation*]

Mr. Speaker, we have before us the famous comedy duo of Canadian politics.

• (1420)

[*English*]

The Government is turning the conduct of foreign policy into a Broadway farce. Knowing, as the Deputy Prime Minister did, that star wars is uppermost in the minds of Canadians, why did he so arrange the communication between himself and the Secretary of State for External Affairs so as to leave his colleague in the dark? Does he not know that simple dialling of the telephone would have cost the Canadian Government only $4.50 to let his colleague know what was happening?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The right hon. gentleman might believe in that kind of abbreviated form of communication, but that certainly is not my style. I spent a good deal longer than that on the telephone with the Secretary of State for External Affairs and can assure the right hon. gentleman that the text of that letter was conveyed to him at the earliest, proper, and available opportunity.

Mr. Gray (Windsor West): I bet you did.

Mr. Nielsen: But I am still really waiting for questions of substance on the real issues involved here to be asked by a responsible Opposition.

Mr. Turner (Vancouver Quadra): We ask those questions of substance in the absence of the Deputy Prime Minister.

MINISTER'S FORTHCOMING VISIT TO U.S.S.R.

Right Hon. John N. Turner (Leader of the Opposition): The Secretary of State for External Affairs, as the Deputy Prime Minister knows, is going off on a visit to the Soviet Union with a few of his own colleagues. That ought to be a classic visit. May I ask that the Deputy Prime Minister, if anything changes in the picture of the defence posture of our country while the Secretary of State for External Affairs is away, would he be good enough to telephone his colleague in Moscow? I have here a booklet called *Canadian Representatives Abroad*, and the telephone number of our embassy in Moscow is 241-9155. Would the Deputy Prime Minister please keep his colleague informed so as to avoid future embarrassment of this kind for the Government of our country?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, not only will I continue to do that but, where appropriate, if the right hon. gentleman will leave me his telephone number, I will telephone him as well.

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AUTOMOTIVE INDUSTRY

EXPORTATION OF JAPANESE MANUFACTURED VEHICLES TO CANADA

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Minister for International Trade. There are reports that today in Tokyo the Japanese Department of International Trade and Industry announced that, as part of a new arrangement with the United States, it had agreed to increase the export of Japanese cars to that country by 24 per cent. Would the Minister tell us if the Government has agreed, or will it agree, to the same arrangement with Canada with respect to the export of Japanese cars to our country? Or is it going to speak up on behalf of Canadian workers and tell Japan that the quotas must remain, unless and until Japan makes commitments to ensure for Canada a fair share of Canadian content in Japanese cars, particularly with respect to a fair share of North American investment by Japan in Canada in jobs and production? Will the Government speak for Canada in that way?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, if I may respond to the Hon. Member, I can tell him he is quite correct in referring to the statement which has been made in Tokyo. The Government of Canada will have an announcement with respect to this matter tomorrow. I can once again assure the Hon. Member that we will take his representations into account.

TRADE ARRANGEMENTS INQUIRY

Hon. Herb Gray (Windsor West): Mr. Speaker, will the Minister not tell us right now what is going to happen on March 31? Is the Government going to allow a sudden flooding of the Canadian market by Japanese cars after that date, threatening the loss of 20,000 jobs? If the Government is ready to make an announcement, will it make it now and show it is able to do something for the Canadian people, particularly the Canadian workers?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I would have expected that the Hon. Member would have liked us to have taken his representation into account before we make an announcement. The announcement will be made tomorrow.

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NORTH ATLANTIC TREATY ORGANIZATION

UNITED STATES STRATEGIC DEFENCE INITIATIVE—INVITATION TO PARTICIPATE IN RESEARCH

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and it goes back to the substance of star wars. Surely the Minister realizes that research inevitably leads to development and deployment. He has only to look, for example, at the MX missile and many others, on both sides. Therefore, pursuit of star wars will mean abandoning deterrence, threatening the ABM Treaty and diverting money and resources to an armed race in space. Acknowledging all that, as I am sure the Minister will, why will he not say, no, now, to star wars?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not share the assumptions of the Hon. Member, nor do any of the members of the North Atlantic Treaty organization which she now wants to join.

Ms. Jewett: Mr. Speaker, if Canada would take a little initiative within the North Atlantic Treaty Alliance, perhaps I would look at it, but not as long as we behave as the Tories and Liberals behave. Denmark is the only country which has any spine.

JOB CREATION FACTOR

Ms. Pauline Jewett (New Westminster-Coquitlam): Since the Minister seems to be having difficulty addressing the substance of the star wars proposal, may I turn to the remark of the Prime Minister about it being such a great job creator? Does the Minister frankly believe that work on military research and production creates more jobs per dollar than work in socially productive and consumer oriented activities?

If not—and the evidence shows that it does not create more jobs—why is the Government pursuing star wars as a great job creator? Why is it following this totally fallacious and morally corrupt line?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, to summarize what has been said on thousands—on several occasions in the House of Commons—

Mr. Blackburn (Brant): That's better.

Mr. Clark (Yellowhead): It seems like thousands. We accept the view that when the Soviet Union is involved in research relating to what could broadly be called its "strategic defence initiative", it is prudent for our side, for the NATO alliance, to be involved in research of that kind.

Mr. Guilbault (Saint-Jacques): So much for escalation.

Mr. Clark (Yellowhead): That is point number one. Second, as we have indicated before in the House of Commons, the interpretation of the ABM Treaty is an interpretation which allows research. That is all that Canada has approved. Third, as the Hon. Member will know, we have now received an inviation to consider taking part in that research. That is consistent with the ABM Treaty. Any research in which Canada might be involved also means jobs for Canadians. We would not turn it aside because it meant jobs for Canadians.

U.S.S.R. POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, will the Secretary of State for External Affairs not agree that the Soviets do not want to get engaged in a race in space?

Some Hon. Members: Oh, oh!

Mr. Shields: Take off the red glasses.

Ms. Jewett: Hon. Members simply do not know the facts.

Some Hon. Members: Oh, oh!

Ms. Jewett: It has had a moratorium—and the Minister knows this—on the development of ASAP weapons. It has had a moratorium on the development of ASAPs. The United States has not. It wants space weapons on the agenda—

Mr. Speaker: With great respect, does the Hon. Member have a question?

Ms. Jewett: If they would settle down.

I am asking the Minister if he will not, in his talks in the Soviet Union with Mr. Gromyko, pursue this question—which his colleagues doubt—about the Soviet desires in relation to outer space, and bring back that knowledge and information to his colleagues and to this House?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, of course I will pursue that question in my meetings with Mr. Gromyko, and I will bring back what I learn to the Hon. Member and to other Hon. Members in the House.

* * *

● (1430)

ENERGY

AGREEMENT WITH WESTERN PROVINCES

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Minister of Energy and concerns the recently signed oil pricing agreement with the western provinces. In view of the fact that this document has far reaching effects on the people of the Province of Ontario, and in view of the Government's professed commitment to consultation with the provinces, will the Minister tell this House why the leader of the largest oil-consuming province in the country, the Premier of Ontario, was not consulted on the details of this agreement, as he has stated himself?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I can inform the Hon. Member that I will be making a statement, after Question Period, on the western accord.

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[*Translation*]

FINANCE

THE BUDGET—COST OF GASOLINE

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a supplementary for the Minister of Finance. Could the Minister give Canadian consumers, especially those in Ontario, the assurance that they will be spared an increase of as much as 23 cents a gallon in the price of gas, in the Budget that, by sheer coincidence, is to be tabled a few days after the provincial election in Ontario? Can the Minister give us that assurance?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Minister of Energy will be addressing most of these questions in her statement after Question Period, and I think it will be quite clear to the Member opposite that the effect of this energy agreement will not be an increase for the consumer.

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ABORIGINAL RIGHTS

NECESSITY FOR AGREEMENT WITH PROVINCES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Deputy Prime Minis-

ter. In spite of some rather euphoric press reports, the federal Government is not proposing to entrench the right of aboriginal peoples to self-government except where such rights are defined by agreement with the provinces. There is no commitment to a time-frame or agenda in order to reach any such agreement. Again, aboriginal people will have to bargain from a position of weakness. If no agreement is reached, they will have to start all over from scratch. Is the Government prepared to recognize explicitly the right of aboriginal peoples to self-government, and will it alter the federal proposal to do so?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the Hon. Member is probably aware, we have had two preparatory meetings at the ministerial level with aboriginal groups and Ministers from all provinces. They have been very, very good discussions. The federal proposal as it was at that stage was distributed at that time, and I can assure the Hon. Member that the meeting next week on April 2 or April 3 will be very productive for the rights of Indian people.

FEDERAL ROLE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my supplementary is directed to the Deputy Prime Minister. The question has not been asked, but I would—

Some Hon. Members: You're telling us!

Mr. Manly: The question has not been answered.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: You were right the first time.

Mr. Manly: The previous question was not answered, Mr. Speaker. I would like to ask the Deputy Prime Minister if he is aware that the Province of British Columbia was not even represented at yesterday's meeting? Is the Government prepared to use some of its authority and moral suasion to deal with the recalcitrant provinces and ensure that they get on board on the whole question of entrenching aboriginal rights? Or is it simply going to work for the lowest common denominator of what the recalcitrant provinces are willing to accept?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think the track record of this Government in bringing consensus to all parts of the country, involving all provinces, shows that it has the ability to do so at the conference next week.

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SOCIAL AFFAIRS

LEVEL OF GOVERNMENT EXPENDITURES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Minister of Finance. As he knows, the National Council on Welfare released a study yesterday which shows that some four million Canadians live below the poverty line. Those poor in our society realize that your spending priorities are for 20 per cent pay increases for your political hack appointees—

Some Hon. Members: Order.

Mr. Frith: —some 54 per cent increases in the salaries of your chiefs of staff, but the poor in our country—

Mr. Hnatyshyn: The Speaker is not a hack. Order.

Mr. Frith: —but the poor in our country want to know, Mr. Speaker, where do the problems of the poor rank in your list of spending priorities?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member will know that it is not only the intention of this Government but I think of every Canadian to see the economy improve in order that poverty can be reduced. I think that is a given, and that is a political priority of this Party, of the Minister of Finance, indeed of all of us. The major impact on poverty would be from getting the economy turned around, creating more jobs and creating economic wealth.

CONSEQUENCES OF OIL AGREEMENT WITH WESTERN PROVINCES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, can the Minister therefore give a guarantee to this House that in the May 20 Budget the poor in our society are going to be protected from that oil energy agreement just signed with western Canada?

Mr. Shields: That is why you are sitting where you are now.

Hon. Jake Epp (Minister of National Health and Welfare): I will tell the Hon. Member that, first of all, getting an oil agreement with the provinces is going to help the country create the very jobs I spoke about.

Some Hon. Members: Hear, hear!

Mr. Frith: What about the poor?

Mr. Epp (Provencher): The second point I would make is that we lost jobs because of their National Energy Program, which hurt the poor. Surely he knows enough about social policy to know that you cannot have such an artificial economy as they tried to create, which hurt the poor more than anything else.

Oral Questions

NORTH ATLANTIC TREATY ORGANIZATION

UNITED STATES STRATEGIC DEFENCE INITIATIVE—REQUEST FOR COMMITTEE REFERRAL

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Deputy Prime Minister and has to do with star wars. In view of the fact that there is confusion, not only here but in the U.S. and in Europe, with respect to this research and its horrendous implications, would the Deputy Prime Minister be prepared to submit the issue of Canada's entry into a research agreement with the United States to the appropriate House committee so that parliamentarians would have some very significant input into the Government's ultimate decision?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Well, consistent with our desire, unlike the previous Government, to see matters of significant import such as this one obtain the fullest possible public discussion, of course we would want to generate House input, and the input of the standing committee and others. But in the final analysis it is the committee itself which will have to make that kind of request, rather than us imposing an agenda on the committee. Certainly if such a request is received, it will be given every consideration.

Mr. Blackburn (Brant): I thank the Hon. Minister for his answer. I have to assume that if a committee did request a House order he would not oppose it. I assume that is the substance of his answer.

CANADIAN SUPPORT

Mr. Derek Blackburn (Brant): Mr. Speaker, I have a very brief supplementary. The Prime Minister has been quoted as saying that a majority of Canadians are supportive of the SDI concept. I would like to know what evidence the Government has to support that assertion, and would it please table it?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): To answer the first part of the question first, if the committee comes to the conclusion that it wishes to examine this or any other current matter in the public domain and before Parliament, we would expect to receive a request from the committee when it is considering what kind of reference it wishes to have. It would be at that point that we could give the matter attention. I would suggest that the logical point to start would be in the committee itself, in the steering committee.

With respect to the larger question of support or non-support for the specific research program of SDI, we are well aware that there are significant political and strategic implications to the research program which, in all probability, certainly judging from the questions from the Official Opposition and from what I have read, really have not gone to the core of the issue. It would seem to me to be most important for Members to be conducting that kind of dialogue in committee rather than in the House of Commons.

CANADA POST CORPORATION

HIRING OF MAIL CARRIERS

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is directed to the Minister of National Revenue who is responsible for the Post Office. As the Minister is aware, because of questions put to him previously, there are persons in Canada Post who are indicating there will not be additional mail carriers hired. I look to the Minister for the assurance that this will not be the case, so that all Canadians are treated equally and growth areas in Canada will be provided an "essential service", as it is labelled by Treasury Board.

● (1440)

Hon. Perrin Beatty (Minister of National Revenue): Did you ever notice, Mr. Speaker, that if you really want to get a tough question you have to go to this side of the House?

Some Hon. Members: Hear, hear!

Mr. Beatty: I know that Members on all sides of the House share the Hon. Member's priority for providing the best possible service to postal customers. Obviously there is a trade-off which the Post Office has to make at a time when a massive deficit is being run. The Post Office will be coming before the parliamentary committee to defend its Estimates. At that time perhaps the Hon. Member, and others, could raise these matters and give the Post Office their guidance on where the priorities should lie.

There is some allocation in the Budget this year for increased service to households, as well.

* * *

ROYAL CANADIAN MOUNTED POLICE

PREMIER'S TRIAL—INTERNAL INVESTIGATION

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Solicitor General, and it concerns the Richard Hatfield affair.

Some Hon. Members: Oh, oh!

Mr. Nunziata: Hon. Members wanted a tough question, and I am going to give them a tough question.

Some Hon. Members: Hear, hear!

Mr. Nunziata: Canadians are still waiting for answers. They are waiting for the internal RCMP investigation into the Hatfield affair. On Tuesday of this week we learned that this internal report is substantially complete. However, we were shocked to learn that Premier Hatfield was not personally interviewed in the course of the investigation.

In view of the very serious allegations made by Premier Hatfield concerning the conduct of the RCMP, accusing the RCMP of being a party to a conspiracy to overthrow him and his Government, would the Solicitor General not agree that it

is absolutely imperative that the RCMP personally interview Premier Hatfield to determine whether there is any substance to those most serious allegations, and to clear the good name of the RCMP?

Some Hon. Members: Hear, hear!

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, and that is supposed to be a tough question? I would hope the Hon. Member would not expect me to undermine public confidence in the Commissioner of the RCMP by directing him on what he should or should not do in terms of this particular internal review.

Mr. Nunziata: Mr. Speaker, the Solicitor General undermined public confidence in our criminal justice system. His conduct continues to be disgraceful and deplorable in this matter.

REQUEST THAT MINISTER ISSUE INSTRUCTIONS TO RCMP

Mr. John Nunziata (York South-Weston): Will the Solicitor General immediately instruct the RCMP to investigate Premier Hatfield's allegations fully? Will he instruct the RCMP to interview Premier Hatfield personally?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, to the Hon. Member, who continues to demonstrate that his reach concerning this issue far exceeds his grasp of it, the answer is no.

Some Hon. Members: Oh, oh!

* * *

TRUST COMPANIES

PIONEER TRUST COMPANY—PLIGHT OF RETIRED FARMER

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of State for Finance. Could we have some order, Mr. Speaker? My question is in relation to Pioneer Trust which the Government allowed to collapse a few weeks ago. I have in my hand a letter from a retired Saskatchewan farmer who informs me that he put all of his assets into two guaranteed income averaging certificates, one for a six year term and one for a seven year term. He did so with no hesitation, knowing that he could be fully insured by the Canada Deposit Insurance Corporation for those particular deposits.

Is the Minister aware that this retired farmer, and perhaps hundreds like him, will not be reimbursed for one single cent of their savings because they were not informed by Pioneer Trust that the CDIC only insures investments of this kind for five years? If she is aware of that, can she tell us what assistance she will give to this retired farmer, and hundreds of ordinary Canadians like him, who have lost their entire savings because of what Pioneer Trust did?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, no one is more concerned about the people who save money in this country than I am, and that includes retired farmers. I am aware of the situation that the Hon. Member raises. I have looked at the legislation and discussed it with my officials. I have informed him, time and again, that I am in constant conversation with officials in Saskatchewan. The Canada Deposit Insurance Corporation legislation is clear, but I am still discussing the situation with the Province of Saskatchewan.

Mr. Nystrom: Mr. Speaker, I do not want sympathy. I want action from the Minister across the way.

TIME LIMIT ON INSURANCE

Mr. Lorne Nystrom (Yorkton-Melville): I had a chance to talk to this farmer on the telephone yesterday. He told me that his application for these two guaranteed income averaging certificates have a standard CDIC stamp on them saying that his investment was insured. They are stamped "insured".

The Minister responsible says she has looked into the case. Can she inform the House why Pioneer Trust was allowed to ignore the CDIC by-law which states that member institutions must clearly refer to the five-year limit guarantee for investments of this kind? Why was it allowed to do that? Can she also tell the House very clearly whether or not she will compensate these innocent victims of Pioneer Trust?

Mrs. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have informed the Member before that I am looking into this matter with the Province of Saskatchewan and with the officials of my Department. I would also like to point out that one of the first things I did after taking office was to appoint a committee to study the Canada Deposit Insurance Corporation and its operations. I share the concern of the Hon. Member for people like his constituent.

* * *

OLYMPICS

COST OF 1988 WINTER OLYMPICS

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. It is with regard to the Winter Olympics which will be held in Calgary in 1988. The Chairman of that committee stated that it will not cost taxpayers 1 cent. Can the Minister assure the House that this will be true?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I can assure the Hon. Member that there will be no deficit financing of the games because there will not be a deficit. As the Chairman of the Olympic Organization Committee, Mr. Frank King, said: "We will only spend $1 Billion if we raise $1 billion and invest it in the games". I applaud that attitude, because bigger and better games are going to be beneficial for Calgary and Canada, and will leave

a tremendous incentive and legacy for our youth, and amateur athletics as a whole.

Some Hon. Members: Hear, hear!

* * *

ABORIGINAL RIGHTS

GOVERNMENT POSITION

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. A federal government position paper dated March 26 seems to indicate that the Government may be ready to advocate the recognition of aboriginal self-government and entrench it in our Constitution. However, like so many government documents, it is not clear at all. It hedges and fudges quite a bit.

I would like the Minister to clarify this for us. Is the Government of Canada going to advocate, at the First Ministers' Conference, that the right to aboriginal self-government be entrenched in the Constitution as an inherent right? Or, do all these ifs, ands, and buts in the document mean that all we are going to do is transfer to aboriginal people some administrative duties and responsibilities? If that is all it means, we do not need a constitutional conference.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I think the Hon. Member is aware, according to the papers the document he has is a "leaked" document. Since it is a "leaked" document by definition, it is fair for me to say that I probably do not know what it is. If I knew what it was, it would not be "leaked". I am not sure exactly what the Hon. Member is saying since I do not have a copy of the document he has in his hand.

With regard to the question about self-government, I think the Hon. Member would be the first to insist that the discussion ought to occur and the information ought to flow between the Government, the provinces, and the aboriginal people. We will do it at the appropriate time.

FIRST MINISTERS' CONFERENCE

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, that is exactly the point. Unless we will have a recognition of the inherent right of aboriginal people to self-government, and unless the provinces are prepared to go along with such a progressive position as may be in this document, then all we will have next Tuesday and Wednesday is another public relations exercise, which the Tories are so good at.

● (1450)

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I hope the Hon. Member won't mind if I remind him that the previous conferences in 1983 and 1984 were run by his Party and, by all standards, they were lacking in success.

I can assure him that on April 2 and April 3, if he would give us a little hope and charity, he will find some success which his own Party was unable to deliver.

* * *

TRADE

UNITED STATES ACTION AGAINST CANADIAN PORK EXPORTS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister for International Trade. He will remember that a week and one-half ago there was much bally-hoo about the new relationship between the Prime Minister and the President of the United States and between the Government of Canada and the administration in the United States. I understood the import of that to be that Canadians were going to benefit from this brand new and cozy relationship. Why, then, are the Minister's friends in the administration in the United States shafting our hog producers?

Hon. John Wise (Minister of Agriculture): I must apologize, Mr. Speaker. I did not hear the Hon. Member's question. I thought it was directed to the Minister of International Trade.

Some Hon. Members: Oh, oh!

Mr. Blaikie: It was.

Mr. Wise: However, I would like to utilize this opportunity to respond to the question.

Mr. Riis: You have no idea what the question is but you will say something anyway.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. It is a little difficult for the Chair to accept that a Minister can respond to a question whicl. he did not hear. The Hon. Member for Hamilton Mountain, on a supplementary question.

Some Hon. Members: Oh, oh!

IMPACT ON CANADA

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have a supplementary question, but I asked the original question of the Minister for International Trade. He does not seem to understand that it is his responsibility. Therefore I will also ask him how many Canadians will be sacrificed before the Minister and the Government understand that the new relationship works in only one direction, in favour of the United States of America and against the Canadian best interest?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am now certain that I heard enough of the last question to know that indeed the Hon. Member was absolutely wrong, because it really points out the need for closer co-operation and, indeed, further meetings with the President and the United States, to resolve these problems in the future. There is no question about that at all.

The Hon. Member must remember that this is a situation that started in 1984. I believe we should take some satisfaction in the fact that the President of the United States indicated that on his return to the United States he would do everything possible to eliminate these situations from taking place in the future.

* * *

[*Translation*]

AGRICULTURE

PORK PRODUCERS—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I also have a question for the Minister of Agriculture. The Minister says that the American President went back to the United States and did what he could. He can thank the President for unilaterally slapping on a tax of 5.3 cents per pound. If that is the kind of help this Government wants from the President of the United States, Canadian farmers are not likely to forget it.

Mr. Speaker, the Conservatives have barely managed to sleep off their Irish coffee when we get a tax of 5.3 cents per pound. The Minister of Agriculture must be aware of the fact that since this morning, the markets are in a panic, the price of pork has dropped nearly 10 cents and millions of dollars worth of orders have been cancelled. What has the Minister done this morning to deal with a crisis that is going to ruin the pork producing industry?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think we should recognize that this question was raised yesterday outside the House and I responded to it yesterday. I indicated that I am extremely disappointed that this action was taken by the United States Government. However, it should be noted that it is a preliminary action and, of course, we will not know the final outcome until June or July.

We should also recognize that there are some very legitimate reasons why fairly substantial volumes of pork are moving to the United States, to the extent of approximately 20 per cent of our domestic production. Most will realize that the major contributing factor is that there is a substantial difference in the dollar. There are lower labour costs in U.S. plants, and American slaughter operations can buy the types of hogs from Canadian sources that their market requires.

[*Translation*]

Mr. Lapierre: Mr. Speaker, I would say to the Minister that his answer is not worth a pig's squeal to producers in Quebec and the rest of Canada.

Mr. Speaker, during his visit, President Reagan told the Prime Minister he was as close as his telephone. Has the Minister of Agriculture approached the Prime Minister to ask him to call President Reagan immediately before the entire agricultural industry is flat on its back?

[*English*]

Mr. Wise: Mr. Speaker, the Hon. Member and, indeed, his opposition colleague, continue to ignore the obvious facts in this case. This action began in 1984 and the Hon. Member should recognize that, indeed, the lines of communication are always open and they are utilized at every possible opportunity when we think it will be in the best interests of domestic producers. I can assure the Hon. Member that we intend to utilize every line of communication to resolve this problem positively, in favour of Canada's pork producers.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

REQUEST FOR CLARIFICATION ON NUMBER OF JOBS PROMISED BY BELL HELICOPTER AT MIRABEL

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I would like to direct a question to the Minister of Regional Industrial Expansion, if he could return to his seat.

Yesterday, Bell Helicopter announced there will be a one-year delay in production start-up at its plant in Mirabel. When the Minister met with the directors of the company, did he mention the fact that the company president announced he would be hiring only 600 people instead of delivering 2,100 jobs as promised?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I think this unfortunate misunderstanding that has occurred with respect to the number of jobs comes partly from the rather inaccurate advertising that the previous Government put out concerning this particular development.

The job expectation of 3,000 jobs or 2,000 jobs that is generally referred to is over a fairly long timeframe. The number of jobs that are being specifically talked about today and committed to are for a shorter timeframe and not dissimilar to the original announcement that was made at the time the Bell helicopter deal was originally entered into.

REQUEST FOR PUBLIC INQUIRY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, in view of the fact that the Minister has acknowledged that there

is confusion, that the project has been delayed a year, and that the company itself has made varying statements with respect to how much it is putting up, will the Minister support a public inquiry at this stage to get to the bottom of this whole set of confused facts and relationships?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I hope the Hon. Member will not contribute to the confusion to which he is referring. The fact is that this project is proceeding. With respect to the time delays, it is not that unusual to have some time delays in a high technology deal. The management has assured me that it is as committed today as it was then to put up the money that was originally anticipated. In short, if the Hon. Members and others will be patient, I believe that this may well be one of the more successful endeavours that Canada has helped sponsor.

* * *

● (1500)

HOUSING

MORTGAGE INTEREST RATE LEVELS

Mr. Scott Fennell (Ontario): Mr. Speaker, my question is directed to the Minister of Finance. A large number of my constituents are very concerned about the mortgages on their homes. What will the Minister of Finance do about the high interest rates which these young people are having to face?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I waited throughout Question Period for a question concerning interest rates. I am sure Hon. Members will be very pleased to know that the Bank of Canada rate is down over a half of one per cent this week.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): That is on top of the half of one per cent of last week, or over one per cent in two weeks. As I said to the House about four weeks ago, by the end of this month I expected that interest rates would come down, and I am very pleased to report that they have.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of two, presented by Hon. Members on Wednesday, March 27, 1985, meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Essex-Windsor (Mr. Langdon) and by the Hon. Member for Richmond-Wolfe (Mr. Tardif) do not meet the requirements of the Standing Orders as to form.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, what House business does my hon. friend propose for the coming week?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, as Hon. Members will know, after a rigorous session we are looking forward to a recess so that we will be able to return to our constituencies for Easter, commencing on April 3. We have pieces of legislation of some importance with which we should like to deal prior to that time.

Full and active discussions took place yesterday and today. Correspondence has been exchanged among the Minister of State for Finance (Mrs. McDougall), the Hon. Leader of the Opposition (Mr. Turner) and the Leader of the New Democratic Party. As well, there have been discussions among House Leaders concerning the business for the balance of today and tomorrow.

On the basis of an agreement on the part of all Parties, it is my proposal to introduce legislation for first reading at the appropriate time today. It is a Bill with respect to the Canadian Commercial Bank. With unanimous consent, we could move to second reading of that legislation immediately upon Orders of the Day being called. The understanding of the Parties is that we would complete second reading consideration in all respects this afternoon.

The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), who was supposed to bring forward a motion under Private Members' Hour has graciously agreed to postpone consideration of his motion, which would mean that we would have that hour for consideration of this legislation on second reading.

Tomorrow the House could revert again to this piece of legislation and consider it at all remaining stages, including Committee of the Whole consideration, to allow a full discussion of the Bill.

As part of this arrangement the New Democratic Party brought forward the suggestion, which is supported by the Official Opposition, that after the Bill has been passed and Royal Assent given, I bring forward a reference to the Standing Committee on Finance, Trade and Economic Affairs. We hope Royal Assent will be obtained at the end of the day tomorrow, as the other place will have an opportunity to preconsider the legislation. After full consultation and approval on the part of both Opposition House Leaders, I will bring forward this reference concerning the matters leading up to this legislation and indeed the legislation itself. This will provide Hon. Members with an opportunity to consider the circumstances leading up to the legislation which will be brought forward for consideration today. In brief, that is what I propose for today and tomorrow.

As far as business for next week is concerned, there are a number of items which I will have to wait until tomorrow to discuss with Opposition House Leaders and with Hon. Mem-

bers in general. We do have the Bill which we were considering this morning. Indeed, other pieces of legislation may come forward at the beginning of the week. I will discuss the matter with Opposition House Leaders and announce tomorrow the business for next week.

Mr. Gray (Windsor West): Mr. Speaker, we in the Official Opposition would like to see the House expedite consideration of the Bill dealing with the rescue of the Canadian Commercial Bank. We are certainly willing to have the Bill go through all stages by the close of business of the House on Friday. However, I should like to suggest and have it confirmed that second reading start at five o'clock in lieu of Private Members' Hour. We know that the Minister of Energy, Mines and Resources (Miss Carney) has a statement to make on motions today. It is of some importance, and there will be replies to it by Opposition spokesmen and questions. This might take us very close to Private Members' Hour anyway. Certainly we are ready to undertake that second reading be completed today. We would like most of tomorrow to be devoted to Committee of the Whole stage.

With respect to the terms of reference of a motion dealing with the circumstances leading up to this Bill to the appropriate committee for study, I should like to consult with my hon. friend on some changes in the terms of reference which will make them more acceptable to the Official Opposition.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I know that this is not the time when you will be seeking the necessary unanimous consent to allow the House to proceed with second reading, but I want to indicate that the House Leaders of the Government and of the Official Opposition and I discussed the possibility of proceeding in the way the Government House Leader indicated today.

I want to make it clear that our agreement to proceed today is in recognition of the potential for an even greater disaster in the banking community. It is not an acceptance of this particular method of handling these kinds of unfortunate circumstances. We do not agree that the Government has acted appropriately but, since this is the action to be taken, it should be taken swiftly.

The terms of reference to allow the Standing Committee on Finance, Trade and Economic Affairs to go into the details of the conditions and circumstances which led up to the near collapse of the Canadian Commercial Bank are an integral part of our agreement to proceed expeditiously with the passage of the Bill. I believe, as do my colleagues, that it is vitally important at this point to review very seriously what occurred within the Canadian Commercial Bank and the banking community at that point. Otherwise the same kinds of circumstances could easily occur again.

Mr. Hnatyshyn: Mr. Speaker, as a result of the comments which have been made, there is a consensus to proceed on a reasonable basis. While I would not use the exclamatory phrases of the Hon. Member for Hamilton Mountain (Mr. Deans) with respect to this particular legislation, I want to make quite clear that the Minister of State for Finance has been very forthcoming on this matter and in fact has always wanted to have it discussed fully on the floor of the House of Commons. She has been very receptive and has instructed me to say to the House that we are very much in favour of having the matter referred to committee for the fullest and most responsible discussion in the national good. That is the attitude with which we all enter the matter. We appreciate the responsible way in which the House Leaders of the Official Opposition and the NDP are approaching this important issue.

• (1510)

ROUTINE PROCEEDINGS

[*English*]

CANADIAN COMMERCIAL BANK

TABLING OF MEMORANDUM OF INTENT

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 46(2), I have the honour to place on the Table in both official languages a Memorandum of Intent regarding the Canadian Commercial Bank. Since two parties to the agreement will be signing the document today, I am tabling an unsigned copy.

* * *

ENERGY

TABLING OF WESTERN ACCORD

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, with the consent of the House, I would like to table under the provisions of Standing Order 46(2) a copy of the Western Accord in both official languages, and I will be making a statement under Statements by Ministers.

Some Hon. Members: Hear, hear!

STATEMENT ON WESTERN ACCORD REACHED WITH ALBERTA, SASKATCHEWAN AND BRITISH COLUMBIA

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, it gives me great pleasure to announce today a new energy policy for Canadians, the Western Accord, a comprehensive agreement between the Government of Canada and the Governments of the oil and gas producing provinces of Alberta, Saskatchewan and British Columbia.

Like the Atlantic Accord which the Government signed with Newfoundland and Labrador only six weeks ago, the Western Accord marks a milestone in our country's history. The Atlantic Accord gave Newfoundland and Labrador equality within Confederation by allowing the offshore resources to be treated

as if they were on land in the interests of a strong and united Canada. The Western Accord maintains the spirit of Confederation by ending discrimination against the western provinces, discrimination imposed in a cruel and arbitrary fashion by the Liberal Government's national energy policy.

Some Hon. Members: Hear, hear!

Miss Carney: Both Accords are aimed at ensuring energy security for all Canadians by encouraging the development of our vital energy resources. Both Accords are aimed at creating jobs for unemployed Canadians in all regions of Canada. Energy means growth, investment, unity and opportunity for all Canadians. Energy can be used to unify Canada, not divide it.

If rigs are working on the offshore, then plants are operating in Ontario and shipyards are working in Quebec and B.C. When oil sands plants and upgraders are being built in Alberta and Saskatchewan, jobs are created across Canada. Energy truly can be developed as an engine of growth, of national conciliation and of economic renewal.

The days of federal-provincial acrimony and confrontation that marked the last decade are over. The Western Accord hammered out between myself and my western colleagues over the past few months and which was finalized this week in Vancouver contains three fundamental concepts which we believe will strengthen this country's petroleum industry. The first concept is deregulation of crude oil pricing in Canada; the second is the complete overhaul of our natural gas pricing and marketing system; and the third deals with the severe problems of our current oil and gas fiscal regime, a fiscal regime that has shackled our petroleum industry and forced consumers to pay artificially high prices.

Let me deal with the deregulation of crude oil. Since the national energy policy was imposed in October, 1980 Canadians have suffered from a bureaucratic nightmare, a nightmare which has frightened away foreign investment, boosted prices at the pumps, and discouraged those who wanted to go out and find new sources of oil and gas. Those days are over too. Beginning on June 1, 1985 we will let buyers be buyers and sellers be sellers. In other words, under deregulation the market will decide what crude oil prices will be.

I want to stress, however, that Canadians will be protected from the volatility of international markets and, in the event of serious disturbances, the federal Government will take steps to protect Canadian consumers. The same will be true for crude oil exports. To protect the national interest, the federal Government can restrict exports as required. If Canada's energy security was threatened, we would act, and act decisively.

There will be significant changes for our domestic natural gas industry as well. A universally accepted premise between myself and my western colleagues was the need to have a more flexible and market-oriented natural gas pricing system that is fair to consumers and producers alike. Implementing this system, however, in the interim, will take some time because there are outstanding contracts in force. We have agreed to maintain the Alberta border price of natural gas at its present level pending the introduction of a new domestic gas pricing regime which will be in place by next November. Furthermore, we have formed a joint task force to work closely with the industry to develop this new system.

Third, and perhaps most importantly, we have agreed to change fundamentally the fiscal regime, a regime that has discouraged investment and threatened Canada's energy security. Today, in keeping with the Conservative campaign promises, I am announcing the beginning of the end of the Petroleum and Gas Revenue Tax.

Some Hon. Members: Hear, hear!

Miss Carney: The PGRT, which taxes revenues and not profits, is hated by western Canadians and will be cut in half in two and a half years and eliminated totally the year after. We are also abolishing five other charges and taxes, including the Petroleum Compensation Charge and the Canadian Ownership Special Charge which is paid by consumers.

The end of the PGRT will mean that ambitious projects like Venture and Hibernia, the Alberta oil sands plants, the Beaufort wells, and the Vancouver Island pipelines of this country will be able to attract the massive amounts of new capital needed to develop them and thus ensure energy security for Canadians. The elimination of the PGRT will mean reinvestment on a large scale in Canada. Canadian security of supply demands it. And under the terms of the Western Accord, the federal and producing Governments expect such reinvestment will occur. To ensure that it does, we will be monitoring the industry's performance very carefully to ensure that the industry's historic high level of investment is enhanced.

In addition, there will be no PGRT applied on new projects and new production, effective April 1. This will encourage immediate construction of new plants and increased exploration and development of new energy resources. This will increase activity in all oil and gas regions of Canada.

We have also taken steps to ensure that smaller Canadian companies will be given the opportunity to participate in the development of our oil and gas resources by enabling companies in a non-taxpaying position, mostly Canadian, to take advantage of PGRT deductions that will put them on an equal footing with foreign-owned companies.

As we have promised, Mr. Speaker, we will phase out the Petroleum Incentives Program as well, but I can assure this House that any commitments already made under the program will be honoured by the federal Government. This will ensure stability in offshore and Beaufort exploration and development. Furthermore, PIP will be replaced by a tax-based incentive regime that discriminates against no one but will encourage the development of new, high-risk projects. The Government of Canada will consult with Newfoundland and Labrador, with Nova Scotia and with the Territorial Governments on appropriate incentives.

Under the terms of the Western Accord, the provinces agree to flow through to the industry all benefits arising from oil deregulation, federal tax relief and any savings from the

elimination of provincial incentives associated with the termination of the federal Petroleum Incentives Program.

These are only some of the highlights of the Agreement I signed with my western counterparts. Throughout our discussions our overwhelming desire was to create the kind of climate in Canada that will stimulate investment, end discrimination and create the economic growth needed to put Canadians back to work in the interests of a strong and united Canada. We have reached an agreement that will unify and benefit all parts of our diverse nation. We now look to the industry for the reinvestment of new revenue that will create jobs and ensure adequate future oil supply to ensure Canada's energy security.

With the Western Accord, we are encouraging oil and gas companies to do what they know best, to find and develop new sources of energy for future generations and to create jobs and economic opportunities for all Canadians.

Some Hon. Members: Hear, hear!

• (1520)

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, first I would like to say that I agree with the Minister of Energy, Mines and Resources (Miss Carney) in that an agreement between the federal Government and the western provinces is preferable, not only in the interests of the economy of western Canada but in the interests of the economy of Canada as a whole. I sincerely hope that this Agreement will provide the jobs that the Minister claims it will. But we should not have an agreement for the sake of having an agreement. In that regard, I cannot agree with the Accord which was signed by the Minister and the three western provinces.

The Minister said that deregulation in the market will decide what crude oil prices will be. Undoubtedly that will mean increased oil prices for the consumer.

Some Hon. Members: No!

Mr. MacLellan: I would ask Members opposite if they can remember a time when the oil companies rolled back prices in any situation unless they absolutely had to. It will not mean lower prices for consumers.

The Minister's statement said that Canadians would be protected against volubility in international markets and that the Government would take steps to ensure that. What steps will the Government take? It could be a very serious situation if problems arise in the Middle East and oil prices escalate very quickly. We need to know exactly what the Government is prepared to do. If it is going to give any kind of meaningful compensation to Canadians it will have to be a financial commitment. We want to know from the Government what it is prepared to do.

What will the Government do to pay for what it has accomplished? It will put an additional tax on the consumer. Where will that come from? At the present time the multinational oil companies account for 60 per cent of old oil. In fact, with the deregulation of oil prices they will receive a tremendous windfall profit. The Minister of Finance (Mr. Wilson) was asked earlier what the Government would do to protect the consumer in that regard. He said that the answer would be provided in the Minister's statement. Well, it was not provided in the Minister's statement.

What will the Government do with respect to natural gas? We have no answers on that subject, other than that we will not get an answer until next November. Certainly we will not get an answer until after the Ontario election. Obviously, it means increased natural gas prices for people in Canada.

The Government said that it would do away with the Petroleum and Gas Revenue Tax in the next 3.5 years. The Government has said that without the PGRT projects like Venture and Hibernia will be able to soar and develop. How will they develop when the Government has taken away the grants under the Petroleum Incentives Program? Chief executive officers in the energy sector have been asked what the taking away of PIP will mean to Venture and Hibernia. They said that essentially it could mean the end of both projects and that all the action in the energy sector would move to western Canada. Certainly I do not disagree with increased energy involvement in western Canada, but it will mean a very serious situation in eastern Canada.

Some Hon. Members: No.

Mr. MacLellan: Yes, it will. We do not have answers from the Government as to what will replace this very important program. I say to the Minister of Finance that it is important. We need answers. Both of those projects are at a very critical stage. We can have the Atlantic Accord and all the agreements in the world, but unless the fiscal regime is in place we cannot convince the energy sector to invest in eastern Canada.

What will happen? We do not know what will happen until we get the answers from the Government. What will happen in Newfoundland? Conceivably, Hibernia could not go ahead, or it could be postponed indefinitely. That would be a tremendous travesty for eastern Canada, which is already suffering tremendous unemployment.

The Government said that it would consult with Newfoundland and Nova Scotia. Why did it not consult with Newfoundland and Nova Scotia before it reached the energy agreement with western Canada? It would only have been a courtesy to do that, because they too are energy-producing provinces.

What about the Petroleum Compensation Charge? The Minister of Finance in his statement of November 8, and yesterday in the House, said that the Petroleum Compensation Charge would be phased out. He also said last November that he hoped to get $1.2 billion of the Petroleum Compensation Charge back at the negotiating table. That was completely ruled out at the outset of the negotiations. There will be no compensation from this agreement to pay back the moneys which are owing in that account.

What about Canadianization? The Minister said that all companies would be put on an equal footing. What is wrong with giving a little edge to Canadian companies? What is

wrong with improving and increasing Canadianization in the energy sector?

Some Hon. Members: Nothing.

Mr. MacLellan: That is what we want to see. There is no commitment in this document on this very important question.

Some Hon. Members: Yes, there is.

Mr. MacLellan: It is a very vital factor.

We know that the PGRT will be done away with. That was one of the Government's commitments. But what will that mean? Where do we go from here? What did we get from the Province of Alberta? Nothing. We did not get any reduction in royalties whatsoever. It is a one-way street. Alberta would not even consider a reduction in the royalties. Alberta will increase the Heritage Fund. I would not mind if a little of that money went to the Province of Alberta. There is great unemployment in Alberta and it has food lines, but the Heritage Fund stays in the bank. Increasing the Heritage Fund will not help the people of Alberta in the short term. Certainly it will not help the economy of this country. Premier Lougheed has said that he is saving the fund for a rainy day. Well, we not only have a rainy day, we have an economic monsoon.

Some Hon. Members: Oh, oh!

Mr. MacLellan: Unless there is a commitment by the Province of Alberta to roll back their input—

Mr. Speaker: Order, please. With all due respect, the Hon. Member is entitled to make his statement with the same respect which was given the Minister.

Mr. Malone: But he's talking about Alberta!

Mr. MacLellan: Alberta is part of Canada and we are very proud of it, but it is putting $5 billion into the Heritage Fund each year.

This country needs economic activity. We cannot balkanize this country. The Prime Minister (Mr. Mulroney) said that this agreement would deal with balkanizing the country, but it does not. The consumers have yet to hear how this agreement will help the people of Canada. They have yet to hear how these amounts will be compensated. They have yet to hear that this will not be put on their backs for repayment.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to thank the Opposition critic for the Liberal Party for his fine comments. I would also like to thank the Minister for providing me with a copy of her remarks before she made her statement.

With this oil deal, the federal deficit is no longer a problem when it comes to giving money away to the oil companies. It is only a problem when it is a question of giving money away to ordinary Canadians. There is a double standard. If I was the Minister of Finance (Mr. Wilson), I would be ashamed. I would also be concerned about giving away the store. The Minister of Finance in the end will have to deal with the deficit and he has given away one of the major taxes of federal revenue.

On November 8, 1984, social programs were cut because of the need to cut the growth in the deficit. Today we have a situation where the oil companies virtually get the whole store, and all the cut-backs in federal revenue flow directly through the oil companies. There is even a guarantee in the Agreement that the provinces will let the revenue flow through the oil companies. When it comes to these oil companies, Mr. Speaker, on the pretext of federal-provincial co-operation, on which we all agree, four Conservative Energy Ministers become literally patsies for the industry, giving away the whole store. There is $2.5 billion going to the oil companies ultimately from that PGRT. The PGRT was a tough tax. It has certain constitutional problems. I agree with Premier Lougheed about that. It was really like a royalty and royalties belong to the province. But it did collect revenue for the federal Government from an industry which is not used to paying taxes. Once this revenue based system is changed to a profit based system, these companies find all sorts of write-offs and never pay any taxes.

• (1530)

The federal Government will have to make up that money somewhere. Where will it make it up? You guessed it, Mr. Speaker, it is ultimately going to be made up by the Canadian consumer. Perhaps it will be made up at the gas pumps. There is a speculation today that it will be made up with a tax which will amount to 5 cents a litre. The Conservatives are famous for putting up prices at the gas pumps. They have a history of that. They even lost an election over that, and they still have not learned.

The Government might do it another way. It might do it by some other kinds of taxes, but we will have to wait until the federal Budget to see. We go to world prices, the oil companies get the money and the consumer gets the rhetoric.

The Government is going to monitor the situation. But that is not going to make any difference. The Government already monitors it. There is the Petroleum Monitoring Agency. There is nothing in this deal, Mr. Speaker, to show that when this money goes to the oil companies, it is going to be reinvested in Canada. As a matter of fact, when we go to world price, what will happen is that old oil—that is oil which was found before 1974—will go up in price somewhere between $4 and $7 a barrel. New oil, which is oil found after 1974 and would include Hibernia, offshore oil, and so on, would go down in price I believe about $3 to about $6 a barrel. If it goes down in price, who are the winners and the losers? The winners are the people who own the old oil and, by and large, they are the multinational oil companies, Shell, Gulf, Imperial and so on. They will make over $300 million as a windfall and there is no mention in here of any windfall profits tax. There is no way of recouping that money. Who will be the losers? The losers will be the Canadian companies which own that new oil.

I believe it is an irresponsible deal, and it is not even a "deal", because the Government gave away all its ace cards

before it got into the negotiations. In the famous red barn speech of the Prime Minister (Mr. Mulroney) in July, just before the federal election was called, he said, "We will eliminate the PGRT". So the Minister went there virtually without any ace card against a very tough negotiating team from Alberta.

The phrases in the Minister's speech, such as "The engine of economic growth" and so on, really worry me. These are the phrases we heard said by the Canadian Petroleum Association to the Energy Committee of the House of Commons in the early 1980s. I heard these phrases day in and day out from big oil companies. The Minister, a patsy for the oil industry, has bought it hook, line and sinker.

Where is the Government going to make up the lost revenue, Mr. Speaker? The Government distributes its own figures and I will quote from them. The petroleum revenue sharing in 1984 resulted in $22 billion in revenues and $3.8 billion was to go to the federal Government. This is the sharing of the pie. They are now giving away a substantial chunk of that revenue in the PGRT. Where is it going to be made up? There is talk of jobs being created. Yes, there are some jobs created in Alberta and Alberta needs those jobs, but I point out to you, Mr. Speaker, that the petroleum Monitoring Agency reports that for the first six months of 1984, as compared to the first six months of 1983, the oil industry profits in Canada increased by 40 per cent. That is up by $1.7 billion for the whole industry. Capital expenditures for the same time went down by 5 per cent. Thus, with respect to the recent increase in gas prices, there is no justification for giving the industry more money. As far as the return on investment, we cannot believe that propaganda. John Halliwell, the respected B.C. economist, said in a report recently that in fact the oil industry was making 50 per cent more in return on investment than other types of Canadian industry. And the Government is buying its line. Hon. Members should read the comments of the Ontario Deputy Minister of Energy, Duncan Allen. He said in January, and I quote:

> "The engine of growth (oil industry) grabs a whole lot of money from consumers in the form of a significant withdrawal of purchasing power in Ontario and has very limited offsetting effects in terms of jobs, purchasing, employment and investment—on balance, it's negative except (for) Alberta", Allen said.

In fact, he said, diverting money and resources to the petroleum industry is a poor investment in terms of job-creation. For every $1 million invested in the petroleum industry only 15 permanent jobs are created for Canadians. He went on to say that there will be a loss of 60,000 jobs if we go to world prices in Ontario.

I want to ask the Minister, and I will do so later, whether she has consulted with Frank Miller and asked him whether he agrees with his own Deputy Minister of Energy in Ontario. The Minister of Energy in Manitoba has said that going to world prices will cost 1,500 jobs in Manitoba and a lot more across the country, which the federal Government is not calculating. He said that if world prices are necessary, there must be trade-offs. We want to find out what the trade-offs are which will help the other parts of the country and what will help the consumer.

We want to find out as well what will happen with natural gas. This is a partial deal. The real guts of the dispute between Alberta and Ontario will be in the pricing of natural gas. What the Government has done here is simply to put off the deal on natural gas. We want to find out if the Government will be prepared to commit itself to ensuring that in the future the export price of gas will never fall below what Canadians have to pay for gas. We will find that out when the real deal comes through.

There are lots of things I can say about the Agreement. First, there is a new book on the National Energy Program. I was here when this program was put through. There are a lot of problems with the National Energy Program. There were bureaucratic programs as only the Liberals could have with their grants and back-ins and so on. But the fact is that we need the National Energy Program for Canada. We cannot buy all the rhetoric of the oil companies. We have to give a fair deal to both the producers and the consumers. And this is not a fair deal for the consumer or the general public. This is giving away all the revenues, giving away all the store to the oil companies, largely the multinational oil companies. In spite of all the rhetoric from all sides of the House, the key question will be what will be the world price. That will decide whether the industry really goes. But now we are at the mercy, I feel, of some very false world prices, such as that of OPEC. But we will just have to wait and see. Meanwhile, I will have some particular questions for the Minister.

Mr. Dingwall: Mr. Speaker, I have not had an opportunity to view in great detail the contents of the Agreement the Minister has signed, but perhaps for Hon. Members of the House she would be kind enough to explain what the Government of Canada will lose in terms of revenue as a result of reducing the PGRT, particularly in fiscal years 1985-86 and 1986-87.

My other two questions have to do with the Petroleum Incentives Program. The Minister in her statement alluded to the fact that any existing agreements which are in place she will honour, and I respect her for that. However, is the Minister saying to the Province of Nova Scotia, in terms of replacing the Petroleum Incentives Program with a tax based incentive, that there will not be any way in which there will be any grants forthcoming to the province? Is she eliminating entirely the prospect of a grant as well as a tax based incentive for, say, provinces in Atlantic Canada? It is very important that that still remain as part of the negotiating process.

● (1540)

My third and final question—it is important, notwithstanding your desire to expedite the questioning—is whether the Minister can indicate to us what if anything the producing provinces have given to the oil and gas industry with regard to reducing their royalties? Did the Minister specifically ask that their royalties be reduced? If so, was she successful in getting any of those royalties reduced?

Western Accord

Miss Carney: Mr. Speaker, clearly the Hon. Member has not had an opportunity to read the Western Accord.

Mr. Dingwall: I just got it.

Miss Carney: I have endeavoured to make copies available to Members, and they will be available afterwards. However, it gives me an opportunity to say that the whole purpose of the Western Accord was to create jobs which were lost under the National Energy Program. He is speaking for the Party that drove 250,000 jobs out of western Canada.

Mr. Dingwall: Try not to be yourself. Be nice for a change, and answer the question.

Miss Carney: Obviously the Hon. Member does not wish to have an answer. If he would like an answer, I will continue.

Mr. Dingwall: Let's have an answer.

Miss Carney: The estimates of the number of jobs created in the package before us range from 100,000 to 300,000. That is the whole purpose of the Agreement. Energy is the one sector where you do get job creation quite quickly. That was the record of the industry before the NEP was brought in.

To answer the Hon. Member's question, the whole package was designed to maximize the economic opportunities and create jobs with minimum impact on the fiscal framework of this Government in the early years. Therefore, the loss of revenue in the first two years will range annually between $300 million and $500 million. We anticipate, in consultation with the Minister of Finance (Mr. Wilson), that that amount will be more than exceeded by the increased revenues resulting from people being back to work and increased corporate taxes.

I would like to make the point that one of the Member's colleagues said that the industry does not pay taxes. In fact, it pays about $2.6 billion a year in taxes. We expect to get back more than we lose from the PGRT in those critical first years until we can start bringing down the deficit with which his Government saddled the Canadian people.

As to his comments about PIP grants, no Hon. Member from Nova Scotia could do more harm to his own province than to suggest that we are going to terminate PIP grants. We have told Nova Scotia, the Premier of Nova Scotia, the Minister of Energy of Nova Scotia, we have told everyone in the Maritimes except possibly the Hon. Member, that we will honour all commitments under PIP. Every single exploration agreement in place will be honoured. That will cost this Government about $3 billion in the next two or three years. We have done that, as I said in my speech, to provide stability for those companies that are out there drilling. We have enhanced their position by the extra incentives I have announced today.

As to the producing provinces and their royalties, may I point out that unlike his Party, this Party respects the Constitution of Canada. That Constitution makes it very clear that royalties are the prerogative of the provinces. What we have from the provinces is a commitment that all the benefits will flow to the industry, and then again the industry must reinvest the money. That will require the provinces to make what adjustments are necessary. Let me point out that Saskatchewan has already introduced a highly successful royalty holiday which has increased drilling and exploration in the province. So what we will both get out of it is increased economic activity, more jobs for Canadians, and increased revenues flowing back to the provinces and the federal Treasury.

Mr. Riis: Mr. Speaker, I have just one question for the Minister. On page 5 of her statement she refers to the end of the PGRT and the fact that it will mean that ambitious projects like the Vancouver Island pipeline will be able to attract the massive amounts of new capital needed to develop them. Earlier this week in Nanaimo the Premier of British Columbia was saying that the province is prepared to go ahead with building that pipeline if the federal Government commits itself to supporting the project and providing a guaranteed capital grant. Does this mean that the federal Government is abandoning its financial support by way of a grant or some other financial contribution to the province to enable this pipeline to be built, or is she leaving it now to the private sector and the ordinary financial markets?

Miss Carney: Mr. Speaker, no.

Mr. MacLellan: Mr. Speaker, I realize that royalties are a provincial matter, but I ask this quite sincerely because I think it is an important question. The Minister realizes that the royalties levied by the provinces in western Canada are a concern to the industry. I realize she has no power over the industry to reduce royalties, but surely the question came up and surely the Minister will agree that the royalties are too expensive. Has she any commitment from Alberta to bring down these royalties now that they have obtained what they are looking for, the abandonment of the PGRT?

Miss Carney: Mr. Speaker, I have already explained that the issue of royalties is not something for the federal Government to pursue. I am sure the Government of Alberta will make whatever adjustments are required at the initiative of the industry. I do not have to take on the provincial Governments, as his Party did, on the issue of royalties. The industry is certainly prepared to do that. What I have done is to ensure that the provinces do not move in to any fiscal room left by the federal Government. The promise is to pass all benefits right through the provincial Treasuries into the industry and then into reinvestment in jobs, and that is a commitment that all three provinces made.

Mr. Waddell: Mr. Speaker, according to the Dow Jones service, world oil demand seems to have revived during 1984 but it may be heading for a new slump. Given that oil prices seem to be going down and that PIP grants are going to be phased out, will the Minister tell me whether she will be apologizing to Premier Brian Peckford for setting him adrift now that there are no real incentives to develop Hibernia? Hibernia will be delayed. Or in lieu of an apology to him, will she offer anything concrete to Newfoundlanders to get Hib-

ernia developed? The Minister has reduced the price of oil and she is phasing out PIP grants.

Mr. Mazankowski: You were wrong in 1980 and you are just as wrong today.

Miss Carney: Mr. Speaker, may I point out that the Party to which the Hon. Member belongs supported the NEP, which was based on the scenario that oil prices were going to go sky high.

Mr. Waddell: We never supported the NEP. You know that.

Miss Carney: He says he did not support the NEP. We can give him his speeches.

Mr. Waddell: Look at the vote.

Miss Carney: If he wants to worry about Hibernia, I can assure him I have just got commitments from some of the major players in Hibernia to commit $800 million a year of reinvestment into those offshore resources. I am meeting with them all the time to get more commitments. All of these companies with a big stake, including Petro-Canada, in the development of Hibernia and Venture have told me that by removing the PGRT and improving their cash flow we will enable them to increase the investment into the offshore resources in the Beaufort and conventional fields.

May I point out that the reinvestment ratio of this industry before the NEP was 110 per cent of its cash flow a year. It fell to 65 per cent after the NEP. We are providing them the room to get back up to the 110 per cent reinvestment rate because that creates jobs for Canadians right across the country.

● (1550)

Mr. Boudria: Mr. Speaker, when I asked a question of the Minister earlier this afternoon she replied that the answer would be in her speech. My question was with regard to the pricing of gasoline in Ontario. I will repeat the question for the Minister, and perhaps now she can answer it.

This document has far-reaching effects on the consumers of the Province of Ontario. Many people are of the opinion that this will increase gasoline prices by as much as 23 cents a gallon, gouging Ontario consumers. Has the Minister consulted with the Premier of Ontario about the details of this Agreement? He claims that she has not. Is she also prepared to tell us why she has not consulted? Of course, the Government prides itself on the consultation process. What assurances can the Minister give Ontario consumers that they will not be taken for a ride immediately after the Ontario election is out of the way and the Minister of Finance (Mr. Wilson) can perpetrate his attack on the people of Ontario by increasing taxes on gasoline?

Miss Carney: Mr. Speaker, I am truly not sure whether that is one question or a rag-bag of allegations. However, with your indulgence, I will attempt to deal with the points raised.

The Hon. Member suggested that oil deregulation was set for June 1 because of the election. This shows, if I may be permitted to say so, the Member's ignorance of this industry. I have repeatedly said that the industry needs 60 days or more to adjust from a highly administered system to a free market. Our agreement was to run out on March 31, and June 1 is the appropriate date. It has nothing to do with the Ontario election.

The Hon. Member also raises the question of increased gasoline prices. I fail to understand how a toughly negotiated Agreement, which took six months to negotiate and is aimed at deregulating prices to reflect market forces, could possibly increase gasoline prices. We are going to world prices. We are almost there now. If the Hon. Member for Vancouver-Kingsway (Mr. Waddell) is right that by creating a market environment prices will continue to decline, obviously that provides the environment for gasoline prices to decline. They certainly are not going to increase in a declining market.

I have repeatedly made the point that governments do not set gasoline prices. In the past, Governments have set wellhead prices. We are going to create the environment for market forces to operate with buyers and sellers involved. If prices go down, then product prices should go down. If the provinces want to increase taxes, that is out of our hands.

Mr. Elzinga: Mr. Speaker, I want to give the Minister the opportunity to respond to some falsehoods we are hearing from the opposite side and to have her underscore a number of points she has made. Prior to putting the direct question to her, I would like to share with the House—

Mr. Speaker: Order, please. This is not the time for statements. This is specifically the time for questions to the Minister about her statement. Does the Member have a question for the Minister about her statement as opposed to one about questions from the other side?

Mr. Elzinga: Thank you very much, Mr. Speaker. Could the Minister underscore once again, for the benefit of the Opposition, the impact that this will have on job creation in Canada?

Miss Carney: Mr. Speaker, I can do that. I can also make the point that since we are removing the Canadian ownership charge, there will be a downward impact on June 1 on natural gas prices. When a tax comes off, prices tend to go down.

With regard to job creation, I would like to outline some of the benefits which could occur. As I said, the Economic Council of Canada has suggested that 100,000 jobs will be created. Other independent agencies, such as Chase, etcetera, consider that 300,000 jobs may occur. We know that we lost jobs under the NEP and we have every expectation that jobs will be increased. We have already started in that direction through the measures taken in the November 8 statement which increased benefits to the small producers. We expect jobs to occur right across the country.

Mr. Speaker: I will deal with this now because we are going to run out of time. I have a feeling that the House wants to ask a lot of questions on this matter.

An Hon. Member: Ask for unanimous consent.

Mr. Speaker: It does not even take unanimous consent. It is within the Speaker's judgment. While I would normally end the question period in about two or three minutes, given the general sense of agreement in the House about other matters, and given the number of people who are rising, without setting a precedent, I will try to hear as many people as I can. I will probably go as long as—

Miss Carney: I have other commitments.

Mr. Speaker: The Minister is indicating that she cannot stay any longer.

Mr. Boudria: She is afraid to answer the questions.

Mr. Speaker: In fairness to everyone concerned, normally we would have taken questions as long as the sum of the statement. It will end the question period at four o'clock. If people are quick, we can get two or three more questions in. The Hon. Member for York South-Weston (Mr. Nunziata).

Mr. Nunziata: Mr. Speaker, it appears to me that the duchess of energy will soon be reigning over an impoverished kingdom. It appears to me that she is selling out the consumers of Canada and the federal Treasury.

My question is very simple and straightforward. As I understand it, over a two-year period the federal Treasury could lose up to $1 billion as a result of this negotiated Agreement which was just announced. How does the Minister of Energy, Mines and Resources (Miss Carney) or the Minister of Finance (Mr. Wilson) propose to replenish the lost money? Does the Minister intend to increase taxes? If so, can she advise the House in very simple terms what that will mean to a consumer in Ontario?

Miss Carney: Mr. Speaker, I should explain that I have a commitment at four o'clock based on the normal rules of the House. In response to the Hon. Member, I suggest that if I am a duchess, he is an emperor without clothes. If I have a poverty-stricken kingdom, you can be assured that I inherited it from that Government when it was in power.

Some Hon. Members: Hear, hear!

Miss Carney: I will stay as long as it takes to explain to Hon. Members that when you go to market-regulated prices and deregulation, you create an environment for prices to go down, particularly in this kind of market. If market prices go up, prices will go up too.

With regard to natural gas, we are removing the Canadian ownership charge which that Government imposed on Canadian consumers. When you remove a tax, it is usual that price decreases occur. There is no reason to believe that gasoline prices will go up when we move to deregulation.

Mr. Deans: Mr. Speaker, I have two brief questions. The Minister of Finance (Mr. Wilson) has indicated that he is battling hard against the deficit. He wants to bring it down. How can forgoing the raising of a number of billions of dollars of tax revenue from the energy sector assist the Minister of Finance in reducing the deficit? Is it not reasonable to conclude that if we forgo the collection of a significant amount of tax dollars that are now being raised, we will have to raise taxes somewhere else in order to bring down the deficit?

What guarantees are there in the Agreement that will assure Canadian users of natural gas that they will not be asked to pay more for the product than is being asked of those who purchase the same Canadian product in the United States?

Miss Carney: Mr. Speaker, I will answer the first question with regard to the impact on the deficit. I have explained that the whole thrust of the Western Accord was to remove a discriminatory tax on the industry. We have faith that it will create jobs because that is the historic performance of the industry. When you create jobs, you do not have to pay unemployment insurance, you collect increased personal income tax, and you have economic activity. If you doubt that logic, look what happened to the western provinces after the taxes were levied and after the NEP was imposed. British Columbia and Alberta have the highest unemployment rates in Canada next to Newfoundland, which is a cost to the Treasury.

• (1600)

With respect to the question about natural gas prices, this Western Accord does not deal with export prices of natural gas. I can only assure the Member, as I have in the past, that Canadians will always pay less for their natural gas than their American neighbours.

Mr. Deans: That is not happening now.

Mr. McDermid: Yes, it is.

Miss Carney: It is not contained in the Western Accord, and I would suggest that if the Hon. Member has questions beyond the Western Accord, I will be here for Question Period tomorrow and I will be prepared to take more questions.

Mr. Speaker: That would appear to be the end of that.

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I appreciate your sensitivity in the way that the question period has been conducted but I would like to point out to the House, for instance, that the Official Opposition did not have one Member in the House who represents one of the three signing provinces. That is a difficulty which is created by the rhythm of the situation when that region of the country is so dominated by government Members.

Mr. Speaker: Order. I point out to the Member that the Chair indicated it was prepared to let the question period continue.

POINT OF ORDER

MR. DINGWALL—ORDER OF PRESENTATION OF PETITIONS DURING ROUTINE PROCEEDINGS

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, with respect to the presentation of petitions, I have read the Standing Orders, particularly Standing Order 18 with regard to the Routine Proceedings of the House. Nowhere do I find in Standing Order 18 any mention of when petitions ought to be placed before the House of Commons.

However, I have read Beauchesne as well as Standing Order 71(2) which states:

(2) Any Member desiring to present a petition in his or her place in the House must do so during Routine Proceedings and before Introduction of Bills.

As I mentioned to you in a briefing session yesterday, the purpose of my point of order is that we all know that petitions are rather short and expeditious and Members can rise and present them very quickly. It does not take up too much time of the House.

Mr. Dick: You are taking up time now.

Mr. Dingwall: Perhaps the Hon. Member would be kind enough to extend the courtesy of allowing me to make my point of order. If he disagrees, he can rise in his place and, with his usual persuasive candour, dispute what I have to say. Perhaps he would have the courtesy to wait.

Mr. Dick: Why don't you get to the point then?

Mr. Dingwall: Perhaps the Hon. Member will have the courtesy to listen.

Mr. Rossi: Okay, blabber-mouth.

Mr. Dick: You have taken three minutes already.

Mr. Speaker: Order, please. I suspect that the Member has a serious point of order and I would like to hear it.

Mr. Dingwall: I am glad that you have ruled in my favour, Mr. Speaker.

With respect to the time when petitions are presented during routine business, it would seem to me that probably it would be in the best interest of the House for them to be called before Statements by Ministers.

Today, the Minister of Energy, Mines and Resources (Miss Carney) made a very important statement and there were Hon. Members here to participate. However, other Members who wished to present petitions have had to wait for an hour or an hour and a half before getting to that fairly routine piece of business of presenting their petitions.

Would the Chair say if there was a ruling by a previous Speaker or by yourself as to why petitions are called after Statements by Ministers in the routine business?

Mr. Speaker: The Hon. Member raised this matter with me privately. I must advise the Hon. Member and the House that I have not completed my investigation. Certainly, no ruling has been made by myself, and while I am awaiting further information, it is my understanding that the rule regarding petitions, according to Standing Order 71(2), has been interpreted in the past to mean that they are to come exactly and immediately before Introduction of Bills. For example, that is why the Order Paper and our instructions to the Chair show that place.

I appreciate the Hon. Member's concern. I will certainly gather further information. Since there appears to be a question of interpretation, I will be more than happy to discuss that matter with the House Leaders.

Mr. Dingwall: In terms of clarification, there is mention of petitions in the Standing Orders but there is no mention of petitions in the Orders of the Day. Is there a special reason for that?

Mr. Speaker: It is not in the printed Order Paper because it is not in the Standing Orders. However, if the Hon. Member looks at the Projected Order of Business that is sent to Members, he will find petitions listed, because that is our practice. It is listed between Statements by Ministers and Introduction of Bills.

I repeat that as far as I know, and without being definite, that is a question of tradition, not of the rules.

As I indicated, I will be more than happy to get further information and discuss it with the House Leaders because I take it that at least one Member is concerned about the order in which petitions are placed in the daily routine of business.

* * *

PETITIONS

OMISSION OF PROPERTY RIGHTS IN CHARTER OF RIGHTS AND FREEDOMS

Mr. Jim Jepson (London East): Mr. Speaker, it is my pleasure to present a petition, signed by many concerned constituents of the riding of London East, regarding the oversight and omission of property rights in the Charter. It is my pleasure to present this petition today on their behalf.

IMPACT OF CHANGES TO UNEMPLOYMENT INSURANCE ACT

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, I have the honour to present a petition on behalf of some of my constituents in the riding of Sarnia-Lambton who are concerned about the proposed changes to the Unemployment Insurance Act. They ask that more emphasis be placed on job creation and not on a restructuring of the Unemployment Insurance Act.

Order Paper Questions

AERONAUTICS ACT

MEASURE TO AMEND

Hon. Don Mazankowski (Minister of Transport) moved for leave to introduce Bill C-36, an Act to amend the Aeronautics Act.

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

Some Hon. Members: Agreed.

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

* * *

CANADIAN COMMERCIAL BANK FINANCIAL ASSISTANCE ACT

MEASURE TO ENACT

Hon. Barbara McDougall (Minister of State (Finance)) moved for leave to introduce Bill C-37, an Act respecting provision of financial assistance to the Canadian Commercial Bank.

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

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read a second time? By unanimous consent, later this day?

Some Hon. Members: Agreed.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 146 and 182.

[*Text*]

DND—PURCHASE OF MISSILES FOR F-18 AIRCRAFT

Question No. 146—**Mr. McKinnon:**

1. Is the Department of National Defence planning to purchase missiles for the F-18 fighter aircraft and, if so (a) which type (b) at what unit cost?

2. How many missiles of each type will the Department purchase?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): 1. (a) Yes, two types, the short range AIM-9M (Sidewinder) and the medium range AIM-7M (Sparrow). (b) Unit cost of the AIM-9M is $77,280 U.S. Unit cost of the AIM-7M is $227,653 U.S.

2. An initial suit of 72 AIM-7M and 148 AIM-9M air-to-air missiles were purchased from CF-18 project funds. To partially satisfy NATO and NORAD ammunition stockpiling criteria, follow-on orders for 416 AIM-9M and 408 AIM-7M missiles have been placed with the USN as Foreign Military Sales (FMS) cases. These FMS cases also include spares, support and training equipment, maintenance training, publications and management fees. This missile procurement was approved by Treasury Board for $245.461M. Deliveries will be from 1986 through 1989.

Additional air-to-air missiles will be required to fully satisfy NATO and NORAD ammunition stockpiling criteria. This additional follow-on missile procurement project is in competition with other DND capital projects for funding.

NUMBER OF PERSONS EMPLOYED IN RCMP

Question No. 182—**Mr. Stackhouse:**

How many persons are employed in the Royal Canadian Mounted Police?

Hon. Elmer M. MacKay (Solicitor General of Canada): There are 18,611. (This includes RCMP members and public servants).

[*English*]

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

Mr. Nunziata: Mr. Speaker, as the Hon. Member is aware, I have over 200 specific questions on the Order Paper concerning the Hatfield and MacKay affair. When might I start receiving some answers to those questions?

● (1610)

Mr. Dick: Mr. Speaker, over half of the questions on the Order Paper are from this gentleman, and he will be getting answers soon.

I ask that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN COMMERCIAL BANK FINANCIAL ASSISTANCE ACT

MEASURE TO ENACT

Mr. Speaker: Before we introduce the Bill I want to establish for the record, that there is unanimous consent for the

waiving of Private Members' Hour today and for continuing this matter through that time?

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I understood that according to the agreement reached by the Parties, and my Parliamentary House Leader mentioned this earlier, we would start second reading at 5 p.m. I have the impression there is a misunderstanding. However, since our critic is in the House, we could start before then. Nevertheless, I would like to point out that the plan was to start at 5 p.m.

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I have had discussions. I tried to clarify the matter by discussions with the Deputy House Leader of the Official Opposition and with the House Leader of the New Democratic Party. It was certainly the impression that we would proceed with this order of business as the first item of business. The purpose was to give the maximum time for debate. We do not intend on this side of the House to do anything further as far as debating the matter is concerned except for putting up the Minister who will introduce the Bill. We can, therefore, allow the Opposition maximum time for debate.

I appreciate very much the co-operation of the Official Opposition in that if we proceed now this will allow maximum time for Members, particularly in the Opposition, to participate in this debate so we can have second reading concluded this afternoon and, if necessary, have the appropriate vote. Tomorrow there will be a full opportunity to proceed clause by clause in Committee of the Whole.

Mr. Gray (Windsor West): Mr. Speaker, even though I said that we wanted to start at five o'clock, and I heard no objection, our critic is here ready to listen to the Minister and ready to respond on behalf of our Party. We are quite ready to start at this time under the circumstances.

Mr. Speaker: I should say to both House Leaders that I sensed from the interjections at the time that some further conversation might have been necessary. At this moment I take it we have agreement to begin debate on this Bill and to waive, through unanimous consent, the holding of a Private Member's Hour today, and that this matter shall be debated until six o'clock if necessary? Is it agreed?

Some Hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-37, an Act respecting the provision of financial assistance to the Canadian Commercial Bank, be read the second time and, by unanimous consent, referred to Committee of the Whole.

She said: Mr. Speaker, I want to thank the House for allowing the expeditious reading of this legislation.

Canadian Commercial Bank

The history of our financial sector, as we all know, is one of the most stable and secure financial industries in the world. The fact, however, does not alter the need for swift action at this time.

The federal Government shares with the provinces a deep appreciation of the important contribution to regional economic development that is made by a viable western-based financial enterprise. That is why we have taken the opportunity to participate in the plan to restructure the Canadian Commercial Bank's debt. The restructuring was proposed by the management of the Bank, and in consultation with the Government of Alberta, we examined the possibilities and the deal was negotiated with the other parties.

The Government faced a number of options. The federal Government's decision to support any financial institution cannot be taken lightly. We must consider borrowers involved and the effects a failure might have on them. In this case, for instance, an agency agreement was not the most desirable option since a private sector group, in consultation with the Alberta and federal Governments, came forward with a sound support package to restructure the Bank's balance sheet. The liquidation of the Bank would have resulted in the calling of many term loans to western Canadian businesses, which might have threatened their survival. And this, Mr. Speaker, was not in the interest of the Bank's depositors and borrowers.

Our concern as the federal Government must also extend beyond western Canada. We want to make sure that a ripple in the financial system does not spread from coast to coast and beyond, to overseas markets. The Government must also be concerned with the effect a failure might have on the stability, security and confidence of the entire financial system.

By addressing the present matter quickly, we are guarding against a potential erosion of confidence in our financial system both at home and abroad. This decisive action is evidence that our financial institutions are safe for depositors. The Government intends to ensure that the high degree of respect our financial institutions have earned in foreign capital markets is maintained. I appreciate, of course, that there is every reason for the House to be fully aware of the situation that has led to the tabling of this Bill. Indeed, the matter must be clearly explained so that Canadians understand that this is an isolated incident, due to very particular circumstances, an incident that poses no threat to the integrity of our banking system. That is why I am expanding today upon the information already contained in my remarks to the House, in the press release and in the questions I have already answered.

The Canadian Commercial Bank is a regionally based bank, specializing in loans to small and medium-size businesses in western Canada, particularly in the energy service and real estate sectors. As we all know, these sectors suffered severely during the recent recession and they have not proved as resilient as other sectors during the recovery. The importance of the Bank to the western economy is evident from the fact that 70 per cent, or $1.1 billion, of the Bank's domestic loans are made to businesses located in that region.

Canadian Commercial Bank

If I may take this opportunity, Mr. Speaker, to congratulate my colleague, the Minister of Energy, Mines and Resources (Miss Carney) on her successful Western Accord, it will re-emphasize our judgment that the Canadian Commercial Bank has a viable future in serving Canada. As a result of her efforts, we know that business and real estate in western Canada will once more have a bright future.

Record high interest rates and the recession of 1981-82 created severe difficulties for many of the CCB's borrowers. The result was an erosion of the performance of the Bank's loan portfolio and the values of the underlying security. The financial condition of the Bank deteriorated further as a result of falling real estate values in western Canada. The Office of the Inspector General of Banks was aware that the Bank's financial position had been weakening gradually, and believed these problems could be contained as the recovery in western Canada gained momentum since the economic situation, though difficult, was stabilizing.

In 1981 the Bank diversified and expanded into the American market, including an investment in a California bank. Recent oil price declines caught the Canadian Commercial Bank's clients in the U.S. energy service sector in a serious cost-revenue squeeze. This severely impaired their ability to meet their loan obligations. Because drilling activity in the U.S. has been particularly hard hit, the surplus of used oil drilling machinery further added to the Bank's losses. The Bank expects to suffer losses of $85 million on its U.S. portfolio valued at $115 million.

The CCB demonstrated a highly responsible attitude in trying to expand its regional base and diversify its areas of operation and spread its risks. Unfortunately, a substantial portion of its portfolio remained in the U.S. energy-related loans. In this regard, I want to emphasize, CCB is different from other western based banks in Canada which have very limited exposure in the U.S. energy service sector.

Because of the magnitude of the problems, current management of the Canadian Commercial Bank recognized that they could not continue to ensure a viable banking operation and they contacted the Office of the Inspector General of Banks on March 14. The situation was such that the deterioration in the Bank's loan portfolio could result in its being unable to meet its obligations to depositors and creditors.

The Inspector General conducted an analysis of the CCB's position, including an on-site re-evaluation of the loan portfolio. It was determined that a support package in the amount of $255 million would be sufficient to ensure the continuing operation of the Bank. In monitoring the situation, the Inspector General of Banks noted recent strengthening of the management and the board of directors. He noted the encouraging signs that remedial action was under way.

The Bank had begun efforts to diversify its loan portfolio and the locations of its operations. In addition, the Bank has worked hard to expand funding sources so that a smaller percentage of its liabilities were in the form of highly liquid money market bought deposits. The markets apparently viewed these efforts as beginning to produce beneficial results. In fact, the Bank was successful in raising $95 million in new capital since mid-1983.

● (1620)

It was determined that with the support package the current financial situation could be remedied and the Bank could continue to play a positive role in our western economy. Therefore, it was appropriate to allow management the opportunity to continue efforts to work things out to the best advantage of its borrowers and depositors.

The Canadian Commercial Bank also approached the Province of Alberta. At an early stage that Government expressed a willingness to support the CCB. The willingness of Alberta to participate in financial assistance to the Bank is a clear indication of the importance of this institution to regional economic development.

This concern is shared by the Government of British Columbia which is also participating in the restructuring package, along with the federal Government, the CDIC and six chartered banks. Private insitutions have also recognized that their self-interest lay in protecting and preserving the integrity of the confidence in our financial system. After extensive discussions concerning the form of the support package, they agreed to participate in co-operation with the provincial and federal Governments in assisting CCB.

As I stated earlier, we examined every possible option concerning the future of the Bank. The support package negotiated between the private sector and two levels of Government was the best option. There is a very large private sector participation in this support package. In addition, we have a partnership with the Provinces of Alberta and British Columbia. Therefore, we were prepared to facilitate this solution.

I should like to discuss with the House the Bill and the agreement which was reached between the support group and the CCB. The Bill sets out the terms under which the federal Government is requesting the necessary funds to participate in the financial restructuring of the CCB. We believe that the package, as a whole, will allow the CCB to remain on a sound and healthy footing. Under the agreement, members of the support group will participate in a portfolio of loans made by CCB. In total, the support group has agreed to advance $255 million for this purpose. The Government of Canada is to advance $60 million. The Government of Alberta will participate with an additional $60 million. The six chartered banks will also provide $60 million, and the Canada Deposit Insurance Corporation, which is funded by its member institutions, will contibute $75 million.

Paragraph 2(a) of the Bill enables the Government to acquire its participation certificates as set out in the agreement. Once the participation in the loan portfolio has been sold, the Bank will then be able to reduce its loan loss provisions by a corresponding amount.

The agreement provides that while in force, CCB will pay members of the support group, excluding the Canada Deposit Insurance Corporation, 50 per cent of pre-tax income until

members of the support group are reimbursed. When other members of the support group have been reimbursed, the Bank will pay CDIC annually, in quarterly instalments, 50 per cent of pre-tax income until CDIC's participation in the restructuring package has been eliminated.

CDIC's involvement stems from the knowledge that if the Bank had been allowed to fail, the pay-outs in insured deposits could have exceeded its contribution to the support package. In that case the funds would not have been recoverable. Consequently, this approach represented the most cost effective manner of dealing with the present situation.

Although the funds the support group members are advancing do not carry a rate of interest, the agreement reached between the support group members and CCB provides for the issuance of warrants which give holders the right to purchase common shares of CCB. These warrants will expire 10 years after members of the support group have been reimbursed. The agreement has been structured so that these warrants will not be exercised until the bank has been restored to financial health and is once again a profitable operation. These warrants serve two purposes. First, they should yield a return to the members of the support group for participating in the restructuring package. Second, the execution of these warrants will result in a significant dilution of existing shareholders' equity in the Bank.

Paragraph 2(b) of the Bill enables the Government to acquire, hold or dispose of transferrable rights or warrants to purchase common shares in CCB so that the agreement can be implemented.

In an ancilliary agreement, the Governments of Canada, Alberta and British Columbia agreed to purchase $39 million of the Bank's outstanding debentures. This was necessitated because the support group required the debenture holders to forgo payments of principal and interest during the term of the support package. Since this agreement was not forthcoming, the three Governments co-operated in purchasing the outstanding debentures and waiving payments on them.

Paragraph 2(c) of the Bill establishes the federal Government's right to acquire, hold or dispose of bank debentures issued by CCB in accordance with this agreement.

Paragraph 2(d) establishes the federal Government's right to enter into any agreement or arrangement necessary or incidental to any activity referred to in paragraphs (a), (b) or (c).

I should also like to mention that the Canadian Commercial Bank has agreed to co-operate fully with the Inspector General of Banks who will communicate with members of the support group concerning the ongoing monitoring of the bank. Some Hon. Members have asked why we did not act in a similar manner with the Pioneer Trust Company. I can only repeat what I have already told the House, namely, that Pioneer Trust had been searching for an infusion of capital for some time. It had been unable to find additional capital in the private sector without the assistance of the Government of Saskatchewan. That Government came to the conclusion that it could not participate in an infusion of equity into Pioneer, and the management of Pioneer voluntarily closed its doors. The hard fact is that in the case of Pioneer Trust a joint federal-provincial-private sector package was not possible. In this case it was the opinion of the provinces, the private sector and the federal Government that a viable operation could be maintained, and we were therefore prepared to assist in the financial restructuring of the Bank.

In addressing the House I want to make clear that swift action is in the best interests of the Canadian financial system and, by extension, all Canadians. The Government's action is also in recognition of the particular needs of western Canada and the many small and medium-sized companies whose loans are held by the Canadian Commercial Bank. The Government believes that the speed with which a four-party agreement was reached—an agreement between two provincial Governments, the private sector, CDIC and the federal Government—is a significant achievement in co-operation. It is also an indication of the serious attitude which all parties have taken in the matter.

The consequences of not acting with all due haste would be to create uncertainties concerning the stability of our financial institutions among the international financial markets. In addition, Canadian businesses in the western provinces, both those which have dealings with CCB and those which do not, would be unsure of their financing until such time as this matter was dealt with in the House. A loss of confidence in our financial system would lead to downward pressures on the international value of our dollar. As Members of the House are well aware, this could put upward pressure on interest rates at a time when we are all united in the belief that lower interest rates would be beneficial to our economic renewal.

I am sure all Hon. Members will agree with the need to share with the provincial Governments in protecting the economies of the western provinces. This is why I am asking for all-Party approval and passage of the Bill.

Some Hon. Members: Hear, hear!

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Official Opposition agreed to suspend other business of the House in order to expedite the Government's Bill authorizing financial assistance to the Canadian Commercial Bank because we recognized the importance of preserving confidence in our banks and our financial institutions. We recognize that this Bank's situation had reached crisis proportions, that it was necessary to take prompt action to deal with the situation and that it would be in the public interest to facilitate that action.

• (1630)

In response to a question put in the House the other day, the Minister had stressed that the Government was concerned about the shareholders of the Bank and indeed, when one looks at the list of shareholders, one sees that that is a very understandable concern. The shareholders include the Caisse de Dépôt et Placement du Québec or the Quebec Provincial pension fund, the Great-West Life Assurance Co., the Canadi-

an National Railway Pension Fund, North West Trust Co., the Alberta Teachers' Retirement Fund, the Alberta Government Telephone Employees' Pension and Death Benefit Fund, the Air Canada Pension Trust Fund and the Manitoba Teachers' Retirement Fund.

Obviously those interests had to be protected and in fact, under this arrangement, the shareholders will take substantial losses. There will be a considerable dilution of their funds, but obviously it is still a better situation for them than failure of the Bank. I note that under the Memorandum of Agreement, the shareholders are required to approve the arrangement that is made.

Having said that, I do not wish to imply that our agreement to go ahead with the Bill today and tomorrow means that we approve of the way the Government has handled the entire matter. Let us understand what we have agreed to here and just how it departs from usual procedure. It is not unusual for the House to agree to pass a Bill through all stages in one or two days, particularly if there is a clear imperative to do so. In this case, however, we are dealing not only with a Bill but with a Memorandum of Agreement which was tabled only this afternoon.

The Bill contains the bare bones of the rescue operation announced by the Minister earlier this week. However, according to our rules, we can only debate what is contained within the Bill. The Memorandum of Agreement which was tabled only one hour ago contains the bulk of the information pertaining to the rescue operation, so even if the Chair allows considerable latitude in questioning during Committee of the Whole, we will still end by passing this Bill without having had a full opportunity to debate the contents of the Memorandum of Agreement.

Our opportunity to examine carefully what it involved in the Memorandum of Agreement and the entire history of the Government's actions over a period of a year or more since the Bank has been known to be in difficulty will come after the Bill is passed, when the Memorandum of Agreement will be referred to the Standing Committee on Finance, Trade and Economic Affairs. Although we will have an opportunity to get answers to the questions Members have been raising in the House this week, some of those answers will come after the fact. That is not a satisfactory way of proceeding, but we agreed to it because of the importance of maintaining faith and confidence in our financial institutions and because of the need to give some answers and some order and predictability to those pension-fund managers and their many anxious clients.

When Conservative Members were in opposition, they opposed vigorously all attempts at bail-outs. Those of us who were here will remember some very bitter debates in the House and very firm statements were made indicating that a troubled industry should get itself out of its trouble and not have taxpayers' money spent on it. In this case, a bank, of course, is in a particularly sensitive situation as compared to a manufacturing industry, and this is why we will not throw Conservative Members' fine words back at them. However, we do have some questions to ask.

Regional banks have not had an unlimited success rate in Canada, but on two previous occasions when two regional banks were in difficulty, they were absorbed by larger, established eastern banks. The assets of this particular Bank are, I believe, less than 2 per cent of the assets of the entire banking industry, and one naturally questions why the banks are not putting more into this support package. The banks are contributing $60 million, the Government of Canada is contributing $60 million, and the Alberta Government is contributing $60 million. It is totally unprecedented for the Government to rescue a bank in this country; the banks have always done it themselves. We would like to know more about the history of this matter and we must hope that this decision has not been made because the Alberta Government did not wish to see its assets controlled by an eastern bank.

The amount of public money that is going into rescuing this Bank is very substantial. It is being put in interest free and it may be a very long time coming back. The terms of the agreement require that up to 50 per cent of pre-tax income is required to go into paying off the debts, if I understand correctly, and the question must be asked whether or not this is a reasonable expectation. Will a bank that is already in difficulty have the kind of cash flow that will permit it to make those payments or will we be waiting for a very long time to get that money back?

We have heard different statements in the House about the dates on which the Government became aware of the fact that the Bank was in difficulty. The first date that was given us was in March, just a couple of weeks ago, and I gather that that was the date on which the Inspector General of Banks indicated that the situation needed immediate action. Later, in response to a question, the Minister of Finance (Mr. Wilson) said that the Inspector General of Banks had consulted with him last September. I understand that some of the American regulatory authorities have been in touch with the Minister of Finance because of their concerns about Northlands Bank in California, a bank which is connected to the Canadian Commercial Bank.

Hopefully, before we pass this Bill tomorrow and if not, although less desirably, during the course of the Finance Committee hearings, we would like to know exactly what the sequence of events was and how seriously attempts were made to get the banks themselves to rescue this particular Bank before this amount of public money was committed. The Minister, in all of her statements, has rightly emphasized the bad effects on the economy if uncertainty were left hanging regarding this Bank. We have already seen some of the results. We have seen the shares in the Bank drop. We have seen also, when the rescue was announced, slight measures of security taken. No one would want to leave this matter hanging for very long as the effects on our dollar and many other Canadian financial transactions would be undesirable.

We all agree that the Bank had to be rescued, but our concern is whether, before the Government provided that

amount of tax money, serious efforts were made to have the banks rescue this Bank as they have done in the past for other regional banks.

• (1640)

Mrs. McDougall: Mr. Speaker, I rise on a point of order. I would like to correct something that the Hon. Member said. The name of the California bank is the Westlands Bank. The Northland Bank is a separate institution and it has nothing to do with the Canadian Commercial Bank.

Miss Nicholson: Mr. Speaker, if I said Northlands that was a mistake on my part and I thank the Hon. Minister for pointing it out to me.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Argenteuil-Papineau (Mrs. Bourgault)—Public Works—Expropriation of land at Mirabel—Government position; The Hon. Member for Vanier (Mr. Gauthier)—Human Rights—Program to assist legal actions—Government position; and the Hon. Member for Nickel Belt (Mr. Rodriguez)—Unemployment Insurance—Severance pay measures. (b) Purpose and treatment of severance pay.

GOVERNMENT ORDERS

[*English*]

CANADIAN COMMERCIAL BANK FINANCIAL ASSISTANCE ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-37, an Act respecting the provision of financial assistance to the Canadian Commercial Bank, be read the second time and, by unanimous consent, referred to Committee of the Whole.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I appreciate having an opportunity to say a few words about Bill C-37, an Act respecting the provision of financial assistance to the Canadian Commercial Bank.

Certainly I listened carefully when the Minister of State for Finance (Mrs. McDougall) indicated that this was a very uneasy time for the financial community of Canada. People outside Canada are looking at the situation very carefully and, of course, people within Canada are very deeply concerned about what has happened to the Canadian Commercial Bank and the steps which have been taken today.

Because of the rather shell-shocked financial community, and the jitteriness therein, we have agreed to co-operate fully with the Government in resolving quickly this financial situation and in moving quickly to get this Bill through all stages within a matter of hours. It is almost unprecedented behaviour in the House and I appreciate the co-operation of all Members in seeing this through to completion.

One of the reasons on which we were quite prepared to co-operate was the willingness of the Minister of State for Finance to provide a reference to the House which will enable the Standing Committee on Finance, Trade and Economic Affairs to investigate the situation which led to the collapse. It will allow the members of that committee to bring in witnesses in an attempt to unravel the rather questionable behaviour of a number of very key players, both within the financial community and some who are more closely associated with the Government. It is because of that assurance that we will do everything possible to move this legislation through the House of Commons and on to the other place as quickly as possible.

I think it is important for us to recognize that we are talking about the tenth largest Bank in Canada and a rescue mission, or a bail-out, of almost $250 million. The taxpayers of Canada are being asked to bail out the tenth largest Bank in Canada. The Minister spoke very eloquently and laid out very carefully the reasons for this Bill, but she did not make reference to the fact that it is a bail-out. We are asking the people of Canada, through their federal and provincial taxes, to provide millions and millions of dollars for a total bail-out package of nearly $250 million.

Under the circumstances, perhaps this is the correct action. In terms of the co-operation of a number of players within the banking community, provincial Governments and the Canada Insurance Deposit Corporation, it was the appropriate action. If we consider the depositors and the borrowers of this Bank, and, of course, the investors of the bank, it was an important step to take in terms of image and of maintaining and developing confidence in the Canadian financial system.

For years and years we have prided ourselves on our banking system. We have heard Mr. Frazee, Mr. Mulholland, Mr. McIntosh and Governor Bouey speak of the stable, strong and secure Canadian banking system. It is not unlike the Swiss system. People the world over have heard of it and they have seen it in action. Indeed, people realize that we do have a stable and secure banking system. That is why I found a comment which Governor Bouey made peculiar.

Mr. Rosenberg of trust company fame, who is a rather infamous financial pirate and a shadowy individual in terms of dealings in the financial markets of this country and others, had a very close personal and business relationship with the Chief Executive Officer and President of the Bank which we are discussing today. Because of that personal relationship,

and some of the rather questionable financial dealings between those two individuals, the Chief Executive Officer of the Bank found it appropriate to resign. A stir went out across the country. It moved the central banker of Canada, Governor Bouey, to pick up the telephone and call *The Globe and Mail* on January 25, 1983, when this whole business was beginning to unravel. At that time he said that the Canadian Commercial Bank was a solvent and profitable bank. There was nothing to worry about. Governor Bouey was looking into the situation and there was nothing to worry about. Therefore, I think it is important that we, as Members of the House of Commons, recognize that Governor Bouey, with his statement in the national newspaper, sent out a very clear signal to Canadians and foreign investors, saying that everything was secure, firm and okay with the Bank. That was not the case. Certainly, it is not the case today. This Bill is required because that Bank was not in a solvent situation, and because it made some imprudent loans. It brings into question some of the comments that Mr. Bouey has made regarding the solvency of that financial institution.

I think it is fair to say that the individuals whom I have mentioned, with all due respect—Mr. Frazee, Mr. McIntosh, Mr. Mulholland and many other chief executive officers of Canada's banks—and, in one way or another, all 73 of those chief executive officers, have said that they believe in free enterprise and that they are free enterprisers. I have heard many of them pounding away on the podium and saying that they are free enterprisers and that they believe in the market-place and the reality of the market-place. They believe in that for everyone except for themselves. The bankers of this country know, and I suspect the people who are involved in the banking industry and the financial industry know as well, that if they get into trouble the whole system is there to bail them out. The Government of Canada, their colleagues and the provincial Governments will bail them out. In other words, there is no risk in that particular business if you are a major banker.

There is an up side to that, there is no question. But those free enterprisers must keep that in mind the next time they stand up and say that they believe in free enterprise and the realities of the market-place. Those who are proficient and successful—great. Those who are not will go down the tube, unless they are bankers. That is what this legislation says. Banks do not have to worry about the market-place and the free enterprise system in which we operate.

• (1650)

I believe there are a great number of questions we have to ask ourselves. The Conservatives have introduced this legislation. They say there are tough times for farmers and ranchers. The realities of the market-place are going to result in tens of thousands of them having financial difficulties and hundreds going bankrupt. The Hon. Member for Crowfoot (Mr. Malone) nods his head. He knows full well what the ranchers and farmers in his constituency are experiencing. We are reminded regularly that in the small business community there are winners and losers. Hundreds and hundreds of small businesses go under each year. That is the reality of the market-place. Hundreds and hundreds of home owners have lost their homes. There is no bail-out for the small businesses of the country, for the farmers, the fishermen or the ranchers. The banks get the bail-outs under this particular administration.

The new Conservative reality is that no one else is going to be assisted. Domtar in Quebec is not going to be assisted. Maislin is not going to be assisted. The former Government was soundly criticized time and time again for that kind of behaviour, but now when the time comes that a bank is in difficulty, the Conservatives fall all over themselves to ensure there is minimum damage.

The problems began, as I said earlier, back in January of 1983 and when Mr. Howard Eaton, the then Chairman and President of the Canadian Commercial Bank, resigned because of his personal business relationship with Leonard Rosenberg of the Toronto trust company collapsing fame. Mr. Rosenberg wrote a letter to the Bank the previous year, in 1982, and said that his aim was to take over 100 per cent of the shares of this Bank. This was in writing, Mr. Speaker, to a bank official. He eventually only got 33 per cent of the Bank's shares, but the Bank Act of Canada places limits on ownership to any one individual or corporation of a maximum of 10 per cent. The Bank Act says that no single individual or corporation is allowed to own more than 10 per cent of a bank, yet Mr. Rosenberg managed to accumulate 33 per cent, and his eventual goal was to get 100 per cent. The question is, where was the Inspector General of Banks while all this was going on? I am not going to criticize the Inspector General of Banks. I think it is only fair to point out that with 73 chartered banks in this country, and at a time when the financial community has never been so turbulent and the banking system so complex and changing—

An Hon. Member: So exciting.

Mr. Riis: —so exciting—and I thank my colleague for providing me with that term—the Inspector General of Banks has only eight field officers to keep an eye on what is going on with the 73 banks. Some of those banks are the largest and the most profitable in the world. Some are pretty small, of course, but when one considers that the Inspector General of Banks, with very limited power and a handful of employees, is expected to keep on top of all the goings on in the banking system in Canada, one can see that it is an impossibility.

I believe this Bill before us today indicates very clearly that the Inspector General of Banks has simply found it impossible to keep on top of this whole situation. He obviously needs more authority and more staff to carry out his responsibilities. I suspect that it is about time the Inspector General of Banks looked at the health of the lenders, in this case the Canadian Commercial Bank, but he should also take a look at some of the major borrowers.

There is no question, when one considers who the borrowers were in this particular Bank—as the Minister of State for Finance (Mrs. McDougall) has amply pointed out in her

presentation—that there were serious problems. There was real need for concern. They were the western oil and gas industry and western real estate. Why did the Inspector General of Banks not tell the Bank that it had better diversify, that to have all its assets limited to those two sectors is not prudent lending practice? That is not the way a first-class bank ought to operate. Perhaps someone like Roland Frazee should be brought in to advise him at this particular time. He is an individual who appears to be running a very successful bank. But even for a layman, Mr. Speaker, it would appear that the areas in which that Bank was involved opened up all kinds of question which the Inspector General of Banks should have been flagging.

After all, we do know that many months ago the Inspector General of Banks indicate to the Minister of Finance that there was some problem out there, that the Bank was having some difficulties. I suspect that many Hon. Members of Parliament knew that. I myself was informed months ago by many individuals that that particular western Bank was experiencing financial difficulties, that it was experiencing some real problems. The Bank then goes out and purchases the Westlin Bank in California. When we see how unhealthy that particular bank was, Mr. Speaker, we have to scratch our heads at the wisdom of that particular move. What was behind that, Mr. Speaker? Why would a troubled bank go out and buy another troubled bank unless there was some rather incestuous financial behaviour going on at this particular time?

Mr. Malone: Or it was sound.

Mr. Riis: Or, as the Hon. Member for Crowfoot says, it was sound. But when you buy a bank which is not particularly solvent, which is having all sorts of loan difficulties, I doubt if that is going to be a wise investment. That is the kind of question which our inquiry, through the Standing Committee on Finance, Trade and Economic Affairs, must examine. We must ask those kinds of questions.

I do want to say in closing, Mr. Speaker, that we will reluctantly, I suppose, co-operate with the Government on this particular Bill in order to settle the dust out there in the financial community and to bring stability back. But there are many unanswered questions. My colleagues have specific questions they will want to raise. Tomorrow we will have a chance to go through this Bill clause by clause. We will be asking at that time some very penetrating questions. During the inquiry conducted by the Finance Committee we will have also a chance to find out just what is behind this. What does it tell us about our banking system? What does it tell us about Governor Bouey and his role as the central banker in maintaining stability in our banking community? What does it tell us about the Inspector General of Banks and his ability to oversee this very complex and dynamic financial community?

It is a pleasure to have a chance to offer a few comments and I look forward to a speedy finalization of this Bill.

Canadian Commercial Bank

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I believe that the economic summit must have been successful beyond the fondest imaginings of any of us when we have the spokesman for the New Democratic Party recommending Mr. Frazee in the capacity of consultant.

The Minister of State has already explained to the House the important considerations which led to the decision of the federal Government to participate in a support package for the Canadian Commercial Bank. I would like to add my comments to those of the Minister because I am deeply concerned that the Hon. Members appreciate the significance of the CCB to the western economy. Although the federal Government must take a larger perspective in such important matters, there is no issue which can be closer to the heart of any Member of Parliament than the interests of his constituency and his constituents.

My constituents, I am sure, would share my appreciation for the federal Government's concern and the plan of action placed before us today. Like the Governments of British Columbia and Alberta, the national Government has recognized the important contribution to regional economic development which can be made by a viable western based bank. I believe Hon. Members are aware that the economic setback suffered in the West, particularly in Alberta and British Columbia, was severe. But the hard fact is that the recession did not end in late 1982 in Alberta and British Columbia as it did, on average, across Canada. And the losses suffered in the recession in terms of growth and jobs have not yet been made up in those provinces as they have been in the country as a whole.

Let me illustrate with some figures showing the impact on jobs. In Alberta, total unemployment increased from 41,000 at the beginning of the recession in August, 1981 to 127,000 at the official end of the recession in November, 1982. Fifteen months after the official end of the recession, unemployment stands at 143,000, even higher than during the recession. The unemployment situation in British Columbia was worse to begin with. There were 83,000 unemployed. By the official end of the recession, this had increased to 198,000, and as of last month there were 215,000 unemployed.

In terms of job creation, Alberta lost 48,000 jobs during the recession and an additional 8,000 jobs since that time. B.C. has gained back some of the jobs it lost during the recession, but still shares with Alberta and New Brunswick the sad disctinction of having fewer jobs now than at the beginning of the recession in August of 1981, almost four years ago.

● (1700)

The impact has been devastating not only for people looking for jobs but for business people as well. Business failures in 1984 rose above 1983 levels in both Alberta and British Columbia. I am sure I do not have to remind Hon. Members that the small- and medium-sized business community has been the single largest creator of jobs in our economy. This is the sector on which the Government is most clearly depending to continue to provide the jobs Canadians need.

Alberta has suffered an exodus of population which has further damaged the business climate. The impact has been particularly evident in the housing market. Amidst all of this economic difficulty, it is not surprising that we should be called upon to adopt some special measures to protect the financial and economic climate of the West.

The extent of the Bank's exposure to the economic conditions in western Canada has been discussed already in this House. Let me add some statistical evidence to illustrate the depth of the Bank's involvement in the regional economy. The importance of the Canadian commercial Bank to the western economy is evident from the fact that 70 per cent, or $1.1 billion, of the its domestic loans are to businesses located in that region. As we are all aware, the previous Government's policies were not well received in the energy sector. We also know that the western economy suffered severely during the recent recession. Although it has not rebounded as quickly as we would have hoped, there is reason to be optimistic, and that reason is reinforced and enhanced by the statement today of the Hon. Minister of Energy, Mines and Resources.

However, we cannot sit back and hope that all will instantly be well. We must rely on all possible avenues of self-help and co-operation from the private sector, provincial Governments, and of course the federal Government. The difficulties experienced by many of the CCB's borrowers resulted in an erosion in the performance of the Bank's loan portfolio and the values of the underlying security. The Government had already been monitoring the Bank's financial position before the most recent and severe difficulties. To that point, although it had been weakening gradually, it was thought that the problems could be improved upon by the Bank itself as economic conditions improved in western Canada. It was thought that the situation generally was stabilizing. The Bank had initiated efforts to diversify its loan portfolio and the locations of its operations, including the investment in the California bank. The recent oil price decline caught the CCB's clients in the U.S. energy service sector in a serious cost-price squeeze. Their ability to meet their obligations was severely impaired. Because of the especially difficult situation for drilling activity in the U.S., the surplus of used oil equipment further added to the Bank's losses. The Bank expects to suffer losses of $85 million on its U.S. portfolio valued at $115 million.

I would mention to Hon. Members that a recent *Wall Street Journal* article estimates that since December 1, 1984, 1,000 drilling rigs in the U.S. have become or will become idle. This contrasts with the situation in Alberta where activity has increased somewhat, and can be expected to further expand, given the recent oil price agreement reached between the provincial and federal Governments. In fact, as the Minister of State (Mr. McLean) has already explained, the Bank has been demonstrating a responsible approach in trying to expand its regional base and diversify its areas of operation and spread its risks. The Bank had begun efforts to diversify its loan portfolio and the locations of its operations. In addition, it worked hard to expand funding sources so that a smaller percentage of its liabilities were in the form of highly liquid money market deposits. The markets apparently viewed these efforts as beginning to produce beneficial results, and the Bank raised $95 million in new capital since mid-1983.

The support package is expected to remedy the Bank's current situation and allow it to continue to play a positive role in our western economy. That is why the two provincial Governments were willing to participate in the support package in the very early stages. That is also why the private institutions have taken a role. That is why the federal Government is asking the House for its support in agreeing to federal participation. Hon. Members are already aware that the CCB is a regionally based Bank and specializes in loans to small and medium-sized businesses in western Canada. The average loan is in the area of $3 million. The liquidation of the Bank would have resulted in the calling of many term loans to western Canadian businesses which might have threatened their survival.

I have already mentioned the role of the small- and medium-sized business community in job creation. When a business closes, it represents more than a blotch on the bank's record. It represents more than another statistic for StatsCan. It represents a human tragedy. It represents the hopes and deams of the owner or owners, the employees, shareholders and all their families. The local, in this case western, economy suffers as a consequence.

I have painted a sad picture of what happened to the western economy in recent years, Mr. Speaker. What is equally important in terms of this legislation is the outlook for the future, and that is where the picture brightens a great deal. In Alberta particularly, but all across the West, the prospects are once again improving. I do not need to tell you how important the new energy agreement is going to be in that regard. It will be fundamental to the recovery of the western economy, inasmuch as a recovery can ever be achieved from the maladies of rape and pillage. The basic strength is there. The spirit is there, particularly the entrepreneurial spirit that helped build the western economy and has helped it to weather some heavy storms over the years.

A recent report by the Conference Board of Canada states that after three years of output contraction, Alberta's economy is poised for renewed growth in 1985. The report went on to mention a forecast of a 2.1 per cent increase in production, and it reports that oil and gas exploration and production are also forecast to gain more ground this year. Even the troubled manufacturing sector and the trade and finance sector are beginning to show signs of recovery, and further progress is expected in 1985.

Noting that British Columbia suffered an extremely severe recession in 1982, the Conference Board report says that last year services began to improve and coal production surged. In 1985, the westernmost province is forecast to enjoy a year of stronger growth as major industries at last move forward in unison. The West is on the way back. The Bill before us today will help ensure a strong recovery and new growth spearheaded by rising business investment in the future of the West.

The Canadian Commercial Bank has played an important role in supporting the development of the West since coming into existence. The support package that the Minister has provided will ensure that the Bank can continue to play its influential role in development and growth. Because it is important for the House to be aware of the Government's actions, and the need for these actions, I appreciate the swiftness with which the details have been provided. It is equally important for individual Canadians and businesses to recognize that the situation is an isolated incident based on very particular circumstances. The situation does not represent a threat to the integrity of our banking system, although if it is not addressed now, it could play a disruptive role in the economic recovery and future development of the western economy. By taking quick action in the present circumstances, the governments and the private sector are helping maintain the confidence of those businesses which have loans with the CCB and indeed of other small-and medium-sized businesses in the West.

It is also important to note that the agreement will not impair the ability of the Bank to meet its obligation to its creditors. The funds will not be repaid until the Bank's profitability has been restored. We believe that the package as a whole will allow the CCB to remain on a sound and positive footing. The federal Government's confidence in the Bank's future is obvious. We have every expectation that the taxpayers' monies will be recouped and that these efforts will enhance the economic stability of an important region and sector of our economy.

● (1710)

This Government does not throw good money after bad, Mr. Speaker. This Government supports regional development to ensure investment and growth in our future. I am convinced that the measures presented to the House represent that kind of investment. Our investment will protect, not only an important financial institution and the businesses depending on it, but it will pay off in the future for the people of the West and the people of Canada.

Although the funds the support group members are advancing do not carry a rate of interest, the agreement reached between support group members and the CCB provides for the issuance of warrants which give the holders the right to purchase common shares of the CCB. The agreement has been structured so that these warrants will not be exercised until the Bank has been restored to financial health and is once again a profitable operation.

I believe that the quick response time in this matter and the co-operation exhibited by two provincial Governments, the private sector, CDIC, and this House, is a significant achievement in co-operation. It is also an important indication of the need for serious attention and action.

I would like to express my total support for the Government's decision. It is an especially important proposal in view of the economic problems that have beset the two most western provinces and the need to support their economic development, which has begun, and also their future.

Mr. Gauthier: Mr. Speaker, there is nothing like a convert if one is to be a really convincing supporter. I am amazed that the Member for Edmonton South (Mr. Edwards) has such a short memory. When the former Government brought forth legislation to help Chrysler out of a difficult financial position, we heard all kinds of Tory Members of Parliament telling us how bad, difficult and wicked the Liberals were.

I now hear the Member saying that this is a viable Bank in western Canada. He says it is a regional bank that is important. I support that. I think he is right. However, does the Member realize that the same Canadian Commercial Bank was told some months ago by the Inspector General of Banks that it should diversify? In his remarks he mentioned that it did diversify. Yes, it diversified in California to the tune of $90 million in oil rigs. Is there a national energy program in California? No, Mr. Speaker. Why did they not do so well down there? The Member was talking about rape and pillage in Canada. Will the Member get his act together?

We in eastern Canada are always accused of not understanding that a problem in Canada is a Canadian problem and that if Chrysler had not been helped by the Government and the taxpayers of the country it would not be where it is today. Domtar is asking for support from the Government and is not getting it. Will the Member please tell me now how he rationalizes that and how converts can be so convincing? Will the Member please explain how he reconciles his position with this last act of his Government?

Mr. Edwards: Mr. Speaker, I am not sure where to begin. I suppose I could fall back on a new Member's cop-out and say that I entered the House as a *tabula rasa* but—

Ms. Copps: You still are one.

Mr. Edwards: I am being inscribed upon in a most abrasive fashion, Mr. Speaker. I did my share, I bought a Chrysler. I wonder if the Hon. Member would care to defend the record of the Maislin bail-out? That one was a bit putrescent, in my opinion. To get to the point, a bank is a bank is a bank.

Some Hon. Members: And a Tory is a Tory is a Tory.

Mr. Edwards: Amen to that.

Mr. Rodriguez: Mr. Speaker, I have a question for the Hon. Member. I am really amazed. Here is a group of Conservatives who have all consistently said that we must get government out of business, that government has no place in the boardrooms of the nation. Yet one of their corporate friends, a bank, is experiencing difficulty and they all run in to offer the taxpayers' money in interest-free loans.

How does the Hon. Member reconcile that philosophical principle which the Conservatives have been trumpeting across the country? Is it not time for us to get a window on the banking system and to take the Bank over and run it as a Canadian controlled and owned bank?

Mr. Edwards: Mr. Speaker, a reference was made a moment ago to movies. The name of the movie is *Ordinary People*.

Mr. Rodriguez: That's not an answer.

Mr. Riis: Mr. Speaker, the Hon. Member for Edmonton South (Mr. Edwards) comes from a part of the country that is experiencing a great deal of economic difficulty. Many businesses in his community would have failed and some in the critical sectors may still be failing. There are no bail-outs for them. Small- and medium-sized businesses are on their own. How can the Member stand in his place today and say that he supports this and that it is the right thing to bail out a bank? You will not bail out small business but you bail out banks. How does the Hon. Member explain that to his constituents?

Mr. Edwards: Mr. Speaker, I thought I had answered that question with my reference to "Ordinary People". As the Minister of State for Finance (Mrs. McDougall) has said so well, we are striving to protect the depositors and borrowers of this Bank in whatever way we can.

Mr. Nunziata: Mr. Speaker, I would like the Hon. Member to define for me what free enterprise means. Hon. Members opposite continually speak of free enterprise and of getting government off the backs of business. They now seem to be whistling a different tune with respect to this particular matter. Would the Hon. Member define succinctly what it means to have a free enterprise system?

Mr. Edwards: Mr. Speaker, probably the best description is that free enterprise is the opposite of what has become known in this nation as liberalism.

Mr. Deans: Mr. Speaker, I am not going to go on at length, but I know the Hon. Member recognizes that for a bank this is a rather unique operation in that it does not deal with ordinary people in the sense that other banks do. It is not the kind of place where you drop by, cash your cheque, deposit $10, and take a look at your pass book to see how things work. Even so, ordinary people who have deposits of under $60,000 would have been covered by the Canadian Deposit Insurance Corporation, as all other people are. The shareholders are to receive nothing for the better part of the next 10 years, or maybe longer. Their stocks have gone from a value of in excess of the $20 to virtually nothing at the moment. They are not marketable.

• (1720)

The people who will derive the most benefit from the consolidation process that has taken place are in fact the other banks which have $150 million in deposit with the Canadian Commercial Bank. Does it not strike him as reasonable to conclude that it was not ordinary people who were protected and that the Government, at the behest of the Bank, bailed out the banks?

Mr. Edwards: Mr. Speaker, the protection was for those small businesses, which were the borrowers of the Canadian Commercial Bank, their families and the ordinary people who depend upon them. As the Minister said, the protection was for the depositors first, for the borrowers second and, in the last resort, for the shareholders.

Ms. Copps: Mr. Speaker, the Hon. Member has made many glib statements about the wonderful job the Government is doing in bailing out the Canadian Commercial Bank. In the Canadian Commercial Bank's Annual Report for 1984, the Member will no doubt be aware that one of the problems it was citing with respect to the loss per common share of 22 cents was high interest rates.

Would he tell us what the Government is doing specifically with respect to the current abhorrent spread between the cost of borrowing money and interest yield? What is his Government doing about the spread?

Mr. Edwards: Mr. Speaker, I believe the Minister of Finance (Mr. Wilson) answered that question today. The drop in interest rates itself is starting to close that unfortunately large gap.

The Acting Speaker (Mr. Charest): Resuming debate.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I also want to say a few words on this special Bill about "Barbara's big bank". I believe this is rather extraordinary legislation.

It raises in my mind, the minds of many of my constituents in Saskatchewan and, of course, many people in Alberta, the possibility of a double standard with respect to how depositors are treated in the case of the Canadian Commercial Bank and how they are being treated in the case of Pioneer Trust. I want to use the Minister herself as reference. Yesterday she said, according to the Ottawa *Citizen*:

> But McDougall told the Commons the banking system or Canadian Commercial's shareholders were government's last priorities in agreeing to the bailout scheme.
>
> 'We didn't move to save the bank. We moved to save the borrowers and depositors of that bank,' she said.

Of course she agrees. The main purpose was to save the depositors and the borrowers who had invested in the Canadian Commercial Bank.

I simply ask that if we can do that as a Parliament for the depositors and investors in the Canadian Commercial Bank, why do we not do the same thing for the people who invested their money in Pioneer Trust? I know that many Members opposite agree with me, from conservations that we have had. Since we have set this kind of precedent, this Parliament must find a way to ensure that ordinary Canadians in Alberta and Saskatchewan are not discriminated against. I would like to see some support from Members of the Conservative Party because I am sure most of them agree with me.

I want to spend a few minutes putting on the record exactly what I mean. During Question Period today, I mentioned that I had a letter from a Saskatchewan farmer. I have his permission to use his name. His name is R. S. Schwartz from Englefeld, Saskatchewan. He wrote the following letter:

I had to quit farming to allow my sons to fully take over, and put my sales from wheat into Guaranteed Income Averaging Certificates in Pioneer Trust Company for six and seven years respectively, so that I would have a monthly income until I get my Old Age Pension.

The two applications for these certificates which I signed in good faith in this company bear the seal of the Canada Deposit Insurance Corporation, which covered my deposits. Furthermore, they do not state that there is a guaranteed limit of only five years.

My friend from Hamilton said that, as we all know, people, are insured up to $60,000. That is not the case for some investments. I quote from the letter:

To date I have not received any communication from anyone concerning my investments in Pioneer Trust: I have only heard from the media, and repeatedly seemed to be assured that deposits under $60,000 were insured and would be fully paid.

By Canada Deposit Insurance Corporation. He goes on to say:

On March 1st I asked at their office (now B.C. Bank) in Saskatoon for the return of my investment and was informed that my policies were not insured. I received a form for proof of claim which I sent with photocopies of my certificates to Touche Ross Co. in Regina. I still have had no communication from anyone.

For your information, Pioneer Management (a branch of Pioneer Trust) held a supper meeting in Englefeld on March 12th assuring the people that they are financially sound and expanding. I was not invited!

If this is the case, I feel they should be compelled to finance the obligations of Pioneer Trust.

I urge you to demand that Canada Deposit Insurance Corporation be made to do this, or that it be made to honor its guaranteed insurance to me, regardless of the five-year limit, to which I never did sign.

Yours truly
R. S. Schwartz

I had an opportunity to speak with him on the telephone yesterday. He told me that when he made his application for these two certificates—one for six years and one for seven years—the standard CDIC stamp was on those certificates saying that he would be fully insured. He was never told by Pioneer Trust that he would not be insured. He has invested less than $60,000.

I believe he sold his wheat in this case and, as Members are aware, farmers do not have a company pension plan. Small business people do not have a company pension plan. Therefore, they sell their business or farm and put the money into an RRSP or income averaging annuity to act as the pension income. This person was informed that that would be the case.

I believe the Minister when she says that her first priority is for those depositors and investors in the Canadian Commercial Bank. She says that the Government must rescue ordinary Canadians and do something for them. I have been told that the money in the Canadian Commercial Bank includes funds from the Manitoba Teachers' Pension Fund.

If we are going to pass legislation for them, why should we not do the same thing for a retired farmer in Saskatchewan or a businessman in Alberta who have put their entire life savings into the Pioneer Trust Company?

Let me tell you more about people who invest in Pioneer Trust. The City of Regina has $1 million in Pioneer Trust.

An Hon. Member: Tell us all about the widows and orphans.

Mr. Nystrom: I do not think that it is a laughing matter, Mr. Speaker. The City of Regina has $1 million in Pioneer Trust. The Province of Saskatchewan, which has a Conservative Government, has $4 million in Pioneer Trust. Many schoolboards have money in Pioneer Trust. There are many farmers who have money in Pioneer Trust. I have given one example today, and I had a second call from a farmer in my riding to which I could refer if I had time.

There are architects and contractors who have money in Pioneer Trust. Sask Sports is a sponsor of recreation and culture in our province. The Hon. Member for Saskatoon West (Mr. Hnatyshyn) is very familiar with that organization. It has money in the Pioneer Trust. Another depositor is a hospital which is run by an order of nuns in the City of Estevan. These are people who have invested in Pioneer Trust. Of course, they were upset with the collapse of Pioneer, but they are even more upset when they see the double standard by which the Government bails out a bank but not the depositors who have money in Pioneer Trust.

There is an elected official in my riding in the City of Melville. I understand that he has more than $60,000 deposited for less than five years. He is assured that he will get back at least $60,000. He told me on the telephone yesterday that he has no word whatsoever from CDIC. He said that other people who will be getting $60,000 have had no word whatsoever from CDIC. Of course, they are not insured for anything over $60,000. Anything over $60,000 is not insured. What has made this man angry is that he sees us bailing out the Canadian Commercial Bank and its depositors. He sees them called ordinary Canadians. He sees that their assets are important to the Parliament of this land, and he says, "What about mine?" Those are the words of an elected official in Melville, which is a very important city in my riding.

• (1730)

Pioneer Trust has not informed a lot of people when they were putting money in the trust company that their funds may not be insured for more than five years. Yesterday I decided to do an experiment here in Ottawa. I had one of my staff go to Canada Permanent Trust on Metcalfe Street. My staff member, Michele Charbonneau, went into Canada Permanent and inquired about annuities, bonds, certificates, and things of that sort. She asked the woman at the Permanent whether she would be insured for more than five years as she might want to invest for six or seven years. The woman said, "Of course, no problem whatsoever". Miss Charbonneau pulled out the brochure from CDIC and showed the five-year limit on certain kinds of investments. The woman said, "That must not be true". She went to check with her boss and came back a few minutes later with a red face, very embarrassed, and said, "It is true. There is a five-year limit for insurance".

I wonder whether a lot of trust companies in Canada are ignoring the by-laws of CDIC which say that customers should be told that their savings may only be insured for some five years. Because of that I want to make an appeal to the

Minister. In the House she said again today that Pioneer Trust was not going to be viable, that it closed its doors in a voluntary way, that there was no private nor provincial government assistance in terms of arranging a bail-out and things of that sort. I am not arguing here for corporate welfare. My concern is about the ordinary depositors. The Minister said in the House on Tuesday:

> Mr. Speaker, I might point out that many financial institutions, including the Canadian Commercial Bank, also have municipal depositors, hospitals, and other ordinary Canadians as depositors and borrowers, as did Pioneer Trust. I might also point out, in the case of Pioneer Trust, that management voluntarily closed the doors after spending a considerable amount of time trying to find capital which they could not find.

She goes on to repeat those kinds of arguments.

I also have here a letter containing many pages that she wrote to my colleague, the Hon. Member for Regina East (Mr. de Jong), explaining the whole thing. The Minister may be right, in terms of the inefficiency of Pioneer Trust, that it had to close its doors, that it was not viable, that the provincial Government was not interested in putting up enough money to try to keep Pioneer Trust viable, that there was no private sector solution and all those kinds of things. That still does not answer the problem, Mr. Speaker, of my farmer in Englefeld the elected official in the City of Melville, and of all kinds of other people who have put money into Pioneer Trust. We must find a solution for those folks. That is my case. If we are going to pass this Bill, if we are going to bail out the Canadian Commercial Bank, if we are going to help certain depositors and certain investors in a financial organization like a bank, then why can we not do it for a trust company?

There is something I could not help but note in the opening remarks of the Minister of State for Finance (Mrs. McDougall), I think she is trying to do the best job she can, but she said that the reason for bailing out the Bank was that we had to have confidence in the financial system. She used the words "financial system". To me the financial system is not just the banks but the trust companies as well. She nods in agreement. If she agrees that we are not only talking about banks in terms of financial confidence in Canada, why can we not have, when we have this very hurried legislation concerning this Bank, some other legislation by which the federal Government would provide assistance to depositors and investors in Pioneer Trust?

We seem to have an agreement that there is an unfairness, an injustice and inequity in that the financial system includes not only the banks but also trust companies. If so, then perhaps we should send this legislation back to the drawing board for a few hours or a couple of days in order to solve that problem as well.

There is another thing. The Minister said, and I agree 100 per cent with this, that she wanted to make the system safe for depositors. Of course we want to make it safe for depositors, but that has not been the case for Pioneer Trust. If we are going to make the banking system safe for depositors, then let us make the trust company system safe for depositors as well.

I have the brochure here from CDIC. The regulations and rules are here. It is spelled out, for example, that there are cases where you can get a five-year guarantee. It is right here in the brochures that are put out. Obviously some trust companies ignore the rules with their clients and customers.

As I said before—the Hon. Member for Saskatoon West (Mr. Hnatyshyn) just got up and the Hon. Member for Assiniboia (Mr. Gustafson) is here—we know our problems well. We know that for many farmers their life savings are their farms. They put their savings in a trust company or in a bank, and that is all they have. What does this man from Englefeld have now unless this Parliament comes to the rescue? Pioneer Trust has let him down. In my opinion it is not CDIC. Perhaps we need to change the legislation concerning CDIC as well. That is for the future. I think this Parliament must come to the rescue.

[*Translation*]

Mr. Speaker, this afternoon we are considering a Bill that is nothing less than a welfare handout for the Canadian Commercial Bank, at a time when we need help for the average Canadian. I met five farmers from Ontario 45 or 60 minutes ago and one of them told me that in his neighbourhood, along a road two and a half miles long with maybe eight or nine farms, all the farms except one are now up for sale, because of the many financial problems facing farmers today. Farmers, fishermen, and small- and medium-sized businesses all have a lot of financial problems. Canadians should be able to contract loans at a reasonable rate of interest, and if we can do something for the Canadian Commercial Bank, Mr. Speaker, we should be able to do something for the average Canadian as well.

[*English*]

Mr. Deans: Mr. Speaker, I will be brief because my colleague has covered almost every point. I know my colleague agrees, and I am sure the Minister agrees also, that the different laws which are in place and deal with trust companies on the one hand and banks on the other hand create a different standard within society, that certain people are protected and other people are not protected. They set up a situation that is a veritable gallimaufry of regulations which causes people to be unable to work their way through and find the actual answers to the problems that confront them at times like these. My colleague juxtaposes Pioneer over and against the Canadian Commercial Bank. Had those depositors been depositors with the Commercial Bank they would have been protected, but because they happened to be with Pioneer—and this is not the only case—they are not protected.

What we are asking for is a rewriting of the law. We are saying that in the end after we have looked at all the circumstances that related to the near collapse of this Bank and when we juxtapose them with the circumstances that were imposed upon those people that were associated with Pioneer Trust, we need to do two things. First, we need to move in an emergency way to provide the same level of protection for all people. Second, we need to rewrite the law to make sure that it is fair and equitable in all circumstances. I am putting to my col-

league that I hope that is what we are trying to achieve here today.

• (1740)

Mr. Nystrom: Mr. Speaker, I agree that perhaps we should rewrite the law. I think it has to be done. We are dealing in an emergency circumstance with a wrong which must be righted for many ordinary folk who put their life savings into Pioneer Trust. Pioneer Trust may not be the last trust company which goes broke. It has happened before. There are many innocent victims out there who feel that the federal Parliament and the federal Government should put up a certain percentage of their losses because they were not told by Pioneer Trust that their savings were not insured.

Mr. Deans: They were cheated; they were almost lied to.

Mr. Nystrom: They were almost lied to; they were cheated. It may have been inadvertent but certainly it was the case.

I referred to the letter of Mr. Schwartz of Englefeld because he told me on the telephone that on his application for the two certificates was the standard stamp of CDIC indicating that he would be insured. If that is the case then we are dealing with something which is very misleading, and Parliament should come to the rescue.

If the Minister is afraid of legal action, I suspect that just by opening the door to help the depositors and investors in the Canadian Commercial Bank, she may have legal cases on her hands in any event. I encourage her to come forward quickly with some special and justified assistance to these innocent victims of the system.

Hon. Herb Gray (Windsor West): Mr. Speaker, in rising to speak on this Bill, I want to make the basic point that if a vote is called on it, we in the Official Opposition will likely be voting in support of the Bill. However, if we do so, it does not mean that we agree in any way with the manner in which the Government has handled this Canadian Commercial Bank problem. It does not mean that we believe that the Government, the Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mrs. McDougall), have carried out adequately and properly their responsibilities in this regard. They have a lot of explaining to do, and they have done very little so far.

After all, it is on record that as far back as September 14, the Inspector General of Banks came to the Minister and gave a clear warning of the problems this Bank already had and the problems which would be building up if nothing was done at that point.

If we vote in support of this Bill at second reading, it does not mean that we believe the Government has necessarily come up with the best package or the best way to deal with the Canadian Commercial Bank situation. We would be supporting this Bill because we believe it should go to Committee of the Whole for detailed study. It is only through giving the Bill second reading, approval in principle, that it can go to Committee of the Whole, and it is in Committee of the Whole that we can put our questions on the floor of the House to the Minister, questions concerning what led up to the situation requiring the bail-out of the Canadian Commercial Bank and how the Government carried out, or more likely failed to carry out, its responsibilities in this important matter.

If there is a vote at second reading, it is likely that we will be supporting the sending of the Bill to Committee of the Whole and voting for it because that is the only way to get it to Committee of the Whole. If there is a vote, we would be voting for the Bill for another reason, because we believe there is a proper and legitimate place for government to play a role in assisting the private sector to develop and move forward. Frankly, without this kind of involvement, there would be no private sector in Canada or in the United States or in the western world today. If there had not been government involvement and support, in fact to rescue the private sector, it would have foundered completely during the Great Depression of the thirties and it would have come close to that in other recessions since that time.

This involvement of government in support of the private sector in some cases could mean reinforcing strength and building upon strength, as we believe is the case with respect to Domtar in Windsor, Quebec. In that situation the Government, to its shame and detriment so far, at least, has refused to respond in the proper fashion. In other cases the involvement of government in support of the private sector could mean helping companies in difficulty to have the opportunity to restructure, to modernize, to become more competitive and therefore successful, as was the case with the Chrysler Corporation, not only in Canada but in the United States. In fact, if we had not intervened in respect of Chrysler in Canada, the parent company would have foundered. Without the assistance of the Government of Canada it would not have qualified for the assistance voted by the United States Congress in that American legislation required involvement by other players. That was not there until the Government of Canada came forward.

Sometimes the involvement of government in support of the private sector when it comes to a company in difficulty works, as was the case with Chrysler. There are other cases where unfortunately it does not work. However, one has to be willing to recognize that there are chances to be taken. The Government is certainly willing to take a chance in the Canadian Commercial Bank case. The story has not yet been played out. Many hope that this bail-out—and let us call it what it is—will work, but we do not know for sure what will happen. Sometimes the Government has to take a chance. Sometimes that chance turns out well and sometimes it does not. However, one has to recognize that there are legitimate cases for involvement of government in the private sector to work with and to support a company to survive, not only in the interests of the company but of its workers and the community that depends upon it. This basic principle can apply to a financial institution. The Government argues that this is a proper case for government involvement to save a financial institution.

If we vote for this Bill at second reading, it is because we believe in the principle I have outlined, that there is a proper case for governments to intervene in support of the private sector. However, we reject the hypocrisy and that double standard of the Conservative Party now that it is in government.

Before September 4, Conservative Members spent months and years saying that this basic principle was wrong and that the efforts the Liberals made in support of individual firms, the workers and the communities depending upon them, were wrong and should not be made. Suddenly, now that they are in office, they discover that the principle is not such a bad idea after all, at least when it comes to bailing out a bank. Let us have on record what the Conservatives are doing here. They are exhibiting another example of hypocrisy and double standard. While there may well be a case for supporting this Bill, let us recognize that in presenting it the Conservative Government is admitting that all the things it said about similar activities by the Liberal Governmnent in past years were wrong and invalid. We will be reminding the Government of its action of bailing out the Canadian Commercial Bank when other cases arise for which we think federal support and involvement in the private sector is justified and worth-while. An example of this is the case of Domtar.

● (1750)

I would like to conclude by saying that in supporting this Bill, as we may well do on second reading, I give the Government clear warning that we are not giving it *carte blanche* to find the money needed for the bail-out of this Bank by taking it away from any government program and activity it wishes. There are a great many programs and activities we on behalf of the Canadian people consider worth-while. I fear that the Government will find this money at the expense of worth-while programs and the interests of individual Canadians and their families. We will press the Government very hard to make sure that that does not happen.

The Government has acted with swift generosity to bail out the Canadian Commercial Bank. It argues that there are good reasons for it to do so and that it is in the over-all public interest. The Government may have a point, but there are many other areas which should legitimately be included when it comes to government action in support of individual companies and businesses. There are thousands of farmers in severe financial difficulty but the Government never intervened and has no intention of intervening as swiftly as it has intervened for this Bank, nor has it intervened to provide the same kind of support for thousands of small businesses across the country. Let that be on the record and let it also be on the record not only that the validity of the principle in which we as Liberals believe of government involvement in support of the private sector is being confirmed by the Government but that the Government has shown hypocrisy in rejecting that principle in the past and suddenly discovering it when it comes to a bail-out of this interesting little Bank, the Canadian Commercial Bank.

Having said all of this, I wish to say again that there are reasons why, if there is a vote, we may well support this Bill on second reading. However, I hope that the Government and certainly the Canadian people will bear in mind what I have said about the lessons provided to the Government and all of us here by the Canadian Commercial Bank situation.

The Acting Speaker (Mr. Charest): Questions or comments? Resuming debate.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I wish to put a few comments on the record.

Mr. Hnatyshyn: Very few.

Mr. Rodriguez: They will be very succinct, clear and specific because I believe that this is a moment of truth for the Tory Government.

The Bill that has been presented this afternoon is not a bail-out of the Bank; it is a coverup for the ineptitude and incompetence of the Government. This Bank is a federally constituted Bank and therefore falls under the jurisdiction of a federal statute, the Bank Act. We even have a big bogyman, an Inspector General of Banks.

Mr. Nystrom: Barbara is a bogyman?

Mr. Rodriguez: No, no. The Government knew since September that this Bank was in some trouble. On principle, we socialists have no problem with public ownership. However, I think this Government is a phoney. All I have heard from government Members about Canadair, de Havilland, Air Canada and CNR is that the public sector cannot run a business properly and that it always puts businesses in the hole. Here we have the proponents of free enterprise and of a free market system, but what are they forced into doing? This afternoon, in the closing hours of a rainy Thursday afternoon in Ottawa, they are sneaking in a Bill and sucking in the Liberals. It is not difficult to suck in Liberals, and the Government knows it.

If we are going to put up $60 million interest free, it seems to me that it is only fair that we should get some equity for it. I have heard the Minister of Regional Industrial Expansion (Mr. Stevens) say that he is looking for buyers for de Havilland and Canadair. While he is looking for buyers to get rid of what he calls failures, we have equity in those corporations. What equity are we going to be getting from bailing out this Bank? All we are doing is saving the face of the Minister.

Mr. Malone: And what a face to save.

Mr. Rodriguez: Well, it is not a bad face to save, but is it worth $60 million?

Some Hon. Members: Hear, hear!

Mr. Rodriguez: Surely it can be said that this was the face that launched a bank.

The second point I wish to make is that in this moment of truth, the Government is establishing a new principle. The new

principle that is being established here this afternoon is that this is an interventionist Government which is prepared to intervene in the market-place. I am glad that that is being put on the record today. In fact, it is in the interest of letting the Government put this on the record that I will take my seat.

Mr. Gray (Windsor West): Mr. Speaker, I have a question for the Hon. Member. Does he not realize that this Bill would not be proceeding now without the full agreement of the House Leader on his behalf and that of his Party? I hope he will not talk about sneaking this Bill into the House. Second, does he not realize that when speaking of the Government as being an interventionist Government, he is giving intervention a very bad name?

Mr. Rodriguez: Mr. Speaker, yes, we wanted the Bill to come before the House and we wanted it to come before the House for a reason. We want to see a vote and we want the Tories and the Liberals to vote together for this interventionist Bill.

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: The question is the following one. Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-37, an Act respecting the provision of financial assistance to the Canadian Commercial Bank, be read the second time and, by unanimous consent, referred to Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour, please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mrs. McDougall), which was agreed to on the following division:

(*Division No. 21*)

YEAS

Messrs.

Allmand	Bouchard	Cadieux
Andre	Boudria	Charest
Belsher	Bourgault (Mrs.)	Clark (Yellowhead)
Bernier	Boyer	Collins (Mrs.)
Bertrand (Mrs.)	Brightwell	Cook
Blais	Brisco	Cooper
Blouin (Mrs.)	Browes (Mrs.)	Copps (Ms.)
Corbett	Hockin	Nowlan
Crombie	Holtmann	Nunziata
Crouse	James	Oberle
Dantzer	Jardine	Oostrom
Darling	Jelinek	Pépin (Mrs.)
Della Noce	Jepson	Plamondon
Dick	Jourdenais	Plourde
Dingwall	Kempling	Porter
Ellis	Kilgour	Redway
Epp (Provencher)	Killens (Mrs.)	Reid
Fennell	Kindy	Reimer
Forrestall	King	Ricard
Fretz	Ladouceur	Rossi
Gagliano	La Salle	Scowen
Gauthier	MacDougall (Timiskaming)	Sparrow (Mrs.)
Gervais	Malone	Stackhouse
Gray (Bonaventure-Îles-de-la-Madeleine)	Marchi	Taylor
	Martin (Mrs.)	Thacker
	Mazankowski	Tremblay (Lotbinière)
Gray (Windsor West)	McCain	Tupper
	McCuish	Turner (Ottawa-Carleton)
Guilbault (Saint-Jacques)	McDermid	
	McDougall (Mrs.) (St. Paul's)	Turner (Vancouver Quadra)
Guilbault (Drummond)	McGrath	Valcourt
Gustafson	McKenzie	Vankoughnet
Halliday	McKnight	Vincent
Hamelin	Nicholson (Miss) (Trinity)	Wenman
Hawkes	Nicholson (Niagara Falls)	White
Hicks	Nielsen	Winegard
Hnatyshyn		Witer—105.

NAYS

Messrs.

Benjamin	Jewett (Ms.)	Nystrom
Deans	Langdon	Riis
Heap	McCurdy	Rodriguez—9.

● (1810)

Mr. Speaker: I declare the motion carried.

Motion agreed to, Bill read the second time and, by unanimous consent, referred to Committee of the Whole.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 45 deemed to have been made.

HUMAN RIGHTS PROGRAM—PROGRAM TO ASSIST LEGAL ACTIONS—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, on March 22 of this year, I asked the Secretary of State (Mr. McLean) a question in the House concerning the court challenge program and I asked him what the Government's position was on extending this program to Section 15 of the Constitution.

The program was created in 1978 to provide financial assistance for individuals seeking court decisions that would

help clarify language rights guaranteed under the Constitution. The House will recall that it covers Sections 93 and 133 of the Act of 1867, Section 23 of the Manitoba Act and, since 1982, Section 23 of the Canadian Charter of Rights and Freedoms, the section that deals with language rights.

Since 1978, fourteen cases have been accepted under the program and subsidies totalling $580,000 were granted. This year, an additional $60,000 was transferred to the $200,000 already granted by Treasury Board, bringing this year's budget to $260,000.

Mr. Speaker, Hon. Members will recall that I asked the Prime Minister (Mr. Mulroney) about this program some time ago, and I reminded him that the court challenges program was due to expire on March 31, which means in three days. There will be no more money and thus no program. Interestingly, the expiry date of March 31 is rather symbolic, because on the 17th, in two weeks, we will have here in Canada a Charter of Rights recognizing Section 15 that deals with fundamental rights and which, I think, should make it possible for Canadians to challenge the interpretation of the Charter before the courts.

Mr. Speaker, I would remind my hon. colleagues that during the election campaign, the Progressive Conservative Party fully supported the court challenges program to assist legal actions. This was clear from their comments. In a letter sent to the Fédération des francophones hors Québec, the Prime Minister or rather the Leader of the Conservative party gave his unconditional support to the program. He said that his Government would continue to support and strengthen the program.

In a question put to the Minister of Justice (Mr. Crosbie) on March 20, the Minister was asked whether the Government was looking into the possibility of expanding the program. Before the Committee on Justice and Legal Affairs, on March 20, the Minister of Justice said, and I quote:

• (1820)

[*English*]

The question is whether the court challenges program should be extended beyond language rights. Those rights are covered in Section 133 and Section 23 of the Manitoba Act and Article 23 of the Charter of Rights. He asked whether we are to go forward and expand the financing of the court actions and appeals where the Government is on one side arguing one thing, and financing someone on the other side who is arguing the direct opposite. He asked how far this was to go. How far do the Canadian people want it to go? Who is to decide which are the worthy cases and which are not? If we are going to do this, should the money be given to some independent organization?

[*Translation*]

Mr. Speaker, I then asked myself: Is the Government seriously considering tranferring the program to the Canadian Civil Liberties Association, the Ligue des droits de l'homme or the Canadian Foundation for Human Rights, or is it thinking of transferring the program to the Canadian Bar Association which might be interested in administering this program which, I feel, is essential if we are to develop a just and fair society?

Mr. Speaker, in recent months we have been told that certain provinces, and especially the Western provinces, were a little embarrassed by the program because residents of these provinces were using a federal program and receiving federal money to challenge before the courts certain interpretations of the Charter of Rights and Freedoms or of Sections 133 and 93 of the Act of 1867.

[*English*]

I would just like to say that personally I feel the Government must come to this House soon and satisfy Canadians that indeed it has a vehicle, a program, some system in place which gives Canadians a means of getting support in order to go before the courts to clarify and obtain decisions from the courts.

[*Translation*]

In concluding, Mr. Speaker, I would like to evoke a passage from a letter from the Prime Minister to the Fédération des Francophones hors Québec, and I quote:

> We shall maintain the present program to assist legal actions, which helps individuals and groups seeking to obtain a decision by the courts on litigious points relating to language rights in terms of the Constitution of 1867 and the Charter of Rights and Freedoms. We shall be consulting with members of minority groups and other interested parties to ensure that the program is efficient and effective.

I hope the Government has consulted, I hope the Government is going to act and I hope the Government is going to announce this evening that the program will not expire on March 31 and that on April 1, we will have a sound and generous program that will help minorities to defend their rights before Canadian courts.

• (1825)

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, whenever Canadians manage to go two or three weeks without arguing about something, the Opposition does not waste a second and tries to find a situation or an opportunity to raise some kind of problem.

Mr. Speaker, the purpose of the court challenges program is to obtain court rulings on the precise extent of linguistic rights guaranteed under our Constitution. That is why the Government gives financial assistance to pay for legal costs in cases deemed to be important. Naturally, the State has to be careful every time it intervenes in that field. Quite obviously, if the Government is to pay court costs for people who may at times take proceedings against the State, there has to be a limit, otherwise it would not make sense.

This program was established in 1978 as one of the initiatives taken by the Government to promote national unity. It may come as a surprise to hear me say that the previous Government may at one time or another have done something

to promote national unity. But at the time, such steps have been taken to defend the rights of linguistic minorities. The program was renewed in 1979. At first, it applied only in cases of legal proceedings under Sections 33 and 193 of the Constitution Act of 1867, and under Section 23 of the Manitoba Act, because at the time those were the only provisions under which the official languages had constitutional guarantees. Section 93 protects denominational schools, whereas Section 133 of the Constitution Act of 1867 and Section 23 of the Manitoba Act uphold the right to use English and French in the Parliament of Canada, in the various legislative assemblies, the National Assembly of Quebec and the Legislative Assembly of Manitoba, as well as in the courts of both instances.

[*English*]

Since December 1982 when the court challenges program was updated, eight cases have been approved for financial assistance, the details of which have been provided to the Hon. Member on a previous occasion. As mentioned previously in the House by the Secretary of State (Mr. McLean), there is an ongoing discussion between the Department of Justice and the Department of the Secretary of State in order to study the various options open to the Government with repsect to the court challenges program. The question of the continuity of the court—

[*Translation*]

—and I conclude by saying, Mr. Speaker, that we intend to make every effort in coming days and weeks, and you may rest assured that the Secretary of State will take position so that the rights of minorities will be upheld throughout Canada.

PUBLIC WORKS—EXPROPRIATION OF LAND AT MIRABEL—GOVERNMENT POSITION

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, on March 3, 1985, I put a question to the Minister of Public Works (Mr. La Salle) concerning the proposal submitted by this Government to the expropriated Mirabel landowners, because all my constituents of Argenteuil-Papineau are directly concerned with this issue.

Mr. Speaker, on the day following the signature of a Memorandum of Agreement between the CIAC and this Government on the rectifying of that gigantic blunder, it seems most important to me that this House should be cognizant of this comprehensive proposal, in view of the astronomical costs to the public treasury of maintaining and managing those lands, namely some $50 million a year. Located some 45 minutes away from Montreal, in between the four major centres of Saint-Jérôme, Saint-Eustache, Sainte-Thérèse and Lachute, the prime farmlands of Mirabel, comprising over 2,500 UTH, had shaped its people to the image of a prosperity.

• (1830)

Progress, however, had decided that in this area favoured by nature, agriculture should give way to something else. The mere mention of that progress now puts the whole people on edge. Unfortunately, Mr. Speaker, in 1969, with one stroke of a pen this Government decision put an end to those 150 years of tradition and brought the whole Mirabel area back to the year 1867 by degrading its residents and landowners down to the level of tenants. Canada's biggest expropriation operation, second only to the one that dispossessed the Indians, brought havoc in the lives of approximately 10,000 people living in twelve villages or fourteen municipalities, covering an area as wide as the Île Jésus. It does not happen every day that 97,000 acres of land suddenly change hands.

And the new owner was not easy to get along with. In sixteen years, he changed faces and policies a number of times. There were seven successive directors, delegated by the Federal Government to manage the land and the people in the Mirabel reserve.

One such director stated he had no authority to make decisions. Another acted in a more high-handed way. What one allowed, the next one forbade. Leave given by one director was not valid in the eyes of another. At times there were written permissions, at other times oral permissions, or benevolent silence with indications to proceed as before.

Mr. Speaker, it is in such a climate of confusion and insecurity that my constituents in Mirabel have had to survive, waiting for the situation to clear up and become normal again. It is not easy to live in expectancy during sixteen long years.

Mr. Speaker, the Mirabel tragedy is that the area has ceased to live and progress for fifteen years. During all those years, a prosperous and promising area was literally sacrificed to the ambition of an incompetent and hard-nosed Government. Indeed, Mr. Speaker, the displacement of 10,000 persons and especially the social disruption of 97,000 acres present a situation almost identical to that of the displaced persons in Europe following the Second World War, or to the deportation of the Acadians.

The impact of such a social upheaval cannot be assessed, especially in such an economically and demographically integrated area.

Mr. Speaker, in Quebec farming communities, economic and social life is, to a great extent, related to agricultural activities. The land is set aside for agricultural use and the village is the focus of services and business; it is also the preferred setting for retirement or for those who do not earn their living directly through farming.

Like everywhere else, the villages acquired the services and businesses they needed. The village of Sainte-Scholastique, because of its geographical location, had become a major agricultural centre for other villages. The presence of two doctors, two notaries, one pharmacist, four grocery stores, three hardware stores and a farm equipment dealer shows how important this centre was in 1969. The structure of these parishes based on networks of near neighbours, relatives,

friends, services and mutual assistance was destroyed by the upheaval which followed this mass expropriation. People became strangers in their own neighbourhood.

Fences were no longer repaired and buildings were left to rot because people understood that any action might mean rent increase.

What about the municipal representatives who had to live with federal interference in municipal affairs during all those years? This municipality has fallen into a state of collapse and it will have to be untiring in its efforts to give back Mirabel the prosperity which was expected following the construction of the airport.

In 1976, half of the people had left, and in 1979, a survey showed that, among the 2,130 families residing in the area at the time of the expropriation, only 250 families of farmers or their sons and about 250 families of residents or businessmen were still there. Torn between their deep social roots and their need for stability, the residents and businessmen or their children, who feel less bound by their investment than the farmers, now account for only 20 per cent of the residential population of the area, while 90 per cent of those expropriated or their children who were still farming in the area in 1979 are still there.

Another survey published in 1983 depicts the situation as follows: number of farms expropriated in 1969, 858; number of residences occupied in 1969, 788, and in 1983, 555; number of residences destroyed, 233; number of barns occupied in 1969, 731, and in 1983, 455; number of barns destroyed, 276; number of farmers in 1969, 788, and in 1983, 251; number of businesses in 1969, 146, and in 1983, 98; number of residences in 1969, 1045, and in 1983, 816.

This is why, Mr. Speaker, the whole population of the Argenteuil-Papineau constituency, and especially my constituents in Mirabel felt a great deal of emotion yesterday at the announcement of the agreement arrived at by my Government, which succeeded in solving this issue after only six months through consultation and dialogue. Can the Minister tell the House the terms of this historical agreement?

● (1835)

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I welcome this opportunity to answer the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault) and I also wish to congratulate her on the interest she has shown in this case since she was elected on September 4. Mr. Speaker, before elaborating on the main recommendations of the agreement proposed yesterday by the two parties and jointly signed by them, that is, by the Canada Lands Company (Mirabel) Limited and the CIAC—the expropriated farmers—I am sure, Mr. Speaker, you will allow me to join the Hon. Member for Argenteuil-Papineau in saying that for a long time, I found it very sad that the Government had failed to act responsibly with respect to the surplus property around the Mirabel project—christened Mirabel sixteen years ago. In this lovely setting, even lovelier in the past, I was very moved to see how much these people had suffered as a result of expropriation, and especially their disappointment in the previous Government's failure to take any action, especially since we managed to reach a settlement in less than five months. I remember I had a very special interest in this question, being well acquainted with the farming milieu and with rural ridings. Yesterday, I had the privilege of attending the gathering that took place at Mirabel and giving these people the assurance of my support for a proposal that was negotiated in less than five months. I also wish to pay tribute to my Director General, Mr. Hardy, who replaced the board of directors of the company shortly after September 4, and who did a tremendous job, and also to those people who led the struggle to get back their land, and I would like to mention, of course, Mrs. Rita Lafond, Mr. Jean-Paul Raymond and Mr. André Bouvette who were very important to this cause, and all those who were members of the board of directors or the administration of CIAC.

It is therefore clear, Mr. Speaker, that we have safeguarded this great principle I have always defended: first refusal goes to the expropriated farmer, and otherwise, the land will be sold back to the tenants. Still, a number of measures will be taken to help expropriated owners get and buy their land back; tenants will be looked after as well since anyone who, for valid reasons, does not want to buy back the property will not be asked to vacate the premises before two years, and in no instance will the rent go up before two years.

The importance and relevance of agricultural development has been the subject of discussion, of course, and it was pointed out that those lands were, if I may put it that way, good examples of prime agricultural soil. We made sure of that in the general agreement which I will submit to my Cabinet colleagues for official signature within a few weeks. All those people have been told that we will cooperate with the Quebec Government to promote agricultural recovery.

I would be remiss if I failed to mention the excellent cooperation I got from the Minister of Agriculture of Quebec throughout this major consultation, because those are indeed prime agricultural lands. Mr. Speaker, we may have reached this equitable, reasonable and humanitarian settlement, in any case I think we did our best to be fair, but it remains quite clear that we will never be able to compensate for the harm done to those people, and I am very sorry about that. I do not find any satisfaction in the fact that I cannot be held responsible. Unfortunately, I was witness to everything those people had to put up with, but I am pleased that at last we have found a solution which I think will be accepted by my Cabinet colleagues within a few weeks. Again it will be with great pleasure that I will go back to Mirabel shortly with the Hon. Member for Argenteuil-Papineau to present them with an official signature on behalf of the Canadian Government.

• (1840)

[*English*]

UNEMPLOYMENT INSURANCE—SEVERANCE PAY MEASURES. (B) PURPOSE AND TREATMENT OF SEVERANCE PAY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my comments this evening relate to a question I asked of the Minister of Employment and Immigration (Miss MacDonald) on March 8. At that time I asked whether she was prepared to postpone the implementation of the severance pay provision of the Unemployment Insurance Act whereby it was provided that severance pay must first be used up before unemployment insurance benefits could be paid.

That was announced on November 8 by the Minister of Finance (Mr. Wilson). Originally it was supposed to come into effect on December 31, 1984. That announcement was made without one iota of consultation. The decision to use severance pay in calculating unemployment insurance benefits was a decision made unilaterally by the Government, I think specifically by the Minister of Finance. I think the Minister of Employment and Immigration had very little to do with it and that the Minister of Finance announced it without any consultation.

That is one of the problems with the particular program. We on this side of the House believe that there should have been consultation, and the Government says it believes in consultation and consensus. Yet, no consultation was undertaken by the Government, by the Minister of Finance or by the Minister of Employment and Immigration. She did not consult with the organized trade union movement because, if she had, it would have raised all sorts of problems with the implementation of such a provision.

As a result of the announcement on November 8, the Minister of Finance, the Minister of Employment and Immigration and back-bench Tories were inundated with protests from various groups and individuals across the country. As a result, the Minister acceded to extending the implementation of the provision until April 1, 1985.

There was a second problem with that particular announcement. No impact studies were made. The announcement was made without any study of the group or the people who would be impacted by such a decision. In fact, no studies were conducted to discover the effects of such a provision on unemployed people. If they had done such studies, they would have found out that severance pay was a lump sum amount of money paid to an employee when an employer gives him the golden handshake and says "Goodbye, your services are no longer required". Many Canadians who find themselves in that unfortunate predicament often take their lump sum payment and roll it into an RRSP to help them in their retirement years. This Government believes in self-reliance. In this particular circumstance when folks are being retired by their employers and are being told that they are no longer needed they are not in fact being allowed to look after their retirement years.

Also they could have found out that persons who are laid off and receive severance pay immediately attempt to find work. They use their severance pay as a form of mobility; they use the money to move around. Maybe they have to leave their communities to look for work. In fact Employment and Immigration Centre mobility programs do not provide grants for unemployed people, so the severance pay becomes a very important form of income for them while they go out and look for work. Now the Government is saying that severance pay must be used for day to day living before they can collect unemployment insurance. It is cruel, it is unjust and it is unfair.

Once again we call upon the Government to postpone, or, in fact, to cancel the whole idea until it has conducted the proper consultation and studies. Then it can bring something to the House, and we will see whether we can support it at that time.

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it is a question of equity.

• (1845)

[*Translation*]

Mr. Speaker, the amendments to the Unemployment Insurance Act regulations were announced by the Minister of Finance (Mr. Wilson) in November last. Those amendments will ensure that all payments drawn from a job are dealt with in the same way under the unemployment insurance system. It seems normal to us. The government considers such a policy as normal. According to the comments of my colleague from Nickel Belt (Mr. Rodriguez), I should have been swamped with requests. It may be that my constituents have lost my address, but as far as I know I have not received a single request from people affected by such a measure. I may have received more in his constituency but for my part, I did not receive any. I wanted to make that correction.

Under the present regulations, Mr. Speaker, the salary drawn by an individual for a part-time jobs is taken in consideration in the computation of unemployment benefits. This is considered a normal practice. It is possible for that individual to look at the same time for a full-time job. Such an amount must be deducted. The benefits are reduced accordingly. However, an individual who draws severance pay or an annuity can receive a second income when applying for unemployment insurance benefits. The proposed amendments are then aimed at putting an end to such unfair treatment. It is quite obvious. The individual can even find a job a few weeks or months later and draw some additional income which would be unfair compared with other Canadians generally.

For the sake of equity and to allow the individuals concerned to adjust to the amendments, some provisions have been passed so that any decision made under the former regulations will be upheld. The regulation concerning the allowance for paid holiday and the severance pay will come into force in a few days, on March 31. All claims submitted

prior to that date will be treated under the previous regulations, up to the end of the validity period of such claims. In the case of claims submitted after March 31st, 1985, vacation pay and severance pay will be treated as any other form of earned income at the time of determining the entitlement to unemployment insurance benefits. This measure is considered as being fair by the Government.

[*English*]

There is maybe an exception. A transitional provision means that any severance payment made under a collective agreement or special work force reduction agreement in force prior to December 31, 1984, will also be treated under the regulation.

[*Translation*]

Mr. Speaker, we feel that this measure is fair and reasonable, and the Government has no intention of changing its views.

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.47 p.m.

HOUSE OF COMMONS

Friday, March 29, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

REGIONAL INDUSTRIAL EXPANSION

SYDNEY STEEL CORPORATION

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I rise today to express my anger and extreme disappointment at the Government for its complete disregard of the people of Cape Breton. We have waited long enough for some action on the second phase of the business plan for the Sydney Steel Corporation. We are not talking just about economics here, we are talking about the future of an entire area.

The first phase of the business plan was put into effect by the former Liberal Government. Most of that work was completed months ago, long before the deadline runs out this Sunday. It's now almost April and there are still no answers, no plans, and no financial assistance being put forward by the Government and its counterpart in Nova Scotia for the second phase of modernization. How can the Government justify treating people like this? To say it is unfair is a gross understatement.

People are depending on the life of this plant for their existence. It is especially unfair when you consider what the work force has done to make Sydney Steel Corporation a viable operation. The workers have set production records. Liquid steel production increased by 40 per cent in 1984. Rail mill production and total production shipments have increased by 50 per cent. The operating losses for Sydney Steel Corporation have been cut in half, and Sydney Steel will not require any operating grants from the province this year because of an outstanding performance by the work force.

The workers have accomplished this against some incredible odds. There are now just, 1,400 people working, down from 3,000, and 1,000 of those people—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but his time has expired.

EMPLOYMENT

CHALLENGE '85—PRIVATE SECTOR RESPONSE

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, on February 6 the Minister of Employment and Immigration (Miss MacDonald) announced a program called "Challenge '85" in which private industry was to be pivotal in providing 95,000 career oriented wage subsidized jobs for students. On this, the deadline for applications, we have written the Minister in part as follows:

It is now clear that some of our worst fears have materialized. The private sector response you anticipated has not been forthcoming. Many areas of greatest need are not receiving adequate assistance, and the numerous career-related jobs you promised have not occurred. Moreover there appears to be much confusion in the administrative process and a lack of publicity and adequate information almost everywhere.

It is not my intent in writing merely to point out that the program has been a dismal failure, but rather, to offer some constructive advice on how to ensure that as many students as possible will work under the program this summer. In this regard I submit the following:

Eliminate all deadlines for employers and students submitting applications; allow any type of meaningful job-creation program to be considered, including all project applications; and, launch a full scale media campaign to advertise the new changes. Finally, provide Members from all sides of the House with sufficient detail that they may be effectively involved in publicizing the program. Admit ideologically produced failure and get on with the job of creating jobs.

* * *

FORESTRY

IMPORTANCE OF RESOURCE—CANADA-UNITED STATES RELATIONS

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, I rise in this House to bring to light an important issue that is of bilateral importance to Canada and the United States. I am speaking of our most precious resource industry, forestry. I have just returned from intensive meetings in the United States along with the Minister of State for Forestry (Mr. Merrithew). In our discussions with the U.S. Forestry Service we were able to forge some meaningful lines of communication and co-operation.

Forestry is a resource that transcends boundaries. It is a North American resource, and many of the issues facing the industry, such as insect control, fire fighting, and forestry research, can best be dealt with if both Canada and the U.S. work together. More important, we are working to maintain a secure trading relationship which will be of benefit to both of our nations.

Our Prime Minister (Mr. Mulroney) really paved the way for such productive relations between our countries. His decision to appoint a Minister of State for Forestry is not only

recognized as an important step for the forest industry in Canada but has also received praise around the world. The Quebec summit meeting also contributed to the excellent relationship that now exists between Canada and its greatest friend and trading partner, the United States. This co-operative relationship is going to produce real benefits for Canada's vital forest industry.

* * *

TOURISM

USE OF MINISTER'S PHOTOGRAPH

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Minister of State for Tourism (Mr. McMillan) is a real devil for punishment. He is trying to introduce himself to his leader. Not satisfied with spending money to show his face in advertisements on tourism, he is now asking Hon. Members of this House to put his picture in their next householders. A camera ready kit has been sent to all Members of Parliament, complete with a nice photograph of the Minister.

What will the Minister think of next so that his leader will notice him? I pity the back-benchers on the government side who do not have a ministerial budget to advertise their own faces across the country. If only they could stand up in this house, perhaps their leader would notice them. They should ask permission to speak if they can't be discovered, or request an increase in their budget so they, too, can advertise their faces like the Minister of State for Tourism.

I am sure that seeing Tom peeping from a government advertisement will cause millions of Canadians to hit the road and visit other parts of this country. The Minister of Supply and Services (Mr. Andre) said that no more shall we see government advertising that would have geese flying into the sunset, but we certainly did not expect to see "peeping Tom", the lone stranger, riding in the sunset. Hi, ho! Tory away, Mr. Speaker!

* * *

UNEMPLOYMENT INSURANCE

CALCULATION OF SEVERANCE PAY AS INCOME

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, this is a sad day for the workers of Canada. As of midnight Sunday, March 31, 1985, vicious changes to the Unemployment Insurance Act will come into effect. These changes will see severance pay and vacation pay being used in the calculation and duration of unemployment insurance benefits. The severance pay change, in particular, is a calculated and cruel blow to those who lose their employment through no fault of their own.

Such workers have traditionally used the severance pay to offset travel expenses in finding alternate work. Now they will be forced to use this lump sum amount to keep body and soul together until they become eligible for unemployment insurance benefits. In such cases it could be up to a period of 20 to 30 weeks, depending on the amount of severance pay.

• (1110)

Other workers have rolled their severance pay into a registered retirement savings plan in order to prepare for their retirement years. With this change coming about on Sunday, the individual will now be forced to use the money to subsist on a daily basis. This is the ultimate irony from the Government which says it believes in individual self-reliance. This is the last appeal to this Government which claims it will save $60 million by this measure, but is prepared to put $60 million into a bankrupt bank.

* * *

[*Translation*]

THE ADMINISTRATION

TEAMWORK ACCOMPLISHMENT IN BONAVENTURE-ÎLES-DE-LA-MADELEINE

Mr. Darryl L. Gray (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I take this opportunity to stress the significance of the change in Government last September 4.

Given the new climate created by this Government, the residents of Saint-Alphonse-de-Caplan in my beautiful riding of Bonaventure-Îles-de-la-Madeleine have done an outstanding job working as a team. With the co-operation of the provincial and federal Governments, they carried out a sawmill project which will create about 150 permanent jobs.

Mr. Speaker, that is proof positive that we are quite prepared to invest our money and our energy to develop our region in a spirit of co-operation which shows once and for all that we, the people of the Gaspé area, the people of the riding of Bonanventure-Îles-de-la-Madeleine—

[*English*]

—are open for business. We are willing to work together to repair the horrendous damage caused during 22 years of Liberal rule in my riding. I congratulate the Hon. Minister of State for Small Businesses (Mr. Bissonnette), and I congratulate the Conservative Government for its optimistic and confident attitude regarding the future of Canada. Finally, I congratulate the citizens of my riding who have worked so hard to permit 150 permanent jobs to be created.

[*Translation*]

We will continue to work together, Mr. Speaker, and I extend to you and to all my colleagues in the House an invitation to visit our beautiful riding of Bonaventure-Îles-de-la-Madeleine.

[*English*]

We have the beef, Mr. Speaker!

AGRICULTURE

EXPORT CHEESE GRADING COSTS

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, southeastern Ontario has always been proud of its agricultural industry and the important role it has played in producing food at a reasonable price for consumers not only in Canada but throughout the world. Today in eastern Ontario there is considerable concern in the agricultural community that this sector of the economy is being burdened with an unfair proportion of the cost associated with maintaining food prices affordable by everyone. A recent proposal by the federal Government to implement a cost recovery program for services such as grading, would result in increased costs to the consumer or, worse, to the already hard hit producers.

One such problem which has been brought to my attention is that of the cheese producers in eastern Ontario who, under this proposal, will have to pay for the grading of cheese which is to be exported. As many Members are aware, many cheese factories have closed. Knowing the federal Minister of Agriculture (Mr. Wise) and his concern for the agricultural community, I trust that through consultation and communication a fair and reasonable solution will be found which will be acceptable to the cheese producers and agricultural communities of eastern Ontario.

* * *

[*Translation*]

HOUSING

RRAP PROGRAM CUT-BACKS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, with thousands of Canadians, I would like to express my disappointment as a result of the cutbacks made by the Progressive Conservative Government in its home renovation and home improvement policy. In Newfoundland, 37 per cent of the budget was cut. In Prince Edward Island, 42 per cent, in Nova Scotia, 30 per cent, in New Brunswick, 34 per cent, in Quebec, 35 per cent and in Ontario, 9 per cent, in Manitoba, 27 per cent, in Saskatchewan, 20 per cent, in Alberta, 16 per cent and in British Columbia, 35 per cent.

Mr. Speaker, I think this Government should have continued what the Liberals were doing. They should be getting rid of substandard housing instead of getting involved in Star Wars. I realize the Prime Minister (Mr. Mulroney) would rather compete with Mr. Spock, to improve his image, but I speak for all Canadians when I say that the Residential Rehabilitation Assistance Program has played a very important role in improving the quality of our housing and also in creating jobs, and it was far less costly than the amount of taxpayers' money that will be wasted on star wars.

• (1115)

[*English*]

IMMIGRATION

REFUSAL TO ALLOW DETAINEE TO MARRY

Mr. Dan Heap (Spadina): Mr. Speaker, the right to marry must be defended against interference by immigration officials. Irene McLaughlin, a Canadian citizen, has enjoyed a commonlaw marriage for four years with Hugo Cobos. However, Mr. Cobos has been detained in the immigrant holding centre at the Waldorf-Astoria Hotel in Toronto for six months. Ms. McLaughlin's request to marry him has been denied by Immigration enforcement authorities in Ontario who will neither permit him a day's leave to marry her nor permit them to be married in the Waldorf-Astoria.

Surely Mr. Cobos should be treated no worse than a criminal. Even convicted criminals are allowed to marry in prison. I believe that that right is protected by the Canadian Charter of Rights and Freedoms. This is one more reason why, four weeks ago, I asked the Minister to inquire into conditions at the immigrant holding centres. They deny not only the Charter of Rights and Freedoms but also the United Nations minimum standard for prisoners, which Canada has signed.

I am glad the Minister and the Committee on Labour, Employment and Immigration have finally undertaken the inquiry into the immigrant holding centres, but meanwhile let Ms. McLaughlin marry Mr. Cobos. I call on the Minister to take immediate action to defend Ms. McLaughlin's right to marry.

ORAL QUESTION PERIOD

[*English*]

ENERGY

WESTERN ACCORD—EFFECT ON INVESTMENT IN NEWFOUNDLAND

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Energy. The energy deal she announced yesterday imperilled the investment off Nova Scotia and Newfoundland and affected the venture in Hibernia. In order to meet that point, the Hon. Minister said in the House that she had just received assurances of reinvestment of $800 million a year in these offshore resources.

Would the Minister reassure the people of Newfoundland that she has commitments in definitive terms from the oil companies off Hibernia? If she has those commitments, would she table them in the House of Commons so that the people of Newfoundland will be assured of the job potential in that development which may well have been interrupted by the energy deal?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I can really only say that I can seek the consent of the provinces concerned to table any documents. If that will satisfy the Right Hon. Member, I will do that. However, I can assure him that there is nothing in the Accord that does any damage at all to Newfoundland and Nova Scotia. In fact, it does exactly the reverse. It will create the kind of climate which will lead to the kind of investment that Newfoundland and Nova Scotia need to bring Hibernia and other ventures on-stream.

Mr. Turner (Vancouver Quadra): It is not as important to assure me, Mr. Speaker, as it is to assure the thousands of people in Newfoundland who are depending on those jobs.

[*Translation*]

PRICE OF GASOLINE—PROMISES MADE TO QUEBEC

Right Hon. John N. Turner (Leader of the Opposition): The Prime Minister has already contradicted the Minister of Energy on the question whether Canadian consumers are going to pay more for gas. He said he did not know yesterday, but we know that during the election campaign, Progressive Conservative candidates promised consumers in Montreal, Trois-Rivières and Quebec that if a Progressive Conservative Government was elected, it would reduce the retail price of gas.

Why did the Minister not keep the promises made to voters in Montreal, Trois-Rivières, Chicoutimi, Sherbrooke and other cities and towns in Quebec?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Right Hon. Member represents a Party which caused hatred and division in this country with the NEP.

Some Hon. Members: Hear, hear!

Mr. Gauthier: You are the worst of the gang.

Miss Carney: Now the Right Hon. Member is following the same tactics by trying to maintain that the Western Accord hurts Atlantic Canada and Nova Scotia, and that is a shameful statement. That Accord was negotiated with the interest of Canada in mind. I would ask the Hon. Member to stop using energy as a tool of division in the country.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The weaker the case, the louder the pleading, Mr. Speaker.

POSITION OF ONTARIO PREMIER

Right Hon. John N. Turner (Leader of the Opposition): Would the Minister make the same accusation against her colleague, Premier Miller of Ontario, who said yesterday that he was concerned for the consumers of Ontario and that he was seeking a meeting with the Prime Minister of Canada? Would the consumers of this country prefer to believe that attempt at phoney outrage on the part of the Minister or would they feel concern, as the Premier of Ontario does, for the people of his province?

• (1120)

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, if the Right Hon. Member wants phoney outrage, let him try peddling that line in St. John's or Calgary.

With respect to the Premier of Ontario, his Government has been kept fully informed, through his Energy Minister, of our negotiations with the western provinces. As I have repeatedly said, there is nothing in the Western Accord that hurts consumers. Going to deregulation and going to world prices mean that we create an environment in which prices should go down if world prices go down. We have frozen natural gas prices. The Liberal regime had two natural gas increases in place. By removing the Canadian Ownership Charge we have removed a tax that is paid by the consumers.

PETROLEUM INCENTIVES PROGRAM

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Government has completely done away with grants under the Petroleum Incentives Program. Executives and consultants in the energy sector, not politicians, are saying that this will mean a drastic reduction in exploration at Hibernia and Venture, and could postpone production indefinitely in these regions. In order to assist Hibernia and Venture, what will the Government put in place to replace the grants under the Petroleum Incentives Program?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, again, the allegation that the Western Accord hurts Nova Scotia is a malicious and false statement. The companies involved in drilling ventures told me personally that the removal of the PGRT, which is a revenue tax, would be one of the greatest incentives for them to continue drilling in the Scotian South. We have done that. We have supplied offsets to Canadian companies, and we have maintained $3 billion worth of PIP programs. We will be continuing an incentive program to replace PIP in the future.

Mr. MacLellan: It is not the Accord with which we find difficulty; it is doing away with the grants under the Petroleum Incentives Program.

HIBERNIA OILFIELD DEVELOPMENT

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, the Minister says that she has these assurances from the industry. I wonder if the industry gave her a bag of magic beans. Will she admit that she has actually abandoned the

fiscal regime for Hibernia and, as a result, the Newfoundland energy arrangement means very little because there may not be any production without a fiscal regime?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, in terms of Hibernia, the whole thrust of the Western Accord is to create jobs and investment in developments like Hibernia in the interest of energy security for all Canadians. The Hon. Member should know that the Atlantic Accord allows the provinces to set their own royalties, just as the western provinces do. In that case the abandonment of the tax field by the federal Government should be nothing but good for the Province of Newfoundland.

REDUCTION OF TAX ON OIL INDUSTRY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. First, let me say that I agree with her. It is no longer an East-West conflict but a conflict between big oil and the ordinary Canadian consumer who will be hurt.

The Alberta Minister of Energy is quoted today as saying that the Western Accord provided the oil industry with an extended Christmas. Will the Minister, the spring Santa Claus of the oil industry, explain why, since November 8, the Government cannot help ordinary Canadians with respect to social programs, environmental programs, $800 furnace conversions, and arts and cultural programs because they will raise the deficit, yet when it comes to giving $1.3 billion to the oil industry that does not seem to affect the deficit at all? How does the Minister explain this double standard in which there is one rule for the Canadian oil industry and another for ordinary consumers?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, there are many Canadians who want jobs. The Western Accord will provide jobs. That is what will interest ordinary Canadians, and that is what we have attempted to accommodate.

Mr. Waddell: I would like to know where the Minister gets that line about jobs. I can only find it in the Canadian Petroleum Association brief. The President of the Canadian Petroleum Association is quoted today as saying: "We got everything we asked for one year ago."

• (1125)

JOB CREATION FORECAST

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, let me ask a supplementary of the Minister of Energy, Mines and Resources. In view of the fact that the Minister said in committee that her Department does not have any studies of how many jobs will be created by deregulation, and in view of the fact that the Deputy Minister of Ontario says that there will be a loss of jobs with deregulation, where does the Minister get this figure of 300,000 jobs created by a capital intensive industry?

Mr. Blackburn (Brant): Right out of thin air.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the forecast of 100,000 jobs came from the Economic Council of Canada in an independent study. The forecast of 300,000 jobs has come from a variety of sources. I will be quite happy to settle for somewhere between 100,000 and 300,000 jobs.

Let me tell the Member where these jobs are. Hibernia, 6,000 in construction, 1,000 permanent; Venture, 5,000 in construction, 700 permanent; Vancouver Island pipe line, 2,500 in construction, 100 permanent; Western LNG, 1,750 in construction, 450 permanent; Syncrude, Phase I, 2,500 in construction, 350 permanent; Phase II, 3,000 in construction, 500 permanent. I could go on and on, and on. Those are where the jobs are.

Some Hon. Members: Hear, hear.

Mr. Deans: You are going to have to get to 100,000.

Mr. Waddell: Mr. Speaker, the Minister had better go on. She sounds more and more like Bill Bennett. She had better go on and start adding up to 100,000.

EXPLORATION AND DEVELOPMENT WRITE-OFFS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a final supplementary question. Clause 6 on page 5 of the agreement reads:

To assist companies which are not currently paying corporate income tax—

Can you believe this, Mr. Speaker? It continues:

—the Government of Canada will allow new exploration and development write-offs—

Here are some more goodies for the oil industry.

Given that there is a Budget coming up, will the Minister give a guarantee to the Canadian consumers, because the Canadian consumers form the vast majority of people in Canada, that the Government is not going to try to equalize this equation by raising excise taxes, or whatever, to get the money back that it has given to the oil companies?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I think, for the purposes of clarifying the record, I should finish the quote the Hon. Member gave. Clause 6 reads:

To assist companies which are not currently paying corporate income tax, the Government of Canada will allow new exploration and development write-offs which are not immediately usable under the federal corporate income tax to reduce the Petroleum and Gas Revenue Tax otherwise payable.

That is the clause that helps Canadian companies. They are the ones that are most often in the position described there. We are giving Canadian companies an extra bonus of an extra write-off so that they can maintain an enhanced Canadian participation in the energy field.

Some Hon. Members: Hear, hear!

Mr. de Corneille: A write-off on nothing is nothing.

Oral Questions

ONTARIO CONSUMER INTERESTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is also for the Minister of Energy, Mines and Resources. Yesterday the Minister stated that the oil deal would not mean extra cost to consumers. Yesterday, the Prime Minister said we would have to wait until May to see if prices go up. This morning the Minister also said we must wait and see. What guarantees or concessions were given to the Premier of Ontario, the main oil consuming province, to protect consumer interests?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I can only report that there is again nothing in the Accord that will increase consumer prices. I have already said that I have been in constant touch with the Government of Ontario, and I fail to understand the purpose of the Hon. Member's question.

POSITION OF ONTARIO PREMIER

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Conservative Premier of Ontario has requested an emergency meeting with the Prime Minister and is quoted as saying that he will fight for consumers. Clearly he does not believe that the agreement was good for consumers. The Minister says that the Premier was kept fully informed through his Energy Minister. Why was he not consulted before the fact?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, there is no emergency meeting between the Premier of Ontario and the Prime Minister. It is not considered an emergency for a provincial Premier to meet a Prime Minister of Canada since the Conservatives were elected.

We assure the Hon. Member that the Minister of Energy for Ontario was kept fully informed of the negotiations. I received the position of the Government of Ontario and that was considered in forming the Western Accord.

• (1130)

[*Translation*]

PRICE OF GASOLINE—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources.

The accord signed by the Minister yesterday shows clearly that she has elected to sacrifice the consumer in favour of the multinational oil companies. The Minister knows perfectly well that if the price of oil is allowed to vary according to market supply and demand, it is false to state that prices will necessarily drop. I may remind the Minister, and her Quebec colleagues will remember, that when the Quebec Government reduced its escalating tax by 20 per cent, this did not benefit the consumers, since the oil companies immediately increased their prices. I therefore would ask the Minister what guarantees she can give Canadians that this will not happen again.

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the whole purpose of the Western Accord was to create jobs for Canadians. Those jobs will be in the West. They will be in Ontario. They will be in Quebec. They will be in the Maritimes, and in the North. As I have said repeatedly—and he can read it himself—there is nothing in the Accord that would lead to increases in consumer prices. When you go to world prices, you are going slightly down, or in an environment of declining prices. We have frozen natural gas increases, and we have removed a tax. There is nothing in that regime which would be reflected in increased costs to consumers.

[*Translation*]

DEMAND OF QUEBEC GASOLINE RETAILERS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, the Minister said there was nothing in her accord that could keep the price from dropping, and what I have to say to that is that there is nothing in her accord that could prevent the price paid by the consumer from rising. She has clearly shown that the purpose of the Western Accord was to create jobs that would be paid for by Eastern taxpayers. I hope Quebec Members will soon wake up to that fact. The Hon. Member for Duvernay, for instance.

I would like to ask the Minister why she failed to consider the request made by the Association des détaillants indépendants du Québec for a protection mechanism for consumers.

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, again I would like to remind the House that the Hon. Member is once again practising the Liberal policy politics of hate by suggesting that eastern consumers are paying for western jobs.

Again, the job creation in energy is spread right across the country. If he doubts it, he can look at the plants in the Province of Ontario and in the Province of Quebec which supply goods and services to the oil patch. I can also point out to him that the Quebec Minister of Energy, with whom I consulted, supported the move to deregulation.

ONTARIO CONSUMERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Minister of Energy, Mines and Resources. Given that the Premier of the Province of Ontario stated that he was not kept informed with regard to the impact of the newly signed Western Accord on the consumers of Ontario, what guarantee could the Minister give to Ontario consumers that they will not be asked to carry the additional burden which will be brought about as a result of the dropping of the tax on oil, and the imposition of a new cost to the

Government of Canada, by way of an increase in the deficit or by way of an increase in tax?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, again I can tell the Hon. Member that the purpose of the Western Accord is to create jobs right across the country. We designed an Accord that has the minimum impact on the federal Budget and the maximum impact on exploration and development, which will spin economic benefits right across the country, including his home riding. If he is against jobs in his home riding, I suggest that he had better state it.

TAX REDUCTION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, clearly the Minister does not understand. My riding does not have any industry in it.

Miss Carney: Maybe it will now.

Mr. Deans: My riding does not have any industrial development. If the Minister is basing her research on the kinds of responses she gives with regard to the riding of Hamilton Mountain, then she ought to go back and do some more research.

How, on the one hand, can the Government give away $1.3 billion of tax revenue and, on the other hand, claim to be going to reduce the deficit in Canada without in one way or another increasing the cost to the consumers of the Province of Ontario?

Hon. Pat Carney (Minister of Energy, Mines and Resources): By good fiscal management, Mr. Speaker.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

* * *

HOUSING

LIMITED DIVIDEND PROGRAM INQUIRY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is directed to the Acting Minister responsible for housing. In the consultation paper on housing the Minister noted that there was serious concern about whether federal housing assistance was being directed to those most in need. Could the Minister tell the House what measures are being taken to aim federal housing assistance to those in most need? Specifically, do they involve a change or an improvement in the limited dividend program?

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I would like to take this opportunity to give the Hon. Member and this House the assurance that the Government and the Minister concerned are continuing consultations with these groups and intend to take every action necessary to ensure that Canadians have access to adequate, reasonably priced housing.

As for the Hon. Member's specific question, it has been noted and the Hon. Member will receive a reply as soon as the Minister responsible has returned.

* * *

[*English*]

AGRICULTURE

PORK EXPORTS TO UNITED STATES

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I usually ask questions about porkbarrelling, but I am ready to drop the barrel for today and ask questions of the Deputy Prime Minister about pork. Yesterday the Minister for International Trade said that the pork industry was in a very serious predicament. In view of the election promise of the Prime Minister to fast track agricultural practices and trade, could the Minister tell us what specific fast track actions have been taken over the last 24 hours to deal decisively with the crisis in the agricultural industry?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I defer to the Hon. Member and his Party with respect to expertise in the pork industry and porkbarrelling, but I will take his question as notice and draw it to the attention of the Minister responsible.

[*Translation*]

SITUATION OF FARMERS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, since the President of the United States said he was as close as the telephone, I assume that the Prime Minister called his friend yesterday, and in that case, could the Prime Minister inform the House what the results were of these telephone conversations and when the House will have the assurance that the President of the United States will intervene, not just to help his friend, the Canadian Prime Minister—or should we say the Canadian President—but also and especially this country's farmers who need help today, since prices are dropping about 2 cents a day, while we are waiting for the Minister's decision?

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the Hon. Member were interested in the facts, which I am sure he knows, he would know that the situation regarding the decision in the United States affecting pork is a matter that, naturally and obviously, concerns the Government of Canada, pork producers, and the House. He would also know that it was a preliminary determination and that that may be modified when the U.S. Commerce Department revisits the situation in June.

[*Translation*]

ENERGY

EFFECTS OF NEW POLICY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources and concerns the Western Accord on oil. Mr. Speaker, my question is as follows: Recently, people across Quebec saw the reluctance of this Government to provide assistance for the Domtar project that involves 5,000 jobs for Quebec, because of the deficit. The Government has now concluded an accord that will give the multinational oil companies $1.3 billion, without any guarantee of jobs. Could the Minister explain to the House why the deficit is an excuse for not creating jobs in Quebec and is not considered when granting $1 billion to international oil companies?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, obviously the Hon. Member has forgotten that the pulp and paper industry itself said that grants were not appropriate for that industry. On the other hand it has been our objective to create jobs in energy, which is an industry that goes from coast to coast to coast. That is our objective, and we are working to achieve it, with or without the help of the Hon. Member.

• (1140)

OIL COMPANY BENEFITS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the Hon. Member for Champlain said a few weeks ago that he was starting to believe that we were being held hostage by those companies concerned only with personal profit, that is, the multionational oil companies. Can the Minister explain why it is that she has gone to such measures to provide assistance to oil companies that are not now paying any corporate tax at all, and yet the Government is not prepared to come to the assistance of the 1.5 million workers in Quebec and across Canada who cannot pay taxes because they do not have jobs?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, we hope that the Western Accord will correct that situation by putting those people back to work. I can just repeat what I have already told the House. The measure about special offsets for companies that do not pay taxes in a clause to help enhance the role of Canadian companies in our oil and gas industry. If the Hon. Member and his Party do not support Canadianization of the energy field, I suggest they are on the wrong track.

AUTOMOTIVE INDUSTRY

IMPORTATION OF JAPANESE MANUFACTURED VEHICLES

Hon. Herb Gray (Windsor West): Mr. Speaker, two days from now the current arrangements with Japan regarding restraint on the exports of Japanese cars to Canada will expire. Is the Minister of Regional Industrial Expansion going to make a statement in the House today about what the Government is going to do regarding this important matter?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member I know that I do not have to remind him that in 1984, in a similar situation, discussions with respect to the ongoing VER arrangement with Japan started in January. There was a further meeting in Tokyo in March. There was a meeting in Ottawa in April, one in Banff, and finally by June 12 of last year there was sufficient agreement to allow a communication. At the present time we are in such negotiations. I believe the Hon. Member will be pleased to learn that the officer who headed the negotiation team with the Japanese last year is heading the team this year.

TIMING OF ANNOUNCEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I think it is remarkable that yesterday the Minister told the House there would be an announcement today about the Government's policy on the matter of Japanese exports of cars to Canada. We assumed that it would be in this House. He now suddenly discovers that the Government has been handling this matter in such a desultory and lack-lustre fashion that he is not able to make the announcement. If the Minister is not able to make the announcement today, will he pledge to the House right now that, if there is no agreement March 31, the Government will have in place standby arrangements to prevent the Japanese from flooding our market with cars and imperilling thousands of Canadian jobs? Will he at least do that?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, let me assure the Hon. Member that we fully intend that there be a stable market in Canada as far as the automotive industry is concerned. Our discussions with the Japanese are certainly to that end, but we feel that it would not serve anyone well to have these discussions and negotiations taking place in public. I want to assure the Hon. Member, further to what I said yesterday, that my colleague, the Minister for International Trade, and myself will be giving, if you like, a progress report, or statement, later this afternoon—

Mr. Gray (Windsor West): Where?

Mr. Stevens: —bringing the public up to date on where these negotiations stand.

Mr. Deans: How about the House of Commons being brought up to date?

Mr. Stevens: Let me assure the Hon. Member from the NDP that, when a negotiation has come to a more definitive stage, we will be making an appropriate statement in the House.

* * *

ENERGY

WESTERN ACCORD—POSITION OF NEWFOUNDLAND PREMIER

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Yesterday the Minister made the day for an already very wealthy oil industry in Canada. However, it was a sad day for Newfoundland. In light of the serious ramifications for the Government and the people of Newfoundland in terms of developing the Hibernia project, I want to ask the Minister whether she consulted the Premier of Newfoundland, Brian Peckford and, if so, did he endorse this Western Accord?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, we have an incredible situation here. This Government in six months has negotiated two energy accords that have brought healing to those regions of the country that were split off from Confederation by the former administration. No one on that side of the House can say congratulations. Do you know who did say congratulations, Mr. Speaker? The Minister responsible for energy, Bill Marshall, called my office to give his congratulations for an accord that he knows will benefit Newfoundland.

Some Hon. Members: Hear, hear!

HIBERNIA OILFIELD DEVELOPMENT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it is an incredible day indeed in terms of the Western Accord. It is because of the fact that we did agree with the agreement that this Government had with Newfoundland, which the previous Government could not reach, that we are so concerned. Since the Minister did not consult the Premier of Newfoundland, how does she justify putting the whole Hibernia project into jeopardy and rendering the Newfoundland Accord null and void?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, even for election rhetoric, I think that that goes beyond an excuse. There is nothing in this accord that hurts Hibernia. It helps Hibernia. First of all, by taking off the PGRT, which is a tax that is hated all across the country in producing areas, that will improve the economics of Hibernia. By going to decontrol, that will improve the markets for Hibernia. This accord is good for all producing regions of the country. Newfoundland will have the power to set its own royalties and its own fiscal regime free of federal government intervention. That is what Newfoundland wants.

Some Hon. Members: Hear, hear!

[*Translation*]

HUMAN RIGHTS

PROMOTION SYSTEM FOR IMMIGRATION OFFICERS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question was intended for the Minister of Employment and Immigration but, in her absence, I direct it to the Acting Minister.

Severe criticism has been levelled at the promotion system for immigration officers, which is based on the number of illegal immigrants caught at points of entry into Canada. The Minister has launched an inquiry into this matter, and I should like to know who are the people in charge of the inquiry and the scope of their mandate. I would also like to know whether those people have ready access to all files and are authorized to summon witnesses.

Hon. Andrée Champagne (Minister of State (Youth)): In the absence of the Minister of Employment and Immigration, Mr. Speaker, I take note of the question, and the Minister herself will answer the Hon. Member at the first opportunity.

* * *

[*English*]

ENERGY

WESTERN ACCORD—VANCOUVER ISLAND PIPELINE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources as well. The Minister will recall very clearly that a few moments ago she was commenting on all the jobs that would be created by the Vancouver Island pipeline. She will also remember that during the summer of 1984 both herself and the Prime Minister promised the people of British Columbia that the federal Government would enable that pipeline to be built by providing a financial grant to the Province of British Columbia. Does the Minister still plan to provide that financial grant which would make that gas pipeline possible, or is she going to leave it to the private sector?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, as I have already informed the House, my officials are having discussions with the energy officials in British Columbia on the economics of a pipeline. I will report back to the House on the status of that project when the discussions are completed.

WINDFALL PROFITS TAX INQUIRY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Minister indicated that this new accord will assist in Canadianizing the oil industry. She will know that the main beneficiaries of this accord will be those oil companies that are able to take advantage of the world price for old oil. Those are almost exclusively foreign-owned companies. Will the Minister explain why she has not considered a windfall profits tax,

because the increase in price per barrel for that old oil will be in excess of $4 a barrel. Why not use an excess profits tax on that old oil to help offset the cost of this accord, as opposed to the consumers of Canada paying the cost?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Western Accord provides that all benefits flowing from the Accord are reinvested in new jobs in Canada, so the main beneficiaries of the accord are all those Canadians who want work. They will now have a chance to have work.

* * *

• (1150)

[*Translation*]

PUBLIC WORKS

MIRABEL—LAND RESALE

Mr. Édouard Desrosiers (Hochelaga-Maisonneuve): Mr. Speaker, my question is directed to the Minister of Public Works.

If I may, on behalf of all Members of the House, I should like to commend the Minister for the excellent work he has done. I would like to ask him when the moratorium on Mirabel land resales will be lifted?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I am pleased to answer the question of my colleague. In less than five months, as you know, we have managed to find a solution to the land resale problem, a solution which both parties have endorsed, and this agreement will now become a Cabinet document. Quite confident that Cabinet will approve the document, I think I can tell the House that land resales might begin before the end of this session—and that spells efficiency in a matter which had been on the back burner for 16 years.

[*English*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, I wonder if the Minister would get someone to endorse that $13 million cheque which he gave to the pork producers during the election.

* * *

ENERGY

WESTERN ACCORD—VANCOUVER ISLAND PIPELINE

Right Hon. John N. Turner (Leader of the Opposition): My question is directed to the Minister of Energy, Mines and Resources, and it arises from the remarks she made on the Vancouver Island pipeline. In response to the Hon. Member for Kamloops-Shuswap she said that she was still in negotiations with the Energy Minister for the Province of British Columbia, yet, earlier this morning she included the job potential for the Vancouver Island pipeline among the jobs which she anticipates from the recent energy deal. Are she and the federal Government now committed to the building of the Vancouver Island pipeline? If not, why would she include those figures in the job potential which she cited?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, in response to the Right Hon. Member, again I say that we are in discussions with the officials in British Columbia. We are trying to come to an agreement on a time line which permit the pipeline to be built.

OIL COMPANY BENEFITS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is also directed to the Minister of Energy, Mines and Resources and it deals with the Western Accord, which I think might be more appropriately called "ordinary Canadians versus Big Oil".

Yesterday afternoon the Minister announced $1.3 billion of welfare for big oil. Yesterday morning the Government announced that it would cut back on the initial grain price for western farmers. Why this double standard? Why in the morning could the Government not afford a better grain price for western farmers, when in the afternoon it gave $1.3 billion to big oil? Why the double standard?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member comes from Saskatchewan which has got one of the most impressive records in the development of oil and gas energy reserves, by using tax holidays, royalty holidays, and other measures, which have created jobs, created new revenues through land sales, and which have been very beneficial for his province.

Some Hon. Members: Hear, hear!

Miss Carney: I am really shocked that a Member from Saskatchewan would be knocking the Western Accord that the Energy Minister of Saskatchewan initialled as good for his province.

GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I think the time for b.s. is over. I want an answer from the Minister. Why the double standard? Why can this Government say in the morning—

Mr. Clark (Yellowhead): Why are you against jobs?

Mr. Nystrom: Shut up, Joe.

Why in the morning did the Government say to western Canadian farmers that it could not afford better grain prices and it would cut the initial price, when a few hours later in the House it gave $1.3 billion of welfare to the oil companies? Why the double standard? I want an answer.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member's Party holds a record for double standards, by supporting the NEP, which hurt western Canada and which we are now moving to heal.

* * *

OLYMPICS

WINTER OLYMPICS—FEDERAL GOVERNMENT AID

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. Yesterday in the House the issue of the 1988 Calgary Winter Olympics was raised, but the Minister refused and failed to address his comments to the $200 million commitment which his Government had made to the games.

The Canadian Olympic Organizing Committee and all Canadians are still awaiting those answers. The time for organizing an event of such national magnitude is short. Therefore I ask the Minister when will he inform the House how he will raise the $200 million and what mechanisms will he put in place? We need the assurance to ensure that all Canadians and Olympic participants will have faith in the commitment which has been made by the Government.

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I appreciate the opportunity to respond to that question. I have been waiting six months for the Hon. Member to stand up and ask one.

I can assure the Hon. Member that the $200-million commitment to Calgary will be kept. As he knows, the Olympic coin program has already been approved by the House and the estimated revenue from that program will be between $40 million and $50 million. As the Hon. Member also knows, the circulating coin program is now before the Standing Committee on Miscellaneous Estimates.

As far as my ongoing negotiations with the provinces for the remaining $100 million are concerned, I can assure the Hon. Member that I am comfortable with those negotiations. I have always maintained that an agreement would be signed before the end of this summer. I still believe that the agreement will be signed. In fact there will be a meeting of Ministers on April 19 in Ottawa which will iron out any remaining difficulties. I am confident that an agreement will be signed shortly thereafter.

FUND RAISING METHODS

Mr. Sergio Marchi (York West): Mr. Speaker, it is interesting to note that the Minister is complaining about the lack of questions, but when he gets a question he refuses to answer in any different way. We were told in September that an agreement would be made with the provinces. He gave away the lottery without any guarantee. We were told that an agreement would be forthcoming before Christmas, and at Christmas the Minister told us that it would be forthcoming in the new year. Now it is March and he says there will be an agreement in the summer. We need a little more sense of action.

How will the Minister raise the $200 million, when the coin program will be lucky if it raises $30 million? How are the provinces going to come in, and when will they come in? Could he give a sense of direction to the Olympic Committee and Canadians in general?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, if the Hon. Member had listened to my previous answer he would know that I have already given that commitment. He referred to us closing down of the Sports Pool. I would hope that we would have closed down the Sports Pool as it was losing $1.5 million a week. It was a Liberal-orchestrated Sports Pool detrimental to all Canadians.

Some Hon. Members: Hear, hear!

Mr. Jelinek: I repeat that I have consistently said, and the Hon. Member should check the record, that hopefully an agreement would be signed with the provinces before the end of the summer. I maintain that position. Beyond the other areas which I have already mentioned, there are numerous private sector moves which are currently being discussed and negotiated. I am confident that we will raise not only the $200 million non-tax revenue dollars for the Olympic Games, but well beyond $200 million.

* * *

AUTOMOTIVE INDUSTRY

IMPORTATION OF JAPANESE MANUFACTURED VEHICLES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. I can understand his embarrassment today, because he stated yesterday that an announcement would be made. It is outrageous that this announcement is not to be made in the House of Commons, when thousands of jobs are at stake. The United Auto Workers office in Toronto was informed that a specific agreement was to be signed stating that quotas would continue. Why has this situation changed between yesterday and today? What has happened to sweep the rug out from under the Minister and his commitments?

● (1200)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, I would ask him to follow my words more closely. Yesterday I said, "The Government of Canada will have an announcement with respect to this matter tomorrow". We will be making a statement. The Hon. Member takes exception to the fact that it could be made later this afternoon. If he would prefer that it be made in the House, I am sure the House Leaders could at least discuss that matter and some suitable time could be arranged. I have no objection to taking up House time if the Hon. Member feels it is desirable.

However, the point I wanted to stress is that certainly nothing has changed from yesterday to today. We do want to give the nation a report on where this matter now stands, where discussions stand, and I emphasize once again that the last time the nation went through this it took until June before we could get a satisfactory agreement with the Japanese.

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CLERK OF PETITIONS' REPORTS

Mr. Deputy Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, March 28, 1985, meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

UNPARLIAMENTARY LANGUAGE OF MISS CARNEY

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to raise a point of order with respect to certain words used by the Minister of Energy, Mines and Resources (Miss Carney) in answer to a question asked of her by the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan). She said that the Hon. Member made a malicious and a false statement.

I refer you, Mr. Speaker, to Beauchesne's Fifth Edition, page 107. It quite clearly states there that the words "false statement" have been ruled by previous Speakers to be unparliamentary on more than one occasion. Therefore, Mr. Speaker, I ask you to apply the clear precedent that the words used by the Minister of Energy, Mines and Resources are unparliamentary and call upon the Minister to withdraw them according to our clear rules and traditions.

The Hon. Member for Cape Breton-The Sydneys in asking his question was simply carrying out his duties to speak out for all Canadians in a forceful but fair and accurate manner. He is entitled to a response from the Minister which is informative and within the rules. This he did not receive and he is entitled to better from the Minister.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I withdraw the word "false". I was considering "spiteful" but I will settle for "inaccurate".

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on the same point of order. The Minister cannot substitute another word. She either withdraws the word or she does not. She cannot substitute another word she thinks is satisfactory.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in the heat of debate in Question Period, I think statements are made by Hon. Members on both sides of the House which, on reflection, are considered unparliamentary. I fully subscribe to the position which has been taken by my colleague, the Minister of Energy, Mines and Resources. When confronted with a word which is clearly unparliamentary, she did the right and proper thing, and that is to withdraw it unequivocally.

Mr. Deans: That's fine. That's all, I agree.

Mr. Hnatyshyn: There are other unparliamentary terms for the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). The reference to drinking works both ways. Sometimes we on our side wonder whether he has had too little or too much.

The situation, Mr. Speaker, is really one in which there has been a categorical withdrawal. I don't think the word "inaccurate" is unparliamentary.

Mr. Deputy Speaker: I regret to interrup the Government House Leader. Does the Opposition House Leader have something to say before the Chair comes to a decision?

Mr. Gray (Windsor West): Mr. Speaker, I think the rules and precedents are clear. If a word is unparliamentary, it must be withdrawn clearly and unequivocally, without any skating around in an attempt to insert by surreptitious means some other word to make up for the fact that the Hon. Minister did not follow the rules and traditions of this House.

Mr. Deputy Speaker: I must inform the House that the Minister of Energy, Mines and Resources has withdrawn the words to the satisfaction of the Chair.

* * *

BUSINESS OF THE HOUSE

Mr. Deans: Mr. Speaker, there was an indication earlier today that the Minister for Regional Industrial Expansion was going to make a statement outside of the House with regard to the Japanese car quotas. Later he indicated that he would be willing to make the statement inside the House if some suitable arrangement could be made. Since time is of the essence today, I would like to suggest that we would be prepared to sit through the lunch hour in order to allow the Minister to make the statement now, and our commitment to complete the bank Bill by three o'clock will still be kept. If the Government House Leader would accept that suggestion and have the Minister make a statement now, we would be willing to have that occur.

Mr. Gray (Windsor West): Mr. Speaker, we in the Official Opposition believe that the rights of Parliament are such that statements of the kind intended to be made by the Minister of Regional Industrial Expansion should be made here in the House. We will certainly be happy to work with the Government House Leader to facilitate that being done.

Mr. Hnatyshyn: Mr. Speaker, let me say that I have had an opportunity to discuss this matter with my distinguished colleague, the Minister of Regional Industrial Expansion. The fact is that it was hoped that we would be able to make a statement at the usual time. However, as he pointed out during

Question Period, there are certain elements in terms of negotiation which made it necessary to forestall any announcement and statement. I believe there may be a disposition, for example, if we were agreeable to sitting through the lunch hour, to see what we could do. I think we could probably arrange to have something announced in the vicinity of two o'clock this afternoon, which would allow Hon. Members to hear the Minister and to respond. In this way we can accomplish our common objective, and that is to pass the legislation so that the other place could consider the Bill at or about three o'clock this afternoon.

Mr. Gray (Windsor West): Will we get a copy of the statement so that we will be able to prepare a reasoned and meaningful response?

Mr. Hnatyshyn: The House Leader of the Official Opposition knows that I have instituted a scheme, which has not been in existence up to this point, which will ensure the earliest possible distribution of all statements to be made not only to the critics, but also to the Opposition House Leaders.

I will give the Hon. Member the undertaking that as soon as the statement is ready, I will try to get it to the Opposition Parties at the earliest possible time so that there will be ample opportunity for them to make a considered and, hopefully, responsible response.

Mr. Deputy Speaker: Am I to understand that there is agreement to sit during lunch hour? Is it so agreed by the House?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Agreed and so ordered.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

HOME POSTAL SERVICE

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I have the honour to present a petition from the people of the riding of Saint-Michel-Ahuntsic, in the Sault-au-Récollet area. These residents have been waiting for home postal delivery since June 1983. It is intolerable that they should be penalized by the Government just because they are in a new residential area. This reflects the indifference and arrogance of the Minister and the Canada Post Corporation, and I therefore ask the Government and the Minister responsible to take appropriate action.

Petitions

[*English*]

ABOLITION OF PARLIAMENTARY EMPLOYEES ASSISTANCE PROGRAM

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a petition signed by 375 persons who object to the abolishment of the employee assistance program on Parliament Hill. It is signed by staff and Hon. Members of Parliament.

CLOSURE OF NATIONAL POSTAL MUSEUM

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to table with the House a petition signed by a number of people who are concerned with the closure of the National Postal Museum. They are petitioning this House and the Minister responsible for the post office to intervene and ensure that the National Postal Museum is retained. That it find a new location near Parliament if it has to move from 180 Wellington, and that the staff continue to serve the public in their present capacity.

• (1210)

CHANGES TO UNEMPLOYMENT INSURANCE ACT

Mr. John R. Rodriguez (Nickel Belt): It gives me a great deal of honour and pleasure to present a petition on behalf of several people from Calgary who oppose the imposition of the severance pay provisions on the Unemployment Insurance Act. They ask this House to intervene and withdraw these provisions.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I, too, have a petition from several residents of the Province of Alberta asking that workers laid off after March 31, 1985 not have severance pay deducted from their unemployment insurance benefits. To do so would greatly increase the economic hardship for the families of the laid-off workers.

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour to present a petition signed by a number of residents of Canada in which they humbly pray and call on Parliament to ensure all laid-off employees will keep their severance pay and receive their unemployment insurance benefits without deduction of severance pay.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have the pleasure of presenting a petition on behalf of many thousands of Canadians who are concerned that as of March 31, 1985, they will have their severance pay deducted from their unemployment insurance benefits. They call upon Parliament to stop this legislation.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I, too, have a petition to present signed by constituents in Essex-Windsor. They make the point very strongly that an injustice will be done to working people in this country if this new system of severance pay being deducted from UIC benefits is put into effect as of March 31.

Petitions

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I, too, have the pleasure of submitting a petition on behalf of the citizens of Canada protesting the intent of the Government to steal the severance pay of workers who are laid off. They ask the Government to withdraw the provision.

RIGHTS OF THE UNBORN

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, although the petition I am presenting is contrary to the belief of both myself and many people in my riding, I feel duty bound to present this petition signed by 110 people who are opposed to Pro-life and opposed as well to the inclusion of unborn human beings in the Charter of Rights and Freedoms.

OPPOSITION TO WASTE DUMP AT NICOLA, B.C.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I have the honour to present to this House a petition attesting to the environmental concerns expressed by 942 residents of Merritt, Lower Nicola and the Nicola Valley. Their concerns stem from the proposal to locate a waste dump at the Craigmont mine site in the Nicola Valley. Their anxiety stems from evidence in a brief presented to the Thompson-Nicola regional district by the Home Sweet Home Organization of Lower Nicola, British Columbia, which suggests that there is great likelihood that severe damage to the environment of Merritt, Lower Nicola and the Nicola Valley would result. As a result of these convictions, they pray and beseech the House to support in every way possible their opposition to the location of a waste dump at the Craigmont mine site in the Nicola Valley.

[*Translation*]

NATURAL GAS PRICING REGULATIONS

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, I have the honour of presenting a petition signed by four residents from the Quebec City area. The petition was signed by students who are asking for the price of natural gas in Canada to be regulated.

In order to stimulate demand for an energy resource that produces less pollution than other kinds of fuel, a resource that is underdeveloped in this country at the present time, the petitioners humbly pray that Parliament ask the Minister of Energy, Mines and Resources (Ms. Carney) to intervene in order to help the industry achieve its full potential.

I therefore present this petition and urge the Government to act upon it forthwith.

[*English*]

Mr. Deputy Speaker: Am I to understand that the Hon. Member for Ottawa Centre (Mr. Cassidy) wishes to present a second petition?

Mr. Cassidy: That was my intention.

Mr. Deputy Speaker: We have a ruling by Madam Speaker Sauvé to the effect that when a Member presents a number of petitions, they must be presented at the same time, which has not been the case today. Is there unanimous consent for the Hon. Member to present a second petition?

Some Hon. Members: Agreed.

Mr. Cassidy: Mr. Speaker, this petition is on a separate subject and I had not realize they should all be presented at the same time.

CHANGES TO UNEMPLOYMENT INSURANCE ACT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour to present a petition on behalf of a number of workers in Edmonton protesting the Government's decision to roll severance pay into unemployment insurance benefits. They point out that the compensation of workers for the loss of their employment and the investment of their labour and time in a company's operation is represented by severance pay and should not be taken away by the Government of Canada.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 76 and 184.

[*Text*]

NATIONAL PAROLE BOARD

Question No. 76—**Mr. Nunziata:**

1. (a) In the past five years, how many inmates have, because of behavioral and other problems, lost their earned remission under mandatory supervision (b) in which correctional institutions were they incarcerated?

2. By category, what are the most common reasons for inmates losing earned remission?

3. Have any inmates who have lost earned remission been subsequently released under mandatory supervision?

Hon. Elmer M. MacKay (Solicitor General of Canada): I am informed by the National Parole Board as follows:

1. (a) The National Parole Board's automated system cannot produce this type of information prior to the fiscal year 1983-84. For 1983-84 there were 1,066 inmates who lost their earned remission under mandatory supervision.

(b) This data is available, however, it would require extensive manual research of 1,066 inmate files and result in a very costly exercise.

2. The common reason is through revocation which is brought about by breach of conditions or committing another crime.

3. In 1983-84, 2,908 persons were released on mandatory supervision and in that same period 1,087 were revoked.

Remission was recredited in only 21 cases. Of the 1,087 revoked, about 713 were eligible for release again on mandatory supervision.

AID TO CENTRAL AMERICA

Question No. 184—**Mr. Stackhouse:**

In 1983, how much aid was given to (a) the Contradora Group (b) Mexico (c) Venezuela (d) Columbia (e) Panama?

Hon. Monique Vézina (Minister for External Relations): The "Contadora Group" *per se* is not a development aid recipient institution. It exists primarily to assist the countries of Central America in resolving the regional conflict.

I am informed by the Canadian International Development Agency as follows: During the fiscal year 1983-84, Canadian official development assistance was as follows:

(a) The Contadora Group (as such) — Nil
(b) Mexico — $ 1,340,000
(c) Venezuela — $ 170,000
(d) Colombia — $10,200,000
(e) Panama — $ 780,000

I am informed by the International Development Research Centre as follows: In 1983, IDRC has provided funds totalling $3,363,837 for the support of scientific research and related activities within the Contadora Group countries as follows:

(a) The Contadora Group (as such) — Nil
(b) Mexico — $ 335,477
(c) Venezuela — $ 187,200
(d) Colombia — $2,762,560
(e) Panama — $ 78,600

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN COMMERCIAL BANK FINANCIAL ASSISTANCE ACT

MEASURE TO ENACT

The House proceeded with consideration of Bill C-37, an Act respecting the provision of financial assistance to the Canadian Commercial Bank—Mrs. McDougall—Mr. Danis in the Chair.

The Deputy Chairman: The Hon. Member for Ottawa-Vanier (Mr. Gauthier), on a point of order.

Mr. Gauthier: Mr. Chairman, yesterday, copies of Bill C-37 were distributed to Hon. Members. The House will note that the French text required some corrections. The text was corrected in pencil in the margin. I wonder whether the Bill has been ordered to be reprinted, so that we can all have the same copy with the same words. I am asking this so that today we can all use the same Bill with the same wording.

[*English*]

Mr. Hnatyshyn: Mr. Chairman, I became aware of the deficiency in the French version of the Bill and attempted in a rather rudimentary way to correct it, and I apologize to the Hon. Member. It is my understanding that the corrections have been made and the printed version will reflect the correct French version. I anticipate copies will be available directly.

The Chairman: Order. House in Committee of the Whole on Bill C-37, an Act respecting the provision of financial assistance to the Canadian Commercial Bank. Shall Clause 2 carry?

On Clause 2—*Agreement to Provide Financial Assistance.*

Miss Nicholson: As our House Leader explained yesterday, we voted for the Bill at second reading so that it would go into Committee of the Whole and we would have an opportunity to ask some questions. I must say that I was concerned by the speech made by the Hon. Member for Edmonton South because one would have assumed that, since the Bank was in his constituency, he would have been able to give us some very persuasive reasons for this bail-out. His reasons were weak in the extreme and certainly did not inspire me with confidence. In fact, they reduced my enthusiasm for the Bill. The main thrust of the comments of the Hon. Member for Edmonton South was that this Bank should be rescued because it is a western bank. I sincerely hope that the taxpayers of Canada are not going to be asked to contribute this amount of money simply because the Bank is in Alberta and the Minister of Energy was having a difficult time negotiating an agreement with Alberta.

• (1220)

The Hon. Member for Edmonton South attempted to cast the blame for the Bank's difficulties on to the National Energy Program. There was nothing in the National Energy Program that obliged that Bank to invest in a California bank which had a loan portfolio which was distinctly shaky. In view of the speech of the Member for Edmonton South, we must ask more questions about the management of the Canadian Commercial Bank and the quality of the business decisions it took. We must ask if the same management team is still there and a lot of questions about the information that the Government had.

When the Minister of State for Finance made her statement in the House on Monday, we were given the impression that the Government received its first information that the Canadian Commercial Bank was in serious difficulty quite recently in the month of March. Later, in response to questioning, the Minister of Finance said that he had received information from the Inspector General in September. Now we learn that even two years ago the American regulatory authorities had been in touch with the Canadian authorities. At that time they were apparently expressing concern about the California bank in and around the time that the Canadian Commercial Bank invested in it.

I would also like to know if the Inspector General of Banks had advised the Canadian Commercial Bank at any time to diversify its holdings. I made a reference in the House a couple of days ago to the statement that is in Part 3 of the Estimates, that it is part of the Inspector General's duty, if he foresees trouble, to encourage a bank to diversify. I would like to know if this obligation was exercised, and when it was exercised.

I would also like an explanation of diversification. As far as I can see from the information we have, the holdings of this Bank were all in the energy field. They may have diversified geographically, but is that to be taken seriously as diversification? Is that what the Inspector General of Banks intended?

I have several other questions, Mr. Chairman, but perhaps I might afford the Minister an opportunity to answer those.

Mrs. McDougall: Mr. Chairman, I hope I have kept all the questions straight. If I haven't, I know the Hon. Member will ask them again. I would like to start by congratulating you, Mr. Chairman, on your excellent role today in Question Period.

Perhaps I could explain in a little detail the history of the relationship with the California operations. In 1981 the Canadian Commercial Bank acquired a 40 per cent interest in the Westlands Bank. The Westlands Bank was largely involved with real estate loans. The move by the CCB into California was an attempt to diversify geographically. It was involved in the Westlands Bank in the real estate area. At that point real estate markets were very strong. The real estate market in California, as in other areas, later began to decline. The Canadian Commercial Bank, as the major shareholder in the Westlands Bank, increased its participation in the Westlands Bank with an injection of capital to strengthen that operation. The recent problems were through the CCB's agency in California. The agency was involved with oil service and drilling rig loans.

Whether it is a good business decision to diversify geographically within the same industry is obviously a question of where the Board of Directors is heading. Certainly within some kinds of companies one would want to stay in the area where presumably one has expertise. Rather than going into an area where they did not have the expertise, it was better to diversify geographically and stay with the industry they were familiar with and could bring the best judgment to.

As we know, the Bank was substantially more profitable in the late 1970s. It looked like an aggressive, moving bank. After the real estate market in California began to decline the difficulties were recognized. The oil service industry in California got into difficulty very recently. The Bank has also made other efforts to diversify. It now has branches in Vancouver, Winnipeg, Toronto, Montreal, and Halifax, as well as in western Canada. I think the correct business decisions were taken with regard to diversification. They perhaps did not work quickly enough, but I think the Bank made some appropriate moves on diversification.

Miss Nicholson: Could the Minister also give us the history of the involvement of the Inspector General of Banks? There is a newspaper report that the Inspector General's office has been receiving a steady stream of inquiries from the Federal Deposit Insurance Corporation, the U.S. equivalent of the Canadian Deposit Insurance Corporation, from the U.S. Federal Reserve Board, and from the California banking superintendent's office over a two-year period. If this is the case, could we know what action was taken over that two-year period?

Mrs. McDougall: Since there were overlapping jurisdictions, there was a connection made early in 1983, I believe. An official of the Inspector General's office went to California to look at the Westlands acquisition. There was not, as was implied in the newspaper, a steady stream of phone calls and telexes. There was simply, on an occasional basis, as would be normal, conversations between the two regulatory bodies. They were actually quite rare. There was evidence that the Westlands Bank was improving. As I understand it, both regulatory agencies were satisfied that, while the problems were obviously severe, they were not critical.

Mr. Riis: Mr. Chairman, I trust that we will be hearing questions from a variety of Members today as we go through this Bill.

I would like to return to the point that my colleague from Trinity was referring to a moment ago. On January 25, 1983 the Governor of the Bank of Canada was obviously concerned enough about the situation to phone the national newspaper, *The Globe and Mail*. He convinced *The Globe and Mail,* at least, that everything was fine, that the Commercial Bank was profitable, solvent and there were no problems. Will the Minister explain if that was an accurate statement at that time when the Governor of the Bank was saying that it was solvent and profitable? Did he actually have evidence at that point on which to make that statement or was he simply trying to calm down investors in Canada as well as elsewhere?

• (1230)

Mrs. McDougall: Mr. Chairman, I think that statement was made by the Governor after consultation with the Inspector General. It was made in relation to the resignation of Mr. Eaton as the Chief Executive Officer of the Bank. Over the two or three months prior to that, there had been some building up of concern around Mr. Eaton's relationship with Mr. Rosenberg. Throughout that time, as the concern and the pressure on the trust company situation arose, I think the Governor took responsible action by indicating that this Bank was not connected with that scandalous affair because of action taken through the resignation of Howard Eaton.

Mr. Riis: Mr. Chairman, I have a general question for the Minister. My office, and I suspect many other offices, has received many phone calls and telegrams from people who are very concerned about what kind of signal is being sent by the Government. According to this Bill, the Government is spending at least $75 million; $60 million of that is coming from the federal Government directly, to bail out this failing bank and ensure that it will not fail.

Does this mean that from this point on it may be well recognized that any bank that gets into financial difficulty will have the full support of the federal Government, that it will be guaranteed that the federal Government will bail out any failing bank or financial institution in the country?

Mrs. McDougall: Mr. Chairman, this situation was caused by an isolated incident. There are no other financial institutions in the country at the moment that are appearing to be insolvent in any way. I would like to make it clear that other institutions are not being looked at under the circumstances that we are talking about now. I want that absolutely clear for the House, the people of Canada and the depositors in our financial institutions.

If any organization under my legislative or regulatory jurisdiction was to come to me with difficulties, I would look at each situation as it stood. I can make no commitment at this time either for or against what happens in the very unlikely event that we are faced with this again.

Mr. Riis: Mr. Chairman, why is there an interest-free loan? I realize that we are asking the taxpayers of Canada to provide $60 million—a loan, in a sense—to this troubled bank to assist it to get back on its feet. I think we support that notion but when other people obtain money from the federal Government in one way or another, they usually pay interest. Why would we not charge a bank interest as well?

Mrs. McDougall: Mr. Chairman, the support package was designed so that the participants would be repaid the principal amount interest-free, except that in addition there would be warrants to purchase equity in the Bank issued on a pro rata basis to the support group, which could be exercised for ten years after the principal is paid back, so that there is a return to the taxpayers and to the support package participants in general. The warrants can be exercised at a very modest price and the warrants, as the Bank is profitable, will have a trading value and be able to be sold. That will be a return to the participants in the support package, including the taxpayers.

Mr. Riis: The Minister says that we will be able to purchase these warrants at a very modest price. Since it is a failing bank and because its shares have virtually collapsed on the stock exchange, is it any surprise that we are able to obtain these warrants at a very reasonable and modest cost? Assuming that the Bank will eventually get back on its feet, we will in fact receive a fair return for an equity position, in a sense.

Mrs. McDougall: Mr. Chairman, I find the Hon. Member's vocabulary somewhat hysterical. This is not a failing bank.

Mr. Riis: It has already failed.

Mrs. McDougall: The Bank is not failing. It is not failing because it has had a very strong support package from the private sector, from the province and from the Government of Canada. This Bank is a solvent bank.

Mr. Riis: Mr. Chairman, the point I want to make to the Minister is that we are in the House today at Committee of the Whole stage of a Bill that is meant to bail out a bank. Regardless of the title, we are bailing out the Canadian Commercial Bank. The reason we are doing this is that it had failed. Its stocks had crashed on the stock market. People were very concerned about its future. It is perfectly clear that if this bail-out package had not been assembled, that bank would not be in existence. I realize that by doing this we will rescue what had been a failed bank. It is not going to be failed after this package is stickhandled through its various jurisdictions.

Why is this Bill necessary if this bank was, in the past, in a healthy, solvent situation? Why is this bail-out situation to the tune of almost a quarter billion dollars—$225 million—necessary if the bank was in good health?

Mrs. McDougall: I am trying to indicate to the Canadian public in a responsible way, unlike the Hon. Member, that we came to Canadians and to the House and presented a problem which had arisen, together with a solution to that problem. If he wants to make irresponsible statements about failing institutions, they can all come crashing down around our heads. The point is that there was a problem and a resolution of that problem. Therefore the Bank is not failing. Could we please make that very clear?

Mr. Riis: It had failed.

Mr. Gauthier: Mr. Chairman, let me return to the reasons for the failure of the Bank. Following some strong advice from the Inspector General of Banks, Canadian Commercial Bank was told to diversify in 1981, I believe. It diversified with the

purchase of Westlands in the United States. They also opened offices in Montreal, Toronto and Halifax.

To my knowledge, unfortunately Westlands was in the same business as the Canadian Commercial Bank. The Minister has told us that it was in the real estate business but my research indicates that it was involved in financing oil rigs and that, because of the OPEC prices and the world situation, the oil rigs were selling quite cheaply on the market. I see the Minister of Transport laughing.

Mr. Mazankowski: You started it all.

Miss Nicholson: In California?

Mr. Gauthier: The Minister of Transport knows that they do not have a National Energy Program in California.

Mr. Mazankowski: Why did they go south in the first place? You drove them out.

• (1240)

Mr. Gauthier: Mr. Chairman, the Minister of Transport said we drove them out. I am asking questions to get information. If the Minister of Transport wants the floor, he can ask the Minister questions and make his points then.

Mr. Mazankowski: You should ask intelligent questions to begin with.

Mr. Gauthier: If the Bank moved out of Canada to go to California to finance oil rigs, which is different from the answer given a moment ago to my colleague—the Minister said the Bank was going into real estate,—if the oil rigs were going at a tenth of their value in California and this Canadian Commercial Bank was indeed trying to diversify, why did it go into the oil business in California? Why did the Bank go, as the Minister implied in her answers a minute ago, into real estate? I am perplexed by these two avenues.

Mrs. McDougall: Mr. Chairman, the Bank moved into California with an agency. It purchased a 40 per cent interest in the Westlands Bank. The Westlands Bank was involved in real estate. The agency was involved with oil rigs. I am trying to separate out a very complicated corporate structure.

The Westlands Bank went through some difficulties with its real estate. There appears, as I understand it, more stability. The Westlands Bank was also involved with computer software. There was an effort to diversify in other areas, and it went through a difficult period. The softwave end is now consolidated into the Canadian Commercial Bank, is a profitable operation and over time will be contributing to the consolidated earnings of the Bank.

The agency, on the other hand, was involved with these oil rig loans. Those have become a problem really very recently. I want to read from something that appeared in *The New York Times* describing what had happened in a similar market in Texas. I shall give the Hon. Member the clipping and it will provide an idea of what has happened over the last three months and why this appeared to come out of nowhere. This article is headed "Oil Industry's bad cold. Starts to give explorers, drillers, shippers, and banks pneumonia. Exploration and production are the heart of the industry. But the pulse is weakening". In another area of the article it says: "2,175 drilling rigs are operating in U.S., down 612 from December", and I think it is "299 from last February".

The problem really came out of nowhere. There is another line in this article which will indicate how recently this had bubbled up from underneath.

Mr. Gauthier: I appreciate the answer, Mr. Chairman. It was given in an informative manner and I thank the Minister for that. I thought the OPEC price breakdown, the international market being what it was, had had a direct effect on oil exploration in California and I do think there is merit to that argument.

The Minister will remember, I think it was yesterday morning when she made her statement, when one of our Members asked her about the warrants that were going to be issued by the Canadian Commercial Bank. He asked her, if my memory serves me correctly, whether it was not illegal for a bank to own shares in another bank. Warrants being whatever price they are—25 cents is the price they are paying for these—can the Minister tell us today if she has looked into this as she said she would yesterday? Could she give us the assurance that there is no illegality here of seven Canadian banks owning warrants in a Canadian bank, and can she reassure me that it is indeed legal?

Mrs. McDougall: Mr. Chairman, let me deal with both parts of the Hon. Member's question. The Hon. Member had two paragraphs in his question and so I shall give him a two-paragraph answer. One was the declining oil prices which did lead to triggering the need to write down oil rigging equipment. I agree with that. Obviously if oil prices were going through the roof, people would be looking for oil like crazy.

Mr. Gauthier: The Minister of Transport doesn't, but you do.

Mrs. McDougall: In terms of the warrants, they are an option to purchase. They are not a purchase in themselves. Warrants normally have a trading value, so the banks will not own stock in another bank unless they exercise the warrants, which under the Act they will not do. They will sell the warrants.

Mr. Gauthier: Mr. Chairman, is there a ten-year limit on the warrants which they have to exercise before the warrants expire?

Mr. McDougall: Mr. Chairman, it is ten years following the payback of $255 million. That is what triggers the warrants.

Mr. Gray (Windsor West): Mr. Chairman, I have some questions for the Minister of State for Finance. Unfortunately, I was outside the House at the beginning of the Committee and I apologize if some of the questions have already been placed.

I would like to know the number of depositors the Bank had as of the moment on March 14 when the Bank came to the Government to tell the Government about its problems, problems I suggest the Government should have known about.

Second, I want to know about the size of the deposits. In particular, how many of them would have been covered by the Canada Deposit Insurance Corporation under other circumstances and how many would not have been?

Mrs. McDougall: Mr. Chairman, I cannot give a precise figure on the number of depositors. There were a very large number. I do not think I could give an answer with any precision. I can tell the Hon. Member that there were total deposits of about $2.8 billion, and $400 million were covered by deposit insurance.

Mr. Gray (Windsor West): Mr. Chairman, could the Minister repeat that answer?

Mrs. McDougall: There are approximately $2.8 billion in deposits and approximately $400 million were covered by deposit insurance, Mr. Chairman.

Mr. Gray (Windsor West): Mr. Chairman, with the utmost respect to the Minister. I would have thought this would be the kind of information she would have had readily available for discussion in Committee of the Whole. Perhaps her officials could get it and present it to her before Committee of the Whole ends.

If I could ask another question, Mr. Chairman, I would like to know how many loans the Bank had on its books as at March 14, first in Canada, and second in the United States. Could she give us some breakdown in size? For example, how many were under $20,000, how many were under $50,000, how many were under $100,000 and how many were under $500,000?

Mrs. McDougall: I can certainly ask my officials to check this, Mr. Chairman. We are dealing with very large numbers. Some will be very small and some will be bigger. I will be happy to provide them today if I possibly can. If not, perhaps we could provide that when the inquiry comes before the Finance Committee of the House. We will do our best to get it today.

Mr. Gray (Windsor West): Mr. Chairman, we have a very important piece of legislation before us. I would have thought the kind of information I am seeking would have obviously been the kind the Minister would have expected the House to have before it in order to make a decision on this Bill.

If I can move on to another area, the Bill says that moneys are to be appropriated for this bail-out for the Canadian Commercial Bank from the Consolidated Revenue Fund. Could the Minister tell us whether the moneys in question are to come from an increase in the Government's deficit or from a reallocation created by the cancellation or reduction of other existing government programs? If it is the latter, which ones?

• (1250)

Mrs. McDougall: Mr. Chairman, we are asking the House for new money today; we are asking for authority to raise new money.

Mr. Gray (Windsor West): This means that the Government will be adding to the deficit. I see that it is all right to add to the deficit in rescuing this Bank but that it is not all right to do so when it comes to helping Domtar in Windsor, Quebec, to expand and create jobs.

I should like to ask another question and then I will be happy to yield the floor to other members of the committee. If the warrants, about which the Minister has been talking, are exercised, what will be the effect on the value of the shares of the bank already issued?

Mrs. McDougall: The dilution of the existing equity will be about 75 per cent. In terms of what will be the value, it will depend upon the Bank's future profitability and how that is regarded by people who are buying and selling the stock. I could not give him an answer on that.

Mr. Gray (Windsor West): In view of the fact that the Minister said there would be a dilution of 75 per cent of the existing shares, what steps will the Government take to prevent this dilution from harming the investment in employee pension funds, representing thousands of employees in all parts of the country? What will the Government do to prevent damage to these funds or some possible risk to the base which these pension funds are supposed to represent?

Mrs. McDougall: Most of the pension funds represented among the shareholders are defined benefit plans whereby they are both employee and employer contributions. However, as the Hon. Member knows, as defined benefit plans the employer is obligated to ensure that the defined benefits are paid at the time of retirement. There will be no negative impact on the payment to either current retirees or future retirees.

Miss Nicholson: Mr. Chairman, understandably the Minister objected to the use of the world "failing" in terms of the Bank. Indeed, the Bank is now in very good shape, having had a large infusion of new moneys.

I want to question the use of taxpayers' money in this bail-out. Regional banks in Canada have not had a conspicuous record of success but in the past, when it has been necessary to rescue a regional bank, it has been done by the banking authorities. Indeed Canada's banks have a most enviable reputation. In this country we do not have banks fail, of which we can all be very proud. In the past the banks themselves have acted and used their own money to ensure that their good reputation was maintained.

In this case we have the banks contributing but we also have large requirements for tax dollars. Would the Minister care to comment on the reports which are being carried in the newspapers that we are in this situation because the Government of Alberta wanted control to remain in Alberta and would not allow "eastern banks" to rescue them?

Mrs. McDougall: Mr. Chairman, I think that was a somewhat misleading report. There have been mergers in the past. We looked at a number of possibilities and we came up with what we felt was the most attractive solution for everyone. If a bank gets into trouble and gets merged into one of the big five banks, we could end up with no regional banks. I am not sure that is where we want to go. I think we would like to have some regional banks as long as they are viable. Maybe that requires our help. It required the help of the province. The province indicated its commitment. We indicated that we felt it was responsible for the Government to be involved. It is in all our interests.

In connection with some of the things that have been going on in the States, simply the rumour of potential trouble in the Texas banking system triggered a move in the U.S. dollar. It is not only in the interests of Toronto or Calgary, it is in our interest to indicate to Canadians and to the world that we have faith in the system and in this Bank. We want to ensure that there is a place in Canada for regional banks, provided they are viable, solvent and contributing to local businesses in an economic way.

Miss Nicholson: We all fully support the position that confidence is important and that it is important to move quickly. However, I have not had a clear answer to my question as to why taxpayers' dollars have to be used or the one as to why the banks, as they have done in the past, did not assume responsibility for protecting their very excellent reputation.

The total assets of this particular bank are less than 1 per cent of the assets of big banks. Is the Minister saying that the policy of the Government is that small regional banks are so important ideologically or philosophically that we put taxpayers' money into them rather than ask the banks to come to their aid when they are very well able to do so without taking taxpayers' money?

Mrs. McDougall: I think the banks did come to the aid of this bank. After all, as a group they are putting in $60 million and through the Canada Deposit Insurance Corporation, which is funded by financial institutions, there is another $75 million. I think they have indicated very strong support for the Bank and are committed to helping to support the system. There is a partnership which I believe is perfectly valid in, first, indicating confidence in the system and, second, in looking at a regional institution.

Mr. Riis: Mr. Chairman, I seek two or three points of clarification from the Hon. Minister. In the letter the Minister wrote to my Leader, a copy of which was sent to my House Leader, she said that the undertaking by respective Governments to purchase the subordinated debt of the CCB would cost the Canadian Government $13 million. Could she elaborate on that? I do not understand to what that particular paragraph refers.

Mrs. McDougall: Mr. Chairman, there is within the capital structure or framework of this Bank subordinated debentures. The subordinated debentures carry interest. The three levels of Government have purchased those debentures and they will be repaid. We then become creditors of the Bank at that level, in addition to the $60 million.

Mr. Riis: The Minister knows that the last clause in the Bill refers to $75 million to be paid out of the Consolidated Revenue Fund. We in the House consistently refer to the $60 million which it will cost Canadian taxpayers, yet the Bill indicates $75 million. Could the Minister explain the difference between those two figures?

Mrs. McDougall: The amount referred to includes the $60 million in the support package and the $13 million worth of debentures.

Mr. Riis: I have another couple of questions, and then I will turn the floor over to some of my colleagues.

• (1300)

With regard to this whole business of a bank that in the past got itself into some financial difficulty and is now going to be okay, this is certainly a reflection on the Board of Directors and the management of the Bank to a certain extent, perhaps to a large extent. Since we are asking in this Bill for the taxpayers of Canada to come up with $75 million to assist this Bank and presumably launch it in a new and successful direction, can the Minister explain what has happened to the people who were responsible for causing the situation and in fact approved imprudent loans and approved a financial program that resulted in the Bank getting into severe financial difficulty? What has happened to the senior management? What has happened to the Board of Directors? Does the Minister have any observations on reports that a number of senior officials of the Bank sold stocks of the Bank prior to this particular item becoming public information, presumably at least saving their own necks in terms of stocks they held?

Mrs. McDougall: Mr. Chairman, in terms of the management of the Bank, as far as I and my officials are aware, and my judgment at this stage, the chief executive officer acted very responsibly in coming to us when he did with the difficulty. The attempts at diversification across Canada and into California were essentially responsible moves. The board has acted in a responsible way, as has management. We would indeed seek representation on the Board of Directors of the Bank. The Inspector General will have two people monitoring the problem loans. We would hope to add to the Board of Directors. If indeed we find it to be different than our impression is now, we will take the appropriate action.

There have been a number of changes in the management since the departure of Howard Eaton and there have been moves to strengthen both the board and management since that time. Unfortunately, the stronger management and the stronger board came at a time when the situation was becoming more difficult. Our understanding is that they have acted responsibly.

I am obviously most disappointed to find out today that one executive of the Bank did indeed sell his preferred shares. There was no indication to the management of the Bank at that stage of the extent of the difficulty. It would have been clear to anyone who read the annual report that the deferred dividend was not in fact covered by earnings. I am extraordinarily disappointed to see that and we will be looking into it.

Mr. Gray (Windsor West): Mr. Chairman, the Minister said that the amount to be appropriated under this Bill is to cover the $60 million as part of the main rescue package and $13 million to purchase subordinated debentures. That comes to $73 million and the amount requested in the Bill is $75 million. Can she tell us what the other $2 million will be used for?

Mrs. McDougall: Mr. Chairman, what will be spent will be no more than is necessary. There is the possibility of some accrued interest that would have to be covered on debentures over and above the $13 million.

Mr. Gray (Windsor West): Mr. Chairman, I wish to turn briefly to another matter. With respect to the loans in the oil sector in California that went bad, can the Minister tell me when they were made? In particular, how many were made after the visit by the Inspector General of Banks to the Minister on September 14?

Mrs. McDougall: I am not quite clear, Mr. Chairman. There was no visit on September 14. Is the Hon. Member referring to the letter from the Inspector General of September 24 last? The letter was as a result of the Inspector General's annual review which he undertakes for all banks under his jurisdiction. Probably many of the oil service loans would be rolled over. They would be financing rigs once the industry started to face some difficulties. As the oil business declined, that is when it would have shown up.

Mr. Gray (Windsor West): Mr. Chairman, I am asking these questions to try and determine—and I would have hoped the Minister would have had this breakdown—how many of these problem loans were already on the books in a way that they should have been brought to the attention of or discovered by the Inspector General of Banks and his staff, and how many were made after September for the first time.

With respect to the latter category of loans, I would like to know what changes, if any, had been made in the executive officers of the Bank who were in place from September to March 14 as well as in the board of directors which was in place from September to March 14. If no changes have been made, what changes are contemplated?

Mrs. McDougall: Mr. Chairman, I believe that the Board of Directors is the same now as it was on September 24. September 24 was a letter from the Inspector General to the Minister indicating that the Bank was facing some difficulties. The situation at that time, if I remember, going through the annual report and the quarterly financial statements, was that the Bank was profitable in the first and third quarters of its last fiscal year which ended March 31. Somehow it is written in stone that that is when the bank year ends. In the second and fourth quarters, it was not profitable. It was marginally profitable in the first quarter of the current fiscal year. Therefore, it has been dealing with an unstable situation.

There was no evidence that the board or the management was acting in an inappropriate way. Along with its efforts to expand their business base, either geographically or into other industries, there was also a retrenching within the energy sector. I think these were normal business decisions, faced with a difficult situation.

Mr. Gauthier: Mr. Chairman, I want to come back to try and understand this question of warrants. There is a participation agreement that will be drafted. There are participation certificates that are going to be issued. I take it that this is synonymous with the warrants we are talking about. In the memorandum of intent, we read at page 5:

> The rights or warrants shall expire ten years after the day that CCB has paid to the Support Group an amount of money equal to the full amount paid by the Support Group for their Participation Certificates.

The sentence following surprises me:

> It is recognized that the rights provided for in this paragraph may not be granted under present legislation.

Can the Minister explain that to me?

Mrs. McDougall: Mr. Chairman, I should have the agreement here somewhere, I apologize. This was a degree of protection asked for by the banks. Our lawyers have satisfied us, and we have been dealing not only with Department of Finance lawyers but with Tory and Tory in Toronto—

An Hon. Member: That's understandable.

Mrs. McDougall: —who assure us that this is legal at the moment. We are assured on that point. As this was being drawn up, this was essentially a comfort clause for the participants.

Mr. Gauthier: The Minister was asked a few minutes ago by my colleague from Windsor West if she had the list of loans and depositors. In that same agreement, it states that the schedule of assets will be printed soon. I wonder if she could tell us what the schedule of assets is and when can we expect the schedule to be made public?

• (1310)

Mrs. McDougall: Mr. Chairman, the schedule refers to the problem loans. It involves clients of the Bank and there are certain sensitivities in making that list available. I am prepared to discuss it, but I would have some difficulty in making it public. Certainly I could provide a breakdown of the numbers of the loans in particular categories. I have some of that in broad strokes at the moment, but I do not have a complete and individual list. The support group will be participating in that schedule of assets.

Canadian Commercial Bank

Mr. Gray (Windsor West): Mr. Chairman, the Minister has suggested that giving the full details of the problem loans—the amounts, the names of the borrowers and so on—may create a problem. I presume she is referring to the secrecy provisions of the Bank Act. I would like to know whether any of that information would otherwise be available under U.S. law—the U.S. securities law, the U.S. banking law or the access to information law. If that is the case, I trust that the Minister will not hide behind our law in not disclosing that information.

Mrs. McDougall: Mr. Chairman, I would be happy to explore that. Our understanding is that in both countries common law protects the public under those circumstances. Indeed, if there is a difficulty with that we will have further discussions on it.

Mr. Gray (Windsor West): Mr. Chairman, I would like to return to the matter of problem loans. There is something about the whole aspect of problem loans in the United States oil sector which I find puzzling. The Government has said over and over again that the national energy policy created difficulties for the oil and gas sector in Canada. Yet the loans which got the company into difficulty were loans that were made to the oil sector in the United States. As far as I know, the United States does not have a national energy policy. In fact, when the Government was in opposition it always pointed to the American policy on energy as a model which we should follow. Can she explain how it was that the loans which tipped the balance and precipitated this very unusual bail-out situation were in the oil sector of the United States?

Mrs. McDougall: Mr. Chairman, with respect to the financial institutions within Canada, if we look at any economic statistics we will see that western Canada has faced a considerable amount of difficulty over the last three or four years. That difficulty resulted in part because investment capital left the country as the energy business declined. As well, some Canadian capital left. That situation was not unique to western Canada, but it was certainly endemic there, and some of the later prosperity in the oil industry in the United States was not shared in western Canada.

I do not think I have ever stated that the fact oil prices are now declining, and drilling activity in California is on the decline, had anything to do with the national energy policy. The point is, there was a period when the industry was profitable and the United States was benefiting but our industry was not.

Mr. Gray (Windsor West): Mr. Chairman, the Minister has made my point, which is that there can be problems in the oil sector quite apart from the national energy policy. That was proven by what happened in the United States. The argument of her Party is that outside Government and inside Government there is some type of ongoing nirvana in the energy sector in the United States because it did not and does not have a national energy program. Yet the loans which got this Bank into trouble were loans made to the oil sector in the United States.

In the Minister's press release of March 25, she indicated that if those loans had been made to the oil sector in a country where there was no equivalent national energy policy and had not gone bad, we would be doing something else today. The French version of her press release of March 25 reads as follows:

[*Translation*]

The support program is designed to provide the Canadian Commercial Bank with enough funds to maintain its solvency, following a recent and serious deterioration in its loan portfolio in the United States.

[*English*]

It was explained that this was particularly in reference to loans in the oil sector in the United States. I want to put on the record that the type of energy policy which is followed by the United States has certainly not prevented a decline in that sector which led to the loans made by the Canadian Commercial Bank going bad, and that in large part precipitated this bail-out situation.

Mrs. McDougall: Mr. Chairman, if the energy industry in Canada had participated in that more profitable time in the early 1980s after the national energy policy, which triggered an earlier decline in the oil industry in Canada than in the United States, then perhaps the Bank would have been stronger and have had the resources to absorb its other losses. I do not particularly want to carry on this argument all afternoon, but I would be happy to do so if the Hon. Member wants to pursue it.

Mr. Cassidy: Mr. Chairman, I have just begun to focus on this particular question. Frankly, I am appalled at what the Government of Canada is doing in terms of rushing in to rescue this particular private enterprise, particularly in view of the many statements which were made by members of the Conservative Party before they assumed government. When Conservative Members were in opposition, they criticized the bail-out of losers in other sectors, particularly in the industrial sector. I am also appalled at the double standard which is being applied here.

Perhaps I could begin by asking the Minister whether any similar type of terms, in terms of a rescue, will be made available to any western Canadian companies which were put into bankruptcy by the action of the Canadian Commercial Bank in the last two or three years by calling in its loans.

Mrs. McDougall: Mr. Chairman, I have tried to explain to the House that this solution was arrived at because, in the judgment of knowledgeable people—including the Governor of the Bank of Canada, a group of six chartered banks, the Inspector General and the Province of Alberta—the Bank would have been a viable operation if the capital was provided to resolve its loans problems. I have looked at the situation and I believe we came up with a solution which was in the interests of the small business community of western Canada. If we had liquidated the Bank, those people would be in enormous difficulty today. I believe we looked at the operation in a fairly

hard-headed way and decided that it was in the interests of all to participate, along with the banks and the two provinces.

Mr. Cassidy: Mr. Chairman, I have to say that hard-headed looks awfully soft-headed to me. I am sure that any small business which faced bankruptcy or had its loans called could have been rescued if a deal such as this had been brought in and money was offered which was equivalent to twice the equity which was shown by that particular entity a few months before.

● (1320)

I would like to put on the record that the equity for the Canadian Commercial Bank, which it showed in its 1984 annual report, was in the order of $110 million, or $115 million in terms of capital and attained surplus. So the money which is being brought in, which is tantamount to equity because of the terms of repayment—which are on a never-never basis—is equal to more than double the equity of the Bank. Sure, we can rescue it on that basis but that does not suggest to me that it is a particularly good deal.

I return to my question: What arrangements are being made in order to provide similar terms to any western Canadian small business which was forced to go into receivership, bankruptcy or forced to close by having its loans called by the Canadian Commercial Bank?

Mrs. McDougall: Mr. Chairman, we have undertaken to look after the borrowers and the depositors of this Bank. The Bank is keeping them on its books because they are viable operations. If business decisions have been taken around other institutions, I have not made them, and in the judgment of the people who are lending the money to the public, these decisions are viable.

What the Hon. Member is assuming is that the Bank should have kept on its books all of the bad loans, in which case it would be even worse off today.

Mr. Cassidy: I am suggesting there is a double standard. The Minister acknowledges that there was no assistance provided by the Government of Canada, by the other chartered banks or by the Governments of Alberta and British Columbia in the case of borrowers from the Canadian Commercial Bank who, for various reasons, were forced into bankruptcy, had to cease business or had their loans called by this particular bank over the last two or three years. It's a double standard when a bank get rescued and its customers do not. It's a double standard where if you are big enough the current Government of Canada is prepared to bail you out, but if you are a little guy or gal, you are not going to get bailed out. Will the Minister not acknowledge that there is a double standard there?

Mrs. McDougall: I will not acknowledge that there is a double standard.

Mr. Cassidy: Then the Minister is wrong in failing to acknowledge that, Mr. Chairman.

I would like to go into the terms of this financial assistance and then ask the Minister if she can give us in present value terms—her officials can begin to work on this now—what the Government of Canada and the CDIC portion of the rescue package is going to be. She has acknowledged that the take-over of the subordinated debentures is going to cost the Government $13 million. Since that is at the very end of the queue in terms of any potential repayment or commencement of interest payments, that is $13 million which is a net cost to the people of Canada and which effectively we will never get back.

According to the Memorandum of Intent which was given to my Leader yesterday, the money which has been given to the Bank is not generally for support of all of its obligations. It is specifically related to $544 million of problem loans which have an estimated realizeable value of $289 million. The difference between those two figures is $255 million. That is the money which is being advanced by the support group, including the CDIC and the Government of Canada.

It is my understanding that at least a substantial portion of those problem loans are in fact in the United States. What the devil a regional bank is doing in California, when it's based in Alberta, is beyond me. The terms of payments are: heads, the bank wins, and tails, the Government of Canada and the other support group members lose. Specifically, if any payments on any loan in the portfolio are made, those payments will be applied not to the Government of Canada but to the CCB. I am told the written down portion has in fact been paid up. This is in the agreement. In other words, if there is a $5 million loan which has been written down to $2.5 million, and the borrower repays $1 million, the Government of Canada does not get a nickel back. That entire $1 million goes to the CCB, and the next $1 million goes to the CCB.

I would record for *Hansard*, Mr. Chairman, that the Minister is looking extremely puzzled as though she does not realize that the Bank wins—

Mrs. McDougall: I am concentrating on what you are saying. Don't say things like that. Retract it, please.

Mr. Cassidy: Mr. Chairman, the Minister states that she is concentrating. I say that she looks puzzled to hear exactly what this means spelled out in terms that ordinary people can in fact understand. That is what I think we have to look at. While my Party has agreed that we will facilitate the passage of this Bill, I want to say that as one Member of Parliament I think it is an appallingly bad deal for the people of Canada. I think it is an appallingly bad message to give to all of those farmers, mortgage holders and other people who have had their lives destroyed by the banks over the course of the last few years.

Mr. Dick: Speak up, we can't hear you.

Mr. Cassidy: The banks have made huge profits on the backs of Canadians and now what happens is that we come along and spend $60 million or $73 million—goodness knows how much money—in order to bail out one particular bank.

No heads are being made to roll. That particular bank executive who profiteered by selling his preferred shares when he could see that the handwriting was on the wall for the Bank is not being forced to resign. The Minister has no sense of anger at what was being done. Whether or not the ultimate decision was made to rescue the Bank, it would be at least good to see some anger coming from the other side, Mr. Chairman, to indicate that the Government of Canada does not like the people of Canada to be held up to ransom the way this is occurring in this particular case.

Mrs. McDougall: Mr. Chairman, I can shout just as loudly as the Hon. Member.

I am trying to carry on a reasonable and rational discussion around what we are trying to do. I am trying to be as open as I possibly can with Hon. Members of this House. I do not appreciate the tone taken by the Hon. Member opposite who has decided to use his anger for dramatic purposes. I am attempting to do something for the people of this country and I do not hear a whole lot of support coming from the Hon. Member personally around the kinds of things we are attempting to do for the small borrower in Alberta. I would like to bring this discussion to a close and get on with providing information.

Mr. Cassidy: Mr. Chairman, I want to say to the Minister in a calm way that I have been dealing for the last couple of days with the case of a small business person who has a contract with a Crown Corporation—which I will not mention—of the Government of Canada. That Crown Corporation has determined to drive that small business person out of business. He may in fact have to go into receivership. I hope not. My efforts to intervene and try to get the Crown Corporation to at least extend the contract in a reasonable way have failed. The Crown Corporation states by way of a reason that it is under pressure to do better and not to contribute to the deficit. So one small business person, with five or six jobs depending on his particular business, is being put to the wall and in fact will probably close effective this afternoon.

If I am angry, Mr. Chairman, it is because there seems to be such a difference in the treatment of the rich and powerful in this country compared to the little guy and gal. I speak of that because I happened to have spent two or three hours this week on that particular case. I know the Minister has worked long and hard and I appreciate her sincerity with respect to her efforts to rescue this particular corporation. However, when I mention the double standard, I am saying that certainly the Government of Canada did not intervene on behalf of a lot of small business people in the Province of Alberta who faced, as we all know, very difficult times. It has been really tough over the last two or three years. But the Government of Canada has not intervened.

All of the banks, including the private banks which are part of the support group, have in fact forced people to the wall and beyond. As the Minister well knows from her contact with western Canada, mortgage holders and home owners have had to walk away from their homes and drop the keys into the mail slot of the nearest bank because they could not afford to continue. That kind of treatment has not provoked the Government of Canada—either the old one or the new—to act. When interest rates were up around 18 per cent or 19 per cent, the Government showed no mercy. But now mercy is shown in the case of this particular bank which, to put it mildly, has made a series of extremely unwise investments, particularly the extension of its regional mandate to go down into California.

I appreciate that the Minister wants to have some constructive comments. I will seek to make them. But it is difficult to do so in light of the agreement which has been entered into. As I stated before, any payments on any loan in the problem portfolio will first go to the CCB. Then any additional amounts to be paid will go to Canada, Alberta and the bank group in proportion to their participation. The CDIC is at the end of the queue.

• (1330)

In view of the fact that these are problem loans and any money which accrues as a result of those loans to the three prime members of the support group would accrue only if the loans returned more than the currently written-down value, I think I would be fair in suggesting to the Minister that the chances of repayment to the Government of Canada under Clause 3(a) would be limited and probably negligible. Is that fair?

Mrs. McDougall: Our loans are repaid out of the profits of the Bank on the good loans, so that we are getting a participation from their good loans by getting 50 per cent of their pre-tax earnings. We tried to negotiate the deal in such a way that the Bank would have the capital to get on with its responsibilities as a bank, that we would take 50 per cent of earnings and share the proceeds on the problem loans.

Mr. Cassidy: Mr. Chairman, I would point out to the Minister that the Bank's pre-tax earnings back in 1984 amounted to $804,000. If the Government of Canada and the other members of the support group were to be repaid out of those pre-tax earnings, it would take approximately 62.5 years before the people of Canada were repaid. I recognize that a good portion of the problem loans may yield some revenues, but all we are doing with the $250 million is basically subsidizing the Bank for those portions of the problem loans which it does not now expect to be repaid. Therefore, the $225 million package cannot be expected to contribute appreciably to the pre-tax earnings of the Canadian Commercial Bank; is that correct?

Mrs. McDougall: The profitability of the Bank will depend on a number of things, First, I think there will be a better recovery within the Bank's markets. Secondly, it has its bad loans off the books. Thirdly, it has an injection of $250 million in cash on which it will earn a return, so that will contribute to its profits. So we would expect the Bank's profitability to improve quite materially.

Mr. Cassidy: I am not quite sure if I understand that because the Bank is going to have to record in its statements a write-down of approximately $255 million. That will mean that it may well record a net loss of a very substantial amount of money. I would suggest that, as a consequence of that, there is not likely to be an increase in net profit.

Perhaps the Minister could indicate to us for the fiscal year 1984-85 and the fiscal year 1985-86 what she now expects the new pre-tax income of the Bank will be.

Mrs. McDougall: Payment to the support group we expect will begin in fiscal 1986. In fiscal 1985 we are not looking for the Bank to be profitable. We are looking for it to be profitable in 1986, with a payment of approximately $6.2 million. Those payments should increase after that to $16.4 million in 1987, $17 million in 1988, and $18.8 million in 1989, with payments of around $19 million thereafter. Should the economic situation improve, we would expect a better performance than that.

Mr. Cassidy: Mr. Chairman, are these the amounts of profit or the amounts that the support group would expect as repayment?

Mrs. McDougall: The support group.

Mr. Cassidy: Therefore, since that is 50 per cent of pre-tax profit, she is saying that a bank which made $6 million in 1983 and $800,000 in 1984 will expect $12 million profit in 1986, $32 million in 1987, $34 million in 1988, $38 million in 1989, and $38 million per annum thereafter; is that correct, Mr. Chairman?

Mrs. McDougall: Mr. Chairman, this Bank, in terms of its profitability and return on assets during the 1970s, indicates that this kind of return over the next few years is not unrealistic. Obviously we are dealing with forecasts and projections, but given the kinds of returns the Bank was able to earn on a very small asset base in the late 1970s, and looking ahead, we see no reason to believe that the Bank cannot return to the kind of profitability that is appropriate.

Mr. Cassidy: According to the terms of the agreement it is a condition that the CCB shall not make any dividend or other payments on its common or preferred, or redeem any shares until all participants have been repaid in full. As I understand it, that would mean that effectively the CCB would not be able to issue fresh equity until the support group has been repaid or substantially repaid, since it is very unlikely that new equity would flow to the market if it was not dividend-paying equity.

Am I correct, therefore, that for a substantial number of years in the future the CCB will not be able to expand its capital base because it will not be able to issue fresh equity?

Mrs. McDougall: Mr. Chairman, the Bank will be retaining 50 per cent of its earnings for reinvestment in the Bank. As it becomes profitable, that will become a significant source of capital for the Bank.

Mr. Cassidy: The Minister's figures would indicate a stable rate of profit, not a growing rate of profit. I am suggesting that I think there is an awful lot more uncertainty in this than perhaps she is indicating.

Could she say in how many years, based on this very optimistic forecast, it is anticipated that the Government of Canada would have its $60 million returned, and in further years is it expected that the $13 million in subordinated debentures would be recoverable by the Government of Canada?

Mrs. McDougall: Obviously when something is being paid out of earnings it is very difficult to be precise about when it could be returned. It could be as long as 15 years. We are not unrealistic about the outlook and I would not want to mislead the House that we expect all this back in five years. But we believe we have made a reasonable long-term arrangement and it is not out of line with other debt arrangements that one would make in the private sector as a return.

Mr. Cassidy: I pointed out before that such arrangements are not available to ordinary small businesses and people who have been driven under in the past few years.

Perhaps the Minister could say for the current fiscal year the cost of forgone interest on the Government of Canada's contribution. As well, the CDIC contribution will amount to about $13 million or $14 million. Perhaps she could tell us what the value today would be of all the forgone interest which the Government of Canada is going to contribute to this particular deal. In other words, if you had to buy out this package today, what is it worth?

Mrs. McDougall: That would depend on all sorts of assumptions around the present value, term of repayment and interest rates, as the Hon. Member knows. I might also point out that the Canada Deposit Insurance Corporation is funded by member institutions. That is not in any way a direct contribution from the Government of Canada.

• (1340)

Mr. Cassidy: Although the CDIC is funded by member institutions, it is ultimately funded by me, the Member for Kamloops-Shuswap, the Member for Trinity, and all the other citizens of Canada as customers of the Canadian chartered banks and the trust companies which are members of the CDIC. As a member of the Ontario Legislature I was involved in the Crown Trust affair. Appalling bad supervision of financial institutions led to that situation. As the Minister knows, there was some involvement with the CCB as well.

Bearing in mind that assumptions must be made, could the Minister let us have the figures which have been computed by her officials as to what the current dollar value of this particular rescue effort is? How much is it costing the people of Canada in terms of actual spending?

Mrs. McDougall: We are working on that and will get it to the Hon. Member as soon as we have it.

Mr. Cassidy: Could the Minister undertake that we could have that figure in the next half-hour? I think it is germane to this particular debate and to our discussion on third reading.

My own reckoning is that between the CDIC and the Government of Canada, not counting the banks and the Government of Alberta, we are looking at a present dollar cost, on the assumptions made by the Minister, of $45 million to $60 million in actual cash out the door in order to save this particular bank. I also think that the Minister's calculations are extremely optimistic on the pay-back on the $250 million. I therefore suggest that that is quite likely an underestimate and $70 million to $90 million may actually be paid out by the people of Canada to keep this Bank alive.

Mrs. McDougall: Mr. Chairman, we will have the information as soon as it is available. I am assuming that in the Hon. Member's present value calculations he also imputed a value for the warrants.

Miss Nicholson: Mr. Chairman, I would like to ask the Minister a question about the income tax treatment. Paragraph 9 on page 6 of the Memorandum of Intent states:

> Members of the Bank Group have entered into this arrangement on the understanding that they will be entitled to deduct for income tax purposes, to the extent that it is adjudged that repayment is doubtful, the amounts paid by them for their Participation Certificates. Canada assures the Banks that such deductions for purposes of Section 26 of the Income Tax Act will be deemed to be within the reasonable requirements of the Banks.

As I understand it, Section 26 in general empowers the Minister of Finance to determine what amount is appropriate for banks to deduct as bad debts. Could the Minister explain exactly what follows from this paragraph? As I read it, from the memo of agreement, the banks themselves will decide how much of what they paid will be written off. I have never heard of any taxpayer being allowed that kind of discretion. Doubtless the Minister has in mind to put some limits and safeguards on this. I would appreciate knowing what they are.

Mrs. McDougall: Mr. Chairman, what the banks are essentially buying for the $60 million are problem loans. Within the Bank Act they are allowed to write down problem loans in the normal way. There are pre-tax loan loss provisions. This is once again sort of a comfort statement to indicate that they are not just buying a piece of paper, they are buying loan losses. The way they are written off will be worked out with the auditors of the Bank in keeping with the Bank Act, and subsequently approved by the Inspector General, if I am right. This is normal bank accounting around loan losses. Those losses are offset if there is a repayment on the loans. That is what is set out in Section 26.

Mr. Baker: Mr. Speaker, I would just like to make a couple of points for clarification. I must be quite honest, Mr. Chairman, and say that I do not know all that much about the Canadian banking system. I would first like to make reference to the Minister's change of mood during her presentation a few moments ago. It was the first time that I have ever seen the Minister depart from her normal composure. I must say that from time to time it would perhaps be advisable for the Minister to do so. I am sure that we will not see it happen again. One must note that it was the New Democratic Party and the Progressive Conservative Party that were engaged in that exchange and that the Liberals showed their restrained, quiet determination as usual.

What did this Bank do in Canada that was different from what the other banks did? The Minister has said, if I remember her words correctly, that the financial condition of the Bank was determined by a down-swing in the economy and real estate values. When one looks at the net annual income in the financial statement of the Bank that we are talking about today, one sees an incredible drop in 1984. From 1980 to 1983 there did not appear to be any substantial drop. Other banks invest in real estate. Other banks invest in oil companies in Canada. What did this Bank do that was drastically different from what the other banks did?

Mrs. McDougall: Mr. Chairman, I thank the Hon. Member for his kind remarks about my normally rational behaviour. It is in light of his always rational behaviour, of course, that it is easy for me to carry on on this side of the House.

This Bank has served, in a very aggressive way, the middle and small business market in Alberta. In any competitive industry, which the financial services could certainly be classed as, there are always gaps to fill and specialties to be carved out. As I indicated earlier, we are trying to work on some detailed figures with regard to the service of this Bank to the middle and small business market. This Bank concentrated on the small and medium-sized business market. It was locally managed. It was aggressive in finding financial solutions to serve the customers' needs. It was fast and decisive and understood local economic conditions. It essentially marketed itself as a regional bank with an understanding of regional circumstances. I think that was appropriate and it served that market extraordinarily well through the 1970s until it had some problems.

Mr. Baker: Mr. Chairman, I do not like to repeat my question. The answer given by the Minister is, of course, a very good answer, and I would have to say that every bank should do that. Every bank certainly has a responsibility toward the establishment of new business. Every bank looks at those business enterprises on a factual basis. They do not make out-of-line projections on income. They certainly do not take collateral at something other than face value.

I still do not comprehend what this Bank did differently from the other banks. Is the Minister saying that this Bank provided a function that the other banks did not provide? Is the Minister saying that the Bank provided loans to customers that the other banks did not or would not provide?

Mrs. McDougall: I am saying, Mr. Chairman, that it added to the capital base that was available to businesses in western Canada in a very particular way. The other banks and financial institutions are obviously serving this market as well. Financial institutions have specialties and they bring capital into the system. This Bank brought capital into that middle

market system that would not have been there had it not been there. It raised the capital, then loaned it to business.

• (1350)

Mr. Baker: I am afraid if I keep pursuing this question the Minister might get angry. I will leave that for a moment.

The other area where the Bank got into trouble was with its investment in the United States. What were the actual or projected losses in the U.S. portfolio, as a percentage? Does the Minister have an exact figure of the projected losses of the Bank in the U.S. portfolio?

Mrs. McDougall: The problem loans in that sector amounted to $115 million. The total write-offs would have amounted to $85 million. I believe that would be 4 per cent of their over-all portfolio. However, it was also equivalent to their equity base.

Mr. Baker: That is incredible. Then roughly 80 per cent is a write-off, or 80 per cent in the total portfolio. Was it just loaning money for those things indicated by the Minister, that is, for oil exploration? How is it possible to lose 80 per cent of the total amount of money loaned out?

Mrs. McDougall: If these loans were against something like oil rigs or related equipment—which I am sure the Hon. Member knows something about—and those rigs are working and under contract, earning a return, they are worth 100 cents on the dollar. If the oil drilling business falls apart, those rigs are not working and are not worth very much. It is very easy to have that happen.

Let me go back to the quotation I gave earlier. Approximately 2,175 drilling rigs are operating in the United States, which is down 612 from December and down 299 from last February. Four hundred more rigs could be idle by the spring. A rig that is not working is not worth a lot.

Mr. Baker: The Conservative Members keep talking about the national energy policy. That is very interesting, when we consider that this involves loaning money to a party in the United States that is not affected by a national energy policy and 80 per cent of the loan is lost.

In her introductory remarks to this legislation, the Minister talked about the magnificent future of this Bank in western Canada because of the Western Accord. In other words, when there is 80 per cent loss in the United States, she is saying in the same speech that we will have the same system in Canada and there is a great and glorious future in western Canada for this particular Bank.

Is the Minister concerned with the philosophy of the Government, as I see it? The subject matter of this Bill will be referred to the Finance Committee.

Miss Nicholson: No.

Mr. Baker: All right. It should be. That committee and the Government is considering the elimination of the Federal Business Development Bank. The Minister is shaking her head and perhaps that is something I will not get into.

How many people sold their shares? Did the Minister mention just one individual? Does she think that that person lost money or perhaps should have held on and made money?

Mrs. McDougall: Mr. Chairman, to our knowledge, this kind of information is filed through insider reports and this has come to our attention only this morning. We have only seen the one name. For all I know, he innocently sold his shares to make a downpayment on a house.

I am sufficiently concerned that I am looking into the matter. However, to my knowledge there is only one.

Mr. Baker: Mr. Chairman, the Minister stated that 70 per cent of the domestic loans made by the Bank in Canada were made in western Canada. I presume 30 per cent were made elsewhere. When the Bank expanded outside of western Canada in 1980, from 1980 to 1983 certainly the financial position of the Bank, as I recall, was not bad. Its net flow was rather good.

I presume most of the remaining 30 per cent would have been in the major centres of Halifax, Montreal and where the Bank established its business. With respect to the domestic loans, could the Minister comment as to whether or not there is any breakdown showing whether the loans given in eastern Canada and central Canada paid better than the loans given in western Canada?

Mrs. McDougall: Mr. Chairman, the bulk of the losing loans were in western Canada. This was the area where the Bank had its largest customer support base. One assumes that the Bank and its customers try to stick together to work out a solution to problems.

Mr. Riis: Mr. Chairman, with respect to the amounts that the federal Government must produce as part of this package and the request for $75 million, we come to a total of $73 million. What is the other $2 million being used for?

Mrs. McDougall: Mr. Chairman, there is some accrued interest that is probably owing on the debentures. We have allowed for every contingency but we will not pay any money beyond what is in the package. We will not spend money that is not required.

Mr. Riis: Mr. Chairman, I think this is a serious consideration. I appreciate that $60 million is required as part of the agreement. There is a requirement for another $13 million. With respect to this $2 million that will be used for contingencies if they arise, I believe we could be somewhat more precise than that. The officials are before us and I do not think it is unreasonable that we at least know where the $75 million will be spent before we fall over ourselves co-operating in the passage of this legislation. After all, our job here is to be accountable to the taxpayers of Canada. Where will this $2 million that is yet to be defined be spent? If the Minister cannot give us an answer now, perhaps she could do so later.

Mrs. McDougall: Mr. Chairman, our information at this stage is that this will amount to approximately $1.25 million. We cannot be more precise than that at the moment.

Mr. Riis: The Minister may have another comment to add to that. Whe can add it to her answer to my next question.

Will she outline what tax breaks are a part of this agreement? According to the Bank Act, the Minister has the right to do such things as put off taxes to be paid. Could she elaborate as best she can on how these tax breaks will be utilized?

Mrs. McDougall: Mr. Chairman, I discussed the tax situation a little earlier. There are no tax breaks. The Bank Act provides for banks to be able to write off bad loans or to make some provision for bad loans. Since this package is essentially the purchase of troubled loans, then a formula worked out by the banks and their auditors will assess how those are best provided for. That is in Section 26 of the Bank Act and subject to the approval of the Inspector General. I might add that these loans would have been written off in any case if the CCB were in a position to continue. It would a have had the right under the Bank Act to write off these loans under the formula provided within the Bank Act.

• (1400)

Mr. Riis: Mr. Chairman, I want to go back to an old point and bring up an additional point. Let me go back to the Board of Directors and senior management. It seems to me that the Government is asking us to buy a little bit too much here today. Somebody has to accept the responsibility that things have not gone well for the Bank recently. It seems that asking Canadian taxpayers to come up with $75 million and the taxpayers of Alberta to come up with $60 million, yet keeping the same senior management in the Bank and the same Board of Directors, is rather inappropriate. I am a bit surprised that the Minister has not taken the position that we would want to see some substantial changes, see the leadership of the Bank both at the directorship level and some of the senior management officials changed.

The Minister said she would be adding two or three people, particularly from the Inspector General of Banks group, and that there had been some changes but basically it is the same old gang that is there. They have been there over the last number of months. I do not think it unreasonable for taxpayers to expect a new group or at least a substantial change in senior management. That is my first question.

My second question deals with Mr. Rosenberg.

Mrs. McDougall: Could I answer the first question first, Mr. Chairman?

Mr. Riis: Yes, Mr. Chairman.

Mrs. McDougall: Mr. Chairman, what I indicated earlier in a discussion about the board and its management was that the Inspector General in the agreement will have two people monitoring the loan portfolio. That is separate from and in addition to anything that happens at the Board of Directors level. I have already indicated that changes in or additions to the Board of Directors are under active consideration.

Mr. Riis: I will have more to say about that a little later today, Mr. Chairman.

I want to go now to Mr. Rosenberg. The Minister has quoted the Bank Act and the Bank Act says that no one is able to hold more than 10 per cent in the Bank, and Mr. Rosenberg at one time held 33 per cent. Could the Minister of State for Finance explain how, in spite of the Bank Act, in spite of the Inspector General of Banks, a single individual was able to accumulate a 33 per cent holding in this Bank?

Mrs. McDougall: Mr. Chairman, the interest of Mr. Rosenberg in this Bank was not 33 per cent. The Bank Act is clear on what defines 10 per cent and what defines associated companies. Mr. Rosenberg and some of his, if I may use the word, associates accumulated stock but not associated within the definition of the Bank Act. It was due to the quick action of the Superintendent of Insurance and the Inspector General of Banks that that was rolled back and out.

Mr. Riis: Mr. Chairman, I see the clock and I realize there has been an agreement between the three Parties to hear the Hon. Minister for Regional Industrial Expansion make a statement on automobile quotas. I am prepared to stand down for the moment to allow him to make that statement with the understanding that we will be able to continue this line of questioning.

Mr. Hnatyshyn: Mr. Chairman, I rise on a point of order. There have been discussions between the parties. Today my colleague, the Minister of Regional Industrial Expansion, indicated he would like to make a statement which would normally come under Statements by Ministers. I think you would find a disposition to revert to Statements by Ministers at this point in time by unanimous consent to allow the Minister to make a statement and to allow the usual responses and questions in accordance with the practices relating to Statements by Ministers.

If you were to conclude at this moment, report progress and revert to Routine Proceedings, we could then have the statement delivered by the Minister.

The Chairman: Shall I rise, report progress and request leave to sit again later this day?

Some Hon. Members: Agreed.

Progress reported.

Mr. Speaker: Is there unanimous consent to revert to Statements by Ministers?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

AUTOMOTIVE INDUSTRY

EXPORTATION OF JAPANESE MANUFACTURED VEHICLES TO CANADA

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, if I may I would like to thank Hon. Members for accommodating me. I understood earlier in the day that because of the pressure of House business it was going to be very difficult for me to make a statement and presumably receive a few questions afterwards.

If I may, this statement that I am making is really on my own behalf and on behalf of the Minister for International Trade (Mr. Kelleher) who is in Sault Ste. Marie today.

There have been, as we know, a number of so-called voluntary export restraint understandings with respect to Japanese automobile exports to Canada in the last four years. These understandings are often referred to as VERs. The current arrangement is scheduled to expire March 31, 1985. These VERs have been intended to provide an orderly development of Japanese exports while the Canadian automotive industry was undertaking substantial efforts to restructure and modernize its operations, and to preserve the large number of jobs in this sector. Canada has not imposed import quotas on Japanese passenger cars. They have been administered by the Japanese Government in co-operation with the Japanese Automobile Manufacturers Association.

In recent weeks ministerial discussions have taken place with the various private sector groups directly concerned with the question of Japanese motor vehicle exports to Canada, including representatives of the Motor Vehicle Manufacturers Association, the Automotive Parts Manufacturers Association, the United Auto Workers, the Japanese Automobile Manufacturers Association and the Canadian Association of Japanese Automobile Dealers.

These consultations allowed us to consider the implications for Canada of the rapid changes in the international competitive environment, including the United States of America's decision to allow its restraint understanding with Japan to lapse at the end of March, 1985; the very low level of Japanese automotive investment in Canada; the tendency of the Japanese vehicle manufacturers to concentrate their North American investments in the U.S.A., as well as the emergence of new suppliers of passenger cars to Canada. The impact upon Canadian consumers of restrained access to Japanese passenger cars was also reviewed.

● (1410)

Taking these consultations into account, the Government has reviewed its policy and is now affirming its commitment to a strong and internationally competitive Canadian automotive industry. It also recognizes that the automobile industry is crucial to the growth of the Canadian economy and provides an essential market for many other industries throughout the country.

Given the expiry on March 31 of the current voluntary restraint understanding on Japanese automobile exports to Canada, senior Canadian officials met recently with Japanese authorities to emphasize the differences between the U.S.A. and the Canadian situation, as well as to explore possible ways and means of avoiding the disruption of the Canadian market.

In addition, the Minister for International Trade has written to the Japanese Minister of International Trade and Industry to bring to his attention the very low level of participation by Japanese motor vehicle producers in the Canadian automotive industry. The letter also stressed the need to maintain a stable market environment in Canada after April 1.

The Government anticipates a response from the Japanese Government in the near future. While the Government fully expects that the Japanese share of the Canadian automotive market will not increase during the forthcoming period of consultations, it will monitor the situation closely to ensure that the Canadian market is not disrupted and that Canadian jobs are not put at risk. The Government intends to give high priority to this important issue and will continue discussions with Japanese authorities with a view to developing a longer term, mutually beneficial automotive relationship.

Some Hon. Members: Hear, hear!

Hon. Herb Gray (Windsor West): Mr. Speaker, I must begin by expressing disappointment in the Minister's statement, not only on behalf of the Official Opposition, but on behalf of some 125,000 workers in the Canadian automobile assembly and parts sector and some 600,000 to 700,000 other workers in a whole range of other sectors whose well-being depends upon the well-being and health of the Canadian automotive industry. We, they, and the communities in which they live, expected more from the Government, although it is not the first time we have been disappointed at the inaction of the Government, and I am sure it will not be the last.

After all, the Government had since last September to conclude new arrangements on quotas with the Japanese. Yet on the basis of pretty solid information, we find that meaningful discussions by our officials in Japan with Japanese authorities began only some 10 days ago. We now find that the deadline of March 31 is fast approaching, and the Government is saying nothing more than that the discussions are continuing.

The Minister has disappointed us in another important way. In his statement he said that the Government had reviewed its policy, but that is all he said. He did not take this opportunity to disclose to the House and to Canadians exactly what is and what will be its policy on the Canadian automotive industry, yet the industry is absolutely crucial to the well-being of the Canadian economy.

All or almost all of the increase in the Gross National Product in Canada last year came from the recovery of the Canadian auto industry. All or almost all of our record trade

surplus last year came from the exports of the Canadian auto industry. This recovery came from a firm and definite public policy, put into place and successfully carried out by the previous Liberal Government. The previous Liberal Government was willing to step in, in support of business and labour in the automotive sector, to help that sector modernize, restructure and fight back against the onslaught of the world recession and competition from Japanese and other imported cars. It negotiated the arrangement with Chrysler which enabled that company to survive, to flourish and to save 10,000 jobs directly and triple that amount in supplier firms. It stepped in and worked out an arrangement with the Ford Motor Company which prevented its key plant in Oakville from closing and encouraged that company to remodel that plant to produce a new line of front-wheel drive cars.

It created the Industry and Labour Adjustment Program which provided Canadian parts manufacturers with the capital they needed to invest in the high-tech equipment, which was essential if these companies were to be able to compete for the parts business of North America. It also put in place the Industrial and Regional Development Program which succeeded ILAP. Before the Government changed it was responsible for levering, along with FIRA, some $2.5 billion in new automotive investment—for example, the American Motors project in Brampton, as well as the General Motors projects in Oshawa and St. Catharines.

All this was done in the context of the achievement of the previous Liberal Government in getting the Japanese to enter into quota arrangements—let us call them that, because that is what they are—to restrain the pace of exports of Japanese cars into the Canadian market. These arrangements gave the industry a needed breathing space to carry out the already highly successful task of restructuring and rebuilding.

Now, when the industry is saying very clearly that although it has made progress in that restructuring a further period of breathing space is required, the Government, despite all the time it had to do so, is saying only that it is continuing discussions with the Japanese.

Also, when the industry is saying to the Government that Canada needs the levers provided by the quota arrangements in order to get the Japanese to make commitments to put in Canada something they have not done already, that is, a fair share of their investment, production and jobs in the North American auto sector, all the Government can tell us is that it is continuing discussions.

What the Government should be doing privately, and more important publicly, is saying to the Japanese that the quotas we now have will remain unless and until they make meaningful and binding commitments to invest, to produce and to provide jobs in Canada equivalent proportionately to what they have already begun to do in the United States. Those quotas, the Government should be telling the Japanese, have to remain in place until the Japanese agree to accept the same rules as North American producers for production, investment and jobs in Canada as a condition of access to our market.

Why did the Minister not have the courage to rise and send that clear message in the forum of the House of Commons to the Japanese today? All he said was that the Minister for International Trade (Mr. Kelleher) was sending a letter to his Japanese counterpart. We need more than that. We need the Minister in Japan having some tough discussions with the Japanese to get the kinds of results about which I am talking for the Canadian auto worker and the Canadian economy in general.

I want to be fair about this. At least the Minister responded to one of my requests, and that was, to tell the Japanese that they would not be allowed to flood the Canadian market if no agreement was in place on March 31. The Minister's words were vague—and that is unlike him—and loose.

● (1420)

I trust what I have said about the meaning of the Minister's word is correct and the Japanese get the message, not only that the Government is going to monitor what the Japanese do regarding sending cars to Canada while the discussions are continuing, but that it is prepared to take firm and definite action in order to prevent a flooding of this market by Japanese cars, if that should be necessary.

The Government has to tell the Japanese that what is going on in the United Sates does not provide a basis for arrangements between Japan and Canada on the sending of cars from their country to our country. The United States is the largest and most powerful economy in the world. It has an economic clout without quotas. To get the kind of commitments for investment in this country which we have just begun to get without the levers of quotas or measures like the IRDP and FIRA measures, which the Government is already, unfortunately, starting to weaken. The Americans seemed to have made an arrangement with the Japanese to allow a 24 per cent increase in exports from Japan to that country. We have to send the Japanese a clear message that that is not right, that that is not what should be done for Canada.

We have a very different position. As I said, we have to send a clear signal to the Japanese that the quotas at the present level have to remain until the kinds of arrangements sought by the auto task force, a unanimous consensual recommendation by the assemblers, parts manufacturers and the union, are put in place. If this is not by negotiation, then the Government has to be willing to proceed by legislation, if that alternative is necessary.

It appears what the Minister is doing is to facilitate the efforts by Mr. Miller of Ontario to get re-elected. We have to be afraid that there is bad news in store for the auto workers of Ontario. The Canadian Government wants that Ontario election out of the way. At the very least, the statement today is sending a message to Mr. Miller that he does not have the clout he is telling the people of Ontario he has with this Government.

In conclusion, this is a very disappointing statement from the Government. It told the Canadian people it would do more and produce better. It has not done so. It is a matter of

concern, and I say this on behalf of the Official Opposition, the auto workers and the Canadian economy, that so little has been done by a Government which claims it has the authority and the mandate to do more. It has let down the Canadian people once too often.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I first want to thank the Minister for coming to the conclusion that he should make this statement in the House. We appreciate it. We also appreciate having received prior copies of it.

Let me begin by noting from our point of view the logic of the voluntary export restraints which have been established in the automotive industry. As we see it, the existence of these restraints has provided the period within which the industry could do the restructuring that was necessary to give it a viability, a sense of changing technology that would make it a key world player in the future. We have noticed, for example, that 20,000 to 25,000 new jobs have been established within the industry because of new investments that these VER arrangements have encouraged.

Second, we have also had the sense that these VER arrangements were absolutely crucial to push the Japanese to put into this country the kinds of levels of investment which Canada deserves. We heard from the Minister that something in the order of $100 million in investment has been made by Japanese car companies in this country compared to $5 billion in the United States. Therefore, these arrangements have been crucial. We must continue to enforce that kind of bargaining leverage that we need. It is important to note that public opinion polls which have been done in the last few weeks indicate that the great majority of Canadians support these quota arrangements. They recognize the important employment implications of it.

That being said, I have to turn to the statement which the Minister has made today. Frankly, it is the most outrageous non-statement that I have yet heard from this Government.

Some Hon. Members: Hear, hear!

Mr. Langdon: The Minister, like the grant old Duke of York, has marched his troops to the top of the hill and marched them down again. He has stated the argument. He said there is a very low level of Japanese automotive investment in Canada, that there is a tendency for Japanese vehicle manufacturers to concentrate their North American investment in the United States. He made the point that new suppliers of passenger cars have emerged. Those are all arguments for movement, arguments for urgency on this issue. Having put the arguments, he has moved into a retreat. The white flag should be flying today because the Minister, frankly, has lost the battle. That is what this statement is about.

It is a battle which not only he has lost, but the country has lost because this statement has within it absolutely no assurance at all that this Government wants to keep the set of arrangements that will restrain the onslaught of Japanese imports into this country at this crucial time. There is no statement to that effect. There is nothing whatsoever about the report of the automotive task force. The Government talks magnificently about labourers and employers getting together, coming to agreements, reaching consensus. That was done in the case of that report and nothing has been done in this statement to follow it up.

In this respect, the Government simply follows, as in so many respects, in the footsteps of the previous regime. That previous regime, though it talks now of Canadian content, of a response to the automotive task force report, when it had the chance to do so would not provide a response. It would not put into effect the clear-cut message of that report that we need Canadian content laws in this country to give us the jobs and the sense of future investment that the automotive industry needs.

If we are talking in terms of fair allocation of time, there should be a reasonable amount remaining to me, Mr. Speaker.

The Acting Speaker (Mr. Charest): Yes. I may remind the Hon. Member that the Minister spoke for five minutes.

Mr. Langdon: In fact, Mr. Speaker, the official representative of the other Party spoke a great deal more than that.

Mr. Lapierre: He had something to say.

Mr. Langdon: So have I. Let me make the point that nothing in the statement of a clear-cut, forceful nature has been said about what will take place from April 1. There is absolutely nothing that says to the people of this country, those who go to work on Monday morning in the auto plants in my constituency and in the constituency of the Minister, that they can count on the Canadian Government through interim arrangements continuing to provide some security. I have been trying to figure out what has happened. Frankly, I have been monitoring this decision very closely. I had talks with the United Auto Workers, the Motor Vehicle Manufacturers' Association and, indeed, with the Minister for International Trade (Mr. Kelleher) about what was taking place. It is quite clear that last weekend our negotiators returned from Tokyo with a package that they thought would be acceptable. It is quite clear that the Minister for International Trade (Mr. Kelleher) felt that he had the capacity at that point, as he told me, to bring together the Minister himself, the Minister of Regional Industrial Expansion (Mr. Stevens) and the Minister of Finance (Mr. Wilson) to make a decision on the issue. All the signals this week told us that an agreement was coming, in fact, to the point that the United Auto Workers national office was informed by media people that, indeed, an agreement was coming which would continue the quotas and give an increase of perhaps 10 per cent to 15 per cent to the Japanese.

● (1430)

What has happened to change that? All that I can determine is that a Cabinet meeting took place yesterday and the Minister of Regional Industrial Expansion and the Minister for International Trade were left dangling. They have been left hanging in the wind, having put themselves on the line, and they lost. That is why the white flag should be carried as the

Minister leaves the Chamber. He has brought a statement to the House that he must recognize, and the House should recognize, as the articles of surrender on the part of his people and his arguments in the face of the Minister of Finance. I wish the Minister would have the courage to stand up and admit that. If he did that I would applaud him, and I do not applaud the Minister often.

I urge him, and I pose these questions to him. Let him give us a clear and honest explanation why his Government has backed off from the position which he and the Minister for International Trade clearly wanted to have adopted. The cost to this country, thousands of auto workers, small-parts manufacturers and the national economic recovery will be immense. We desperately need clear signals on this issue. I wish to God the Minister had been able to get the agreement of his colleagues to give those signals to us.

[*Translation*]

Mr. Lapierre: Mr. Speaker, first of all, I would like to join my colleague in expressing my disappointment with the Minister's announcement. A three-page statement that says absolutely nothing is very disappointing, not only for the Members of this House but also for the Canadian public, and especially for workers in the automobile industry.

Last week, the Minister's colleague, the Minister of External Trade (Mr. Kelleher), promised, and this is reported in the press, that when a policy or something resembling a policy would be announced with respect to the automobile industry, the Government would be very careful to specify how it would deal with Korean motor vehicles, and today, in the three pages of text the Minister read to the House, there is nothing to indicate the Government's position or what action it intends to take with respect to Korean motor vehicles, namely the Hyundai Pony.

Could the Minister inform the House whether he has decided to break the promise made by his colleague for External Trade and take no action, or is he going to procrastinate once more?

[*English*]

Mr. Stevens: Mr. Speaker, I have now listened to the third response to our statement. Certainly, I can only suggest that the first two responses could have been made just as easily before either of those Members heard my statement. Clearly, they felt that much of what I said had not been said. I thought that I very succinctly put virtually every argument upon which they touched.

I would like to reply to the Member's specific question concerning Korean automobile exports to Canada. As the Hon. Member knows, that is a tariff item and it is the responsibility of the Minister of Finance (Mr. Wilson). The Minister of Finance will be dealing with that in due course. As far as the actual importation of Korean cars is concerned, of course we feel that there must be negotiations with Korea in very similar terms to the present negotiations which are now being held in Tokyo with respect to Japanese cars.

Mr. Lapierre: Mr. Speaker, I am in possession of a communication which was made by Premier Miller and sent to the Prime Minister (Mr. Mulroney). In the communication Premier Miller stated:

—I am concerned that the elimination of quotas on imports without the implementation of a new regime such as the one recommended by the industry itself will have negative effects on all sectors of the domestic economy. Therefore, I would urge the continuation of quotas as a first step towards implementing the recommendation of the Federal Task Force Report.

Does the Minister not think that his statement today is a slap in the face to Premier Miller?

Mr. Stevens: Mr. Speaker, I can assure the Hon. Member that Premier Miller is completely at ease with the statements which the House has just heard. He knows the intentions which we have and he has been following the negotiations which are taking place. I would urge Hon. Members not to be alarmist about something which, in fact, will not happen.

As I stated in my remarks, we fully expect that the Japanese share of the Canadian automotive market will not increase during the forthcoming period of consultations. I also made it clear that we will be monitoring the situation every week to ensure that if there is some unforeseen increase we will be able to move quickly to ensure that there will not be a disruption of the Canadian market and that Canadian jobs will not be put at risk. There is absolutely no doubt on our part that that is the situation.

I am a little surprised that the House Leader of the Official Opposition was not more moderate in some of his language. He knows that in 1984 there was a very similar situation, that negotiations stretched from January to June and that the VERs which then existed lapsed on March 31. There was never any suggestion that the Japanese took advantage of that situation. Both sides negotiated in good faith to arrive at an eventual agreement.

The Hon. Member from the NDP said that our delegation came back from Tokyo with good news, and he interpreted it as an agreement. The truth is that there was good news. The Japanese were very forthcoming. They indicated that they did not want to impact our market. The question of an agreement is something which is still being negotiated. There is no suggestion of any ill will on the part of the Japanese, or that they will not try to come to an agreement with us. I emphasize that the situation is very much in hand. There is no reason for alarm, or in any way to convey an impression to the workers in the auto industry that their jobs are in jeopardy.

Mr. McCurdy: Mr. Speaker, I find it very difficult to understand how it was possible for the UAW to have the conviction that there was going to be continuation of the quotas and that there would be a specific figure with perhaps a slight increase in the quotas. I also find it difficult to understand how the Minister could have indicated yesterday that he would make a statement and then changed his mind, did a flip-flop and created all kinds of confusion, unless something changed between the first of this week and the end of this week.

I put it to the Minister: Did the officials who went to Japan believe that they had an agreement of any kind? Is there not a basis for this exercise? I cannot believe that he would go to all this trouble to have this bit of nonsense presented to the House with such fanfare.

● (1440)

Mr. Stevens: Mr. Speaker, it is so curious that an Hon. Member would react in that way, an Hon. Member who presumably was in his seat yesterday. He knows that I was asked the direct question, what is our position at the current time with respect to the Japanese importation, by the House Leader for the Official Opposition. I replied that there would be a statement or announcement—I think I used that word—on that subject, or related to that subject, today. We have made that statement. This is the statement to which I was referring. The suggestion that earlier in the week we were going one way and later in the week we changed, is absolute rubbish. Where the Hon. Members opposite are picking this up, I have no idea.

As far as our delegation to Tokyo is concerned, it felt it had good discussions. Its members learned the Japanese position. But, frankly, they did not come back and tell us they had any agreement. They outlined to us what they felt the Japanese bargaining positions would be and what in fact were the Japanese intentions. We, of course, in no uncertain terms, advanced many of the arguments which have been raised by various Hon. Members from the Opposition who have spoken. I note, though, that all those Hon. Members have missed a very important ingredient in the negotiations. We have been asking the Japanese for better access to their market. We have given them a shopping list of items we would like to see Japan import from Canada more readily than has happened in the past years.

All I can say is that we are in a situation today where we felt some statement should be made, bearing in mind the lapsing on March 31. It is a situation where we are encouraged with respect to the negotiations to date. We intend to be quite firm. We believe that the Canadian industry, as I have stated, must have its stability preserved. To that end, we earnestly hope that we can reach a suitable arrangement with the Japanese on this question and, of course, we will be reporting back when that arrangement is arrived at.

Mr. McCurdy: Mr. Speaker, surely the solution is that if you have nothing to say, announce that you have nothing to say, and we could have spared ourselves all of this. Is it or is it not true that the Minister for International Trade (Mr. Kelleher) had arranged a meeting among the three key Ministers to discuss what the Japanese response would be to the Canadian position with respect to automobile quotas?

Mr. Stevens: We are becoming almost ludicrous now. The three Ministers to which the Hon. Member refers have met at least four times, possibly five. Over the last few weeks we have discussed this situation. There is absolutely no mystery about that. There is no disagreement. We have indicated to our delegation who went to Tokyo the position of the Canadian Government. It presented that position to the Japanese Government. We received the response of the Japanese Government.

As far as the letter sent by the Minister for International Trade is concerned, it has not been responded to as yet. What we are waiting for now is the response to that letter which was sent by our Minister for International Trade.

This period of negotiation is one which I would emphasize. Surely it does not behoove Hon. Members to unnerve people, to create a sense of alarm for their petty political reasons. The truth is that the industry to which we are referring, the automobile industry in Canada, has had a good position. We want to preserve that position as far as the Canadian market is concerned. We believe that the negotiations which we are now conducting with the Japanese will ensure that the jobs of Canadians will be preserved and that we will have a healthier automobile industry with more Japanese investment here in Canada connected with its own automobile business.

That is our objective. There is no disagreement on that. I would think that in some way to try to undermine that objective by suggesting that negotiations have broken down, or there is something unique about this year's negotiations as compared to last year's, is not doing a service to the workers in Canada and to the Canadian people generally.

Bear in mind that our delegation is headed by the same officer who worked out the negotiations last year. Why do we feel this year that he will be less successful than he was then?

Mr. Gray (Windsor West): Mr. Speaker, I wish I could make a statement instead of asking a question. However, I will ask the Minister if he does not realize that one difference is that there is now a different Minister and a different Government in charge. I also want to ask him, in particular, what the Japanese position is and why did the Government learn of it only last week? Finally, does the Government not realize that no matter how much we want to have greater access to the Japanese market, the prospects of that are very limited? After all, the Americans, with all their economic clout, have been trying to get greater access to the Japanese market for a range of products for years. They have achieved almost nothing. They are so upset about that that the Congress is threatening retaliatory action. If that is the case, should the Minister not be giving priority to getting a proportionate share of Japanese production and jobs in the North American auto industry in Canada, instead of chasing what I hope will not turn out to be a will-o'-the-wisp? Certainly, that is what the Americans found.

Mr. Stevens: Mr. Speaker, again I say in reply to the questions put by the Hon. Member that we did not just learn of the Japanese position last week. We learned of their position weeks ago. What we learned last week was what is their current position, has it changed, do they have any new thoughts to convey to us. In turn, we wanted to make sure that they knew of our current thinking.

As far as the entry to the Japanese market is concerned, Hon. Members of the Official Opposition are such pessimists. They are always assuming one cannot do things. We believe we can get better entry into the Japanese market. Surely, that is one of the things on which we should be negotiating with the Japanese at a time when they are asking for the privilege of maintaining their exports to Canada. That is one of the things, in addition to inviting them to invest more in Canada, that we are stressing during our negotiations. To expect us to open up and specify specifically what is the Japanese and the Canadian positions, would be negotiating in public, and I don't think that is the proper way to negotiate.

Mr. Rodriguez: Mr. Speaker, in view of what took place in Quebec City two weeks or three weeks ago, where we gave away the store on acid rain to the United States, and the fact that we are now giving away the store to the Japanese, it seems we are going to get a reputation as being international saps. The only thing missing in the Minister's statement with respect to negotiating this deal with the Japanese is Bill Davis for a buck. That is the only thing missing in the Minister's statement.

In view of the fact that the reason we put this particular VIR in place a year ago was our concern, and we did need a voluntary quota system for the Japanese having access to our markets for automobiles, if the Minister wanted to clear up what he accuses us on this side of the House of doing, namely, creating some unrest and unease among Canadian automobile workers, why would he have not asked the Japanese to keep in place the voluntary agreement with respect to quotas while he worked out our access to their markets and a better deal? Why did the Minister not keep the quota system in place until we had reached an agreement with the Japanese? Why did he give away the store? Why did he play all of his cards, put them all out on the table, before we had some sort of agreement with the Japanese that they would put more of their manufacturing into this country?

Mr. Stevens: Mr. Speaker, let me, for the benefit of the Hon. Member, repeat for the third time just what we have said. Our statement is that the Government fully expects that the Japanese share of the Canadian automotive market will not increase during the forthcoming period of consultations. That is our understanding with them. Is that clear?

Mr. McCurdy: Understanding or expectations?

Mr. Rodriguez: Great expectations.

The Acting Speaker (Mr. Charest): Pursuant to special order made earlier today and pursuant to Standing Order 58, I do now leave the Chair for the House to go into Committee of the Whole.

• (1450)

GOVERNMENT ORDERS

[*English*]

CANADIAN COMMERCIAL BANK FINANCIAL ASSISTANCE ACT

MEASURE TO ENACT

The House resumed consideration in committee of Bill C-37, an Act respecting the provision of financial assistance to the Canadian Commercial Bank—Mrs. McDougall—Mr. Charest in the chair.

The Assistant Deputy Chairman: Order, House in Committee of the Whole on Bill C-37, an Act respecting the provision of financial assistance to the Canadian Commercial Bank. Shall Clause 2 carry?

On Clause 2—*Agreement to provide financial assistance*

Mr. Cassidy: Mr. Chairman, I recognize that time is short because the House has agreed to try to get this Bill through by approximately 3 p.m. However, the Minister promised to have some figures for the House with respect to the present value of the financial assistance from the Government of Canada and the CDIC to the Canadian Commercial Bank. Perhaps she can give us that information now.

Mrs. McDougall: Mr. Chairman, we have done some estimates on this but I would like to make it clear that they are estimates and that we can explore this somewhat further in the committee of inquiry which comes next. In working out this figure we have taken into account the fact that these are floating interest rate debentures. We have to assume an interest rate on the other funds and we have to make a profit forecast. Our view, taking all that into account, is that the present value is probably just under 50 per cent of the deal. That is our best estimate.

Mr. Cassidy: In other words, the Government of Canada is putting forward $148 million, including the CDIC, and the net cost would be about $73 million or $74 million. Am I correct in that figure? It is roughly the same figure I indicated in the House.

Mrs. McDougall: That is without imputing a value for the warrants too. So we are dealing in very approximate numbers.

Mr. Cassidy: I will be brief. I appreciate the fact that the numbers, which are comparable to mine, are approximate. I also appreciate the fact that the warrants today have no value. If the Bank were to start to come together later on, then they might ultimately have some value although in present terms that would not be very much.

Before sitting down, I would just like to put on the record that I have done some estimates in looking at the rate of profitability on assets of the Bank and pre-tax income. The Minister will appreciate that my figures are also very rough because I have not had a lot to go on. In 1980, the best year on

record that I have, the pre-tax income of the Bank was equivalent to .85 per cent of its assets. In 1981 it was .8 per cent. In 1982, it was .55 per cent. In 1983 it was .35 per cent. In 1984, the Bank actually had a pre-tax loss of $8 million, although that is carefully disguised from the shareholders in the annual report. Its loss was equivalent to a return on assets of minus .25 per cent. In 1985 the Bank can expect about $25 million in income if it lends the $250 million at 10 per cent for half the year, which is what it will have the money for effectively. That will give it an income of $12 million from the injection of funds. However, it is going to have a pre-tax profit of zero according to the Minister so it is going to lose $12 million on all the rest of its business, based on some $3 billion worth of assets, for a negative return on assets of .4 per cent.

The Minister says that the Bank will have a pre-tax income in 1986 of around $12.4 million, half of which will be available for repayment, according to the Bank's estimates. If the pre-tax income is $12 million, and if $25 million is earned on that $250 million which is coming from the support group, then the Bank's loss on its other business will be of the order of $12 million, for a negative return on assets of .35 per cent. In 1987 the Bank, according to her figures, will have a profit of about $32.8 million, but $25 million of that, if interest rates stay at present levels, would come from the injection from the support group. Therefore, the Bank's profit on its other business will be $7 million, approximately, or equivalent to .2 per cent on assets, bearing in mind that the assets are likely to grow because some of the retained profit will allow an increase in assets.

In 1988 there will be $34 million in pre-tax income, $25 million will come from the revenue earned on the interest free loans from the support group, and $9 million will be earned on some $4 billion worth of assets. That is equivalent to about .2 per cent. In 1989 I reckon that the return will be about $13 million apart from what is earned on the Government's $250 million, or .3 per cent.

These figures are open to correction but that is a pretty lousy outlook and this is an outstanding example of corporate welfare. We used to have corporate welfare from the Liberal Government of Canada, and now we have it from the Conservative Government. Of course, this does not factor in the specific and unusual risks, given the fact that more than one third of the Bank's assets are concentrated in a foreign jurisdiction, in California, which could be open to completely different circumstances than here in Canada. Perhaps the Minister can comment.

Mrs. McDougall: I can comment, yes. The Hon. Member has made some calculations. He has gone through them very quickly and I am not going to argue my numbers versus his numbers or the best estimates we have on this side. I am quite prepared to see that go into the next phase of this discussion. I think, based on our best efforts analysis, based on the Bank's view of its portfolio, and in conjunction with our officials, looking ahead, that we have come up with some estimates because we felt that it was important we had some before the House. The Hon. Member has also come forward with some estimates, and I think debating those numbers at this stage is probably not useful. The point is that the borrowers will be able to carry on their business and will hopefully remain as customers of the Bank. A return will be earned as the economy recovers. The kind of confidence we are trying to express in western Canada is that the economy will recover.

There may be other cost savings which can go into the equation, but at the moment, given the work we have done, these are the estimates we are prepared to present.

Mr. Cassidy: I would just like to make a final comment, and that would be that—

The Assistant Deputy Chairman: The Hon. Member for Ottawa Centre.

Mr. Cassidy: Thank you, Mr. Chairman. It seems to me that an enormous effort has been made to rescue the Bank rather than simply to look at the loans and the borrowers. If that was the goal, the loans could have been passed over to other institutions. The Bank itself says it is not a regional bank. That is a quotation from the last annual report. It is seeking to expand in Ontario and in California. Perhaps what happened is that Premier Lougheed injected the rescue of the CCB into the discussion on the energy package. Who knows? But it certainly seems rather bizarre that all of this effort would go into a bank whose return on its own business is going to be decidedly subnormal relative to chartered banking experience for the next decade.

Mrs. McDougall: Mr. Chairman, I really do not have anything more to add to this discussion. Based on the information we have, we think the Bank will be profitable and viable. We think its customers are far better off this way. If the Bank had emerged or liquidated, the losses would still have to be picked up by somebody. So our assessment is that this is a valuable and responsible act.

Mr. Riis: Mr. Chairman, I have one last question. As the Minister has indicated, we will have ample opportunity during the investigation in committee to pursue these questions. I want to ask her, as an astute financier, three questions. If she were interested in purchasing corporate shares these days, would it be likely that she would be quite eager to buy shares in the Canadian Commercial Bank? If you were planning on making a sizeable deposit in a bank, would you likely choose to make that deposit in the Canadian Commercial Bank? If you were planning to borrow a substantial amount of money and had the choice of going either to another Schedule A bank such as the Royal Bank or the Bank of Montreal, or to the Canadian Commercial Bank, why would you choose the Canadian Commercial Bank?

• (1500)

Mrs. McDougall: Mr. Chairman, if I were a member of the public I would look at the package which has been put together with the support of the banking industry, the provinces, and the Government of Canada. I would think that if all those people had faith in the bank, I would have faith too.

Clause 2 agreed to.

Clause 3 agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Charest): When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mrs. McDougall moved that Bill C-37, an Act respecting the provision of financial assistance to the Canadian Commercial Bank, be read the third time and passed.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I appreciate the decision that this Bill must go to the Senate today, but I would like to put two or three comments on the record today.

First, we in the New Democratic Party feel that we have put the cart before the House in this case. An all-Party consent shows there is obviously a need to carry out an investigation into the recent collapse and rescue of the Canadian Commercial Bank which is based in western Canada and now operates across the country. I believe that the time to carry out an investigation is before we agree to bail out the Bank. We felt that if we were going to do this, the least we could do is to call for a special investigation. We are pleased that that opportunity will follow, but it does seem to be putting the cart before the horse to pass this Bill in order to build confidence within the financial community. Sometime in the future we will find out what went wrong.

I appreciate the comments of the Minister of State for Finance (Mrs. McDougall) in response to our questions today, but they leave many unanswered questions. There are a variety of questions regarding the role of the Governor of the Bank of Canada in this process. There are questions about the ability of the Inspector General of Banks to carry out his responsibility of overseeing the banking community of Canada. It is questionable whether he has the appropriate authority and staff to do the job which is required during these difficult times. We have questions about the ability of a single individual, using shady and questionable means, to obtain a considerable portion of this particular Bank, which goes against the principle of the Bank Act limiting ownership by one individual or corporation to 10 per cent.

The Government's enthusiasm to bail out this or any particular bank is brought into question. The Bank itself has unquestionably foreclosed on all sorts of individuals, small businesses, ranchers, and farmers in western Canada. It has become traditional for banks across the country to act very callously in many cases. In order to look good on their quarterly reports and to enable their loans officers to have a good track record, they rip the rug out from under small businesses. They have little care for the small business community. When it comes time for the Government to respond to the banks, rather than the small businesses, farmers, ranchers, or homeowners, it falls over itself with enthusiasm for bailing out this corporate institution.

Traditionally banking colleagues would have come together to bail out this Bank. However, in this case they knew they had a good partner. The banks contribute substantially to the political coffers of the Progressive Conservative Party and they knew they could count on the Government of Canada when it came to a crunch. While they as bankers would have to come up with a few hundred million dollars, they knew they had buddies in the Government of Alberta and the Government of Canada whom they could call upon to come up with an extra $75 million of the people of Canada. Taxpayers' dollars are being used to bail out the tenth largest Bank in Canada. That is the ultimate in corporate welfare.

If there is a set of financial institutions that do not require assistance from the taxpayers of Canada, it is certainly the banking community. After all, it is not uncommon at all to find return on equity of 15 per cent to 18 per cent during these very difficult times. If any sector of the economy can move in to save its brethren, it is certainly the banks. It is certainly disappointing that the Government has seen fit to ask the taxpayers of Canada, who are struggling simply to keep afloat, to use those dollars to bail out the Bank.

We have many concerns, Mr. Speaker. We have had an opportunity to mention a few of them today. We will look forward to pursuing the questions that we have raised, and many more, during the inquiry of the Standing Committee on Finance, Trade and Economic Affairs. At the moment we will step down to allow the persons in the other place to deal with this piece of legislation today.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I will speak very briefly because we have agreed that this Bill should go forward to the Senate as soon as possible after three o'clock.

The Canadian banking system has had a very well earned and unusually good reputation in international circles. We have not had a banking failure since 1923, and I am sure that none of us expects to have one in the future. On two occasions in the last 15 years, when two regional banks were in difficulty, the banks themselves moved to provide solutions by mergers.

In this case there never would have been any question of liquidation. Everyone would have wanted this Bank to be restructured and to have some assistance given to it to protect the depositors and shareholders. The shareholders here include a lot of pension funds of Canadians who are not high earners and to whom those pensions matter a lot.

We all wanted to see assistance, but we on this side still have a lot of questions about the government intervention and why, as is traditional, the banks themselves did not provide the solution. We continue to have many questions about the use of taxpayers' money in this way, particularly by a Party which has always said that the taxpayers' money should not be used for bail-outs. We look forward with interest to pursuing in the committee the answers to the matters we have raised today as well as others.

• (1510)

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to on division, and Bill read the third time and passed.

* * *

STATUTE LAW (CANADIAN CHARTER OF RIGHTS AND FREEDOMS) AMENDMENT ACT

MEASURE TO AMEND

The House resumed from Thursday, March 28, consideration of the motion of Mr. Crosbie that Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I wish to make a few comments regarding this legislation. It is interesting to note, from the remarks of the Minister of Justice (Mr. Crosbie) and other speakers, that the discussion has primarily centred on certain changes that will take place in April as certain aspects of the Charter come into force.

Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, will amend existing federal legislation to bring it in line with the Charter of Rights.

We have heard Canadians talk about the various sections of our society that they feel are being discriminated against by certain laws in this country, both federal and provincial. Today I would like to refer to certain discriminatory federal regulations that were introduced by the present Government. There are cases which have come to the attention of many people since last year. Let me cite a case that was referred to the Minister of Justice by the town council of Centreville. They objected to the fact that the Department of Manpower and Immigration was demanding that the town council repay funds to the Government because one of the council's employees should not have been hired by the town council. In fact, that particular employee was a student and the son of the town clerk of this particular council.

I have a copy of the letter that was written to the Minister of Justice. It says that the Town of Centreville sponsored a program employing six students. One week after the project commenced, the council was asked by an official from the Department to fire one of the students because he was the son of the town clerk. The letter went on to state that the fact that the student's mother worked for the town council was, in the opinion of the council, insufficient reason to fire the student. Therefore he was employed for the duration of the project.

The council went on to make a very interesting statement. It said that the federal Government officials are trying to save a mere $1,110 on a technicality that is unfair and violates the human rights regulation that prohibits the council from asking any prospective employee questions regarding relatives.

The town council of Centreville has written to the Minister of Justice to ask for his intervention. The Minister of Justice has not intervened. The town council has been asked to pay this money to the federal Treasury at least 12 times since the letter was written to the Minister of Justice.

I have given this example because it raises some interesting questions. According to the human rights regulations, this town council is not allowed to ask about the family of a prospective employee. I took the liberty of writing to the Canadian Human Rights Commission because this same rule applies to every municipal body in Canada. Every municipal body that receives a student employment program is not allowed to hire a student who is the son or daughter of someone who signs the contract for the project.

There are provincial laws which say that in order for a municipality to sign a contract with the federal Government or other agency, any contract must be signed by the mayor or, deputy mayor and the town clerk. In the case of rural Newfoundland, the town clerk might be making $50 a week, that person might have nothing to do with the hiring of students, but because provincial regulations obligate that person to sign the contract, his or her son or daugher is not allowed to work on any federally funded project.

The importance of this question relates to hundreds of municipalities in Newfoundland alone and to every municipality in Canada.

I received a rather interesting response from the Canadian Human Rights Commission. It says that the Canadian Human Rights Act specifies that it is discriminatory for an employer to pursue a policy or practice which adversely differentiates on the basis of race, national or ethnic origin, colour, religion, age, sex, marital status, family status and so on.

The assertion by the town council was absolutely correct. It was not allowed to distinguish between the employees it was hiring and it was not allowed to discriminate on the basis of the family status of that particular student.

The Canadian Human Rights Commission goes on to point out that as far as this particular problem is concerned:

> I have been informed that all programs administered by the Federal Government includes such a "Conflict of Interest" clause. The relevant policy comes from Terms and Conditions approved by the Treasury Board—

On the one hand, municipalities are not allowed to hire a family member of someone who signs a contract because of conflict of interest regulations. Yet the town council in this particular case is not allowed to question the family relations of the person whom they are hiring.

The legislation before us today contains no method for correcting that single aspect of the Student Employment Program or of any particular grant given by the federal Government to any agency or association in this country. The bottom line is that the town council of Centreville in this case is being hounded and told that it must pay the money back to the federal Government that was paid to this university student who came home for the summer and was hired and just happened to be the son of the town clerk in that community.

● (1520)

The Minister of Justice and the Minister of Employment and Immigration (Miss MacDonald) received a letter from that town council saying, "Will you please forgive this money because we cannot afford to pay it back". There was no answer. The only answer sent was from the Minister referring to conflict of interest guidelines. In other words, in that particular community there were two university students who came home for the summer. There were five jobs. People were told they were not allowed to hire one university student, that they must take the other university student plus four students from grade 12 or grade 11 because the mother of the student who came home for the summer was making $50 a week as the town clerk. The other university student was not allowed to be employed through that particular grant. Letters were written to two Cabinet ministers and the answer was, "No, you have to pay up from your municipal taxes".

This is a case of outright discrimination, Mr. Speaker. I cannot think of a more specific case of outright discrimination in a student employment program. It is outright and total discrimination.

To continue for a moment on that particular program, let me say that what you perceive in the House of Commons and what reports that are done for the Government of Canada show, with recommendations on how to do away with discrimination, is that sometimes when you get down to the grass roots those very reports and rules and regulations that are adapted and put into legislation are seen to discriminate against the ordinary person in the small rural areas. I give you as an example, Mr. Speaker, the regulations that were sent down last week by the Minister of Employment and Immigration to all the Manpower offices saying that the residency requirement for federal jobs must be removed. In other words, if you have a grant going into the community of Centreville or any other community across Canada this summer, then that grant could be used to fill jobs with students from St. John's, Newfoundland; Gander, Newfoundland; Corner Brook, or Quebec City, if the job suits somebody in Quebec City. Every Member of the House, except me, would say yes, that the residency requirement for federal jobs should be lifted, that you should be free to move within a system right across this country.

Just as you have a rule on conflict of regulations in effect, so you should not have the residency requirement lifted for grants to high unemployment areas. The reason is quite simple. The federal Government assigns student employment money mainly on the basis of unemployment rates. To allow the total mobility of students in works programs could mean that students from high employment areas could be filling jobs in the high unemployment areas. The reason is that the first people who are normally hired are the university students, and post-secondary students, and only after that are the secondary students taken on. I just wanted to mention that as it will be seen as discrimination by the people who live in those small communities.

I point to another discriminatory clause in the Student Employment Program. It says here that only those students can be hired who wish to return to school on a full-time basis in the fall. It is funny, isn't it, that somebody who has to go back to university for only one term is not a full-time student for that next year, somebody who has to go back and pick up two courses instead of five is not a full-time student for that year? Therefore, by regulation no part-time students, no student going back for one period of the year, one semester, is allowed to be hired by a student employment project this summer, none. That is another example of what people would perceive to be discrimination.

When you look at the Bill that modifies federal laws you are looking at changes to laws that satisfy a particular philosophy that the Government comes up with as a result of reports and investigations and commissions appointed by the Government. When you look at the grass roots level, the discrimination remains and it even intensifies sometimes because you try to remove discrimination. That is the point. It is unfortunate that the Government of Canada cannot see that.

I will give you another reference, Mr. Speaker. This is a letter that was sent to a newspaper from the chairperson in a community called Too Good Arm. This letter was published in a newspaper two days ago. It reads:

> Please allow me space in your paper to express my views on a Canada Works project in our community. Our committee applied for a grant in October, 1984—

It received a project. The letter goes on:

> The next step was to wait for Manpower in Gander to refer names of people needing jobs. When they sent out the names we had 12 names including one man who's been in Alberta since September 1984. Our committee was not satisfied with these names. So we contacted Canada Manpower in Gander for more names. Our committee had a list of names taken from our community who wanted jobs, and who needed them badly, but Manpower refused to even discuss the list of names we had.
>
> After fighting tooth and nail with Manpower they finally sent out another list of names. On this list was mostly fishermen and fish-plant workers. Why, we asked, did Manpower send out those names to us. Because these people had jobs waiting for them in April or May of 1985.
>
> We, as a committee, were very disappointed because we had citizens from our community who needed this work. We had young people who needed it badly. We had workers, who worked on our Project in March of '84 and needed five more UIC weeks to qualify for UIC benefits, but Manpower would not refer their names so we could not hire them.
>
> Our committee contacted the MHA from our area and we also had James Morgan working on this problem but no way would Manpower go along with any of us.
>
> We would like to know why Manpower is so strict with our citizens who are not in the labour force.

It concludes:

When election time rolls around again let's just keep our votes or let's vote for Manpower in Gander because apparently they are the voice of our province.

It is signed by Madeline Hale, Chairperson for Local Improvement Committee, Too Good Arm. I have made reference to this before. There it is in black and white in a letter to the editor. The fact is that in all direct federal employment programs a person who has not drawn unemployment insurance is not allowed to be referred to a job. The fact is that a woman who has been out of the workforce for more than a year and a half is not allowed to be referred to a federal works program. The fact is that in order for a person to get a job he or she would have to be on unemployment insurance.

We are talking about high unemployment in rural areas across the country. What do people see? They see a student program for the summer to hire students with a built-in discrimination in it that I have already mentioned. They see a federal works program coming into their community with built-in discrimination in the program. Then they turn on their television sets and see the Minister of Justice introducing a Bill in the House of Commons to end discrimination in federal laws. They ask whether that means that young people are now allowed to go to work, that women are allowed to go to work or that people who have never been in the workforce will now be able to get referrals on federal works programs. No, it does not. That has not even been touched. In other words, the very things which matter are not even under discussion.

● (1530)

The Student Employment Program starts this summer, and the discrimination continues. If we looked at all the reports, studies and commissions, we would not even see the matter receiving a footnote reference. In the case to which I referred in the community of Centreville, the Minister of Justice should relent and get in touch with the Minister responsible to forgive that $1,110 bill of that student who found employment last summer. The same should be done for every student across the country who was penalized and discriminated against, as well as every student who will be discriminated against this summer.

The Minister of Employment and Immigration should take a look at her own programs and end the discrimination in them. She talks about ending discrimination against women and young people, yet they are the ones who are being discriminated against in her own programs. Even the Minister of Justice talks about curing the problem of discrimination. They may be curing the problem of discrimination in the eyes of people who do not really know what discrimination is. They may be doing that in some cases. They may be solving a national problem which should be solved, but they must take a second look to see what effect the removal of the residency requirement from jobs in Canada Manpower or what effect discrimination in the terms of reference or on priority lists for hiring on federal projects will have on small communities.

When the Minister of Justice returns from trying to get the Tories elected in Newfoundland, which he will not be able to do, he should deal with the real problems facing people in high unemployment areas and end the real discrimination against the very poor caused by the Government of Canada.

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, it gives me a great deal of pleasure to rise today to talk about Bill C-27 and about the very broad issue of equality rights. Throughout history, legislators, philosophers, judges, kings and queens have all wrestled with the concept of equality. Here in Canada, our jurists and politicians have debated the issue of equality for over 100 years. In 1960, the Government under Prime Minister John Diefenbaker took a major step in protecting basic human freedoms by introducing the Bill of Rights. For the first time in history, Canadians had a document which set out the fundamental rights and freedoms to which each and every person was entitled. Then in 1982 the Government introduced as part of the Constitution Act a Charter of Rights and Freedoms. My Party supported a fair, just and practical Charter. We spoke out for all Canadians and fought to ensure that the provinces were given their rightful place in the patriation process.

Today, three years following the passage of the Constitution, we move forward to April 17 when the equality provision, Section 15 of the Charter, comes into force. Section 15 of the Charter provides for equality before and under the law. It also provides for equal protection and equal benefit of the law without discrimination based upon race, origin, colour, religion, sex, age or mental or physical disability.

The challenge before us as Members of the House is to define exactly what equality means. How do we judge equality in our laws? What is a just or an unjust law? St. Thomas Aquinas defined an unjust law as a human law which is not rooted in eternal law and natural law. A just law, according to St. Thomas, was any law that uplifts human personality. Any law that degrades human personality is unjust.

Martin Luther King defined an unjust law as a code that a numerical or power majority group compels a minority group to obey but does not make binding on itself. A just law is a code that a majority compels a minority to follow and that the majority is willing to follow itself. It is this latter code of just law that our Government under the Charter of Rights must develop.

The challenge now before us in the House is to define equality and apply that definition to over 1,000 federal statutes. The process will not be easy. It will take a great deal of cautious and careful consideration. Bill C-27 marks the beginning of enacting Section 15 of the Charter of Rights.

Some specifics, as Section 15 relates to certain existing legislation, are addressed in Bill C-27. As I have listened to Hon. Members speak on the Bill, it has been my opinion that although they are in favour of it, they feel it does not go far enough. Section 15 of the Charter of Rights raises many basic and far-reaching questions. For example, should mandatory retirement be abolished? Do the Unemployment Insurance Act and federal pension laws discriminate unfairly against women? What laws should be changed to ensure equality for the

physically or mentally handicapped? These far-reaching questions, as well as many others, will be the subject of review by a parliamentary committee of the House. This committee will reach out to Canadians, will listen and will hear the views, ideas and suggestions of the people as they relate to these many issues.

An Hon. Member: From coast to coast.

Mrs. Browes: Yes, my hon. friend is correct. The committee will travel from coast to coast to hear the views of all Canadians. It is my privilege to be one of the seven members of this committee. I am pleased to be one of the vice-chairpersons of it, sharing my position with the Hon. Member for Lotbinière (Mr. Tremblay).

Section 15 will touch upon every aspect of Canadian life. Literally, millions of words clarifying, shaping, defining and moulding Section 15 to the realities of Canadian society can be expected in the months, years and decades ahead.

● (1540)

I want to mention briefly a few areas of particular concern to me and to the people of Scarborough Centre, the riding which I represent. I wish to speak of the equality provisions and our great multicultural heritage. Canada has been built by a unique blend of cultural identities. Our country takes pride in the cultural diversity and a multi-ethnic heritage. Thousands and thousands of people come to Canada every year because in Canada they can be free. Indeed, Canada is a nation of immigrants and we must ensure that cultural equality is protected and enhanced. As Section 27 of the Charter states, and I quote:

> This Charter shall be interpreted in a manner consistent with the preservation and enhancement of the multicultural heritage of Canadians.

Our laws must protect this cultural diversity. Cultural equality means giving all Canadians, regardless of their race or ethnic background, an equal opportunity to live, to work and to prosper in this great nation of ours.

Let me turn to Bill C-27. There are three important issues addressed in Bill C-27. First, there is the elimination of *in camera* hearings as currently provided for under the Immigration Act. These are going to be eliminated, with the exception of those cases where undue publicity may be generated by an open hearing. This will ensure that immigration hearings will be open, in the public and fair.

Second, the Canadian Human Rights Commission will no longer have the power to select members of tribunals established to rule on discrimination cases under the Human Rights Act. Rather, tribunal members will be chosen by an independent official to be appointed by the Governor in Council. Third, persons 18 years of age will now be able to serve as corporation board members. This will bring some uniformity to the law which presently allows persons of 18 years of age to vote, but does not recognize his or her right to serve as a responsible member of a board of directors.

On the broader issues, a group of people in our society who will be anxiously awaiting the application of Section 15 is the disabled. Discrimination, especially in the job market, based on mental and physical disability must be eliminated. Canadians are becoming more and more aware of the important contribution disabled people are making to our society. Numerous equality questions relating to the disabled in relation to military service, immigration and unemployment insurance must be answered. Most recently, last week there was a demonstration held in relation to the opening of a new transit line in Scarborough. An outstanding activist for the disabled, Beryl Potter, led the demonstration at the opening of that transit line. She was demonstrating for access to public transportation in the Toronto Transit Commission. I applaud her for the actions she took.

There are many issues affecting the lives of millions of Canadians that are part of Section 15 of the Charter. A significant piece of legislation that will need review is the National Defence Act. A greater degree of equivalency between the code of service discipline and criminal law must be established. We must ensure that all legal rights and guarantees provided to citizens under the Criminal Code are applied equally to the members of the military.

A variety of equality issues relating to age and sex will also need careful examination as a result of Section 15. Is the calculation of pensions sexually biased? In addition, is it fair that home-makers in this country are denied the right to contribute to and benefit from the Canada Pension Plan? This is a national program in which a large number of Canadians are denied access to participate, although they maintain and foster the family values by caring for the children who will become the next generation of Canadians. This is an important issue that we will be discussing, and it is an issue on which we will be looking for action in the near future.

In addition, there are further issues that have been dealt with by other Ministries relating to this section of the Constitution. In particular, the Minister of Indian Affairs and Northern Development (Mr. Crombie) recently brought forth legislation, part of which relates to the reinstatement of the status of Indian women who have married outside their culture. Having attended and participated in a number of the meetings of the Standing Committee on Indian Affairs, I understand the complexity of this issue and that it will take time to resolve. The legislation is courageous. It is the first step in correcting a serious injustice to Indian women.

Similarly, our Government has taken action in relation to the Abella report. Crown corporations must begin implementing employment equality by September and begin reporting annually within a year. Federally-regulated businesses with more than 100 employees must develop plans and begin reporting within three years. Companies tendering on government contracts for goods and services must certrify their commitment to employment equality and show results. These announcements were made recently by the Minister of Employment and Immigration (Miss MacDonald) on behalf of this Government. That Minister has been a strong champion

and a consistent voice for human rights and equality rights. She must be commended for her oustanding efforts and now for her actions. To ensure a broad range of discussions on issues, the Minister of Justice (Mr. Crosbie) has wisely set up a subcommittee of the Justice Committee to solicit the views of Canadians from coast to coast.

Following discussions with Canadians in the next few months, it is our duty as legislators to outline the policy options for just and fair laws. The ideas, direction and principles must come from the people, through the committee to this House. We cannot simply declare that Section 15 will now suddenly come into effect. Our Government believes in establishing the direction and the principles for Section 15 here in Parliament and with the Canadian people. That is the purpose of this committee. It will meet Canadians from all walks of life to discuss their views, their interpretations and their feelings on Section 15.

The work of the committee is crucial in establishing a format for the equality provisions. The people have a right to be heard on such an important matter and they will be heard by this Government. My Party believes that the principles of law must be established here in Parliament with input from the people and not in a courtroom by a judge. Canadians want Section 15 to apply in a practical and workable fashion. Canadians have entrusted to us the huge responsibility of ensuring that it applies justly and fairly to the Canadian way of life.

• (1550)

On April 17, Section 15 will become a vibrant and real part of our society. Let us hope that as long as Canada exists as a nation, the pursuit of equality and justice will be paramount in this House of Commons.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Charest): Are there questions or comments?

[*Translation*]

Mr. Lapierre: Mr. Speaker, first of all, I would like to congratulate the Hon. Member on an excellent speech. I am convinced she is eminently suited to act in the capacity of vice-chairman and to share the chairmanship with the Hon. Member for Lotbinière (Mr. Tremblay). I hope that in the months to come, since the Hon. Member said she was anxious to hear what Canadians had to say about equality... I thought that before coming here, the Hon. Member knew what Canadians thought and that the Members of this Government did as well, but now...

An Hon. Member: That is obviously not the case.

Mr. Lapierre: And we see evidence of this every day. When we realize that the Government... My hon. friend who always talks from his seat should take the trouble to rise, from time to time. That way, his party might get to know him.

What I wanted to ask the Hon. Member is... She mentioned the possibility that young people eighteen years of age or over could sit on boards of directors. Is her Government prepared to go beyond a minor amendment to the legislation and put this into practice or will it remain just a few words on a piece of paper? Has her Government taken any steps in this direction, a Government that "supposedly" controls too many Crown corporations? Could the Hon. Member name a single young person appointed to a federal corporation since this Government came to power, a single Canadian in any corporation at all? I would appreciate it if she could name just one.

[*English*]

Mrs. Browes: Mr. Speaker, I am very pleased that the Hon. Member asked that question. I believe that he has raised a couple of questions. One is the larger question of consultation. In 1980, 1981 and 1982, consultations were held on the Constitution and many groups participated and presented briefs to the committee. They were happy to do that. It was important. Those groups were looking at the Constitution as a whole. They looked at many items which related to the Constitution.

In 1982, the Government and all Members of the House of Commons thought it was important to have a three-year delay before Section 15 was brought into effect. We have now been reflecting for three years. It is time to sit down and talk about the specifics as they relate to Section 15.

From the research which I have done recently, I understand that the Department of Justice reviewed the Constitution in relation to many statutes, and that the Department started to review Section 15 in January 1984. Therefore, it is time for us to talk to the people of Canada with respect to this particular section and how it should relate to the law.

In relation to his suggestion regarding younger people being appointed to boards, I would like to say that I am very much in favour of that. I have three young children who are very much a part of the decision-making process in our family. I think it is important for people who are eligible to vote at age 18 also to have an opportunity to serve on a board. I think his suggestion that that should be done in Crown corporations as soon as possible is an excellent example.

[*Translation*]

Mr. Lapierre: Mr. Speaker, I am delighted with the Hon. Member's reply, namely that she was very well intentioned. As you know, Mr. Speaker, we are all in favour of motherhood, but the truth of the matter is that this Government, which is preaching equality before the law, is unfortunately not practicising what it preaches. In recent months we have seen that, for instance, the Minister of State (Youth) (Mrs. Champagne) who in the past had a number of responsibilities has suddenly found herself without any power at all in this Government. In fact, a number of Ministers have been treated this way, but... And we have seen Hon. Members who realized, as did the Hon. Member for Duvernay (Mr. Della Noce), that they did not have all that much power, but what I want to say... what

I want to ask the Hon. Member is that the section on equality . . . and I want to get back to the minimum age: Can the Hon. Member explain why at 18, a person can now serve on a board of directors, become a Member of Parliament or even Prime Minister, at least theoretically, but cannot become a senator? Is the Hon. Member, in the course of her research across the country, going to consult people to find out why one needs two qualifications to become a member of the Senate? A person must be so many years old and also own property worth more than $3,000, or something like that.

Does the Hon. Member intend to examine this problem for any length of time, since her Leader is getting ready to make appointments to the Senate? Today, there is a vacancy, unfortunately due to the death of Senator Beaubien. Does the Hon. Member intend to review this section of the Constitution which I think should be considered discriminatory, and I hope that in the course of her broad consultations across the country, the Hon. Member, and I wish her bon voyage, in fact, Mr. Speaker, this Government's solution to dealing with so many Members is to make them travel . . . My question is: Does the Hon. Member intend to undertake many consultations, not only on the proposal as such but more specifically on the minimum age of senators, and will the House, in the months to come, be able to benefit from her increased knowledge of Canadian public opinion?

[*English*]

Mrs. Browes: Mr. Speaker, I think that the Hon. Member's suggestion on a Friday afternoon is rather novel. As one of the members of the committee, I will take it as a suggestion. However, I do not see it as having a high priority in the number of issues which will be discussed by the committee across the country. I refer to the suggestion about Senators being 18 years of age. But it could be one of many issues.

I want to emphasize the importance of consultation. I have been most disturbed by the Opposition Party's lack of enthusiasm for consultation on this issue. I would like to quote from two letters which I recently received concerning consultation. One letter read:

> This letter is to thank you for your efforts in contacting us, and asking our opinion on such important and germane questions—
>
> The only contact which we had with the previous administration was a stream of letters from their bagmen, which needless to say ended up in our litter bins.

The second letter read:

> Your correspondence and efforts to create communication . . . are much appreciated.

I think that the people of Canada will appreciate the consultation concerning Section 15, which is a very important part of the Constitution.

Mr. Baker: Mr. Speaker, I wonder if the Member has enough time remaining to comment on whether or not subsection (b) of the section to which she referred would allow affirmative action programs, in other words, whether the Government will be allowed to discriminate against somebody on the basis of sex or age if it concerns an affirmative action program. Does the Hon. Member agree with that principle?

• (1600)

Mrs. Browes: Mr. Speaker, what this Government and myself personally believe we must have is equality of opportunity. I do not believe in the quota system, if that is what the Hon. Member is getting to. I believe that we should have equal opportunity for women, the disabled, and young people in order that they can reach their potential at the highest level so that we really will have equality rights in Canada.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I did not have an opportunity of announcing the business for Monday. As I mentioned in the usual Thursday House business statement, because we are hoping to make progress with respect to different items of legislation, I am planning to try to consult with my colleagues and work on a day-to-day basis until April 3. At the present time it is contemplated that on Monday we will carry on with Bill C-27, and if we make progress on that Bill on second reading and reference to committee, we would then bring forward Bill C-19 with respect to the reorganization of Bell Canada.

As I have indicated, if there is any change in that sequence, I will certainly advise representatives of each of the Parties at the earliest possible time so that they can prepare themselves for an informed and reasonable debate.

[*Translation*]

The Acting Speaker (Mr. Charest): It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS— MOTIONS

[*Translation*]

Mr. Deputy Speaker: Is there unanimous consent for the House to proceed to Item No. 178?

Some Hon. Members: Agreed.

CANADIAN BROADCASTING CORPORATION

SUGGESTED NEW LEGISLATION

Mr. Édouard Desrosiers (Hochelaga-Maisonneuve) moved:

That, in the opinion of this House, the government should consider the advisability of introducing legislation to:

(1) dissolve the Canadian Broadcasting Corporation and establish a new broadcasting corporation devoted to Canada's cultural development;

(2) terminate the present mandate of all members of the Corporation's Board of Directors and its offices abroad, including the management of CBC International; and

(3) provide for a mechanism for replacing the new corporation's management, including the ratification of their appointment by a Parliamentary committee.

He said: Mr. Speaker, only a few years ago, the Government was urging the CBC to "build the future", to pave the way to a distinct society, and it defined its philosophy as follows: to act now.

First, ensure that our broadcasting system supports our social and cultural orientations, recalling our commitment to the objectives defined in the Broadcasting Act in 1968.

Second, offer all Canadians a substantial number of attractive Canadian programs in all programming categories, while promoting the development of our broadcasting and visual production industries.

Third, to provide for diversified and expanded programming in both official languages and in all regions of Canada. The Government even suggested a thorough study. What has happened since then?

Mr. Speaker, using as an excuse the much needed budgetary cutbacks of $75 million, last November CBC administrators decided to create an uproar among the Canadian public. That is the way it is perceived by many Canadians. I have been receiving many letters and documents as well as telephone calls to this effect, and my colleagues as well. We have learned some troubling facts, and they should be taken seriously. We are a responsible Government that will not bow to threats or blackmail or let itself be influenced by undemocratic activities as low and unconscionable as those I am going to discuss with you now.

To raise a surge of protest among the Canadian public, the CBC has gone so far as to flout elementary decency and deprive Canadians in various regions across this country of a service to which they are entitled. Always claiming the pressure of budgetary restrictions instead of putting a stop to its own profligate spending, the CBC has cut what are commonly referred to as the antennae that relay programs from the stations to Canadian viewers and listeners. This is despicable, Mr. Speaker.

Under the same false pretences, the Corporation has cut popular programs to shock and win over public opinion. It asks the average employee to resign so that it can maintain the jobs of friends who have long outlived their usefulness and to maintain jobs that themselves have become useless.

During this period of austerity, at a time when it is supposedly lacking in funds, the CBC is still publishing a kind of weekly that is sent from coast to coast across this country. In addition, just when the Government wants the CBC to cut expenditures, the corporation buys full-page ads in newspapers throughout Canada. How much does that cost, Mr. Speaker? No wonder people are asking questions.

Here is another example of outright waste of money, Mr. Speaker. Recently the management of engineering on Montreal's Côte de Liesse practically turned the place upside down—nothing new for them, but quite unacceptable to us. More than half of the 300 employees were moved from the second to the third floor, and vice versa. Some of those people have been uprooted anywhere from seven to twenty times over the years. The entire telephone system has to be changed, which entails more unnecessary expenses for such things as printing new business cards, cardex files and telephone directories. They change carpets, paint, move walls, doors and furniture. I suspect the scenario is the same in other buildings across Canada, Mr. Speaker. Yet, long-time employees will tell you that they still do not know why. They are simply told that the money has to be spent before the end of the fiscal year. How much does all that cost, year in and year out? The question is relevant indeed. Still in that same building, there are at least seven directors, or engineers, or senior architects, or supervisors—unilingual anglophones, all of them. So they were given seven francophone assistants to answer the phone.

• (1610)

Mr. Speaker, did you know that some of the program managers in Montreal graciously invite relatives or friends of their guest artists to go along when they travel outside for live shows or to tape certain programs? Did you know that the production and support crew are forced to stay at the hotel of friends? During that time, low-paid employees are laid off, supposedly owing to budget cutbacks imposed by the Government. Elsewhere, other employees must be kept silent, so they are appointed assistants to the director, no less. How much does that cost Canadian taxpayers who are deprived of certain programs?

You may have noticed that I spared you much of the figures in dollars and cents, but quite soon we will call in some people and unveil for everyone to see the scandalous outlays at the CBC. If you knew how much certain artists among the friends of the CBC are paid, Mr. Speaker, you would be sick. And what about the close pals of management who get the cushy jobs? Those people like to move around, so they attend various cultural or cinema festivals on company time, they travel throughout the world, bragging about our culture and our visual cultural products. After spending tens of thousands of dollars of the Canadian taxpayers, they always come back

without even a single sales contract to show for it. If and when they do bring something back, it does not amount to very much anyway.

In 1982-83, our exports were worth $5.7 million and the service cost us $6.8 million. That is the kind of management you get at the CBC. Instead of sending these people on a holiday trip at our expense, they should have given away our programs abroad to promote Canadian culture throughout the world and we would have saved more than a million dollars.

More about poor management at the CBC. In a number of warehouses across the country, there is expensive equipment that is never used. It could be sold or rented to increase the Corporation's revenue, but no! They could rent their studios regularly to independent producers if they would only follow the recommendations arising from the inquiries and reports on the CBC, but no! Mr. Speaker, last June they decided to stop filming the superproduction called "La course au bonheur", although they had already spent over a million dollars. Mr. Juneau's response appeared in *La Presse* on June 30, and I quote:

We got more than we bargained for.

Mr. Speaker, do you not think it is high time we got rid of him? Is this supposed to be the CBC's new management approach? Should the blame not be put on the incredible lack of planning and lack of economically efficient management policies? Let Hon. Members and the Canadian public be the judge.

Mr. Speaker, another case in point is that of reporter Louise Arcand, where the umpire's decision handed down recently blamed news management for having made a discriminatory decision. And now the CBC, though it has already lost twice, is thinking of appealing the case to the Supreme Court. It would seem that budgetary cutbacks have not had any effect on funding for the CBC's legal services. And why should they? They get the money back by firing the average employee, by cutting programs, by cutting down on broadcasting across the country, by reducing production, and it is all the Government's fault, the fault of the Progressive Conservative Party. Incredible! They really have a lot of nerve.

Mr. Speaker, we can no longer tolerate these demagogical attitudes and this kind of behaviour.

And what about the case of reporter Richard Vigneault? Consider: he was fired two months ago for refusing cuts in an interview he did with the President of the CBC on the budgetary cutbacks. Obliging an honest reporter to edit the truth!

Mr. Speaker, because of poor management, the CBC has been outrageously wasting tens of millions of dollars a year. Remember the Applebaum-Hébert Report in 1981 and what the CRTC said in 1977: that the CBC had failed to meet its obligation to respond to the specific needs of the various regions in this country. Who can say today that the CBC has improved its record in this area? It is a joke! Everyone has been asking the Corporation to adapt its programming to the realities of the day, to rationalize its spending and improve its management policies, but to no avail. Mr. Speaker, enough is enough. We must have a new Crown corporation, new administrators and new directors who are competent and who will truly respond to the aspirations of the people of this country. This applies as much to the English as to the French network. They do not talk to each other and they refuse to collaborate and to exchange news items on public affairs broadcasts. No, they each hold on to their own territory. They each have their own clique and their own gimmick, and they will not part with them. Well, all those administrators will have to get off the stage, because the curtain is closing on the last act!

I see some of my hon. friends from the Lower St. Lawrence, and this reminds me that early this week, some vicious cuts were made at five radio stations in Chicoutimi and Lac-Saint-Jean. And so it goes.

• (1620)

Major and radical changes are being prepared which will affect the parliamentary television broadcasting. Two weeks ago my colleague from North Vancouver-Burnaby (Mr. Cook) warned us and told us how greatly concerned he is about the regressive behaviour of the CBC. Allow me, Mr. Speaker, to refer to an article which appeared in the very serious *Maclean's* magazine of last March 18 and which was written by columnist Barbara Amiel. She describes Mr. Pierre Juneau as being the compleat bureaucrat. When asked an awkward question, she writes, he responds by answering a question of his own choice. He changes the meaning of the conversation and manages never to answer any question. She accuses him of a whole series of woes. She accuses him of acting deliberately. In conclusion she wrote this:

[*English*]

It is immoral to change the game's rule and penalize people for two decades of laxity.

[*Translation*]

She even asks him to have the decency to resign before the CBC is dissolved. Everybody talks about it, but the CBC does not do anything. The Auditor General denounces the incompetence and bad management of the CBC, but that does not change anything, and nothing will change, Mr. Speaker, unless we assume our responsibilities and take firm action as required in full respect for the Canadian people. We must now take appropriate measures to put a stop to that hemorrhage of public funds—tens of millions of dollars.

As you have noticed, Mr. Speaker, I did not attack the employees of the CBC. On the contrary, I have always maintained that there are very competent people, serious people, excellent producers, intelligent secretaries and researchers, clever technicians and honest reporters. Unfortunately, it happens that some employees are compelled, forced or threatened by management, so they do not always act properly. Let us

give those people an opportunity to work with dignity and fairness, and thus do our share to improve the services of the CBC and put an end to wasteful expenditures.

For those rasons and for other which I cannot express today for lack of time, Mr. Speaker, I appeal to my colleagues who received from the Canadian people a clear mandate to change the course of its history. I urge Hon. Members of the Opposition to join forces with us and help us finally to do justice to this nation which has been consistently demanding CBC clean-up. Are we going to betray their confidence and deny them something they have a right to demand? Essentially, Mr. Speaker, I am respectfully asking the House to say that the Government should introduce in the House of Commons legislation that would:

—dissolve the CBC, Radio Canada, Radio-Canada International, Entreprises Radio-Canada Enterprise, shut down their offices in New York, Washington, London, Paris, Moscow and wherever they may be, all their existing production centres, in other words the French-language T.V. and radio stations, the English-language T.V. and radio stations and all other components and/or affiliates;

—create a new corporation under a new name to be established by law;

—provide for the immediate termination of any mandate given to, and/or by any member of the Board, management, French-language services, English-language services, the Ottawa area, and any other existing council and committee, whether advisory, executive, audit, industrial relations or whatever;

—provide for mechanisms to immediately replace those people by other qualified people, with provisions for every other then employee of the CBC to immediately resume his or her respective job or even apply for any other then vacant job, according to his or her only qualifications and ability;

—immediately recognize all existing labour unions and all existing collective agreements.

And even before the Government decides to pass such legislation, we should require the CBC to be put under immediate guardianship. Thus the Government of Canada clearly will have the broadcasting Crown Corporation arrange within the shortest possible time for a distinctive, self-sufficient programming and a more Canadian content, and the implementation of the principles so dear to the hearts of Canadians, a vital tool for the cultural development of French speaking and English speaking Canadians, a true springboard for all the artists and workers of our two great Canadian cultures and other ethnic groups, an ethical framework that will finally present a solid moral character, a new sound spirit and new fair-play tendancies consistent with justice and merit, to finally achieve sound management of public monies.

Finally, Mr. Speaker, I am calling on all Hon. Members from both Opposition parties to even suggest and recommend to us in each province qualified Canadians who, above political affiliations, can work together to reach for the goals that Canadians have long since set for CBC officers. Almost on the eve of the Easter holidays, Mr. Speaker, let us rid ourselves of evil and celebrate a new era for our national broadcasting that will fulfill the true expectations of the Canadian people!

Hon. Jean Lapierre (Shefford): Mr. Speaker, after the speech and the performance given by our friend for Hochelaga-Maisonneuve (Mr. Desrosiers), I can only say that we in the Official Opposition are ready to recommend him as chairman of the new organization. I am convinced that he could certainly earn a good living as an actor.

However, what worries me is that the Hon. Member has made disturbing revelations about the CBC. He has made never-heard-before and exclusive revelations, as would say *Photo-Police*. In this context, Mr. Speaker, something was missing from his speech as he did not ask for the immediate resignation of the Minister of Communications (Mr. Masse), because these matters are the responsibility of his own Government, and if the Hon. Member for Hochelaga—Maisonneuve is aware of such horror stories, instead of simply raising the issue in the House, he should go and see the Prime Minister (Mr. Mulroney) and the Minister of Communications and demand an immediate investigation on the actions of the CBC.

And what worries me for instance . . . I hope that the Hon. Member for Hochelaga-Maisonneuve, who did not mention any names or quote any figures, would be able, if the House or the Auditor General were to make an investigation, to provide authentic proof to back up his statement because, thanks to parliamentary immunity, anyone of us can easily make speeches and with great oratory question the credibility, morality or civility of certain people. As for me, I frankly believe that it is a bit simplistic to talk in general terms about the gangrene at the CBC. By doing so, our friend for Hochelaga-Maisonneuve has cast doubts over the entire management of the CBC.

Is he suggesting, for instance, when speaking about the seventh or twentieth move, that all Canadians paid for this, Mr. Speaker? If this is true, I would like him to tell the Minister of Communications. I do not understand why he would have to use this forum to do so. I thought that the Hon. Member for Hochelaga-Maisonneuve had some influence, but if he did, the Minister of Communications would be here today to reply to his allegations and order immediately a complete investigation. He was satisfied to send his Parliamentary Secretary, who will certainly be able to speak about his own experience and tell us whether, during his years at the CBC, he was aware of the horror stories denounced by the Hon. Member for Hochelaga-Maisonneuve.

Mr. Speaker, the Hon. Member spoke about fantastically high fees. Let me tell him that I think we could use his quite creditable performance of today to start a new television series if we wanted to recall the years of the Crédit Social. And I am convinced, Mr. Speaker, that the late Réal Caouette would be

pleased to hear the comments of the Hon. Member for Hochelaga-Maisonneuve. In his day, he also attacked the management of the CBC and I am convinced that our friend from Hochelaga-Maisonneuve, when his short political career comes to an end, will be invited by the CBC to revive the sixties. But till then, Mr. Speaker, I am concerned because there are people of good will and good faith at every level of the CBC and they must take offence today because they are unable to defend themselves and appear in this forum to tell Canadians the other side of the story. And this is why I ask my colleague from Hochelaga-Maisonneuve to convince the Minister of Communications to launch a thorough inquiry on those allegations.

I ask the Hon. Member for Hochelaga-Maisonneuve to call immediately the Auditor General, state the complaints which he receives, provide some grounds for his allegations and then we could discuss concrete facts with figures on the table. And I urge him to do so, Mr. Speaker, in a responsible way. He referred to a new morality. The last thing that I would like to see in Canada would be anyone among us trying to impose his morality to the mass medias. It would be a great disservice to Canadians if politicians decided to interfere as in Russia in the contents of programs. The great strength of the CBC has always been its independence. I am convinced that if politicians were allowed to control programs and information, according to their whims, it would always be based on their self-interest. This is the real danger which would confront us if we tried to interfere with the medias.

He spoke about qualified Canadians. Who are we, Mr. Speaker, to gauge the qualifications of each member of the CBC board of directors or each of its officials? It is too easy to do that. If there are some inefficient people, they should be fired. There is no question about it. However, regular procedures should be followed. These people can be laid off although the Hon. Member for Duvernay (Mr. Della Noce) says no. Of course, he co-sponsored this bill, and I congratulate him for doing so; I am anxious to hear his remarks as co-sponsor and supporter of this bill. As I said, I am anxious to hear his remarks and, if he has new arguments to put forward and new facts to communicate to us, I hope he will not hesitate to rise and speak out. Meanwhile, I should like him to listen to my recommendations. Together with his colleague the Hon. Member for Hochelaga-Maisonneuve, he should investigate all the weaknesses and shortcomings of the CBC. In this endeavour, they should seek the assistance of the Minister of Communications and, failing action, they should demand his resignation. If they did, the cultural community in this country would breathe a sigh of relief, not to mention that this would possibly make room for one of them within the Cabinet. In this connexion, I suggest that the Hon. Member for Duvernay for instance could easily replace the Minister of Energy, Mines and Resources (Miss Carney). I am sure that with his revolutionary ideas, the Hon. Minister of Hochelaga-Maisonneuve could replace the current Minister of Communications. It is up to the Prime Minister to decide. For the time being, he allows them to stand by the curtains. Their turn will come. Mr. Speaker, to return—

Mr. Cassidy: Behind the curtains.

Mr. Lapierre: Or behind the curtains, as my hon. friend suggests. But before the curtain falls at the end of the last act, Mr. Speaker, and before you call me to order, I should like to say that this motion has certainly helped the government to consider the situation within the CBC. I am sure that the Parliamentary Secretary will be able to tell us how seriously the government is taking the allegations of the Hon. Member for Hochelaga-Maisonneuve, and that he will stand in a little while to announce the establishment of a commission of enquiry. Let him speak, Mr. Speaker.

• (1630)

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I want to dissociate myself completely, both personally and as a Member of the New Democratic Party, from the comments that were just made by the Hon. Member for Hochelaga-Maisonneuve.

[*English*]

I want to say a few words in English because there may well be Canadians watching the parliamentary television channel right now who are wondering what this debate is about, particularly when we reflect upon the fact that it is a CBC channel which is carrying the record of the House of Commons debates into Canadian homes.

The proposal by the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers) is to dissolve the Canadian Broadcasting Corporation and establish a new broadcasting corporation devoted to Canada's cultural development. He wishes to terminate the present mandate of all members of the Corporation's Board of Directors and its offices abroad, including the management of CBC International, and he wants a mechanism for replacing the new corporation's management, including the ratification of their appointment by a parliamentary committee. Let me deal with these points in reverse order.

During the election campaign, the present Prime Minister (Mr. Mulroney) promised that there would be a means by which all appointments could be ratified or at least considered by parliamentary committees. Nothing has been done about that in the last eight months. Yet the Member for Hochelaga-Maisonneuve seems to indicate that we should focus on CBC-Radio Canada. I suggest it concerns a broader question to which we should have had answers by now. I urge the Hon. Member to consult with his Prime Minister and suggest some action.

I believe there can be only one purpose behind the idea to terminate the present mandate of all members of the Corporation's Board of Directors. The Conservative Party wants to take similar action with the CBC-Radio Canada as it did with Air Canada and VIA Rail. In other words, the Conservatives want to appoint Conservatives with a good record of service to

the Party and put that above the service of the Board of Directors of CBC-Radio Canada to the people of Canada.

More important, if I understood the Hon. Member correctly, he is suggesting that all offices of the CBC abroad should be closed. He mentioned cities like London, Washington and Moscow. I presume that he believes that our news service abroad through the CBC should be shut down. That is the major activity in those offices abroad.

Perhaps he thinks we should no longer be trying to sell award winning programs like the *Nature of Things* around the world through the facilities of CBC offices abroad. He must believe that we should not seek to protect those kinds of images of Canada in other parts of the world.

The Hon. Member suggests that the management of CBC International should be shut down. I do not know if he wishes to terminate CBC International, but it broadcasts now in 12 different languages to Africa, Latin American and Europe. It is a major means of communicating what is happening in Canada. In fact, my hon. friends who have travelled to the United States will know that certain programs such as *As it Happens* from CBC Radio are regularly broadcast on public radio networks in the United States and are a very good voice for Canadians visiting our neighbours to the South.

The Hon. Member suggests that we should dissolve the Canadian Broadcasting Corporation and establish a new broadcasting corporation devoted to Canada's cultural development. The mandate of the CBC is Canadian cultural development.

[*Translation*]

What I am afraid of particularly is that the comments of the Hon. Member for Hochelaga-Maisonneuve will affect the future of the CBC. Even if we do have a problem with American penetration on television channels, even in English Canada in Ontario, in the Western provinces and of course in Quebec, the vehicle of French culture, of Canadian culture in French in Canada is Radio-Canada, and I fail to understand why the Hon. Member wants to get rid of all Radio-Canada services and all the executives and terminate the contracts of all the performers and producers and all those people who work on Radio-Canada's news programs in the hope that we might be able to improve services.

Mr. Speaker, I think such comments do a disservice to the people of Quebec who have been very well served by Radio-Canada.

[*English*]

I am suggesting that it is particularly irresponsible to say that Radio Canada, the French language service of the CBC, should be terminated. The Hon. Member should know that Montreal is the first or second largest production centre of French language programming anywhere in the world and that it rivals the one in Paris, France. Certainly in quality we can easily stand up to Radio Television Français. This has been accomplished by Quebeckers, Canadiens Français, and I find it totally irresponsible that the Hon. Member, who represents les Québécois, should make that suggestion.

I think it is totally irresponsible to suggest that the CBC English services should be disbanded and thrown to the six winds, as the Hon. Member suggests.

He is confusing a need which may exist for some cleaning out of the administration of the CBC on Bronson Avenue in the heart of Ottawa, with what happens in terms of programming. The Hon. Member may recall the report which came out on the CBC in 1960s, which said that the most important thing about the CBC is its programming, and everything else is housekeeping.

The institution has been with us for 50 years. There may be some need to improve the housekeeping. I have had some concerns that perhaps the cuts that have been imposed on the CBC by the Government have borne more on the programming content than on the administration, which does not actually deliver the programs. That is a specific problem on which I would not mind seeing some action. However, you do not throw the baby out with the bath water. You do not disband the CBC in order to reform it. It would be total wishful thinking to believe that we could, by terminating the CBC, establish and improve the service that would automatically enhance Canada's cultural development.

We must recognize that the problems facing the CBC now in terms of being an authentic voice for Canadian cultural development are related to the policies of the former Liberal Government, which are being continued by the new Government in terms of the misunderstanding of the mandate under the Broadcasting Act to use broadcasting in Canada as an instrument of Canadian cultural development.

The fact is that although that was the proposal in the Broadcasting Act, it has been substantially ignored. The situation has gone from bad to worse.

In the 1950s, the CBC was the vehicle of Canada's cultural expression, at least in television, because it was the only television in the country. With the creation of private broadcasting through the CTV, the CBC became responsible for half of the television broadcasting in this country. As a result of technological change which has permitted cable access to communities like Edmonton and Chicoutimi in the north, we have a situation where three-quarters of the television broadcasting in this country is not native broadcasting but comes from the United States.

In Europe they speak of the Canadianization problem. We think Canadianization is good, but in other countries Canadianization means the takeover of a country's broadcasting service by another country. Canada is the only major country in the world which allows its television broadcasting to contain the complete program output of another country. In our case it is the United States.

It is a fact that due to the neglect of the former Government and the present Government, a tremendous volume of television programming does not come from Canadian sources but from American sources. We must be aware of that situation

and seriously address it. In considering this problem, let us not undermine and disband the major vehicle by which we identify and show Canadian cultural identity, the CBC and Radio Canada.

Let me comment on some of the points made in the Hon. Member's motion. The McKinsey review of the CBC indicated quite clearly that in operating in two official languages and covering a widely dispersed geography of 4,000 miles, the CBC faces more difficult and cost broadcasting challenges than do other public broadcasters. Notwithstanding that, the Corporation is substantially more efficient than other public broadcasters, measured by hours of programming output per employee and per dollar expenditures.

● (1640)

The major conclusion of the Auditor General's report a year or so ago was that the CBC needed long-term planning, but the CBC cannot do long-term planning unless it is assured of long-term dollars from the Government and neither the present nor the former Governments were prepared to make that particular commitment.

The McKinsey report said that, in comparison with the private sector:

—replacing the CBC with the private sector with its current economic structure would cost Canadians substantially more on a annual basis.

The CBC, despite some problems in delivering programs which may well exist, nonetheless, if you look at the over-all record, is quite extraordinary. The CBC produces twice as many hours of television programming per employee as other public networks. In prime time, Canadian content of the CBC runs 20 per cent to 40 per cent higher than CTV or Global. The CBC, which the Hon. Member wishes to disband, provides more prime time hours of Canadian content than both the CTV and Global combined.

Mr. Oberle: It gets a billion dollars for it.

[*Translation*]

Mr. Cassidy: The Hon. Member said that there should be wholesale firings at the CBC despite the fact that, according to polls conducted by Paul Audrey in 1984 and Martin Goldfarb in 1983, there is very strong support on the part of the Canadian public for the CBC's Canadian programming. Between 85 and 90 per cent of Canadians watch and listen to the CBC on a regular basis. Mr. Speaker, 75 per cent of Canadians believe that CBC programming should continue to provide an expression of our Canadian identity. Eighty per cent of Canadians believe there is not enough Canadian programming.

[*English*]

Despite all of that, the Hon. Member is not saying that we should have more CBC programming. He says we should get rid of it and then trust this new Government to ensure that something else will come in its place.

In prime time, less than 25 per cent of programming on television is Canadian. Of that, three-fifths comes from the CBC. Only 5 per cent of TV drama that we see on our air waves here in Canada is Canadian, most of it comes from the United States. I am talking about situation comedies such as "Dallas".

It is a deplorable fact that we are out-gunned 20 to 1 in terms of what appears on our air waves when it comes to drama. But 90 per cent of the t.v. drama which comes from Canadian sources is in fact Canadian. My hon. friend, the Member for Hochelaga-Maisonneuve, is suggesting that we disband the CBC in order to have more sitcoms that come from Hollywood and from New York and Chicago. That would appear to be the case he is making, Mr. Speaker. I would suggest to you, Mr. Speaker, that the CBC is the only broadcasting company that has made a serious attempt to meet the Broadcasting Act, which calls for a broadcasting system that is predominantly Canadian.

If you want to speak about a Canadian cultural identity, "The National" on CBC reaches 5 million Canadians a week. Those are adult English-speaking Canadians. You are talking about 5 million Canadians a week out of a total audience in English Canada of perhaps 11 or 12 million adults. "The Journal" reaches 4 million Canadians a week. "The Fifth Estate", which is shown once a week, reaches 1.5 million Canadians a week. "Fraggle Rock" reaches 1.5 million children a week. "Tommy Hunter" gets 1.5 million people a week. "The Beachcombers" gets 1.25 million a week, a program that has entertained Canadians for years.

Mr. Turner (Ottawa-Carleton): What about "The Friendly Giant"?

Mr. Cassidy: I would like to see "The Friendly Giant" there. "Hockey Night in Canada" brings in between 2 and 3 million Canadians.

When a program like "Chautauqua Girl" on CBC, rivalled by programs in the United States which are extraordinarily well financed, gets 2.6 million people, blowing "The A-Team" and stuff like that right out of the water, when "The Grey Fox", a Canadian film on the CBC, drew 2.1 million people, and "Hockey Night", the drama about a girl who was kicked off a boys' hockey team, drew 2.2 million viewers, let us stop short-changing what we Canadians can do and are doing through the CBC.

I would like to point out to my hon. friend that what we are getting for that $800 million we spend on CBC amounts to 10c. a day for my family. Actually I think it is a little bit less than that, about 8 or 9c. a day. The English t.v. network cost only $200 million. It is not that expensive. We get 4,700 hours of programming, of which 2,000 hours is produced by the CBC. The AM radio network gives 5,000 hours, the stereo network 6,000 hours—

[*Translation*]

The CBC French television network, which is costing us $138 million every year, has 6,000 hours of programming, including 3,500 hours produced by the CBC. That, Mr. Speaker, exceeds the quality and quantity of French TV programs in Paris. On French radio, the 6,500 hours of AM programs cost

only $26 million a year, and on the French stereo network, only $8 million a year are spent for 7,000 hours of programs, including 6,000 hours produced by the CBC.

In addition, Mr. Speaker, we have 22,000 hours of programming, half of them from the CBC directly or regional TV stations, the CBC's 18 English regional TV stations, and 2,500 hours of programming on the CBC French regional TV station.

I could continue my remarks, Mr. Speaker, but all that goes to show that we do have a very important institution which is part of our existence.

[*English*]

To conclude, Mr. Speaker, if I can find the quote, I would like to read a comment from David Suzuki, an eminent Canadian scientist and an eminent Canadian broadcaster. Mr. Suzuki has this to say:

> The CBC has been a mirror for us to see ourselves as a people, the scope of this land, the challenge and our problems. Without the CBC, we would be a very different people and the poorer for it. Today, when we seem hell-bent on a path to greater integration into a North American context, I can't think of anything more important than the CBC for preserving that sense of difference that keeps many of us in this country. But now the CBC is in danger from a poorly thought-out attack.

I would say to my hon. friend from Hochelaga-Maisonneuve that really this is a poorly thought-out attack. He endangers Radio-Canada, and the CBC, the English-speaking network. He should realize that that has been one of the vital links, along with institutions like the Canadian National, the Canadian Pacific Railway, and Air Canada, which have helped bind this country together despite all the very strong influences from our North-South relationships with our friends to the South in the United States. The existence of the CBC for more than half a century has been one of the things that has enabled our country to maintain an independent sense of itself and has kept us from being swallowed up into the United States—

Mr. Cadieux: That is south of the border.

[*Translation*]

Mr. Cassidy: Well, Mr. Speaker, it may be rather difficult from time to time for my friends in Quebec to understand. We, English Canadians, feel especially threatened by the cultural expansion of our American friends from south of the border. Quebec can safeguard its culture thanks to Radio-Canada for instance, and also to the fact that Quebec being a French community on an English-speaking continent, the cultural and language barriers make it easier for Quebecers to maintain their own culture. But for us in English Canada, this is a very serious and difficult task. We see in the CBC one of the strongest supports for Canadian culture and identity in English Canada.

[*English*]

It is for all these reasons, Mr. Speaker, that my Party and I entirely dissociate ourselves from this irresponsible and badly thought through resolution coming from the Hon. Member for Hochelaga-Maisonneuve. We ask him to reconsider and to work with us in order to ensure that in future the CBC can do a more effective job in terms, as he put it in his resolution, of ensuring Canada's cultural development and the maintenance of our identity as a nation.

• (1650)

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I consider it a privilege to address the motion before the House presented by the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers). I may have only a few moments before the Gentleman Usher of the Black Rod from the other place raps on the door. I am sure the Hon. Member would understand that if his motion passed, the lights would go out in this place and the CBC parliamentary service would be discontinued. However, on behalf of the Minister of Communications (Mr. Masse). I want to say that we respect some of the viewpoints of the Hon. Member for Hochelaga-Maisonneuve. He is a distinguished former President of the Union des Artistes in Quebec. He has reason to have very strong views about the Corporation, particularly about Radio Canada. However, I do not think it will come as any staggering surprise to him that the Minister of Communications and I will be arguing against his motion.

A few moments ago my colleague pointed out to the House that the Government had no control over CBC management under current legislation. We have no control precisely because it would hinder the Corporation from making truly independent program and journalistic decisions. He also referred to the importance of preserving the creative autonomy of the CBC. I should like to expand on this, if I may, for there is an implicit danger as I see it, particularly in the third part of his motion, which I feel should be articulated more explicitly.

The third part of the motion proposes the establishment of an appointment procedure for CBC management as distinct from its Board of Directors. The danger of interference in the CBC's day-to-day operations and administration, and especially in its programming matters, is something which concerns me and many of my colleagues, particularly those MPs like myself and like the NDP Member who spoke before me, who were trained in journalism.

Under current legislation, the Broadcasting Act, the executive vice-president is the only member of CBC management whose appointment is subject to ratification. The President of the Corporation recommends the appointee to the Board of Directors, and the Minister of Communications, in turn, recommends approval of the Corporation's appointment to the Governor in Council. In essence, the Corporation is the sole active agent in the appointment of its executive vice-president.

The Minister's recommendation to the Governor in Council acts as an indirect measure of accountability to the people of Canada. It is further desirable that Board of Directors appointments also involve some mechanism of accountability such as that described earlier by my colleague. However, senior management undertakes day-to-day operations and internal administration of the Corporation with the executive

vice-president acting as the overseer. Especially with regard to program decision making, there should be no more involvement by government or Parliament. The CBC is free to appoint its senior management, and presumably selections are based upon the qualifications which perspective appointees have to offer to the competent administration of the Corporation and the Corporation's response to the needs of its audience.

I fear that if a parliamentary committee ratified CBC management appointments, the ability of the Corporation's management team to respond to the needs of Canadians, to respond effectively and decisively to the constantly changing Canadian broadcasting environment and to make competent, objective, independent decisions would be severely curtailed. How could a manager manage effectively when he or she is constantly looking over his or her shoulder? This is the kind of corporate planning that the third part of this motion could instil.

Recently the Minister of Communications reiterated the Government's commitment to public broadcasting, saying that the commitment was unswerving and fundamental. I should like to quote him. He said:

> There are some principles which are clear now, and which will remain unchanged . . . (These include) our commitment to the need for a national public broadcaster, to the service to the country that such a broadcaster must provide, and our commitment to this country itself . . . (Canada is) a nation of diversity, of differing goals and ambitions and methods . . . But above all, a nation of talent and expression and dynamism . . . a nation of greatness, which not only needs, but deserves, a public broadcaster equal to this greatness.

I simply do not see a CBC which would be equal to the greatness of Canada if it is forced to function in the kind of corporate environment this motion could create. This motion would contradict the Government's stated commitment to public broadcasting if it were allowed to pass, and programming would suffer.

Management is ultimately responsible for what we see and hear on the CBC. If CBC senior management appointees were to be ratified by a parliamentary committee as this motion proposes, there looms the potential for political or governmental interference in what we see and hear on the public network. I, for one, would find it difficult to trust the validity of news and information programming particularly. As a broadcast journalist by profession, I would be the first to jump up and down in protesting any involvement by Big Brother government in what we see and hear on the CBC. Simply knowing that the vice-president of news was appointed by a political process rather than by the Corporation itself would leave me to question everything I saw on "The National" or hear on "The World at Six". I wonder what viewers and listeners would think when the CBC reports on the parliamentary committee which would be responsible for ratifying the appointment of the manager who is ultimately responsible for the newscast in the first place.

This is not paranoia. This is fanciful hypothesizing. The motion would connect the CBC's programming, including news, to the political process. As has been argued countless times before, this is a dangerous connection to make. I can quarrel and have quarrelled, as have many of my colleagues, with the CBC's treatment of news stories and its occasional bias in one particular political direction, but the Corporation has the right to determine its own programming. Even if there were no actual influence, the conenction to the political process would still exist and would make the CBC be seen by the public to be influenced by political pressures. That perception alone would be enough to undermine the trust which Canadians put in the CBC's information programming.

That is what is really at issue here. How would the CBC be perceived by its audience? This is a significant issue in the consideration of the motion before us which so far has gone neglected. If I may, I should like to discuss this in the remaining few moments.

As I mentioned, I have no doubt that some Canadians disagree from time to time with information which is broadcast by the CBC or dislike the way it is presented. With respect to entertainment programming, well, we are all critics, aren't we? Certainly the CBC broadcasts programs which some Canadians do not like. There is no way it could possibly please everybody all the time when it is in the business of entertaining. No medium can.

To be sure, none of the media is perfect, not even the television stations for which I used to work in the parliamentary Press Gallery. However, they serve an important social function as purveyors of information. The CBC's function is perhaps the most important of all Canadian media, given its audience reach and its excellent reputation in news and public affairs programming. The CBC, like the private networks, like the newspapers and like the weekly magazines, does not always tell us what we want to hear, but we need to hear it all the same. Perhaps the CBC does not always inform us as completely or as accurately as we would prefer, or as completely and as accurately as more ideal news-gathering conditions might permit. However, the CBC, and indeed all the media, strive to be as objective, accurate, fair and professional as possible. In the case of the broadcast media, licensees can be called to account for their programming when they appear before the Canadian Radio-Television and Telecommunications Commission for licence renewal. The public has a certain amount of trust in the media as sources of information, particularly in television, as studies have shown. Given the CBC's reputation for excellence, I would not be surprised if Canadians trust its news and information programming the most.

This motion would cause an element of doubt to be introduced into the relationship between the CBC and its audience. This could be considered as preventing the CBC from fulfilling its mandate.

Mr. Deputy Speaker: The hour provided for the consideration of Private Members' Business has now expired. I recognize, on a point of order, the President of the Privy Council (Mr. Hnatyshyn).

• (1700)

Mr. Hnatyshyn: Mr. Speaker, my understanding is that Black Rod is expected here in approximately 15 minutes. Under the circumstances, I have consulted with the representatives of the other Parties in the House. I think you will find there is unanimous consent that, notwithstanding any Standing Order, the sitting be suspended to the call of the Chair in order to accommodate the other Members.

SITTING SUSPENDED

Mr. Deputy Speaker: Is there unanimous consent of the House that the sitting be suspended to the call of the Chair?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered. I do now leave the Chair until later this day.

At 5.15 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 5.20 p.m.

* * *

• (1720)

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-37, an Act respecting the provision of financial assistance to the Canadian Commercial Bank, (without amendment) to which the concurrence of this House is desired.

* * *

[*Translation*]

THE ROYAL ASSENT

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

Government House
Ottawa

March 29, 1985

Sir:

I have the honour to inform you that the Honourable Gerald E. LeDain, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 29th day of March 1985, at 5.20 p.m., for the purpose of giving Royal Assent to certain Bills.

Royal Assent

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière,
Administrative Secretary to the
Governor General

THE ROYAL ASSENT

[*Translation*]

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

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

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

And being returned:

[*English*]

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

Bill C-23, an Act to amend the Small Businesses Loans Act—Chapter No. 8.

Bill C-37, an Act respecting the provision of financial assistance to the Canadian Commercial Bank—Chapter No. 9.

Bill C-34, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1985—Chapter No. 10.

Bill C-35, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1986—Chapter No. 11.

It being 40 minutes after five o'clock, this House stands adjourned until Monday next at eleven o'clock a.m. pursuant to S.O. 2(1).

The House adjourned at 5.41 p.m.

HOUSE OF COMMONS

Monday, April 1, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (CANADIAN CHARTER OF RIGHTS AND FREEDOMS) AMENDMENT ACT

MEASURE TO AMEND

The House resumed from Friday, March 29, consideration of the motion of Mr. Crosbie that Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I confess to have been looking forward to debating the Government's proposal to implement the equality provisions of the Charter of Rights coming into effect, as they do, in the middle of this month.

In the previous Government we were at work on preparing to face up to the fact that many of our laws contain measures which create inequalities in our society. A project had begun where a group of law officers of the Crown had been given the task of reviewing statutes, over 1,000 in number, in light of the equality provisions of the Charter. They were to make recommendations to the Government for the removal of any aspect of discrimination, unfairness or inequality in those statutes. We did this because Parliament should act to remove these inequalities in order to bring our laws into compliance with the Charter to save ordinary citizens, particularly those who were disadvantaged under the present law, from the hardship, difficulty and costs of taking their cases to court. There is, of course, no doubt that they can take their cases to court because the Charter is now the law of Canada and the equality provisions will become part of that law as of April 18. In my submission and that of my Party it is not appropriate for Parliament to be engaged now in a decision about what the Charter should be. That is already settled, it is the law. How it is to be interpreted is a question for the courts to decide in the final analysis.

What we ought to have been doing is looking at all of the legislation in the country, following up on the project which had been begun, and changing that legislation to bring it up to the high standard which the Charter of Rights and Freedoms has established. Well, the present Government recognized its responsibility. If I can quote the Minister of Justice (Mr. Crosbie) in his discussion paper *Equality Issues in Federal Law*, and I intend to return to this again during the course of my remarks, the Minister noted at page 6:

> Section 15 reinforces the responsibility that governments have to shape laws, policies and programs to the goal of equality—

• (1110)

I would have judged this legislation by the Minister's own standard, that is, the responsibility of governments to shape laws to the goal of equality. Let us look at Bill C-27 and discover how close the Government has come to achieving the goal of equality by way of its legislation.

I think I can sum it up with a statement made by the Minister himself in a speech in Quebec City. He was talking about the responsibilities of removing discrimination and bringing our laws up to the high standard required by the Charter. He ended on a wistful note quoting from Robert Browning, saying: "Ah, but a man's reach should exceed his grasp, Or what's a heaven for?" By that he meant that there will inevitably be a shortfall between what we would like to do with regard to removing discrimination and what we will actually achieve. According to Robert Browning and the Minister, that is sort of a good thing because it leaves room for progress and movement.

However, it is tragic that there is such a tremendous shortfall between what will be attainable and what the Government is required to do by the Charter. There is such a shortfall that Bill C-27 can only be called a cop-out and a very inadequate effort, if it can be called an effort at all to live up to the responsibilities imposed on government by the Charter.

The national Government should have assumed leadership in encouraging the provinces, which also have legislative responsibilities, to bring their own laws into compliance with the Charter. Far from providing leadership to the provinces, the Government seems to have reinforced a do-nothing approach. It has left it to the underprivileged groups in society which do not have equality under the law to go to court and argue their case.

I would like to remind Canadians that the national Government did not welcome the three-year period of time which was given to it and other governments to bring laws into compliance with the Charter. We would have preferred a shorter period of time, or no time at all, so that when the Charter was implemented in 1982 the process of bringing the laws into compliance with the Charter would have been overdue. We were pressured by the provinces to give them a period of time. Eventually three years was agreed to.

I would have hoped that the federal Government would have done its duty in that three-year period and would also have encouraged the provinces to do theirs. On the contrary, we now have legislation which does very little and which leaves private interest groups to continue to argue their cases. After I have gone through the legislation I want to turn to the other half of this package, the work of the parliamentary committee, and give my views and the views of my Party on its work.

What is in the Bill that has been put before us? Most of it is contained in Part V, the reform. This so-called reform is a very poor substitute for a true effort to bring the laws of Canada into compliance with the Charter equality provisions. Most of the changes are artificial, semantic, and without very much consequence. The greatest number of amendments are devoted to Acts governing merchant seaman, laker pilots and returned soldiers. Last week in the House one of the members of the Conservative Party argued that the very thickness of the Bill was some evidence of an effort by the Government to do something.

However, when you think of the small group of individuals in society that is affected by the merchant seamen legislation, the laker pilot legislation and the returned soldier legislation, you can see how very little has been done in the Bill. This is a group of Canadians who are entitled to have the laws that affect them brought into compliance with the Charter. However, when one looks at the amendments that are made in their interest, one can see how very little there is. Clause 74 and Clause 97 amend the Army Benevolent Fund Act and the Returned Soldiers' Insurance Act, adding widowers to those who can receive payments from the Fund. While that is fair, of course, it is very little.

• (1115)

Clauses 75 through 83 amend the Bankruptcy Act and present us with what can only be called non-amendments. Monumental and courageous changes are not to be found here. The Government has merely substituted the word "spouse" for the phrase "husband and wife" and the word "child" for the phrase "son and daughter". Clause 83, which amends subsection 190(2) of the Act, makes a recognition that debtors may be female as well as male and thus substitutes the phrase "debtors' creditors" for "his creditors". These are hardly what could be called the reform that the country was expecting when the Charter equality provisions were to come into effect.

Clauses 84 through 89 lower the minimum age for potential directors of co-op associations and applicants for farm syndicate loans from 21 years old to 18 years old. While this is a form of progress, these are changes which are nothing more than a recognition of the change of the age of majority which has been in effect in our country for the last 15 years. Such an amendment shows that the Government is lagging far behind the new realities brought forward in the implementation of the Charter. It would not be so bad to have these changes if some serious reform was also included in the legislation. However, it is obvious that nothing else has been added.

Clauses 90 to 93 amend the Merchant Seamen Compensation Act but they are also rather inconsequential. They substitute the phrase "surviving spouse" for the expression "widow or invalid widower". One must wonder if this is the limit of the imagination of the Prime Minister (Mr. Mulroney) and his Government in reforming the legislation. Where are the new ideas and new approaches that were promised by the Prime Minister?

Clauses 94 and 95 amend the Pilotage Act. Certain provisions have been deleted as a factor in the calculation of the interval between medical examinations. Now, pilots who are 55 years of age and over are required to submit to an examination only once every three years instead of once a year. We must note that no change is made in the rule which demands mandatory retirement of pilots at age 65.

Next, clauses 98 through 103, which amend the Canada Shipping Act, allow for the possibility that a woman who owns a ship will transfer it by marriage to her husband and that men may be mortgagees of the vessel transferred to them. Also, they substitute the words "mental disability" for "lunacy" and include "husband" in the definition of a near relative. In other words, it is a set of semantic changes that recognize that women, in relation to the Canada Shipping Act, may be carrying on the activities that are carried on by men.

We know that the rules of statutory interpretation recognize all of this anyway. Under the rules of statutory interpretation, "his" can be taken to mean "hers" where appropriate, such as in a case like this.

This is really a semantic exercise to which we have been treated by the Government. It is not at all an exercise in bringing the laws into compliance with the Charter requirement that there be no discrimination but fairness and equality.

Clause 104, which amends the Veterans Rehabilitation Act, eliminates the distinction between 16-year old boys and 17-year old girls, as far as the language of the statute is concerned. Again, it is not significant.

That is the sum and substance of the legislation. Taken as a whole, all of these changes show no attempt to instil our legislation with the same spirit that ensured the inclusion of Section 15 of the Charter. They mark a dismal failure on the part of the Government to perform its legislative duty. What is presented to the Canadian people is a mere recognition of language, semantic equality, and nothing of the social realities and possibilities. There is not to be found here any transformation of legislation which is commensurate with the high value placed by Canadians on the idea of equality.

• (1120)

The Government had an answer when it was criticized for doing pathetically little in the legislation: the Government not only prepared legislation but prepared a discussion paper. The Government established a subcommittee of the Justice Committee and I am pleased to be a member of that subcommittee. I can say that my Party intends to co-operate and support the work of that subcommittee. The Hon. Member for Mount Royal (Mrs. Finestone) will be spending a lot of time working

on that committee and will be the lead spokesman for our Party. We continue to believe that the concept of setting up that committee, giving it such a short time limit and a wide mandate and keeping it in the dark about some very important questions, shows that the Government is not serious about wanting to achieve equality.

I want to elaborate for a moment on some of the problems we see with the committee. In the first place we wanted a Charter of Rights and Freedoms for all Canadians because we recognized that even with the fundamental decency that characterizes Canadian society, there are minority groups and groups with a minority perspective that do not have the total and absolute approval of Canadian public opinion. The battle of these groups to achieve equality will be a tough one. They will be battling against public opinion. There is an educational job, in a sense, to be done to inform the Canadian people about the meaning to these minority groups of the kind of discrimination and hardship which is part of their daily lives. I refer, for example, to the handicapped for whom a great deal needs to be done to bring them to a positon of fair equality and access with other Canadians, to the benefit of our Canadian society. We recognized that by entrenching rights in the Charter for minority groups, by providing that these are rights recognized by law, they cannot be taken away from these groups by Parliament or by the legislatures. One recalls the ringing statements of our former Prime Minister, the Right Hon. Pierre Elliot Trudeau. We were telling the Canadian people that their legislators can go so far but no further in diminishing their rights. That is what the Charter is about.

What is the discussion paper about? What is the committee about? It is another round robin exercise where the very groups we want to protect from majority public opinion will be submitted to the pressure of majority public opinion in the analysis of their rights.

I talked about the handicapped a moment ago. Let me pursue that. One of the things we anticipate is that providing equality for handicapped groups in our society will cost and may cost some pretty big bucks. It may be, for example, that every public building in this country will have to have a ramp entrance provided so that the handicapped in wheelchairs will be able to enter. There are no entrances like that in the Parliament Buildings right now. If they are to be provided and if the law will require that, I can see a government as cost-conscious and as fanatically dedicated to deficit reduction as this Government wanting to deny that kind of construction program across the country or wanting to phase it in over an unfairly long period of time.

• (1125)

In light of this kind of consideration, the chance of handicapped groups doing well and getting their rights before the kind of committee and in the kind of process which will be set up is not very likely. I say the same in connection with retirees who are retiring because they are required to by law. Are those laws valid? A committee is being asked to look at the question. There will be a kind of controversy before the committee. I suppose some groups will think about promotions which will not be available if mandatory retirement is removed. Some groups will be arguing that mandatory retirement should continue because of a vested interest. Others will see a vested interest on the other side. The decision will not be made on the basis of Charter principles. I am afraid a parliamentary committee will act the way a parliamentary committee should act. It will try to figure out what is public opinion. While I say that is the way it should act, in a sense it is regrettable that democracy works that way. It was because of a recognition that democracy works that way that we entrenched fundamental rights which are now for the courts to determine, not for legislatures, this Parliament or this parliamentary committee to determine.

I had a great deal more which I wanted to say, but in my remaining minute I want to indicate the wrong-headedness of dealing with this problem in the way the Government has. I call upon the Government to let us know what legal opinions it has received on the requirements to change legislation to comply with the Charter. That is really the way in which a parliamentary committee, if it is to operate, should operate. We are being kept in the dark about a process which I should like to describe in this thumbnail sketch. I think the law officers of the Crown did their job. They looked at over a thousand laws. They made legal opinions in many cases. Some of them might be deemed controversial, but in many cases they were able to give the Government advice that "this provision needs to be changed, that provision needs to be changed and probably this one does".

Did the Government bring forward the changes which were recommended? I do not think it did. I think it brought forward the absolute bare minimum and ignored the advice of the officers of the Crown. It will be one of our main purposes as a committee to try to find out from the Government what the law officers of the Crown have been saying and what are the many laws which ought to be changed. Let us go about doing our business, not just changing the grammar or gender in ways that really do not make any difference to anyone, given the Interpretation Act. Let us bring in the real changes which will make our laws comply with the equality provisions of the Canadian Charter of Rights and Freedoms.

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to speak on Bill C-27 because it has at least one provision which, if allowed to stand, will cause a very grave injustice. Generally, as previous speakers have said, this Bill does not do very much. The arrangement of three years ago was that three years after the Charter came into force the Government, having had time to review the laws, would bring them into line with all provisions of the Charter, particularly the equality ones. As has been said by our critic, the Hon. Member for Burnaby (Mr. Robinson), and by other speakers, very little was done on substantive questions such as the equality of women. There were just a few little word changes.

However, one change has been made which some people might have overlooked. It could endanger the lives of refugees or of their families back home. Clause 112 makes a change

which is against the interests and even the personal safety of refugees and their families.

First I refer to the old Subsections 29(2) and (3) of the Immigration Act. This is when a person has come to the airport and said "I am a refugee from another country". He then goes to an inquiry. In that inquiry he is supposed to make his claim to be a refugee. Subsection (2) states:

● (1130)

At the request or with the permission of the person with respect to whom an inquiry is to be held, an adjudicator shall allow any person to attend an inquiry if such attendance is not likely to impede the inquiry.

That is to say, at the request of the person who may be going to declare his refugee claim. If he or she wants other people to attend, they may be allowed to attend. Subsection (3) is very clear:

Except as provided in subsection (2), an inquiry by an adjudicator shall be held in camera.

There was good reason for that law. It was to protect the person who, as a result of his or her situation at that point, had to be one of the weakest and most defenceless people within our borders. That is being changed in this proposed law. It now reads:

An inquiry by an adjudicator may, on application therefor, be held in camera if it is established to the satisfaction of the adjudicator that the person with respect to whom the inquiry is to be held, or any interest of Her Majesty, as the case may be, would be adversely affected if the inquiry were conducted in public.

In other words, it is no longer given to the refugee claimant to say whether he wants the inquiry held in camera, whether he wants other people attending. How he or she may make that request and be overruled by the adjudicator.

I am not aware of any reason being given for this change. This is not one of the important changes, such as those previous speakers mentioned in the Shipping Act and so on. This change could cost the person his or her life or the life of a member of the family. It is very strange that, in the interest of justice, the Charter and equality, the Government should have chosen to make such a perverse and dangerous change in what was otherwise a satisfactory law.

The Government has a strange notion of equality. We see that illustrated in other sections of the Act; for example, with regard to women. With regard to the rights of a person applying for unemployment insurance while pregnant, we have the Bliss decision which says there is no discrimination against women on account of a decision against a person for being pregnant. You would think that the Supreme Court in that case was of the opinion that men or women could equally become pregnant. At any rate, there should have been an attempt to correct that in this law to make it clear that women should be protected fully, even when they are pregnant; but that was not done.

Likewise with the disabled, a committee had many hearings about the disabled and the disabled made many recommendations, some of them key recommendations; yet there is practically nothing reflecting that in this Act. The only thing that affects it is the change of one word in the Shipping Act concerning lunacy. Nothing else was done for the disabled.

In those cases it appears there is a perverse concept of equality and equal justice. The concept allows for the strong to be aggressive towards the weak. It says the Government should not interfere, in a contest between the strong and the weak, on behalf of the weak. Whether a person is weak personally and individually, perhaps physically, or whether a person is weak through belonging to a group which is at a disadvantage in society, the principle of justice would be that the law would give special protection to the weak.

Our law does that very clearly in another matter, a matter that is not reflected in this law today. I want to give it as an example. Nobody in his right mind would challenge it. Our Criminal Code makes it an offence for an adult to seek sexual relations with a child in a manner which, if the adult sought sexual relations with another adult, would not violate the Criminal Code. In other words, there is a concept of free choice which it is considered can be made by an adult, but cannot clearly be made by a child because the child could be under pressure or, being a child, ignorant. Therefore, an adult is not entitled to take advantage of a child because in that sense the child is considered weaker than the adult. That concept is in our law. It is a sound principle, a principle of justice. It does not say that the strong, in that case the adult, has equal rights with the weak, in that case the child.

We have made some progress in the Criminal Code with regard to assault by men against women, even married men against their wives. It has been clarified. On the whole whatever is the wording, the clear indication was that what was being done was to protect the person who might be physically weaker than the other and who also might be at an economic disadvantage because of her membership in an economically disadvantaged group.

That is the correct way to go to protect the weak against the strong. If there is a conflict of rights, as there very often is, then the obligation of a just, honourable and humane society is to ensure that, above all, the rights of the weak are protected. This is a principle that has been put forward very eloquently in the last couple of years by the bishops of the Roman Catholic Church in Canada. They talked about the preferential option for the poor. They do not say that we have to give the rich and poor equal rights in all matters, or equal consideration, equal help or equal support. They say that the poor need special support, special protection because they are poor, because they do not have the strength of money and power.

In this case we are dealing with people who are extremely weak, extremely powerless. A man or woman may come here on the run from another country, perhaps with children, in fear of their lives. They come to Canada and they want to be refugees. If this law is adopted in the form asked for by the Government, they will have to make that declaration in an open court if the adjudicator decides that they do not have good reason for holding the inquiry in camera. The benefit of the doubt is with the adjudicator instead, as before, being with the refugee claimant.

What good purpose is served by this change? I cannot imagine that it benefits the adjudicator to have that power of choice absolutely in his or her hands and which originally was absolutely in the hands of the refugee claimant. I cannot see how the adjudicator loses by letting the refugee claimant make the decision whether others should be allowed in the hearing or not.

Perhaps a media reporter may want to come in. The media reporter might lose in the sense that on that day he or she may not be able to write a story about a human interest case. There might be some genuine loss or deprivation to a reporter in that sense, but consider the other side. If news of that person's refugee claim comes out in a public way and that person is known to have made certain accusations against the Government of his or her country, and if that person's refugee claim is not sustained in Canada, and many times that happens, that person must return to his or her country to a government that has learned that he or she made as unfavourable statement. That person might be persecuted or have his or her life endangered. I know Canada has a commitment not to refuse people who would be in danger if they were to return to their own country even when they are not accepted here. However, how does a refugee claimant know that he will be accorded that kind of protection? How does he know that that judgment will be made in his favour and that he will not be sent home? Further, how does he know that his wife, brother or sister back home may not be persecuted on account of the news that he made a refugee declaration in Canada? There is simply no comparison between the possibility of a media reporter being deprived of an interesting story and the possibility of a refugee or a refugee's relative being persecuted and perhaps killed because of a story that was published.

• (1140)

I have not heard anyone who deals with refugees, any of the lawyers, church people, ethnic, immigrant or community groups, make any complaint about the old Subsection 29(2) and (3) of this law. None of them has suggested that it is unjust. I have not heard any complaint from immigration officials indicating that that Section is unjust. I have not heard of any reason why that Section should be changed. I very much urge the Government, in committee, to reconsider Clause 112 of this law and delete it. Otherwise, the Government may have the blood of innocent refugee claimants or their families on its hands.

The Acting Speaker (Mr. Paproski): Are there questions or comments regarding the Hon. Member's speech? Since there are no questions or comments, I would like to resume debate.

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, it is with suitable humility that I address the House today on behalf of the people of Ottawa-Carleton. I am pleased to address a Bill of my choosing in this Chamber for the first time.

As you know, Mr. Speaker, my riding is not far from here. Some Hon. Members live in Ottawa-Carleton. For those who do not, I can assure them that it represents a cross-section of Canada and has a challenging mixture of urban and rural areas. It has a linguistic balance of our two official languages that is a remarkable reflection of our country.

Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, was first introduced to the House on January 31, 1985, along with a discussion paper entitled *Equality Issues in Federal Law* written by the Hon. Minister of Justice and Attorney General (Mr. Crosbie), a man for whom my respect, esteem and personal indebtedness is second to none.

[*Translation*]

The Minister also announced the appointment of a special subcommittee of the House, before which Canadians across Canada will be able to express their views. This committee can and should serve as a privileged access to parliamentarians for minority groups who want to explain the kind of changes they would like to see in our legislation.

[*English*]

Bill C-27 proposes to bring 50 federal statutes into conformity with our Charter of Rights and Freedoms that will come into effect on April 17, 1985. That date is an important one in Canadian history. On April 17, 1855, Charlottetown became a city. As we all know, the British North America Act evolved in Charlottetown a few years later.

In 1982 federal lawyers began a systematic review of the statutes to see where amendments were needed to ensure compliance. This was an enormous undertaking as there are more than 1,100 federal laws of general application. As did the Minister, I too offer them my congratulations for the success of their tedious task.

[*Translation*]

This Bill will amend the Bankruptcy Act, the Food and Drugs Act, the Weights and Measures Act, the Customs Act, the National Parks Act, the Returned Soldiers' Insurance Act and other legislation.

[*English*]

In short, it will have an impact on the lives of the people of my riding as well as all Canadians. It will have an impact on the lives of my immediate family, some of whom are in the Chamber today. My pride in representing them is one that has taught me the importance of family, friends, loyalty and the determination to do what is right when it is right, at the right time. For this I am grateful.

[*Translation*]

The riding of Ottawa-Carleton has both rich and poor neighbourhoods, a number of small businesses, and a very substantial federal presence—the National Research Council, to be exact.

[*English*]

In recent times it has been represented by the Right Hon. Member for Vancouver Quadra (Mr. Turner), Mrs. Jean Pigott and the Hon. Jean-Luc Pepin. In fact, on February 17,

1977, in what she called her bachelor speech, Mrs. Pigott also addressed issues concerning Canadian human rights when she spoke so eloquently of the discrimination against handicapped Canadians. We have come some distance since then but there is much further to go. The Terry Foxes and Steve Fonyos of our country have made us acutely aware of the fact that our handicapped are also our people.

When you land at the Ottawa International Airport, Mr. Speaker, you are in my riding. As you taxi along the tarmac, I ask you to think of previous Tory candidates who paved the way for my political success, candidates like Colonel Strome Galloway, Bill Neville, Jean Pigott and Bert Lawrence.

In the area of equality rights, the review of federal statutes by Bill C-27 turned up some inconsistencies including, for example, inconsistencies in the age of majority. Some statutes require a person to be 18 years of age whereas others require the age of 21. It underlined some outworn assumptions, particularly the assumption that breadwinners are always men and dependants always women. It identified some social conventions that may or may not stand up to court challenges under Section 15 of the Charter; in particular, mandatory retirement at the age of 65.

The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), my eastern political neighbour, referred to mandatory retirement at age 65 as being discriminatory, and I agree with him. However, Senator Croll's study of a few years ago indicated that a very small percentage of Canadians wish to continue working at age 65. They should, however, be given that option. Our population is aging and we will need their presence, their experience, their skills and knowledge and their will to go on working in a meaningful way.

[*Translation*]

There is no easy answer. We must find out what Canadians want. First we will listen, then we shall act.

[*English*]

When I think of human rights and equality in Canada, I am reminded of the tremendous violent discriminations that are occurring in many countries of the world like the Republic of South Africa, Sri Lanka, the Soviet Union and many Latin American countries. I am also reminded of the peace, order and good government that is the general rule of law here at home. I will concede that we have our problems, such as discrimination in the Indian Act, but Bill C-31 is finally attempting to eliminate some of this discrimination. As a member of the Standing Committee on Indian Affairs and Northern Development, I can testify to the intense effort that we are all making in that regard.

We can only have equality when we are all equal, and even our great democracy has some kilometres to run. Although I shall be out of the country on April 17, I will take time to pause for a few moments as Canada takes a large step in the maturing process of nationhood. I will also renew my pledge to this nation.

[*Translation*]

Although I am not a lawyer, I realize that action must be taken to improve the compliance of our laws with the Charter, and it must be done before April 17. Bill C-27 is an important step in the right direction.

[*English*]

It is also in accordance with one of the themes of social justice underlined in the Speech from the Throne of November 5, 1984, as read by Her Excellency the Governor General. She said:

> My Government is determined to ensure that social justice in Canada keeps pace with the changing needs and circumstances of our people.

● (1150)

The new Government continues to pursue and support economic equality for women because we can only have equality when we are all equal in all respects. Let us replace the expression *vive la différence* with *vive l'égalité.*

The new Government is increasing employment opportunities for women in government and its agencies. It is also preparing amendments to the Divorce Act. The new Government will seek provincial co-operation in providing additional assistance to the victims of family violence, including child abuse which is a most despicable and regrettably increasing human act.

On a recent visit to Quebec City, Mr. Speaker, during a tour of the new musée du Séminaire, I was warmly reminded of the fundamental importance of the family in a painting of the holy family with Jesus helping Mary and Joseph at the carpentry bench. Increased family violence is a clear signal that the most important foundation of our entire civilization is being threatened.

[*Translation*]

Mr. Speaker, the Hon. Member for York South-Weston (Mr. Nunziata) said that his Party would vote in favour of Bill C-27. He also added—

[*English*]

> We will continue to press for full equality. We want to ensure that equality becomes a reality in the very near future.

So does this Government and so do I. The Hon. Member for Burnaby (Mr. Robinson), who has also spoken during this debate, said that the disabled and handicapped—

> —should demand that the Government finally accept its responsibility to change laws to implement full equality for the disabled.

I agree, Mr. Speaker, so let us not take forever to do this. The Hon. Member for Broadview-Greenwood (Ms. McDonald) indicated that Bill C-27 has been referred to as housekeeping legislation. Perhaps it is, but usually when one cleans a house very thoroughly, one has to first rearrange some furniture. Bill C-27 is doing just that. The special committee chaired by my colleague, the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer), has been given a significant responsibility, as was described by the Hon. Member for Gloucester (Mr. Clinch) in this debate. He said, and I quote:

The Government considers it most important that we have the widest possible consultations with the people of Canada.

Sometimes our actions are better judged by the way outsiders see us, and I would like to read from an editorial entitled "A Better Canadian Way" which was reprinted from the *Washington Post* in the international *Herald-Tribune* on November 17, 1984, and I quote:

Mr. Mulroney is going to try another method, a series of consultations throughout his country to work toward a common purpose.

[*Translation*]

Mr. Speaker, we shall soon be ratifying Bill C-27, but I sincerely hope that the special committee that will shortly be sitting in a number of Canadian cities will also reach its conclusions as soon as possible. We must get to work in order to give the word "equality" more meaning and adopt the amendments that Canadian women, the disabled, minority groups and others have been demanding so desperately.

[*English*]

We are maturing as a nation, Mr. Speaker. We are growing as a people and we are able to stand up as an example to the whole world as a nation of honesty, integrity, compassion and fairness. The only limitations we have in this country are the ones we place upon ourselves. Let us speak more of our pride, of our successes and of our accomplishments, and let us learn from our shortcomings and our failures. Bill C-27 is paving part of a path to April 17 when every individual will become equal before and under the law. I am proud to have added in this small way to part of that pathway.

Let me conclude, Mr. Speaker, by telling you a true story. Fifteen years ago I was living and working in a village in northern Tanzania in East Africa. It was called Kiswani. As we drove by the village one day, we stopped at a water fountain to get something to drink. A young girl was standing there and she saw me get out of the Land Rover with my binoculars around my neck. She was somewhat fascinated by these binoculars as she had never seen any before. I bent down and let her look through them. All of a sudden the faraway village and houses became very close to her. She was fascinated by this. That young black girl clasped my hand and took me down a dusty road to her village. She was saying *mzungu wangu* which means "my white man". She had adopted me on the spot. I was indelibly impressed by that moment because that lovely innocent little child had no fear, no discrimination and no prejudices. That, to me, Mr. Speaker, is what life should be all about.

Mr. Kaplan: Mr. Speaker, I would like to congratulate the Hon. Member on his speech. His good faith and personal commitment to reform is obvious in the remarks he made. However, I cannot help but wonder whether he feels that the Bill which has been presented really achieves anything like the kind of goal which was expressed by the general tenor of his remarks. I want to ask the Hon. Member if he does not feel that the Government could have done a great deal more in the legislation to produce conditions of equality rather than just sending it off to a committee? Is he aware of any of the studies which were done showing all of the laws which needed to be changed and which have not been embodied in Bill C-27? Is the Hon. Member willing to press for changes in the legislation now in some of these obvious other areas where the legal opinions clearly require that the laws be brought into conformance with the Charter?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I thank the Hon. Member for his question. Certainly the Bill is not as comprehensive as we would like it to be at this point in time. I mentioned it was dealing with certain housekeeping items, and that is a fact. I think we have to get some of those statutes cleaned up and that is the purpose of the Bill. As far as being aware of some of the other studies and recommendations which have been made over the years, yes, I am aware of them. I have read *Equality Now* and *Obstacles*. I am in full agreement with the Hon. Member that this House and the Government should be moving as quickly as it can to create the changes in our laws which will make all people of this country as equal as possible.

Mr. Marchi: Mr. Speaker, I also would like to congratulate the Hon. Member for his personal convictions. At the same time I would certainly like to pick up on the question asked by my hon. colleague, the Hon. Member for York Centre (Mr. Kaplan). A lot of talk has been bandied back and forth about what "we" did in the interim, but I would suggest that perhaps the debate should focus on who brought in the whole Charter of Rights and Freedoms, who began this process back in 1980-81, and who was against that process in 1980-81, Mr. Speaker.

The Hon. Member made the analogy that we have to rearrange the furniture in the room first. I submit that in rearranging the furniture, the Conservative Government might have moved the coffee table here and there but it certainly left the sofas and the dining room table in the same place. I would ask the Hon. Member again—because I do not think he answered the Hon. Member for York Centre—why his Government chose to move on 50 statutes which were very minor, very clear, and about which there were certainly no differences among the three political Parties in this House? Why did the Government decide to sidestep the more real and sensitive issues facing minority groups across this country? Would the Hon. Member give me his information on that? Could he inform this House why his Government chose that path rather than the more comprehensive one alluded to in his speech?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the Hon. Member referred to personal convictions. Without personal convictions, Mr. Speaker, I would not be in this Chamber and we would not be the Government of Canada. Without personal convictions, Mr. Speaker, I think our time here would be rather irrelevant. I believe I tried to give that message in what I said.

I would like to refer to Article 28 of the Charter. It was put there by our Party which is now the Government, and it was done with tremendous input from the Minister of Employment and Immigration (Miss MacDonald). Article 28 refers to the

equality of men and women. In that context, as Opposition members we had significant input into the creation of the Charter. We have not moved all of the furniture but we are certainly moving in that direction.

Mrs. Finestone: Mr. Speaker, I would like to ask the Hon. Member if he feels that the number of amendments which could have been brought forth, thereby saving tremendous time, energy and money by minority groups and women's groups, was affected by the Bill which is being proposed? Are there not holes that he feels require government action rather than forcing these groups back to the courts to insist upon their rights?

• (1200)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I thank the Hon. Member for Mount Royal (Mrs. Finestone), particularly since I made a number of references to the women of Canada in my comments. No Bill is perfect. Certainly there may have been opportunities for more amendments, but I also referred to the tremendous effort that went into reviewing the statutes we are now discussing. This Bill was not designed to answer all of the problems of the minorities, the handicapped or women. That will come.

When the Minister introduced this Bill, he announced a committee of the House which is chaired by the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer), a man for whom all of us have tremendous respect, and I am convinced that as he travels across the country with the committee to get the input we feel we need, we will then bring in the legislation required to answer her concerns.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, April 17 will be a very important day in the history of Canada because on that day Section 15 of the Charter will come into effect. Because people follow this debate at different times, I think I should refer for a minute to Section 15. It will guarantee for Canadians equality before the law despite their race, religion, ethnic origin, sex, age and so on. It will assure that they will not be discriminated against on those bases. What is very important about Section 15 is that it is a constitutional provision, which means that it cannot be amended unless the federal Parliament and seven provinces representing 50 per cent of the population agree to do it together. So that Section is very secure against hasty amendment.

Secondly, it is extremely important because, as it is in the Constitution, it prevails over every other federal and provincial law. This means that any ordinary law passed by a federal or provincial Parliament will be subject to the anti-discrimination provisions of Section 15. That section will strike down many of the discriminatory laws and regulations and practices we have had in this country for many years.

Many of those here now and who were here in the last Parliament will know that I voted against the Charter and the constitutional Bill on the final vote. I did so for very specific reasons, but not because I was against Section 15, an entrenched Charter of Rights or an amending formula. As a matter of fact, I was fully supportive of the constitutional package when it came out of the joint committee near the end of June, 1981. However, once the provinces got hold of that constitutional package in the early fall, they almost took apart many of its outstanding provisions and left it in a very weakened condition. In particular, it was the provinces which imposed the inclusion of the famous "notwithstanding" clause in Section 33. This meant, in effect, that a province or the federal Parliament can pass a law overriding Section 2 of the Charter, dealing with fundamental freedoms, as well as overriding Section 7 to Section 15, including Section 15, by simply saying in their ordinary statute: "Notwithstanding Section 7 or Section 8 or Section 15 of the Charter, we legislate as follows and our law will prevail". That sort of opting out of those provisions of the Charter is permitted for five years and can be repeated again.

That, Mr. Speaker, was one of the things which led me to vote against the final package. Despite the fact that I was in favour of many things in the Charter, I could not tolerate that and I thought some Members should rise and vote against it on that basis. I of course was also very disappointed with the amendment the provinces imposed with respect to aboriginal rights and language rights. As a matter of fact, in the Charter right now there is inequality in the sections respecting language rights.

The Hon. Minister of Employment and Immigration (Miss MacDonald) is here and I might say, because she intervened in this debate, that I think the House should know that most of the provinces who fought against an entrenched Charter of Rights were Conservative Governments; not the Government of Ontario or the Government of New Brunswick, but the western provinces and Nova Scotia and Newfoundland did oppose those sections. They were successful in knocking out the section dealing with women in the early fall of 1981, and successful in knocking out the aboriginal rights section. It was only after large demonstrations on Parliament Hill that compromise sections were put back in the Charter. We must remember that there were many, not her but many Members of her Party, who fought against entrenchment for many years. They were against it in principle. There were some Conservative Governments and Conservative Members in this House who favoured an entrenched Charter of Rights, but a lot of them did not and a lot of Conservative provincial premiers did not.

While Section 15 was passed into law in 1982, its implementation, was delayed for three years so that the provinces, the federal Government, private groups and associations and businesses could prepare for its implementation because it could and will have very far-ranging effects. That three years was to be used for preparation of such things as the provision of ramps and access for disabled people, and so on, which

requires time and money. It always had been the view of the previous Government to bring in a Bill which would bring all federal laws and ordinances into line with the equality provisions of the Charter.

I was a member of the Standing Committee on Justice and Legal Affairs over the last four or five years and every time the Minister appeared on Estimates I asked him about the review which was underway to bring federal laws and regulations into accord with the Charter, especially with Section 15. He would report progress to me on every occasion. We were moving ahead. Of course, the reason for that, as has been mentioned, was that despite the fact that Section 15 would go into effect on April 17, 1985, we did not want to leave it to ordinary citizens and their small resources to go to court to prove that certain laws were *ultra vires* with respect to Section 15. We thought it would be better, and everybody agreed, to bring in a Bill which would bring into line our federal laws and thereby save individuals, businesses and groups from spending a lot of money on going to court to prove their point in accordance with the equality provisions of the Charter.

The present Government has brought in a similar type of Bill, the Bill we are discussing today, to amend 50 laws which require changes in accordance with the Charter. However, only 11 of those 50 relate to changes with respect to the equality section. The changes that Bill C-27 will implement are, for the most part, very minor. It changes the word "husband" to the word "spouse" and uses the word "persons". The Bill is very limited, timid and minimal. It does not attempt to bring into line many of the controversial laws of Canada which will probably be challenged in court unless something is done quickly.

• (1210)

Our position is that although the Bill moves in the right direction, making necessary amendments to federal laws, it does not go far enough. It does not cover many of the areas it should have. Rather than addressing those issues in the Bill, the Government has published *Equality Issues in Federal Law: A Discussion Paper*. This discussion paper lists most of the controversial issues. A Justice subcommittee has been asked to hear evidence across the country with respect to these issues and to produce a report.

I will mention some of the issues contained in this discussion paper, but which are not in the Bill, which that committee will deal with. They include discrimination on the basis of age, mandatory retirement provisions, and provisions for age of minority. Those issues are not dealt with in the Bill. They were left for the subcommittee to discuss across the country. Also left out of the Bill are issues relating to sexual discrimination. Those issues are subjected to discussion across the country. Also left out are issues with respect to disabled people.

It may be reasonable to have discussions across the country if we had not had them in recent years. However, several years ago the Royal Commission on the Status of Women dealt with many areas of discrimination against women. The evidence and report are still available to be examined. We had a report entitled *Obstacles* which dealt with discrimination against disabled people. Parliamentarians in the last Parliament spent more than a year travelling across the country and listening to evidence with respect to discrimination against disabled people. A special task force of Parliament dealt with racial discrimination and discrimination against visible minorities. It produced an excellent report called *Equality Now*. The Special Committee on Indian Self-Government dealt with many issues of discrimination against Canadian Indians. There was a special committee in the Senate which dealt with the problems of the aged and aging just a few years ago.

These issues have been studied, discussed and consulted on. It is time to move ahead. The problem is that many of those issues require tough decisions. It seems that the Government does not want to make decisions. It is going to travel across the country and consult on these issues one more time and then make recommendations.

I wonder how credible the consultative process of the subcommittee will be. I am not casting aspersions on the Chairman who is sitting the House today. However, as the subcommittee travels across the country it will hear many of the same things that were heard by the *Obstacles* committee and the *Equality Now* committee. Will they take it seriously? Will the decisions be made by the members of the subcommittee on the basis of that evidence, or will the decisions be made by the Cabinet and caucus here in Ottawa, regardless of what is said to that committee in different parts of the country?

I hope that after listening to the evidence across the country the committee will recommend the tough choices to be made. So far I have been given no hope in that respect because we have not seen to many Conservative back-benchers coming forward with recommendations or conclusions which are at variance with the Government. We will wait and see what happens as a result of that committee.

I would like to put our position again very succinctly, Mr. Speaker. The Bill should have covered a much wider area in order to save Canadians from going to court to prove that they have equality rights such as will be implemented by Section 15 on April 17. The Bill should have covered a much wider area to save litigation fees and loss of time. In the last few years the court challenges program applied only to constitutional challenges with respect to language rights and minority education. Many of us hope that that program will be expanded to help people who have no means of raising funds to go to court to prove their case with respect to the equality provisions. That is very important.

What is the use of implementing charters of rights with entrenched rights and of having human rights and language rights legislation if the people who would benefit cannot go to court because they do not have the resources to make these challenges? If it is to be meaningful for the minorities in the country, something must be done to help them challenge laws, practices and regulations to allow them their rights and justice in accordance with Section 15.

I am pleased to note that the women of the country are organizing themselves very well. They are organizing a fund to

permit them to go to court when necessary to assure their rights in accordance with the Constitution. Many groups are able to do that because they are big enough and have the necessary connections. However, others do not, and I hope the Government will expand the court challenges program to enable people to take advantage of their rights in the Charter.

I urge the members of the Justice committee to consider expansion of Bill C-27 into areas it has not already addressed so that immediately after the passage of the Bill Canadians will understand where they stand with respect to their entrenched rights.

Mr. McCain: Mr. Speaker, where has the Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) been for the last five years when people were pointing out the pitfalls that were arising from the very poorly phrased and not very well considered legislation which has generated this piece of legislation? Why were these speeches not made at that time rather than after the fact? These things should have been corrected at the time that that legislation was being introduced to form a new constitution. In spite of the fact that most of the items which are addressed in this Bill, and which have been addressed in the remarks in this House, were put forward to the government of that day, it was in a mobile situation with total resistance to recommendations for modification in that plan as it was introduced. Why are we finding fault with it now rather than at a time when we could have been contributing to a better structure than we have now?

• (1220)

Mr. Allmand: Mr. Speaker, I am not clear as to the purport of the Hon. Member's question, but if he is asking why Section 15 of the Charter was not drafted in such a way as to avoid any misinterpretations of federal laws and statutes, then my answer is that the Constitution deals with general provisions. It does not deal with detailed provisions.

All constitutions are the same. The American and French Constitutions do not go into detail with respect to every situation in life. They pronounce on certain great principles. Section 15 pronounces on anti-discrimination situations and situations of equality before the law. It would have been completely unreasonable to refer to all the statutes that would be affected under Section 15 of the Charter. Section 15 of the Charter will apply to all federal laws, all situations and all practices.

That is the way it is in the United States. There are general provisions in the human rights amendments to the constitution. It was over many years that groups in the United States were able to prove that their rights were being violated by certain state and federal laws and that the constitution prevailed with respect to equality. Many laws in the United States discriminated with respect to the equality of black people. I believe it was only in 1954 that the famous Brown case was ruled on by the Supreme Court of the United States in accordance with the general principles in the American Bill of Rights. The court said that those laws in the South which segregated blacks and whites in education and socially were illegal.

My answer is that the Constitution cannot and should not get into the details of every federal law, statute, regulation and so on. The Constitution provides for principles in general terms and that is what we have done. As soon as this section was drafted and passed by the House, by Parliament and all but one of the provinces, the Government immediately took a review of all federal laws to see which ones might be in contravention of the principle enunciated in Section 15. It was the Government's intention to put forward a Bill which would remove those discriminatory sections. As a result of the leadership conventions and the election, the Bill was never passed.

While I am pleased that the Government is following this up, the Bill it has introduced is too limited in its scope. It is on that basis that I object to it.

Mr. McCain: Mr. Speaker, I do not expect to hear the Hon. Member ever question the indirectness of an answer from a Cabinet Minister. He knew how to dog dance when he was a member of Cabinet. He was an artist at it and he has prolonged that art to this day, as shown by his answer.

All of the frailties, legislative changes and pitfalls of constitutional phraseology were placed before the House of Commons committee which undertook the study of that constitutional legislation. There is not one pitfall outlined in this Act or mentioned by the Hon. Member that was not addressed. There are many other pitfalls which still need to be addressed. We ignored the weaknesses in the phraseology of constitutions in other lands. The Government of the day assumed that it had perfection in its phraseology. Now we are quibbling over the legislation that is trying to amend a very poorly phrased Constitution. That is my point.

I expect that the time remaining to the House to question the Hon. Member will be taken up by his dog dancing.

Mr. Allmand: Mr. Speaker, it is obvious that the Hon. Member is not familiar with what happened.

Mr. McCain: I am very familiar.

Mr. Allmand: Listen for a second and you might learn something. After the long hearings by the joint committee of the Senate and the House of Commons, a report was unanimously agreed upon by all Parties in the House. It was a good report to which the Government agreed. In other words, many of those changes that were recommended by witnesses from across the country were agreed to. The Government made many amendments. The Hon. Member says no, but the record will show that the Government made many amendments.

Mr. McCain: Capitulated.

Mr. Allmand: The members of his Party agreed to them. The point is that we had a good package as a result of the joint committee hearings. The reason that package is not good now is that the provinces got involved in the following summer and introduced many provisions which weakened the Charter. For

example, there is the notwithstanding clause and the clause respecting Indians in which we had to put in the word "existing", which made the clauses ambiguous.

We had a good resolution before the provinces became involved. The Members of the House and the Senate who listened to witnesses throughout the country put together a package that was not as ambiguous as the present package. Once we were able to get all the provinces but one to agree, the result was a package that has many ambiguities. It was not due to the consultative process or the wishes of the Government. As a matter of fact, as a result of the changes that had to be made in order to get the provinces on side, Prime Minister Trudeau said he would put it through, but holding his nose.

Mr. Orlikow: Mr. Speaker, I would remind the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) that the original proposals brought forward by the Liberal Government with respect to principles to be embodied in the Charter were a great deal different from what was finally adopted. It took great pressure on the part of native organizations, civil liberties organizations, church groups and women's groups to get the former Liberal Government to amend the original proposals for the Charter in order for it to become the worth-while Charter that the Hon. Member spoke about.

Why did his Government not deal with some of the very important restrictions on Canadians? According to the Charter, they can only be changed as a result of Canadians going to court. That will be a long and expensive process. For example, there are many provisions in the War Measures Act which violate the rights guaranteed under the Charter. The Hon. Member will recall when at least 350 people were incarcerated without cause and were never charged during the FLQ situation in Quebec. They were never charged, prosecuted or found guilty.

He knows that the Official Secrets Act provides for serious penalties against those who give out information which has been classified as confidential. He also knows that almost everything is classified as confidential. Will he explain why his Government did not take action to deal with many of these important civil rights principles?

Mr. Allmand: Mr. Speaker, the Hon. Member has asked two questions. First, he pointed out that the original draft proposal for the Charter needed improvements. Many witnesses came before the committee to make recommendations for change. I was on the committee and I was involved in the process. The Government did accept many of those changes. By the time the committee had reported in January of 1981, I believe, it had developed a good package. It was the provinces that began taking it apart again. The Hon. Member should not be too critical.

• (1230)

It was the NDP Government in Saskatchewan that objected to many of the worth-while provisions. That Government was at variance with the NDP caucus here in Ottawa. Premier Blakeney did a lot to knock out some of the worth-while provisions that were agreed to in this House by the entire House and the Joint Committee of the Senate and the House of Commons. The Hon. Member was right. Improvements were made; the Government agreed to the improvements and it was the provinces that weakened the Charter.

With respect to all the other matters, I agree with him. There is much to be done. I campaigned myself against many of the issues that he raised today even though I was a Member on the Government side. I rose in this House on many occasions to bring out those very same issues. At the same time, progress was made. It was the Liberal Government that introduced the Canadian Human Rights Act and the Canadian Human Rights Commission. It was the Liberal Government that set up the *Obstacles* and *Equality Now* committees, the Royal Commission on the Status of Women, and many of the other things that led to the equality rights provisions. There is still a lot to be done. A lot was done and we did not always have the co-operation of the Hon. Member's Party.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. I now recognize the Hon. Member for Winnipeg North (Mr. Orlikow).

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Party that I represent, the New Democratic Party, and its predecessor, the CCF, had from the beginning of its foundation back in the 1930s supported the idea that there should be inserted into Canada's Constitution a bill of rights. Although the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) indicated a moment or two ago the NDP Premier of Saskatchewan during the debate disagreed with that policy, it was a fundamental principle our Party had adopted and supported over these many years. Because we believed in it, we supported the inclusion during the constitutional debate in the Constitution of Canada of a Charter of Rights. We did so because we remembered so many instances in Canadian history when the rights of individuals or groups had been very seriously restricted.

Let me mention a few of those. We had the situation in the Province of Quebec when the then Union Nationale Government headed by Premier Duplessis persecuted and prosecuted the Jehovah's Witnesses. We had a situation in western Canada in my province of Manitoba, in Saskatchewan and in Alberta when numerous groups, including municipal leaders, had called for restrictions on the rights of the Hutterite communities to live as they wished and to expand their colonies as their populations grew.

We had a situation during World War II in which we are now all agreed that a tremendous injustice was done to the Japanese people then living in the Province of British Columbia. When Canada went to war with Japan, all people of Japanese origin, both citizens and non-citizens, none of whom had been involved in espionage or sabotage, were moved from their homes to other parts of Canada. They lost their

homes and businesses. They experienced tremendous difficulties. This move was made only because they were Japanese.

In the Province of Newfoundland when the International Woodworkers of America Union tried to organize the people who worked in the forests of Newfoundland, very repressive legislation was brought forward by then Premier Smallwood and that union was destroyed.

Because we knew Canada's record had not always been what it should be, we supported the proposal that the Charter of Rights be included in our Constitution. We did so particularly because we realized that in recent years there has been a tremendous movement into Canada of large numbers of immigrants from countries where the language spoken is neither English nor French. For example, from Italy, Spain, Portugal, from eastern European countries including Yugoslavia, Hungary and Poland, and even more so from countries in Asia and Africa with their non-white populations. We realize this movement has created and would create among many people living in Canada feelings of prejudice and discrimination. We all know about the feelings of prejudice and discrimination against the original habitants of Canada. I am referring to our native people, most of whom live in poverty. They have the poorest education, the poorest housing, the lowest health standards and the highest rate of unemployment of any Canadians. Because of those kinds of situations, we supported the passage of the Charter of Rights. We had hoped when it came to reviewing the legislation, which ought to be changed because their provisions are not in conformity with the principles included in the Charter, that the Government would recognize that many of our laws, regulations and policies conflict in important ways with the principles set out in the Charter of Rights and Freedoms, not just in Section 15, Mr. Speaker, but in many other sections.

We find the Government and the Official Opposition have not dealt with these important questions that should have been dealt with. I refer to a few of them, such as freedom of association, freedom of speech and fundamental legal rights which our citizens should have. These are just a few issues that have to be dealt with but which are ignored in this Bill.

This Bill avoids dealing with the most important human rights issues which confront us. Essentially what we have is a housekeeping Bill. As my colleague the Hon. Member for Burnaby (Mr. Robinson) has indicated, we will support it realizing that it is a very small step in the direction in which we must move.

Let me deal with some of the issues and problems not dealt with in this Bill and which I believe should have been dealt with. Unless they are dealt with and unless some of the laws are changed, what we will see in the next few years is a large number of important human rights cases that will wend their way from the lower courts up to the Supreme Court of Canada before they are decided. This will create difficulties for people who feel they are not being fairly treated, not being dealt with as the provisions of the Charter say they should be People will therefore have to take their cases to court, which will take years and tremendous expense will be involved.

Let me deal with a few of the issues which I believe should have been dealt with. First is the principle of freedom of speech. Most Canadians believe they have the right to say what they want to say, but there are important restrictions on what they can say. I should like to give a few illustrations of that fact.

● (1240)

It is still an offence to subject the courts to public contempt or ridicule. In 1969 a university student in the Maritimes went to jail for 10 days for writing and publishing an article indicating that a certain trial was a mockery of justice and that the courts were instruments of the corporate elite in the decisions which they made. The courts say that people who speak about them have to avoid invective. If someone writing about the courts avoids invective, readers will not even want to read it.

Defamatory libel is still in the Criminal Code. To injure a person's reputation by subjecting him or her to public hatred, contempt or ridicule, is an offence. In 1969 the *Georgia Strait* newspaper in Vancouver was prosecuted and convicted because it gave its Pontius Pilate award for justice to a judge and that was judged a criminal offence in Canada. I am not defending that newspaper, but when the courts can come down hard on such a newspaper, we know that our freedom of speech is restricted.

I remember a case which occurred in the first few years that I was a Member of Parliament, in about 1963. It involved a resident of Montreal who wrote a letter to the editor of *La Presse*, Gerard Pelletier. In that letter the resident was extremely critical of a sentence which a judge in Montreal had imposed on someone who was charged and convicted. I am not concerned about whether or not the decision of the judge was right or wrong, but if a person disagreeing with a sentence imposed can be prosecuted—and I think the person in this case spent a little time in jail and Mr. Pelletier had to apologize for the judge for printing the letter—it indicates that there are some pretty important restraints on the ability of people in Canada to say what they want and not fear being penalized.

I should like to point to the Official Secrets Act, which needs to be revised in a major way. In its provisions there are very wide prohibitions on the unauthorized disclosure of government information. We know how many documents produced by government have been marked secret or confidential. Also we know that on occasions when public servants felt that governments were doing things that were wrong, they leaked the documents and information either to members of the Opposition or to people in the media. That was very prevalent in the last year or two before the 1984 general election. The provisions of the Official Secrets Act cry out for major revision.

Let me look at the War Measures Act which has been used on a number of occasions in a Draconian way, to say the least. Many sections of that Act go beyond any suggestion of demonstrable justification. The Act needs to be drastically revised. The present Leader of the Opposition (Mr. Turner),

when he was Minister of Justice, promised that there would be such a revision. Despite all the promises made by him, the former Prime Minister, Mr. Trudeau, and others in government, that was never done.

I do not want to refight the battles we fought at the time the War Measures Act was used by the former Government, nor do I want to debate at this time whether what it did was necessary. However, I remind Hon. Members that more than 350 people in the Province of Quebec were picked up, incarcerated and held without the opportunity to see their lawyers. After some time they were all released. Not a single one of them was charged or convicted of any offense. We all now agree that the War Measures Act should have been amended long before now. I call upon the Government to look at it and to bring in amendments to that Act in the very near future. The alternative to that would be, as I indicated earlier, court cases which may take years and cost a great deal of money, not to say a great deal of effort.

I want to deal with some other problems which are not dealt with and cannot be dealt with even if the Charter included every provision it should. I urge Hon. Members to look at the report of the Special Committee on Visible Minorities in Canadian Society entitled *Equality Now!* It was issued just about a year ago and looked into the problems of our visible minorities, namely the non-white minority citizens of Canada. It found that their situation was very difficult. It found that there was a great deal of prejudice and discrimination in employment, housing and education against the very large number of non-white Canadians, including many newer immigrants and, of course, the native population. That committee recommended that all roadblocks preventing full participation of these people in the cultural, social, economic and political life of the country be eliminated. We know we have a long way to go if we are to achieve that goal.

I ask Hon. Members to think about a very simple question and try to answer it. How many members of our visible minorities in any city in Canada represented by any Member of Parliament can be found in occupations such as police officer or firefighter? In the City of Winnipeg, which has a large native population, there is not a single native police officer or firefighter. There is a large population of non-white people and native people in my city. We have over 25,000 people of Philippine descent, as well as large East Indian, Sikh and black populations, but one would have to use a high-powered microscope to find any of them in the fields which I have mentioned. Sometimes their exclusion has been obtained by deliberate intent, sometimes through unintentional restrictions which restrict their rights; for example, height or weight regulations or requirements for formal education which they do not have. For these new immigrants, the Charter alone will not make them fit easily into our country as full partners. That report called for language training programs to be expanded. It called for funding for ethnic racial groups, for ethnic organizations, for broadly-based community organizations which provide a service to help make the transition and to integrate these newer Canadians.

• (1250)

In the field of employment we have to adopt an aggressive affirmative action program. I commend the Minister on the statement she made last week that the Government intends to proceed in this way. She knows, as I know, that some of the people in Government who do the actual hiring will not be enthused about her announcement. I hope she will keep the pressure on them to implement that program.

In conclusion, while we are going to vote for this Bill, we believe it is a very small step in the right direction. A great deal more needs to be done. Many other laws and programs of the Government need to be strengthened if we are going to attain the objectives enunciated in the Charter.

Mr. Kaplan: Mr. Speaker, I know that for my good friend from Winnipeg North (Mr. Orlikow), 20 minutes is hardly enough time to set out an agenda of all of the things that this Government should have included in this legislation, an agenda that is 10 times as good as the agenda that the Government has put forward. The speech that we just heard would be a much more vital document to found a discussion on Charter equality than this blue paper *Equality Issues in Federal Law*. I just wanted to take the opportunity to ask the Hon. Member if there were any areas other than the many he has already mentioned that he thinks should have been in the law and should be covered in the discussion paper and the work of the committee.

Mr. Orlikow: Mr. Speaker, there are many other fields which I could have mentioned had I had time. Let me just say to the Hon. Member, who was a Minister in the former Government, that in the years I have been interested in these questions, and that goes back many years, I have come to the conclusion that we can have good legislation. However, if there is not much will to make it live and work, the legislation will not help. You can have the converse where you have a Government which wants to do things. Even if it does not have the legislation, it can find ways to do it. We did not need mandatory affirmative action legislation to increase the number of people from the minorities who work for government. I say to the Hon. Member with a great deal of regret that there was not much desire on the part of his Government to see that kind of thing happen.

Mr. Kaplan: Mr. Speaker, I am certainly surprised to hear the Hon. Member attacking, as he seems to be by implication, the Government that did bring the Charter forward, convinced the country to support it and initiated the work which should have resulted from an effective piece of legislation now to bring all of the laws of Canada into compliance with the Charter. I know the NDP have a knack for claiming the credit for everything good that happens in the way of legislative reform in this country and for continuing to maintain criticism of things that do not.

I wonder whether he would want the opportunity, perhaps he does not, to recognize that we are here having a debate on the implementation of Charter equality provisions because the

Liberal Government did bring forward the Charter and did manage to make a compromise, such as the three-year phase-in period that we are now dealing with, as well as other compromises. It at least brought Canada forward in the area of human rights and ensuring that discrimination and unfairness is revoked from our legislation by the process that is now being embarked on.

Mr. Orlikow: Mr. Speaker, I have to assume that the Hon. Member was not listening when I replied to the question from the Hon. Member for Notre-Dame-de-Grâce-Lachine East. I said then and say again that yes, the Charter would have been better if not for the objections of many of the provinces, including the Province of Saskatchewan which at that time had a NDP Government. I say to the Member again that the original proposals brought forward by his Government with respect to the Charter were not very good. It was not until very strong representations were made by women's groups, native groups, civil libertarians, churches and a host of other organizations that the provisions of the Charter began to have real meaning. It took a great deal of pressure on his Government to make the Charter what it is now.

The Acting Speaker (Mr. Paproski): Are there further questions or comments? Since there are no more questions, we will proceed with debate.

Mr. Gauthier: Mr. Speaker, since it is a couple of minutes to one o'clock, I wonder if the House would consent to my calling it one o'clock and I would begin my remarks after the Question Period.

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): It being one o'clock, I do now leave the chair until two o'clock later this day.

At 12.57 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

EDUCATION

UNIVERSITY OF MONCTON LAW SCHOOL

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to take a few moments to talk about a remarkable institution that I visited last Wednesday, the Law School at the University of Moncton. This is probably the smallest law school in Canada. It has only 75 students in all of the three years, and it is only five or six years old.

I was invited there to spend a day talking to students and meeting with the faculty. What I found so impressive was the dynamism of the student body and the teachers, and the sense of mission that they have about the work they are doing.

In addition to being a legal resource for the community and to training lawyers for service in our country, the students and faculty are dedicated to developing the established common law of Canada in the French language and they do this very well. We can see the importance of this particular role. Northern New Brunswick is a place in which both common law and French are important.

I left the Law School with a strong feeling that I had been at one of the institutions which forms part of the fabric of the national unity of our country. I felt very proud of what I say, and I am sure my views would be shared by Members of the House and others.

Just as a remarkable footnote, this group entered a moot court, the Gale competition, with the 17 other law schools, and they won.

Mr. Speaker: The Hon. Member's time has expired.

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SPORTS

THUNDER BAY RINK WINS MEN'S CURLING CHAMPIONSHIP

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, with Al Hackner and his rink from Thunder Bay winning his second Silver Broom World Championship in four years, and with earlier victories by Canada's women's team and the men's junior team, Canada has become the undisputed champion of the curling world. Canada has a right to feel proud of the accomplishments of its curlers.

Our hats are off to Hackner, Lang, Perroud, and Tetley, the northwestern Ontario foursome representing a strong curling region which includes a number of great rinks found in my riding of Kenora-Rainy River. Yesterday's win by this foursome is another great demonstration of the tremendous talent found in northwestern Ontario, something of which the Prime Minister (Mr. Mulroney), the Deputy Prime Minister (Mr. Nielsen) and the Cabinet should be more aware when making Governor in Council appointments.

* * *

FAMILY VIOLENCE

NEED TO BREAK GENERATIONAL PATTERN

Mr. Bill Attewell (Don Valley East): Mr. Speaker, private violence, in the form of battered women, rape, violent pornography, and child abuse, continues in this country at a level which we as parliamentarians should find totally unacceptable. We must explore this sensitive problem and speak for its silent

victims and survivors, most of whom are women and young children. We must break the pattern which breeds new violence from generation to generation. We must educate, inform, and investigate possible solutions.

The quality of life is deteriorating in our country because of inadequate legislation and lack of committed action. The victims and survivors of these crimes are from all walks of life, ranging from young children to senior citizens, from the disadvantaged to the more affluent. As Canadians and legislators we must act with compassion to prevent cruel and often savage physical and emotional crimes against so many helpless victims.

The quality of life is the cornerstone of our society. We must take measures to improve and protect the love, respect, and dignity of all members of our Canadian family.

* * *

NATIONAL ENERGY PROGRAM

PROGRAM'S LEGACY

Mr. Paul Gagnon (Calgary North): Mr. Speaker, the national energy policy created a veritable alphabet soup: CHIP, COOP, COSC, IORT, NORP, PGRT, PIP, PLOP, SOOP, and TAP. Today's $36.75 barrel of oil was supposed to cost $70.23. When your forecast is out by 91 per cent, you're in trouble.

What is the legacy of the NEP? Well, $4.1 billion was spent on PIP grants, yet only 59 out of 210 East Coast wells were drilled under this program, and many of them would have been drilled in any event as follow-ups to the pre-NEP discoveries of Hibernia and Venture.

The eventual termination of PGRT will cost the Government $2.4 billion, but the elimination of PIP, PCC, and other programs will save $2.7 billion. The price of natural gas in Ontario and Quebec is lower today because the industry forgoes a 10 per cent increase in price. That was part of the NEP. Americans will not be receiving our oil at a lower price than Canadians.

Most important, Mr. Speaker, the oil industry and the two levels of Government can down-size the bloated bureaucracy—

Mr. Speaker: The Hon. Member's time has expired.

* * *

INDUSTRY

SYDNEY STEEL CORPORATION

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, once again the prospect of creating a steel industry on the basis of markets is threatened. The issue for Cape Breton is the replacement of Sysco's antiquated hearth, the main ingredient of the steel making operation. The federal and provincial Governments that would share the bill must choose

between two steel-making technologies, electric arc or basic oxygen.

The Premier of the Province has publicly ruled out electric arc technology on the grounds that it would reduce employment in the primary operations, the blast furnace and the coke ovens. A senior federal government official who is on the management committee, under the auspices of the Minister of Regional Industrial Expansion (Mr. Stevens), is strongly in favour of the electric arc furnace and will recommend this method to the Minister. If this decision is taken, the consequences are grave and there is the possibility of crippling our industry and increasing the already high unemployment rate.

To echo the sentiments of my colleague, the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan), we are talking about the future of an entire area. I would ask the Minister responsible to reconsider the options and their consequences, and to come to a decision favourable to all Parties concerned. That decision is long overdue. It is time the federal Tory Government started taking seriously its responsibilities for the people of Cape Breton Island.

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HUMAN RIGHTS

CHILE—MURDER OF ACTIVISTS

Mr. Dan Heap (Spadina): Mr. Speaker, does the Government of Canada care about the human rights of Chileans who are under attack by their dictator, Pinochet? At this very moment a funeral service is under way in Santiago, Chile, for men kidnapped, tortured, and murdered by Pinochet's secret police at the end of last week.

Eduardo and Raffael Vergara Toledo, two Church youths, were shot to death in an unprovoked attack Thursday. Manuel Guerrero, President of the Association of Professional Teachers, and Jose Manuel Parada, legal worker and founding member of the Vicariate of Solidarity, were kidnapped at gunpoint Friday morning.

Friday afternoon at about four o'clock Canada time, a representative of the Interchurch Committee on Human Rights in Latin America phoned the Deputy Director of the Latin American Desk in External Affairs to ask the Canadian Government to intervene on their behalf. The Deputy Director would do nothing but send a cable to the Canadian Embassy, which he knew was closed.

Early Saturday morning the bodies of Guerrero, Parada, and Santiago Nattino were found by a lonely road, with their throats slashed and showing signs of torture. Had Canada interceded with the Chilean Ambassador on Friday, these three men might be alive today rather than being buried today.

I call on the Secretary of State for External Affairs (Mr. Clark) to tell the House what the Government has said to the Government of Chile about these savage police murders, what reply he has received, and what action the Department will take upon future appeals of this sort.

S.O. 21

POLITICAL PARTIES

POSITION OF NEW DEMOCRATIC PARTY ON SPACE TECHNOLOGY

Mr. Felix Holtmann (Selkirk-Interlake): Mr. Speaker, I stand before you today to speak under an unusual set of circumstances. I would like to congratulate the New Democratic Party for its decision to support the federal Government's policy on the space station and the peaceful use of space. That change in NDP policy was articulated last week by the Hon. Member for Ottawa Centre (Mr. Cassidy) and the Hon. Member for Windsor-Walkerville (Mr. McCurdy), in an exchange with the Minister of State for Science and Technology (Mr. Siddon).

These NDP Members of Parliament acknowledged for the first time that we cannot oppose scientific research merely because it might have some hypothetical military application. As the Hon. Member for Windsor-Walkerville said, Newton's experiments with gravity could not have been stopped just because they would some day be used to drop bombs. The Hon. Member for Ottawa Centre expressed his support for the photovoltaic research in space even though the fruits of this research could have a variety of applications. The only qualification these Members would make is that Canada's participation in the space station be for peaceful purposes.

This is exactly the position of the Minister of State for Science and Technology who has said repeatedly that Canada's involvement would be for peaceful, non-aggressive purposes, in accordance with our international treaty obligations. In fact, Hon. Members of the New Democratic Party, when pressed, would not say they opposed the decision of the Government to take part in the space station project. In the past the NDP have tried to create the impression that the only practical approach is the one taken by the federal Government. I suspect that even the Liberals—

• (1410)

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

CANADA POST CORPORATION

RELOCATION OF NATIONAL POSTAL MUSEUM

Mr. David Daubney (Ottawa West): Mr. Speaker, I welcome today's announcement by the Chairman of the Canada Post Corporation of the selection of a temporary site for the National Postal Museum. As you well know, Mr. Speaker, the postal museum had been located for some years in the south block of the parliamentary precinct, in premises now required by the House of Commons.

[*Translation*]

The new premises will be located on the ground floor of the Journal Building at the corner of Kent and Laurier, in downtown Ottawa. The new museum will open its doors in time for the summer tourist season.

[*English*]

I am pleased that the Canada Post Corporation has responded to the representations made by Ottawa area members of this House and by the Ottawa and Canadian philatelic communities, and has announced the reopening of the museum. The temporary site will house the national stamp collection, the philatelic library, as well as a philatelic sales counter.

I also welcome the motion of the board of directors of the Corporation for the formation of a planning committee to organize the permanent relocation of the postal museum to a suitable, enlarged site in downtown Ottawa, within three years. I am sure the Canadian stamp collecting community joins me in applauding the Corporation for today's decision to open a temporary site for the museum, rather than waiting for the erection of new, permanent facilities in two or three years time.

* * *

MULTICULTURALISM

CALL FOR ESTABLISHMENT OF PARLIAMENTARY COMMITTEE

Mr. Sergio Marchi (York West): Mr. Speaker, since September 4 a vibrant and meaningful multicultural policy has been painfully absent. As such, the profile and political clout of multiculturalism have suffered considerably. In the end, of course, it is the minority communities that are the real losers. In an attempt to safeguard and foster a more respectable and rightful place for multiculturalism, I urge the Government to establish a permanent and separate Standing Committee on Multiculturalism.

Presently the multicultural Minister reports to the Standing Committee on Communications and Culture. The unfortunate and predictable result under this Tory Government, has been that the multicultural Minister has taken a third seat behind the Minister of Communications (Mr. Masse) and the Secretary of State (Mr. McLean), who also report to the same standing committee. As a consequence, multiculturalism is a poor and dead last in this three-way shuffle.

A distinct standing committee would go a long way in protecting the multicultural policies which former Liberal Governments had fought so hard to attain. It would also enable the many significant issues to be properly addressed and examined. In keeping with the coming into effect on April 17 of Section 15 of the Charter of Rights and Freedoms, the timing of establishing a standing committee on multiculturalism could not be better. I only hope, as do our ethnocultural communities, that the Government does not kill this proposal through study and procrastination.

THE SENATE

REFORM URGED ON BASIS OF ELECTED CHAMBER

Mr. Gordon Taylor (Bow River): Mr. Speaker, the Fathers of Confederation were wise men. In devising the form of government for the Canada they envisioned, they made sure the population of each province would be represented by Members of Parliament in the House of Commons, and then, to prevent the MPs from the heavier populated provinces penalizing the lower populated provinces with legislation that would hurt those regions, they created a Senate. But after more than a century the Upper House is no longer protecting the regions and minorities, and Canadians throughout the nation are calling for reform or abolition.

Thousands of Canadians not only want an elected Senate, but also desire equal representation from all provinces. In a Triple E setup, Members of the House of Commons would represent the population of each province. The Senators would protect the regions and minorities. With that setup any Government would think twice about legislation that would hurt a region or the people. Canada is a great country. We have a Government oriented to the will of the people. With a Triple E Senate we can realize our great potential.

I believe such a reformed Senate, elected, equal, and efficient, in our far flung nation could mean the salvation of the Canada we have known.

* * *

SOCIAL SECURITY

CANADA ASSISTANCE PLAN—CALL FOR FEDERAL-PROVINCIAL CONFERENCE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, according to a report issued by the National Council on Welfare last week, one Canadian in six—over four million of our people—are living in poverty. This number has been going up steadily in recent years. It has been estimated that in 1983 almost one million families were living on low incomes. Almost 50 per cent of unattached women were living in poverty in 1983. Over one million children are in low income families, and their numbers have risen by one-third since 1980. In a country as wealthy as Canada this situation is a disgrace. The Government must take action to eliminate, or at least to reduce, the large numbers of Canadians who are suffering, as quickly as possible.

I call on the Minister of National Health and Welfare (Mr. Epp) to meet with the provincial Ministers to discuss amending the Canada Assistance Plan and setting minimum standards of assistance to those in need, so that millions of Canadians will no longer suffer as a result of the neglect shown by Governments, federal and provincial.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ENERGY

WESTERN ACCORD—PRICE OF NATURAL GAS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, my question is directed to the Prime Minister. Last week the Government decided to deregulate the price of oil. Of course that was easy to do because the international price and the Canadian price were virtually the same. Will the Prime Minister tell the House why, in respect to the agreement with the western provinces, it was not agreed to deregulate the price of natural gas and let the market forces decide the price? Every knowledgeable person in the field knows that if we have an agreement to deregulate the price of natural gas, the price for that resource paid by consumers in eastern Canada will go down.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was surprised to see the ferocity with which the Liberal Party attacked an accord which is good for western Canada and for the economy of all of Canada. But that is why the Liberal Party is wiped out in the West, and elsewhere as well.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The money which is spent on reinvigorating the energy industry finds its way in substantial measure back to Ontario and to other areas of the country, which is why we view a re-energized sector as a handsome instrument of national unity and prosperity. The talks are ongoing with regard to the item mentioned by my hon. friend. And I can tell him that the entire package is designed to be helpful to Canada, to reinvigorate an otherwise dormant part of our economy and, most of all, to create the jobs across this nation which our people need.

Mr. Chrétien: As usual, the Prime Minister did not answer my question. I asked him why the price of natural gas was not deregulated.

DEREGULATION INQUIRY

Hon. Jean Chrétien (Saint-Maurice): As the Minister of Energy, Mines and Resources is now in her seat, I would like to direct the same question to her. She has deregulated the price of oil, but can she tell the House why there was no deregulation of the price of natural gas? Everyone knows that the price of natural gas, because it is controlled, is not going down. If the market forces which are so dear to the Government were to work in natural gas, the price would go down. Why did the Minister not try to get the deregulation of natural gas? And can she assure the House that the pipeline—I was in British Columbia last weekend—from the mainland to Vancouver Island will be built?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am glad that the Hon. Member did find his way to British Columbia. I can answer the question with respect to natural gas. As the Hon. Member should know, since he did hold my portfolio, it is harder to deregulate natural gas than oil because oil works on short-term contracts and natural gas works on long-term contracts.

Mr. Waddell: There is an Ontario election, too.

Some Hon. Members: Oh, oh!

Miss Carney: There are contracts for pipelines, contracts with big suppliers, and it takes longer to work out a system within the legal framework of contracts in place to go to market sensitive natural gas pricing.

We have set up a new task force to look at this issue. It has promised us it will have a new regime in place by the start of the natural gas new year, which is November 1.

[*Translation*]

AID TO PÉTROMONT—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a supplementary.

Strangely enough, when de-regulating the price of natural gas means that prices will drop, the Minister does not act, but when oil prices are likely to remain at present levels or rise after deregulation, not the consumers but the oil companies are given a chance to benefit from the situation. Considering that last week, billions of dollars were made available to the oil industry and especially to the multinationals, could the Hon. Minister inform the House where the few million dollars are that Pétromont needs today?

● (1420)

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, it is rather ironic that I get these questions from the Hon. Member for Saint-Maurice. When he was the Minister he signed a deal with Alberta which were to lead to two natural gas price increases, one on February 1 of this year and one in August. He negotiated them in, we negotiated them out. We are the ones who care about natural gas price decreases.

INVESTMENT BY MULTINATIONAL OIL COMPANIES

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. She has said she trust the multinational oil companies and will be monitoring their reinvestment in the energy sector in Canada. Yet no guidelines have been established for the degree of reinvestment required, nor will sanctions be imposed if the reinvestment is not sufficient. What does the Minister feel this type of monitoring will achieve?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Success, Mr. Speaker.

Some Hon. Members: Hear, hear!

Some Hon. Members: More.

Mr. MacLellan: What the Minister is giving the Canadian people is a lot of political sop.

OIL COMPANY PROFITS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, should this monitoring reveal that the reinvestment is not sufficient, whatever she determines it should be, what action would the Minister take before profits leave the country?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, that is a highly hypothetical question. I can only point out that the Hon. Member is a member of a Party which used the punitive, big stick, hit-them-when-they-are-down approach to an industry which creates jobs. We are working in the other direction. We are asking the industry to create the jobs which millions of Canadians need.

MONITORING OF COMPANIES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, this is not a hypothetical question. The Minister has just given a large windfall to the oil companies. The shares of Shell, Texaco, Gulf, and Imperial Oil went up dramatically to reflect that fact. Is the Minister aware that her own monitoring agency said that between 1974 and 1980, the pre-NEP golden age, the petroleum industry was a net exporter of capital to the tune of $4.1 billion, mainly because they were foreign controlled firms? In fact, foreign controlled firms have the worst reinvestment record as compared with Canadian controlled firms. In light of this experience, what is the Minister going to do to ensure that these companies reinvest that windfall in Canada to create jobs?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, our records show that before the NEP this industry reinvested 110 per cent of its cash flow. After the NEP that dropped, with the help of the NDP, to 65 per cent. We are trying to create a climate where the reinvestment will increase. That is the commitment I have undertaken, and that is the new world of jobs, energy security, and a united Canada, which this Government is trying to move us into, without the help of the Opposition.

Mr. Waddell: Mr. Speaker, I would be glad to help the Minister. I will attend the next prayer breakfast with her, because she is going to have to attend.

CANADIAN OWNERSHIP

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, the Minister is quoted as having told Diane Francis of *The Toronto Star*, that the Government's goal is still to have 50 per cent of the petroleum industry Canadian controlled by 1990. Since foreign-owned firms have emerged as the principal beneficiaries of the new oil deal, can the Minister tell the House what mechanism, other than prayer, she will use to achieve Canadianization?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I can only say that when I had three western provinces initial our Accord, my prayers were answered.

Mr. Waddell: We will wait and see.

BUDGET INQUIRY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to ask the Prime Minister a question. While the Minister of Energy said oil prices would likely come down at the pump, he pointed to the $35 billion deficit and said that may not happen. What plans does he have, if any, to bring in taxes on consumers to pay for that huge windfall gift to the oil companies? If he does not have any such plans, would he rule out tax increases now?

Right Hon. Brian Mulroney (Prime Minister): The Minister of Finance will be responding to that query with his Budget. However, the principle which will govern our conduct is that of fairness. We tried to put forward that principle when we finally brought about an energy deal for Newfoundland and Labrador. I think the Minister deserves your plaudits for having contributed so mightily to re-energizing the economy of western Canada which is of benefit to the entire nation. It will be the doctrine of fairness which applies.

EXCISE TAX

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Finance. In the energy deal concluded last week, some $2.5 billion in revenue was lost by the federal Government. I am told by press reports that when they ran this through the federal government computers it worked out to exactly 18 cents a gallon to recoup those losses, which happens to be the same amount as the then Minister of Finance tried to impose in 1979. This will result in some 50,000 jobs lost in Ontario alone. Can the Minister assure ordinary working Canadians that in his Budget he will not be imposing an excise tax on gasoline such as the former Minister did in 1979, which would result in 50,000 jobs being lost in Ontario alone?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I can assure the average working Canadian, as the Hon. Member has referred to them, that we will be creating a very large number of jobs right across the country—not just in western Canada but right across the country—as a result of this agreement. I say to the Hon. Member in the back row who likes to talk a lot, that it will be done fast because the energy industry has indicated to the Minister of Energy, myself, and others, that it is going to be reinvesting these proceeds because of the positive effect the energy accord has on energy security as well as job creation.

CREATION OF JOBS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Energy. During the election campaign she promised some 300,000 jobs. She put a little water in her wine last week and promised only 100,000 jobs. Last Friday she listed the five largest energy projects in Canada and came up with the marvellous total of 3,100 permanent jobs. Would the Minister table the other 97,000 jobs which are going to be created as a result of this energy deal with the western provinces?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, again I can only tell the Hon. Member that we saw what happened to jobs when his Party was in government. The jobs were shut down, moved south, vanished, and businesses went into bankruptcy as western Canada experienced some of its hardest times since the Depression. We have created the climate, and we have monitoring clauses to ensure that all benefits negotiated under the Accord must flow into jobs. That is our commitment, and that is what we are aiming to do.

When it comes down to forecasts, they are not my forecasts, and the Hon. Member ignores that. The forecasts we used come from independent agencies such as the Economic Council of Canada and others.

MEETING WITH PREMIER MILLER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Prime Minister. The Premier of Ontario has indicated that he intends to meet with the Prime Minister this coming Wednesday for the purpose of discussing the impact of the new energy agreement on Ontario consumers. Is it possible that, as a result of that meeting, the energy agreement could be changed?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): I will be meeting with the Premier of Ontario this afternoon. He will, no doubt, want to share with me his views and concerns with regard to the Province of Ontario. I will listen to him with courtesy as befitting a man of the great substance and leadership that he is. I will listen very carefully. You can be certain that Premier Miller speaks very strongly for the interests of Ontario. He also takes the national view. He is a genuine, national statesman.

Some Hon. Members: Hear, hear!

Mr. Deans: He certainly has changed since I met him last.

BUDGET CONTENTS

Mr. Ian Deans (Hamilton Mountain): Since the Prime Minister did not answer my question about the possibility of a change in the energy agreement as a result of any representation made by the Prime Minister, I would like to ask him whether it is possible that the statement made by the Minister of Finance that there would be no tax increases in the forthcoming Budget may well be altered as a result of the new energy agreement.

Right Hon. Brian Mulroney (Prime Minister): I am surprised. Premier Miller says such nice things about the Hon. Member, all the time!

Mr. Deans: I'm surprised he does too. When I leave here you'll say nice things too.

Mr. Mulroney: He has fond memories *ex post facto* of the Hon. Member's time at Queen's Park.

The Member has inadvertently distorted the statement of the Minister of Finance. The budgetary documents will be consistent with what the Minister of Finance and the Minister of Energy, Mines and Resources have said. They will be designed to bring about new growth and new jobs in Canada.

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UNEMPLOYMENT INSURANCE

CALCULATION OF SEVERANCE PAY AS INCOME

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It is now April 1 and the Conservative Government has started to penalize those Canadians who were laid off and given some severance pay by their former employers. In doing so the Government has ignored the petition signed at its own economic conference, and many other petitions across the country. The Conservative Government is telling these people that they cannot use that severance pay for pension, to relocate to where business is better, or even to start their own businesses. The Government is saying that they must use it for the necessities of life because it is not going to give them any unemployment insurance until they have exhausted their severance pay.

Before that measure was announced by the Minister of Finance, were any impact studies made? If so, will the Minister make those impact studies public?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I mentioned to the Hon. Member just the other day when this measure finally dawned on him, the measure was announced on November 8 last. There were consultations on its implementation between then and December 21. There have been many discussions over the period of time since, so that it could begin to be phased in on March 31. That commenced as of last night, and those measures take place as of today. I can assure the Hon. Member that the work which went into this was done in consultation with a great many people.

IMPACT STUDY INQUIRY

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, once again the Minister has not answered my question. She has refused to answer it as she refused to answer it the other day. I have been putting this question to her in committee and in the House for several weeks and she still has not answered the question, but I will repeat it. All we get from the Government are quips, jokes, and a lot of non sequiturs whenever we put a question to it.

I will put the question to her again very clearly. Where any impact studies done before the measure was announced showing what the effects would be on these many Canadians? If so, will the Minister make them public? Don't answer another question; answer that question.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I appreciate the quips, jokes, and non sequiturs which come day after day from the Hon. Member for Notre-Dame-de-Grâce-Lachine East. Each day he outdoes himself.

The Hon. Member never thought to raise this particular issue in November, December, January, or February. It was only in the last week of March that he got around to thinking about it. That shows a singular lack of concern and interest on the part of the Hon. Member.

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AGRICULTURE

GOVERNMENT POLICY

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture. Before taking office the Government assured Canadian farmers that, unlike the Liberals, it understood the role that agriculture can play as an engine of growth in the economy. The words "engine of growth" were also used to explain the recent generous price increases and tax cuts afforded to the oil companies.

The Government has reduced grain prices to farmers, and has increased taxes through the cost recovery program. Will the Minister tell the House why he has decided to ignore agriculture and abandon the nation's farmers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that observation by the Hon. Member is complete nonsense.

Some Hon. Members: Hear, hear!

Mr. Wise: The Hon. Member knows that I could list more than 60 major provisions and measures that we have put into effect in the last six months. I do not have time to list all of those items at the moment, but I would be happy to meet with the Hon. Member after Question Period to advise him of certain measures that we have taken.

COSTS RECOVERY PROGRAM

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, it is well known in the farm community that initial prices were cut last week, that the program for cost recovery is in place, and that a number of other items have increased the cost to farmers, thus reducing their net incomes. Why have the Minister and his Government selected agriculture to bear the brunt of cut-backs when the farming industry still generates far more jobs per dollar of net income than the oil industry? Why concentrate on the oil industry when the real income and job advantages are with agriculture?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the fact of the matter is that we have not concentrated on the agricultural industry at all.

Mr. Deans: That is true.

Mr. Wise: That is the first mistake. The second mistake is the fact that he indicated that the cost recovery measures are in place today. That is not the case. As I have indicated, we sent out a proposal and have reached an agreement in certain areas. In areas that are more sensitive than others we are continuing to negotiate, and will continue to negotiate until we arrive at a mutually satisfactory decision.

* * *

TERRORISM

TORONTO BOMB THREAT—POSITION OF CANADIAN ARMENIAN COMMUNITY

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Acting Secretary of State for Multiculturalism. In light of today's bomb threat in Toronto, allegedly by Armenian terrorists, could the Acting Secretary of State assure the House that the Government will do everything in its power to ensure that there is no public backlash against the Canadian Armenian community?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I can immediately assure the Hon. Member that there should be no such backlash. This communiqué was referred to the media before being referred to the Government of Ontario. Rather than being signed, it had a label attached to it identifying a particular group in the country. These things make it questionable. The authors of the communiqué may or may not be those to whom it was attributed. There are a wide range of possibilities.

It is notable that the Armenian community in Toronto has offered a reward of $25,000 for information leading to the identity of the authors of that communication.

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EXTERNAL AFFAIRS

U.S.S.R.—SHOOTING DOWN OF KOREAN AIRLINER—COMPENSATION FOR CANADIAN VICTIMS

Hon. Herb Gray (Windsor West): Mr. Speaker, in the absence of the Secretary of State for External Affairs, who is in Siberia, I will direct my question to the Prime Minister. Will the Prime Minister confirm that when the Secretary of State for External Affairs meets with Soviet Foreign Minister Gromyko this week, the Secretary of State will press for an immediate settlement, satisfactory to Canada, of the claims for financial compensation for the deaths of Canadians when the Korean airliner was shot down by the Soviets in September, 1983?

● (1440)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the last time I looked, the Liberal Party was saying that it was an accident.

Mr. Berger: Answer the question.

Mr. Mulroney: If you check *Hansard*, you will see that the people who pressed for compensation from the very beginning were the Progressive Conservative members of the Opposition, today the Government. The Right Hon. Secretary of State for External Affairs will indeed pursue that with the Soviets.

POSSIBLE U.S.S.R. POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, in 1983 the Prime Minister said that "the Soviet Union unfortunately does not respond to fine words, nor does it respond to philosophical musings". Exactly what will his Government do if the efforts of the Secretary of State for External Affairs do not result in an immediate and satisfactory settlement of the claim for compensation in question?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, of course I will not respond to a clearly hypothetical question from the Member, who still has not come in from the cold. I can tell him that I think it would be untoward for me to do so except to advise that the Secretary of State for External Affairs carries a brief on behalf of Canadian families, and on behalf of the Parliament of Canada, which he will press with vigour, eloquence, and deep conviction. I am satisfied that the Soviet Union, in those circumstances, should begin the process of response favourably.

Oral Questions

AUTOMOTIVE INDUSTRY

IMPORTATION OF JAPANESE MANUFACTURED VEHICLES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question, which is directed to the Prime Minister, pertains to his meeting this afternoon with the Premier of Ontario. The Prime Minister will be aware that the Premier of Ontario has requested that the Government of Canada retain its quotas on Japanese imports pending the negotiation of a new agreement. He will also be aware that the Minister of Regional Industrial Expansion announced in the House on Friday that the Government will not be keeping the quotas. During his meeting with the Premier of Ontario this afternoon, will the Prime Minister be prepared to change his mind in order to protect jobs in the Province of Ontario?

Right Hon. Brian Mulroney (Prime Minister): The Premier of Ontario, Mr. Miller, and I, are of one mind. Our determination is to protect and create jobs in Ontario and throughout Canada. I think that is widely acknowledged. Mr. Miller has outstanding expertise in this particular area of job creation which the country cries out for at this particular time, and which is no doubt why he is doing extremely well in Ontario. You can be sure that I will co-operate fully with the Premier of Ontario in every reasonable way to create jobs in southwestern Ontario, using the instrument of the automobile industry as an important illustration.

Mr. Broadbent: All that and fifty cents will get you a cup of coffee, Mr. Speaker.

VOLUME OF JAPANESE EXPORTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the United States, within days of their announcement of the lifting of the quotas, a report came out of Japan saying that the Japanese would increase their exports to the United States by 25 per cent in the coming year. If they do that in Canada and begin that process in Canada between now and May, which happens to be when the Ontario election will take place, it could mean, on an annual basis, the loss of about 15,000 Canadian jobs. It is a serious matter. When will the Government stop acting like an international boy scout with respect to trade, and begin to protect Canadian jobs? Will it maintain the quotas until a new agreement is negotiated?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, all that and 25 seats will get you the leadership of the NDP.

Some Hon. Members: Oh, oh!

Mr. Broadbent: That's not one of your better ones.

Mr. Mulroney: He is the only individual who can lead a national party into an election, lose seats, and cry "victory". That is exactly what will happen to his provincial cousins in Ontario when Frank Miller gets through with them.

Some Hon. Members: Hear, hear!

Mr. Deans: Wait until the next election.

Mr. Mulroney: We will co-operate fully and completely with the Government of Ontario to protect that tremendous engine of growth which is the automobile industry in Ontario. We will be negotiating very hard to protect the future of that industry, and to create new jobs in Ontario.

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AGRICULTURE

SUGAR-BEET INDUSTRY

Mr. Elliott Hardey (Kent): Mr. Speaker, my question is directed to the Minister of State responsible for the Canadian Wheat Board. He has been involved with this concern of the agricultural community in my riding.

In the riding of Kent, in southwestern Ontario, we can produce more tonnes of sugar-beets per hectare without irrigation than anywhere in Canada, even when irrigation is implemented, yet we were the first to lose the industry because the federal Government, in the 1960s, would not adopt what is known as a sugar policy. Now the same sugar-beet industry in the West and in Quebec is in jeopardy, and the solution to the problem is the same—

Mr. Speaker: Order. Would the Hon. Member come immediately to a question, please?

Mr. Hardey: Since Canada must sometime develop a policy that a percentage of sugar produced here is from a domestic source, for the welfare of both the Canadian farmer and the consumer, will the Minister assure me and my constituents, and indeed the sugar-beet farmers of Canada, that this item is placed high enough on the priority list to be dealt with thoroughly before 1986?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I thank the Hon. Member for his question. I understand that he had considerable experience and expertise in this matter.

On behalf of the Minister of Agriculture I have been attempting to see what we can do to provide some guarantees for financing so that farmers, this year, will plant their crop of sugar-beets. If they don't, we will not have an industry.

Second, again at the request of the Minister of Agriculture we have been attempting to look at a long range sugar policy. I might add that this is the first time, to my knowledge, that a federal Government has taken this industry seriously and looked at a long range policy. I believe that if one can be developed it will not only provide benefits to consumers, it will also provide considerable jobs and keep producers in business as well.

CITIZENSHIP COURTS

JUDGES' EXPIRING TERMS

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is directed to the Secretary of State who has the case of Judge Copps still ringing in his conscience, if not in his ears. Now, what about the case of Judge Alice McKeown of Kingston, who has served for 17 years as a Citizenship Judge, five years as a Chief Judge, whose term recently expired and who, last week, told the media that the Minister has not even advised her about her status or her future. The same complaint was expressed by Judge Una MacLean Evans of Edmonton, who was even told by a local MP to suggest her replacement as long as it was not a Liberal.

How can the Minister treat people who have served their country in this cavalier fashion? Or is this arrogant Tory patronage machine in such high gear that it does not care on whom it tramples?

Hon. Walter McLean (Secretary of State): Mr. Speaker, let me inform the Hon. Member that his facts in relation to Judge McKeown are out of date. I have talked with her and in fact have taken a good deal of her advice about the restructuring of the Citizenship Court program. I have personally thanked her for her work and, in terms of her own future, she indicated that the work load in the Kingston area was not sufficient to warrant the continuation there of a full-time judge.

Mr. de Corneille: I am glad that following the publicity by the media covering that subject in Kingston the Hon. Minister got around to speaking to her.

GOVERNMENT APPOINTMENTS

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, with some 20,000 people unnecessarily and unjustly waiting anxiously for citizenship, how can the Secretary of State justify his failure to renew the appointments of such experienced Citizenship Judges as Copps, McKeown, and Evans, for the sake of purely petty, political party patronage?

Hon. Walter McLean (Secretary of State): Mr. Speaker, as the Hon. Member will know, the intention of the program was to give outstanding Canadians who have experience in a wide range of Canadian life the opportunity to be involved in this important aspect of affirmation of Canadian citizenship. It is the intention of the Government to invite a number of outstanding Canadians with varied backgrounds to serve in this role in the future.

* * *

AUTOMOTIVE INDUSTRY

REQUEST FOR MAINTENANCE OF QUOTAS ON JAPANESE MANUFACTURED VEHICLES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I wish to ask the Prime Minister about his partisan non answers with respect to our automobile trade agreement with Japan. Last year in a situation like this, where an agreement could not have been achieved before the end of March, the Minister of Trade sent a clear signal to Japan and to Canadians by saying at that point it was important that there continue to be quotas on the importation of Japanese cars. This was despite the fact that an agreement had not been reached.

• (1450)

Will the Prime Minister clearly, without qualification, state that his Government also believes that quotas have to be maintained to protect Canadian workers, and to give us the bargaining leverage with Japan that we require?

Right Hon. Brian Mulroney (Prime Minister): I have done better than that, Mr. Speaker. I have conveyed a very strong view to the Prime Minister of Japan when I met with him in Moscow. We are hopeful that we will have an agreement that will be extremely beneficial to Canadian workers and to the Canadian automobile industry.

Mr. Langdon: Mr. Speaker, I am pleased that finally we have a commitment that the Government wishes to see such an agreement.

LEVEL OF IMPORTS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, will the Prime Minister also give us the information clearly, and also without qualification, that he feels on behalf of his Government that there should not be an increase over and above the increase allowed lat year for the Japanese with respect to these imports into our country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, these matters have been very fully addressed by the Minister of Regional Industrial Expansion in a full statement.

Mr. Broadbent: That is why we are asking the question.

Mr. Benjamin: We could not get a word out of him last week.

Mr. Mulroney: The discussions are ongoing. I am satisfied that Canada will be able to resolve this in a manner that is helpful to our industry and to our automobile workers.

Our industry has to remain competitive. On the other hand there is a very low rate of investment, relatively speaking, by Japan in Canada in this sector. We want to see that attitude changed, and we want to make sure that Canada gets a fair break in its bilateral relations with Japan. This is why the negotiations have been unfolding, I think, well and on a progressive basis which will result in an agreement.

Oral Questions

PORNOGRAPHY

IMPORTATION OF PORNOGRAPHIC MATERIAL

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Minister of Justice. The Minister is aware that I have voiced my concerns on the issue of pornography in this House and in committee. Following the Federal Court ruling, the Minister indicated on March 20 that he was concerned and that he would announce plans and action within two to three days to prevent the flooding of pornographic material degrading to men, women and children, into this country. Can the Minister tell us now what his decision has been in this important area? Is he going to appeal, or is he going to bring in an amendment?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I thank the Hon. Member for her question. I am in the desert here as far as questions are concerned.

Mr. Boudria: Imagine how we feel about your answers.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The Member opposite is in a desert, mentally.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The Hon. Minister of State—if I can be given the chance to answer, as I am somewhat timid—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —the Minister of State for Finance is giving notice today of a Bill to amend the Customs Tariff to replace the tariff item that was found to be contrary to the Charter of Rights by the Federal Court of Appeal. We are hoping that with the co-operation of the Official Opposition which has been promised—and we are waiting to have it confirmed, but we believe the New Democratic Party is also going to give its support although we are not yet sure of the NDP—to have the Bill introduced and passed through all stages this week.

Mrs. Finestone: Mr. Speaker, I am very pleased to hear there is some action proposed. I certainly have not heard that was on the Order Paper. I am glad to hear it is.

FRASER REPORT

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my supplementary question is also directed to the Minister of Justice. Is the Minister using the Fraser Report as the background for the Bill that he is planning to deposit? Will that bring all the laws into concordance?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Fraser Report has not yet been received. It is still being put together. We are proceeding under our own steam in this matter—

Mr. Nunziata: You have a lot of it, John.

Mr. Crosbie: You are darn right.

Some Hon. Members: Oh, oh!

Mr. Nunziata: Hot air.

Mr. Crosbie: Finally, Mr. Speaker, we have heard a squeak from the rat pack.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The amendment proposed will have a sunset clause. We will ask the House to pass the amendment with a sunset clause, to hold the fort while we consider the complications of reforming the whole set of laws with respect to pornography. I think the Hon. Member will be satisfied with what we produce tomorrow.

* * *

EMPLOYMENT

CHALLENGE '85—ROLE OF PRIVATE SECTOR

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is for the Minister of Employment and Immigration. It concerns Challenge '85. Can the Minister let the House know how the private sector is reacting to this program? Can the Minister let us know how the many rural ridings throughout the country will be able to capitalize on this, because many of us do not have the career oriented jobs available for students, and also it is on a first come first served basis, which might leave some of us out in the cold?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I thank the Hon. Member for his question. I want to inform him that a record number of good applications have cone in for Challenge' 85. Of course they have not all been processed as yet. There will be many more accounted for.

I do want to assure the Hon. Member that in the over-all program all aspects of it have already been over-subscribed. I want to say as well that the private sector has been extremely co-operative in mounting programs and in putting in applications that will cover, as of last week, some 29,000 jobs. That is against 6,000 that were announced by the private sector last summer. It has gone from 6,000 to 29,000 jobs. I can also assure the Hon. Member that it is spread across all parts of the country.

* * *

PUBLIC SERVICE

PARTICIPATION OF EMPLOYEES IN ONTARIO PROVINCIAL ELECTION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the President of the Treasury Board concerning the political rights of federal government employees who may wish to participate in the Ontario election. In view of the

promises made by the Progressive Conservatives in the election to grant political rights to federal employees, and since the Minister has been discussing this issue with the public service union since January, can the Minister assure the House that no disciplinary action will be taken against any federal bargaining unit employee who wants to work for a candidate or a political party in the Ontario election on the employee's own time?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as the Hon. Member opposite has well stated, this is one of several issues dealing with commitments we made over the last campaign that are under very active discussion with the unions at the moment. I am very happy to report that those discussions are proceeding very well and to the satisfaction of both parties. I hope to be in a position to make an announcement to this House, or to the appropriate committee of this House, in the very near future.

TIMING OF ANNOUNCEMENT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, there is a very specific time related aspect to this because the Ontario election is on for the month of April and a number of people with whom I have been in communication have already in fact been told by their supervisors that they are breaching their job regulations as public service employees because they are participating in the campaign.

Can the Minister assure the House, prior to making that announcement, that no disciplinary action will be taken against employees who want to work in the election on their own time?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am quite surprised at the attitude the Hon. Member opposite takes. He was one of those who argued for a full discussion of this issue in the parliamentary committee, a procedure that could take months and months. We are trying to act in a very expeditious manner to come to an adequate resolution of the question, and so far, with the good co-operation of our unions in the spirit of healthy labour-management relations, we are making very quick progress. I hope to report on that in the very near future.

* * *

REGIONAL ECONOMIC DEVELOPMENT

GOVERNMENT EXPENDITURES IN MANICOUAGAN

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is for the Prime Minister. Over the weekend he promised the people in his riding that the Government would intervene to ensure that there is a project to create an imposing number of permanent jobs in the constituency where the high unemployment was created by himself when he was President of Iron Ore. In view of the fact that $10 million has already been poured into that riding and that there are promises of more to come, is the Prime Minister willing to assure the House that he is prepared to do the same for the people of my riding and for the people of other constituencies who are faced with the same problem?

• (1500)

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is clear the Liberal Party is taking a very firm stand against the the Government assistance this Government wishes to give Québec. However, I can say that regardless of the Hon. Member's comments, the Conservative Government is going to help ridings in Quebec, including the riding of Manicouagan, including Notre-Dame-de-Grâce-Lachine East and other ridings in Canada. I can inform the House that the people of the riding of Manicouagan want Government action and they will have it, regardless of what the Liberal Opposition has to say about it.

* * *

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Friday, March 29, 1985, meet the requirements of the Standing Orders as to form.

[*Translation*]

OPPOSITION TO WASTE DUMP AT NICOLA B.C.

Mr. Speaker: The petition presented by the Hon. Member for Okanagan-Similkameen (Mr. King) does not meet the requirements of the Standing Orders as to form.

* * *

[*English*]

BUSINESS OF THE HOUSE

Hon. Herb Gray (Windsor West): Mr. Speaker, what are the plans of the Government House Leader in terms of House business?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, we will obviously continue this afternoon with the consideration of Bill C-27 which was under discussion prior to the luncheon break. It is my intention to continue with that Bill tomorrow, followed by Bill C-19, an Act respecting the reorganization of Bell Canada.

As the Hon. Member will know, I have asked both Opposition Parties to give serious consideration—this was raised by the Hon. Member for Mount Royal (Mrs. Finestone) in Question Period today—to the Bill amending the Customs Tariff, which would have the effect of dealing with the decision of the Federal Court with respect to the importation into Canada of hate literature and obscene materials. It is my hope

that the Opposition Parties will see their way clear to passing this Bill, which contains a sunset clause. It will be introduced today by the Minister of State for Finance (Mr. McDougall) for first reading. We could pass it through all stages tomorrow, so that the Senate may deal with it and we may have Royal Assent prior to Easter. That would be my hope for the business as far as tomorrow is concerned.

I also take this opportunity to designate this coming Wednesday, April 3, as the first allotted day in this supply period. This will allow the Opposition to wax eloquent or otherwise with respect to whatever happens to be on its collective mind before we depart this place for the Easter recess.

* * *

Mr. Speaker: Is the Hon. Member for Selkirk-Interlake (Mr. Holtmann) rising on a point of order or to present a report?

Mr. Holtmann: I am rising on a point of order, Mr. Speaker. In my statement concerning the upgrading of defence research, I failed to point out and acknowledge the native veterans of Canada who are in our gallery.

Mr. Speaker: Order, please. First, that is not a point of order; second, Hon. Members are not allowed to refer to the presence of people in the gallery. But it was a good try.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

LABOUR, EMPLOYMENT AND IMMIGRATION—SECOND REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, indeed it is a pleasure to present a report today on behalf of the Standing Committee on Labour, Employment and Immigration. I think this is the second time in parliamentary history that a committee has used our new rules to conduct an investigation and to make a report.

[*Translation*]

Mr. Speaker, I have the honour of tabling, in both official languages, the second report of the Standing Committee on Labour, Employment and Immigration, concerning future immigration levels.

[*English*]

In accordance with Standing Order 69(13), I request that the Government make a comprehensive response to this second report.

[*Translation*]

PUBLIC ACCOUNTS—SECOND REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour of tabling the second report of the Standing Committee on Public Accounts.

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS—THIRD REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, in accordance with an order of reference of Monday, February 25, 1985, I have the honour to present the third report in both official languages of the Standing Committee on Finance, Trade and Economic Affairs which deals with tax issues on agriculture.

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

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UNEMPLOYMENT INSURANCE

TABLING OF AMENDMENTS TO REGULATIONS

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, pursuant to the provisions of Standing Order 46(2), I am tabling two copies in both official languages of amendments to the unemployment insurance regulations and the administrative guidelines on changes to the earnings regulations.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

STATEMENT ON SUPPLEMENTARY EQUALIZATION PAYMENTS

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I should like to give notice today of the intention of the Government to introduce a Bill to resolve an issue with which I am sure all Hon. Members are familiar. The Government intends to table on Wednesday a Bill to make supplementary equalization payments to the six provinces which currently receive equalization payments. Members will ask why legislation is required to authorize these supplementary equalization payments. The Government must introduce new legislation because there is no legal requirement or obligation on the part of the Government of Canada to make these payments.

The obligation remains, however, to administer the system of equalization based upon the fundamental principle of fairness. This principle must govern our actions even while our own fiscal situation is difficult. It is this Government's recognition of the fundamental principle of fairness which signifies our unswerving desire to work with our partners in the provinces and to assist them wherever possible, for that is the essence of our Confederation.

Under existing legislation, equalization payments to some provinces will actually decline in 1985-86 as a result of the expiry of the three-year transitional payments that were provided for in 1982. I have carefully considered representations from these and other provinces which receive equalization payments. In addition, I have been governed by the prevailing necessity to control a crippling federal deficit which in paying the interest charges alone costs the people of Canada $1 out of every $3 they pay in federal taxes.

What we propose in the Bill under these circumstances is a fair and equitable solution to the issue of supplementary equalization. The amounts are substantial although some may have desired more. However the principle of fairness underlying our Confederation has been maintained.

I should like to indicate briefly some of the considerations that guided our decision in this matter. The primary consideration was the impact from the expiry of the three-year transitional provisions. When the new equalization formula was introduced in 1982, it was anticipated that some provinces might suffer a decline in their equalization entitlements, and it was expected that the transitional provisions would allow time for provinces to adapt to the new formula. There are also provisions in the current formula for floor payments to prevent severe year to year declines in equalization payments. Newfoundland, New Brunswick and Prince Edward Island were guaranteed a 95 per cent floor, and Nova Scotia, Quebec and Manitoba were guaranteed lesser amounts, given the relatively greater fiscal strength of these three provinces.

In determining the amounts of the supplementary equalization payments to be provided in this Bill, it was decided to calculate the payments to Quebec, Manitoba and Nova Scotia as the additional equalization amounts they would receive if a 95 per cent floor applied to them over the next two fiscal years. It was further decided that Newfoundland, New Brunswick and Prince Edward Island should receive the same per capita supplementary payments as the average for the other three recipient provinces.

[*Translation*]

This measure will consist in providing supplementary equalization payments for 1985-86 of $110 million for Quebec, $50 million for Manitoba, $20 million each for Nova Scotia and New Bruswick, $15 million for Newfoundland and $5 million for Prince Edward Island.

• (1510)

[*English*]

In addition, since present projections indicate that Manitoba will experience a further decline in its equalization payments in 1986-87, the Bill will contain provision to make a further payment of $65 million to Manitoba in that year.

The total supplementary payments in 1985-86 will amount to $220 million. This is in addition to the regular equalization payments of over $5 billion. This means that the total regular and supplementary equalization payments to provinces in 1985-86 will amount to almost $5.3 billion.

These amounts are substantial and should help these provinces to meet their responsibilities in providing essential services. They will mean an increase in the deficit projected for the coming year, and given the Government's serious financial situation they are the most we can provide.

I should note that these payments are totally unconditional and are made in addition to the other substantial transfers to the provinces, particularly in respect of insured health services and post-secondary education under the established programs financing arrangements. The total fiscal transfers from the federal Government to provincial Governments for equalization and the established programs financing arrangements will amount to some $20.7 billion in 1985-86—some $1 billion higher than the $19.7 billion being transferred during the current fiscal year.

I reiterate that legislation to authorize these supplementary equalization payments is necessary because there is no legal obligation or requirement on the federal Government to make these payments under existing fiscal arrangements legislation. The necessity is one of fairness for all Canadians.

[*Translation*]

The supplementary equalization payments measure taken by the Federal Government is an extremely generous one, considering the Government's present financial situation. It acknowledges the present financial situation of the provinces in question and reflects this Government's intention and desire to work together with the provinces and to assist them when possible.

[*English*]

In concluding, Mr. Speaker, may I point out that the present equalization program expires on March 31, 1987. We recognize that the system is not perfect and we will be consulting with the provinces to establish a new formula for the period of 1987 to 1992. Such actions will be a major part of the general review of the federal-provincial fiscal arrangements which will be undertaken over the next two years by both levels of government. I look forward to meeting with provincial Finance Ministers later this year to begin discussions of the fiscal arrangements that will apply during the 1987 to 1992 period.

We shall continue working together towards the common goal of making Canada a better and fairer place for Canadians from all regions, all provinces, all walks of life.

[*Translation*]

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I am satisfied with the Minister's statement, although it is merely part of a program already included in the Canadian Constitution, which provides that the Federal Government has an obligation to help the provinces through equalization payments. Although the Minister is trying to take the credit today, he is only partially meeting the Government's obligations.

[*English*]

I believe it is the first time in the history of Canada that we have had a Budget by instalments like the one we are now having, which began in November. They tested the water and went with the program. Rather than carrying on with making the same amount of equalization payments, the Government tried to cut more than the provinces could take. They come today to reinstate some of the money. However, there are still some major shortfalls. What is happening today re-establishes a little bit of the money that was taken away some months ago. When the mini-budget was proposed in November, the situation was very bleak.

[*Translation*]

For instance, the Province of Quebec is being given $110 million today. However, the Quebec Government was asking for $163 million and is only getting $110 million more. In fact, under the formula we extended for one year last year, the Quebec Government should have received $273 million, but it is only going to get $110 million.

This is no big deal. They are being given $163 million. I am not saying that I am upset. The Government is restoring some of the funds it cut rather unrealistically last fall, but if we look at the cuts that affected Quebec last November, we see that $770 million worth of federal activities will not take place in Quebec because of the cutbacks. So if we add $163 million, this means nearly $1 billion Quebec has not been getting since the Progressive Conservatives have been in power.

[*English*]

The same situation applies in the Maritimes. The Maritimes gained back $80 million, but there is still a shortfall of $74 million. The cuts of November were $400 million as they affect the situation in the Maritimes. I could go on. They are reinstating some money for Manitoba, but not all the money to which that province is entitled if the federal Government were to fulfil its constitutional obligation.

As I said earlier, this is a budget by instalment. We now have something on equalization payments because the Minister is preparing the ground. Last week he lost some money to the oil industry. He is now preparing the ground for a big tax increase. We are waiting for that day. Some announcement will be made to try and consolidate their political position. The reality will come in May, if it is not postponed again.

It will be almost a year since this Party came to power and it has not yet been able to put all the pieces together. It made promises to everybody. It cut back some. It is a real show. The real strip-tease will be the Budget presented by the Minister of Finance (Mr. Wilson). Today is a great day. They had to admit to the NDP House Leader that it is not true that they will not increase taxes. Get ready, guys, it is going to come to us soon, in the neck! They waited in order to try and consolidate their political base. The reality is they got elected by making all sorts of irresponsible promises. Today they are reinstating some but not all of the money.

The provinces do not have what the Constitution calls for, but it is an increase, a step in the right direction. I do not blame the Minister for that. I am just sorry that they are not giving the money to which the provinces are entitled under the Constitution. This is the problem. This test has not been met. I understand. I have a lot of sympathy for the Minister of Finance. He lost his battle with the Minister of National Health and Welfare (Mr. Epp), he lost his battle with the Minister of Energy, Mines and Resources (Miss Carney), and he lost his battle with the Minister of Employment and Immigration (Miss MacDonald). A decent Minister of Finance would have resigned with so many lost battles, but we will give this Minister another chance. He is now preparing the ground for the budget. It is going to be his last day in the House of Commons when Canadians, especially the taxpayers, get it in the neck come the end of May. In the meantime, we keep smiling.

Mr. Rod Murphy (Churchill): Mr. Speaker, it is not surprising that the last Member who spoke has to smile. He remembers that it was his Liberal Government which cut the entire amount of money from those provinces.

We welcome the Government's move, although we do recognize that it does not provide for the entire shortfall that the poorer provinces in this country are facing as a result of the equalization provision that was passed by the Liberal Government in 1982.

It is important that we all remember that when this Government came into power, it was not its intention to move on equalization payments. The briefing notes which the Minister of Finance (Mr. Wilson) left in Winnipeg indicated that he was prepared to give a negative repsonse to the people of that province. Later in this House, in answer to questions by myself, he tried to state that the federal Government's financial position was worse *vis-à-vis* that of the recipient provinces. I believe that is a position which is completely indefensible.

Throughout the period of this Conservative Government, it has pretended that it was some kind of surprise to find that there was an actual decline in the money that would be going to the provinces as a result of the 1982 legislation. Yet in 1982 Conservative Opposition Members stood with Members of the New Democratic Party like the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) and fought against the equalization formula the Liberal Government had then introduced. Some of those Members are now members of the Cabinet and they must act upon the words they spoke in 1982. I for one am glad that the Government has made a partial reinstatement of the money to those provinces.

• (1520)

Although this announcement will benefit a number of provinces, it is obvious to all that it was the New Democratic Party Government of Manitoba that led and forced the fight on this issue. The Manitoba Government, along with a coalition of representatives from labour, health, education and social services groups, confronted the federal Government. To a degree, they were successful. It is their victory and we in the House

should give them that credit. When the legislation comes before the House, we will deal with it further.

At this time I would like to say that there are still concerns with which we must deal. We need more information about what the provinces will actually receive in 1986-87. We also need to know the effect of federal cut-backs, including those that will be in the upcoming Budget, and how that will affect the economic situation of the provinces. We must also have information on when there will actually be tax reform in t his nation so that those who can afford to pay will pay their fair share.

In closing, I must point out that we need to know the position of the Government with regard to negotiations that will be taking place for the 1987-92 agreement. Concerning this last point, it is essential that the federal Government not look only at its deficit position but also to providing those poor provinces with the ability to provide services to their citizens. That was the purpose of equalization payments and that is why it is in the Constitution.

This is a victory for the people of Manitoba, Quebec and the other provinces that will be receiving more funding as a result of this legislation about which we learned today, but we must also tell Canadians that they are entitled to a certain basic level of services regardless of where they live. That should be the underlying principle that the Government will take with it into the next round of negotiations.

Mr. Waddell: Mr. Speaker, I would like to put a question to the Minister, but I have two things to say to him before I do. First, I congratulate him.

[*Translation*]

"Félicitations", in French.

[*English*]

Second, one political philosopher, and I think it was Pierre Trudeau, said that the world can learn from our federal-provincial relations system. It is a pretty complicated lesson and seems to be getting more complicated.

I come from British Columbia. The Province of British Columbia is bleeding post-secondary education funding. Students, colleges and universities are suffering. Federal money is being diverted to highways, big projects, coal holes and pipelines to islands when in fact we really need to be spending it on education. What can the Minister do to ensure that some of the money is spent on the things that are really needed in the provinces, things like education, given that it is part of a federal strategy for economic recovery to have a decently-educated future labour force?

[*Translation*]

Mr. Wilson (Etobicoke Centre): First of all, Mr. Speaker, I would like to thank the Hon. Member for Vancouver-Kingsway (Mr. Waddell) for his words of congratulations.

[*English*]

The question posed by the Hon. Members regarding the split in the expenditure of the funds under EPF between post-secondary education and health care is something that is under discussion between my colleague the Minister of State for Finance (Mrs. McDougall) and her provincial counterparts, as well as the Minister of National Health and Welfare (Mr. Epp) and his provincial colleagues.

This supplementary equalization payment or indeed the over-all equalization formula does not have any bearing on the ways in which the provinces spend money under the programs of post-secondary education and medical health care. These funds are unconditional and it is for that reason that there is no real relationship between the two. As the Hon. Member has pointed out, this money helps provide for a basic level of services in the provinces, and we are very pleased to demonstrate to Canadians that co-operative federalism does live in this country now, unlike under the previous Government.

Mr. Blaikie: Mr. Speaker, I would like to begin by nothing with some satisfaction that the Government has finally moved on this issue. It is unfortunate that it has not offered the full amount, but it is fortunate for Manitoba and those other provinces that will be affected by the Minister's decision that they will have some of their shortfalls made up.

Before I ask a question of the Minister, I would like to note that six months ago today I first wrote the Minister of National Health and Welfare (Mr. Epp) on this issue. On October 1, I reminded him of when he and I together, in the Standing Committee on Finance, moved an amendment to Bill C-97 which was the unilateral Liberal legislation that changed the formula and brought about the situation that the Minister is now trying to correct.

Six months ago I reminded the Minister of National Health and Welfare of the way we had co-operated at that time to try to bring about that correction. Unfortunately, it has taken six months for action to be taken, but it is better late than never and we now have this action on the part of the federal Government. The Hon. Member for Churchill (Mr. Murphy) has said that a great deal of the credit ought to be given to the many Manitobans who wrote and expressed their concerns, to the provincial Government, and to others involved in getting the Government to come to this decision, and I think he is right.

In preparing for the negotiations dealing with the fiscal period of 1987 to 1992, I would like to ask the Minister whether or not he is considering doing what the previous Government did last time. Everyone thought that what the previous Government did was a good exercise, and that was to involve Parliament itself in the consideration of federal-provincial fiscal arrangements.

The Minister will probably recall the special parliamentary task force on federal-provincial fiscal arrangements on which I had the opportunity to serve along with six other Members of Parliament. It was generally recognized that that was a good exercise. It involved Members of Parliament in the recommendations leading up to the negotiation process. I wonder if the Government is considering involving Parliamentarians again in a similar way.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, as I indicated earlier, I have spoken to the provincial Finance Ministers. I told them that the preliminary groundwork was going to be carried out by officials this spring and summer. I propose to bring provincial Ministers up to date regarding the progress of that and we will have a preliminary discussion at our meeting this fall. At this point I have not given a great deal of thought to the involvement of Parliamentarians in this process, but obviously that is a very important point made by the Hon. Member which I will take under consideration.

Miss Nicholson: Mr. Speaker, could I ask the Minister to comment on the reasons why some of the provinces, as a result of the changes announced today, are receiving more money than they had requested while others are still left in a shortfall position?

The information that I have on which I would invite the Minister to comment is that in the case of Newfoundland, the equalization amounts of the 1985-86 estimates show a transfer of $617 million. With this addition of $15 million, there will be a bonus of $15 million that the province had not claimed as a shortfall. The Province of Prince Edward Island, which had claimed a shortfall of $4 million, is receiving $5 million and is therefore in a $1 million bonus situation. However, the Province of Nova Scotia had claimed a shortfall of $58 million but is to receive $20 million, which leaves it in a shortfall position of $38 million. New Brunswick as well is in a $20 million bonus situation whereas Quebec, which claimed a shortfall of $263 million, is receiving $110 million and is therefore still showing a shortfall of $163 million. Manitoba also claimed a shortfall of $72 million but receives $50 million and is in a $22 million shortfall. Would the Minister tell the House if this apparent discrepancy in the treatment of provinces is as a result of negotiations? And are we to understand that in each case the provinces concerned agreed to this?

• (1530)

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I would like to respond to that question by saying that what we were trying to do was to provide a fair resolution to a difficult problem and one which was considerably more difficult for the Provinces of Quebec, Manitoba and Nova Scotia because they were going to suffer an absolute shortfall. In taking into account this principle of fairness, we decided that we should establish some rationale for dealing with the shortfall. That was, as I indicated in my remarks, to establish a 95 per cent floor for the three provinces which suffered the shortfall. But since they are the three richer provinces in the equalization receiving group, we felt we should do something to recognize the weaker position of New Brunswick, Newfoundland and Prince Edward Island. For that reason, we chose, on a totally arbitrary basis—and I make no apologies for that—what we call an equivalency payment, to give them a payment equivalent to the per capita make-up which the Provinces of Manitoba, Quebec and Nova Scotia received. It is for that reason that New Brunswick received a payment of $20 million; Newfoundland received $15 million; and Prince Edward Island received $5 million. It is an arbitrary means of dealing with the problem but we feel there is a considerable degree of fairness in our approach since the payment on a per capita basis is equivalent for all the receiving equalization provinces.

Mr. Speaker: I will recognize the Hon. Member for Winnipeg-St. James (Mr. Minaker) and then the Hon. Member for Winnipeg North Centre (Mr. Keeper), and that will be it.

Mr. Minaker: Mr. Speaker, my question to the Minister regards the unique situation with the Province of Manitoba. But before I ask the question I would like to commend the Minister for his fairness in the approach he has taken on this particular problem with which he has been faced. I know, as a Manitoban, that all we were asking for from our Government was to be treated fairly. I notice that the Minister has given additional funding next year to our province. I wonder if the Minister has had an opportunity to discuss the impact this will have on our province with the Premier of Manitoba or his Minnister of Finance.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I should first say that, unlike hon. members of the New Democratic Party who spend a lot of time crowing but get little action out of the noise they make, hon. members of the Conservative Party who reside in and represent Manitoba, have constantly dealt with me on a quiet basis on this issue. I can tell the Hon. Member that they were far more effective in their representations because they had substance and a good analytical basis for the statements they made, as opposed to the shrill rhetoric were ceived from the other Party.

Manitoba is in a most unusual position because of the nature of the equalization formula which was imposed by the Liberal Government in 1982. As a result of this, if there were no equalization payments, if no supplementary payment were made, as I have announced today, the equalization for the Province of Manitoba would drop from $480 million in the year just ended to $408 million and then to $367 million. That is our current estimate. So there is a substantial drop there, far greater than was the case in any of the other provinces. It was for that reason we felt it was important to carry through this 95 per cent floor provision into the next fiscal year. If we had not done that, there would have been a very substantial drop-off. We feel that that is a very fair way of dealing with the matter and also a way in which we have looked forward, in the interests of the province, to understanding the nature of the equalization payments.

I have discussed this with the provincial Minister of Finance, and the Prime Minister (Mr. Mulroney) has discussed this as well with the Premier of Manitoba.

Mr. Speaker: I realized when I said what I said earlier that I was not being entirely fair to Her Majesty's Official Opposition. I will recognize the Hon. Member for Trinity on one supplementary question, then I will recognize the Hon. Member for Winnipeg North Centre on one final question.

Miss Nicholson: Mr. Speaker, my supplementary question concerns the moneys which were taken out of the provincial economies by the November cuts. For instance, although Quebec today receives an additional $110 million, the effect of the various programs which were cut in November is to take $770 million one way or another out of Quebec. Would the Minister of Finance (Mr. Wilson) tell the House if this was taken into consideration? In his dealings with the provinces and his negotiations on the equalization payments, did he also take into account the $770 million which was cut one way or another from Quebec by his November statement, and the cuts of some $400 million from the Atlantic provinces which today receive $80 million?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I was amused when listening to the Hon. Member for Saint-Maurice (Mr. Chrétien), and now the Hon. Member for Trinity (Miss Nicholson). It must be very difficult for them and must hurt them badly when the Government has a bit of good news and shows that co-operative federalism does work and can work, so they draw out every possible negative they can from this initiative by the Government, which I think is a very positive one and one which demonstrates that this Government is being fair, open and understanding of the problems of the provinces.

Let me say to the Hon. Member that, in the preamble to her question, she admitted noting that this Government has just signed the first economic and regional development agreement with the Province of Quebec since 1974. Surely, that demonstrates our ability to work with the province and also demonstrates a real understanding of the economic circumstances of the Province of Quebec.

This matter was discussed at some length with the Minister of Finance of the Province of Quebec. As well, the Prime Minister has discussed it at some length with the Premier of the province. I think that the proposition we have put forward today is a fair one and one which should be well received by all people in the Province of Quebec.

Mr. Keeper: Mr. Speaker, the Minister of Finance (Mr. Wilson) has applauded the effectiveness of the Tory Members of Parliament. I wonder if he remembers that it took a long time for the Conservative Opposition in the Province of Manitoba to come on board and call for fairness in equalization payments for Manitoba.

However, I do not want to dwell on that, Mr. Speaker. What I want to do is to give praise where it is deserving. Manitoba presented a bill for the shortfall in equalization payments, and the Minister deserves credit for having recognized that he owes the bill. What I would like to know from the Minister is why he has not paid the full bill. Why has he only paid some 50 per cent or 60 per cent of the bill? Why does he not go all the way, in the name of fairness, and pay the full bill he owes with regard to the shortfall in equalization payments in Manitoba?

Mr. Wilson (Etobicoke Centre): First, Mr. Speaker, let me say that I have been in touch with the finance critic of the provincial Conservative Party in the Province of Manitoba on this issue long before it joined forces with the Government in making a joint representation. So the provincial Conservatives were not absent in any way from the representations being made, but made them in a very effective and quiet way, in dealing with the substance of the issue and not the rhetoric.

● (1540)

In response to the specific question the Hon. Member poses as to why did we not go the whole way, the simple fact of the matter is that we have a financial problem in the same way the Governments of Manitoba, Quebec and Nova Scotia have financial problems. We all have financial problems. The question we had to ask ourselves is, who should do the borrowing? We are all borrowing to make these payments, whether to make up the shortfall at the provincial level or make up the amounts we are paying from the federal level as supplementary payments. We were under no legal obligation here. The transitional payments expired and we could have just walked away from it and done nothing. But we said, no, we should be fair, and we have demonstrated a degree of fairness by saying, let us go part way. I think the Hon. Member from Manitoba, if he looks at the figures and the treatment which Manitoba got relative to other provinces, will see that Manitoba was very well treated and should have no reasons for complaint.

* * *

PETITIONS

NUCLEAR WEAPONS—FREE ZONE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition from some 1,290 citizens, most of whom are in my riding, calling for Canada to be declared a nuclear weapons-free zone. That has been defined as no nuclear weapons in Canada, no transit of nuclear weapons through Canadian territory, No Canadian support system for nuclear weapons and no Canadian production of components for nuclear weapons. To be fair, there were at least two people who signed this petition who were of a contrary mind, but over 1,200 people are calling for Canada to be declared a nuclear weapons-free zone.

* * *

CUSTOMS TARIFF ACT

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) moved for leave to introduce Bill C-38, an Act to amend the Customs Tariff Act.

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

Some Hon. Members: Agreed.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 118 and 252.

[*Text*]

CUT-BACKS IN PARKS CANADA PROGRAM

Question No. 118—**Mr. Robichaud:**

1. Did the Department of the Environment announce cut-backs in its Parks Canada Program and, if so (a) who decided that such cut-backs were necessary (b) were there consultations with the concerned groups?

2. Will such cut-backs affect the conservation of our national parks?

3. Will any employees lose their jobs and, if so (a) how many (b) will the jobs be replaced (c) will (i) full-time (ii) part-time jobs be abolished and, if so, in each case, how many?

Hon. Suzanne Blais-Grenier (Minister of the Environment): 1. Yes. (a) The Government of Canada. (b) No. The announced budgetary reductions, including those to Parks Canada's budget, were arrived at after a careful internal expenditure and program review.

2. No.

3. Yes. (a) 54 employees have been informed that they will lose their jobs. (b) The jobs will not be replaced; however, every effort is being made to relocate the incumbents to vacant positions within the Department of the Environment. (c) Yes. (i) 80 jobs (ii) 148 jobs.*

*It should be noted that question 3(a) deals with employees while 3(c) deals with jobs. The difference (174) relates to vacant positions and to term positions that would have expired in any event.

NATIONAL HOUSING ACT

Question No. 252—**Mr. Heap:**

Does Section 56.1 of the National Housing Act require that non-profit housing groups return surplus funds over the amount of the subsidy surplus reserve and, if so, what amount was returned in (a) 1982 (b) 1983?

Hon. Bill McKnight (Minister of Labour): I am informed by Canada Mortgage and Housing Corporation as follows:

Yes, non-profit housing groups are required to return surplus subsidy funds received under Section 56.1 of the National Housing Act, which are over the amount of the subsidy surplus reserve fund permitted under the program. (a) $1,075,603. (b) $6,525,087.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

QUESTION PASSED AS ORDER FOR RETURN

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, if Question No. 210 could be made an order for return, this return will be tabled immediately.

Some Hon. Members: Agreed.

[*Text*]

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Question No. 210—**Mr. Ravis:**

1. By province, during each of the past five fiscal years, what were Canadian International Development Agency's (a) contract expenditures (b) consulting services (c) expenditures on materials and supplies made by the Department of Supply and Services?

2. By province, during each of the past five years, what were the percentage of (a) contract expenditures (b) consulting services (c) expenditures on materials and supplies made by the Department of Supply and Services?

Return tabled.

[*English*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

STATUTE LAW (CANADIAN CHARTER OF RIGHTS AND FREEDOMS) AMENDMENT ACT

MEASURE TO AMEND

The House resumed consideration of motion of Mr. Crosbie that Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, before lunch I had started to make a few comments on the Bill before the House today, namely, Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms. I would like to start by reminding the House that when the Constitution Act, 1982, was proclaimed on April 17, 1982, the provisions of the Canadian Charter of Rights and Freedoms became effective. However, the provisions relating to equality rights as set forth in Section 15 of the Charter were not to come into effect until April 17 of this year. Section 32(2) reads as follows, and I quote:

Notwithstanding subsection (1), section 15 shall not have effect until three years after this section comes into force.

Therefore, April 15 of this year will mark the anniversary of the proclamation of the Charter and the date on which Section 15 becomes effective.

Mr. Speaker, the House will recall that the Liberal Government at the time had undertaken to examine and review all federal statutes to check their compliance with all provisions of the Charter.

Section 15 is a major provision of the Charter which must be interpreted within its general context. Section 15 acknowledges the right of every individual not to be exposed to any discrimination on the basis of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability. The wording of Section 15 reads as follows, and I quote:

Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

Subsection (1) does not preclude any law, program or activity that has as its object the amelioration of conditions of disadvantaged individuals or groups including those that are disadvantaged because of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

Mr. Speaker, these rights are subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society. That is Section 1 of the Charter of Rights and Freedoms.

We can also refer to Section 27 which deals with multiculturalism and its importance to this country, and to Section 28 by which rights are guaranteed equally to both sexes. Although hundreds of cases have been brought before the courts on the basis of various provisions of the Charter, Section 15, since it has yet to become effective, has not been the subject of any judicial interpretation. After the three-year waiting period ending on April 17, Canadians could expect the Federal Government would table a Bill providing appropriate amendments to laws that are not consistent with the Charter and especially with Section 15, so that the amendments could be adopted in time for the coming into effect of Section 15 on April 17 of this year, thus sparing Canadians the need to undertake costly court proceedings to have their rights recognized.

Mr. Speaker, these amendments are necessary to eliminate the discrepancies that exist in our federal and provincial statutes, to help Canadians avoid situations that may be humiliating and unfair in addition to being extremely costly, and to improve the clarity and fairness of Canadian laws.

Mr. Speaker, the burden of proof often lies with minority groups. These groups often have to prove they should be considered first-class citizens. All these groups, including the disabled, visible minorities and language minorities have, at some time, been exposed to the discrimination and racism that surface, from time to time and to our shame, in our society.

Mr. Speaker, I must remind the House that the language issue, for example, is in fact covered under Sections 133 and 93 of the BNA Act of 1867, not to mention Manitoba Act Section 23 which deals with the same rights as those included in Section 133 of the BNA Act of 1867, namely access to legislatures and courts. In addition, we have Section 23 of the Canadian Charter of Rights and Freedoms concerning linguistic rights. To this day, those four sections could be challenged before the courts for legal interpretation. We had the court challenges program funded by the Secretary of State which, along with legal advice from the Minister of Justice, enabled Canadians to test Canadian legislation or test the system to make sure that the various Acts were correctly interpreted.

Mr. Speaker, Hon. Members will recall that less than ten days ago I asked the Secretary of State (Mr. McLean) and the Prime Minister (Mr. Mulroney) what would replace the court challenges program on April 1 since, as we all know, this program ended March 31, yesterday. There is no money left, therefore no program, and that is unfortunate! Since 1978, Mr. Speaker, when the then Liberal Government had established the court challenges program, 14 cases have been accepted, which represents an over-all amount of $580,000, and during the fiscal year ended yesterday, we had $260,000 to help Canadians uphold their rights before the courts by contesting, if you will, the interpretation of Sections 133 and 93 of 1867, and Section 23 of the Canadian Charter of Rights and Freedoms. That is no longer available.

As you may recall, Mr. Speaker, I had asked the Secretary of State whether he was seriously considering the feasibility of expanding the court challenges program to include Charter Section 15. I, for one, am firmly convinced that it is essential to help those minority groups who may be among the most underprivileged, who do not always have enough money, and who must necessarily rely on federal Government financial assistance. I had asked the Minister if he thought the program might be expanded.

● (1550)

[*English*]

In his answer the Minister said:

—as the Hon. Member rightly notes, with the widened context of Section 15, there are a number of groups that are very anxious to pursue rights and to see that these are clarified. In the review that is on-going, the wider context is also being reviewed in terms of support that may be offered.

That is found at page 3292 of *Hansard*, March 22, 1985.

[*Translation*]

Mr. Speaker, the Canadian Charter of Rights and Freedoms is important to us and, personally, I would not be against this Government helping minority groups and people who feel their rights are being infringed on in connection with the section on official languages and the provision dealing with equality, namely Charter Section 15.

Bill C-27 now under consideration amends fifty Acts. With respect to legal rights, there are Sections 7 to 9 and 11 of the Charter, fundamental freedoms under Section 2, mobility rights under Section 6, and minor amendments to Section 15, amendments which amount to revised wording rather than genuine implementation of the Charter or a clear indication of what it means. Mr. Speaker, instead of making comprehensive amendments to the most controversial measures concerning minority groups, the Government once again opts for further study, and a committee will go traipsing across the country to seek the views of Canadians, again forcing minority groups to defend anew the rights they had finally acquired in 1982.

This extra work, this requirement to appear before a committee means more briefs, more studies and lengthy proceedings during which a committee may listen with sympathy, but where the majority or any given lobby group can turn the whole exercise into what ends up being a very humiliating experience for many people. Minorities resent coming under public scrutiny over and over again to prove that they are right and to reconfirm whether the rights they thought they had acquired in 1982 are indeed equality rights, Canadian rights they do have and which should command full respect.

Mr. Speaker, here are some remarks made recently by the Hon. Member for York Centre (Mr. Kaplan):

> The purpose of the Charter of Rights was indeed to protect minorities against pressure from the majority. By disregarding such considerations and shirking its responsibilities to give full force to the Charter, the Conservative Government violates the very spirit of that instrument.

In my opinion, Mr. Speaker, that is a pretty fair analysis of the situation. Minority groups will now have to appear before that parliamentary committee which, for many of us, had held hearings in 1981-82 here in Ottawa and elsewhere in the province. We were hoping and thinking that, by adopting the Charter of Rights and Freedoms, all Canadian legislation would have been reviewed after three years to eliminate discrepancies related to Section 15. Such is not the case. As I said earlier, the Bill introduced last January by the Conservative Government amends fifty Acts. It seems that the provinces are doing the same thing, and we are still waiting to see who will put and end to all this by finally settling this major issue.

Part V of the Bill concerning equality rights—there are 30 provisions out of a total of 120—amends eleven federal Acts. In most cases, these amendments do nothing more that than substitute the word "spouse" for the words "husband or wife", the word "child" for the words "son" or "daughter", the words "surviving spouse" for "widow" or "widower". Semantics, Mr. Speaker! The other categories of amendments relate to age, and one amendment to the Canada Shipping Act substitutes the expression "mental disability" for the word "lunacy". Mr. Speaker, none of those changes is controversial, of course. We have been doing that for years in an attempt to standardize our legislation and avoid anomalies.

Mr. Speaker, I said earlier that the provincial legislatures were strongly opposed to the inclusion of the equality rights provision throughout the constitutional debate, finally relenting in November 1981, except for the Province of Quebec, of course. Well, those legislatures have not been in any particular hurry to amend Acts of theirs that might conflict with the Charter of Rights.

• (1600)

The Progressive Conservative Government in Ottawa now has the same attitude and, as far as I can see, is not providing any leadership at all, which might have the effect of strengthening the position of the provinces. Believe it or not, they have only reached the following stage: Ontario, for instance, has published a 400-page compilation of sections to be amended, while Alberta, Newfoundland and Saskatchewan have published a white paper containing proposed amendments. Mr. Speaker, we have been waiting for three years!

Quebec has systematically invoked the notwithstanding clause in Section 133—a clause I find abhorrent—thereby removing all legislation from the field of application of Sections 2, 7 and 15 of the Charter and giving only its own Charter force of law. New Brunswick has passed a law eliminating major problems of non-conformity for which, it deserves to be congratulated. British Columbia, Manitoba, Nova Scotia and Prince Edward Island have taken no public initiative, but we have been informed that working documents for the white paper are being drafted. Mr. Speaker, they all know that Section 15 will be proclaimed on April 17, 1985.

They are dragging their feet. They are waiting and examining and consulting! The Federal Government has started a consultation process through a parliamentary committee that will try to understand what Canadians think of all the grey areas referred to in the working document, the Minister's white paper: *Equality Issues in Federal Law*—distinctions made on the basis of age, mandatory retirement and economic and social problems. All these issues are of great concern to many Canadians but should have been dealt with by now, and a Bill tabled in this House that could stand the test and be used to consider in the House the intrinsic value of these issues. But no, they are going to let a committee find out what Canadians think about mandatory retirement, although Section 15 clearly prohibits discrimination on the basis of age. I think it is all quite clear and straightforward, Mr. Speaker. Why not let the courts decide? We have gone through the parliamentary process. We have done what was necessary. Let the courts and the legal experts tell us what the legislator had in mind. So much was clear to many of us. Why drag it all again in front of the general public to attract attention and possibly arouse public reaction? We see what is happening in New Brunswick with a document published by the Government. It is not easy to be a minority. It is not easy to be disabled. It is not easy to be one of those groups that are always being examined to death to find out whether they do or do not have this or that right, because the Charter is quite straightforward and quite clear.

Mr. Speaker, I see you are warning me that my time has expired or is about to expire. I would have a lot more to say about this subject. I am sorry the Government was unable to

table a general and comprehensive Bill that could be used as a working document to establish once and for all for Canadians that there is only one Canadian Charter of Rights and Freedoms and one law for everyone.

The Acting Speaker (Mr. Paproski): Questions and comments on the speech by the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

The Hon. Member for York Centre (Mr. Kaplan).

Mr. Kaplan: Mr. Speaker, my hon. friend is well known as a very active spokesman for Francophones outside Quebec, and he is well aware that when language rights were established three years ago and even well before that, the Federal Government set up a program to provide financial assistance for those Canadians who wanted to establish their rights before the courts.

Therefore, we are now in a rather similar situation where statutes relate to the issue of equality from a point of view other than language. But I would like to know from my colleague whether he now supports, as he did in the past, the fact that the Government is providing financial help to those who want to establish their rights before the courts. If not, I would simply state that the opponents, those who are not in favour of extending rights, as perhaps provincial governments or others, will raise the funds needed to appeal unfavourble decisions, but how can rights really be established before the courts without Government financial support?

Mr. Gauthier: Mr. Speaker, I thank the Hon. Member for York Centre for his question. The issue is a major one because, as I said in my remarks, minority groups more often than not are destitute, without much money. Maybe the Government wants to terminate the legal assistance program. Last week, I asked the same question from the Secretary of State, I asked him as I said in my remarks, whether he could extend the program to cover Section 15. He answered he had that under consideration. For my part, Mr. Speaker, I feel that if our society is to be just and fair, it is imperative that the majority, that is the taxpayers should help by means of an administered program, if you wish, in an impartial way, in order that individuals and groups may submit their cases to the courts which are in my view the resource, the forum open to us when the validity of a statute is challenged. I think for instance that the Canadian Bar could be consulted by this Government. If the Government wants to stay away from the day-to-day administration of the program to avoid conflicts, I would be very reluctant to have the program extended and entrusted to the Minister of Justice. I do not think he can simultaneously act as solicitor and judge, as client and counsel, but I would be in favour of that Government having a legal assitance program that would cover not only Sections 133, 93 and 23 of the Constitution, but also Section 15, and having a board of directors set up with membership from the civil liberties union, for instance, or the Fondation des droits de l'homme, including one or two representatives from the Canadian Bar. The Government could also have a representative on that board which would be provided with government funding and would have the responsibility and perhaps the duty to financially support legal cases of groups and individuals wanting to challenge certain constitutional sections—and I repeat certain constitutional sections—because not everyone is in a position to finance such important cases, like the Forest Case, for instance, in Manitoba, which has established that Section 133 and Section 23 were the same thing. That cost close to $75,000. The efforts and the money did not come from Mr. Forest personally, but this has established something. If someone is challenging for instance the right for the Government to enforce retirement at 65, and is suggesting that this is unconstitutional, I think that each and every Canadian is entitled to know exactly what the views of the courts are on that, and to know exactly and definitely that the courts are in agreement or disagreement with the Constitution and how the latter should be interpreted. To me, it is absolutely vital that we have an extended program, a program administered if you wish independently from the Government, but a well-funded and well-organized program.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 45, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Don Valley East (Mr. Attewell)—Immigration—Ernst Zundel—Deportation proceedings; The Hon. Member for Humboldt-Lake Centre (Mr. Althouse)—Agriculture—Inspection service charges. b) Minister's position; The Hon. Member for Trinity (Miss Nicholson)—Unemployment Insurance—Petition against calculation of severance pay. b) Discussion paper inquiry.

• (1610)

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (CANADIAN CHARTER OF RIGHTS AND FREEDOMS) AMENDMENT ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Crosbie that Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Statute Law Amendment Act

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, this debate on Bill C-27 is just one more step, perhaps a small step, in the long and enduring quest for equality. There can be no more important cause than that in a democratic society. That is why I am particularly honoured by Members of this House to have been chosen as Chairman of the Subcommittee on Equality Rights. Our committee will now be looking at the number of issues raised under federal statutes in light of Section 15 of the Charter. Because of that I have been present in the House for many speeches that have been given on Bill C-27.

I would like at this time to make some general observations and comments to put a number of the issues raised in context. I should preface this by saying that it has been my political credo and I believe very strongly in fair shares for all and special privileges for none. With that in mind, I think the current subject before us is one that gives an opportunity to make that principle an even greater reality. None of us should be so pretentious as to assert that any single Bill before the House or any single measure at one point in time or, indeed, anything such as Section 15 of the Charter is the be-all and end-all.

What we are engaged in is an enduring struggle to see that the ideals of our democracy, the equality of its citizens before and under the law, can be in fact a reality. As we know, under Section 15 of the Charter discrimination is prohibited, such as discrimination on the basis of sex and religion.

I would like to turn briefly to the pages of Canadian history to show how long this quest for equality has been. Dealing for a moment with the question of sexual discrimination, the right of women to be candidates for election at both the federal and provincial levels generally came with or followed the extension of the franchise to women. If we just look at the dates on which women were given the legal right to be candidates in Canada, we find a very important story there.

Manitoba was the first province giving women the right to be candidates for election to the Manitoba legislature on January 28, 1916; Saskatchewan followed on March 14, 1916; Alberta on April 19, 1916; British Columbia, the following year, in 1917; Nova Scotia in 1918; then Ontario in 1919. In that same year this Parliament passed a law entitling women to be candidates for election to Parliament. It was not until 1922 that Prince Edward Island came on board, and in 1925 Newfoundland, before its entry into Confederation, of course. New Brunswick passed such legislation in 1934, and Quebec on April 24, 1940. There is a 24-year period during which legislation was enacted to establish the legal right of women to be candidates seeking public office in the legislatures of this country and in Parliament. It says something about the nature of the country that it took virtually a quarter of a century for that right to be developed equally from coast to coast so that all women could share that right.

Another of the anti-discriminatory provisions now in the Charter deals with religion. I think here it is important to understand something of the background. I will do so by citing an example from my book entitled *Political Rights* which looks back into the history of the qualifications required for people to be elected to our assemblies.

Since Confederation no religious qualification has been required of Members, nor have clergymen of any denomination been disqualified. Under the Constitution Act of 1791 clergymen were disqualified from becoming Members of the Assemblies of Upper and Lower Canada. In New Brunswick, even after the turn of this century, clergymen of all denominations were disqualified for election. Such provisions did not reflect an anti-clerical tradition so much as they manifested the principle of separation of church and state. That point alone is worth emphasizing because in the work that lies ahead of our Subcommittee on Equality Rights, we must not only look at the face of the law as we find it on the statute books but go beyond and behind it to try to understand the economic, the social, or the cultural policy on which those laws were enacted. It will be very important to ensure there is no unravelling of important social relationships or distortion of long-standing values that are important to the public of this country. I think the separation of church and state is a principle to which many held and still hold in some instances.

Certainly different was the case in Nova Scotia where an anti-Catholic legal requirement was emblazoned in the statute books of that province. Up to 1830 Members of both Houses of Nova Scotia's Legislature were required, before taking their seats, to make and to subscribe to declarations against transubstantiation, the invocation of saints and the sacrifice of mass, as practised in the Church of Rome. This requirement was expressly remitted by the King in the case of a Member from Cape Breton who had been elected in 1820, and a decade later in 1830, such declarations renouncing the Roman Catholic religion were wholly abolished by an act of the legislature.

Those are but two of the many examples from the fabric of Canadian history that show that the struggle we now have to deal with discrimination and eradicate it from our statutes is something of a quest on which Canadians have been engaged from the time this nation first began.

Clearly the pace has been accelerating, Mr. Speaker. I would like to place the current Bill C-27 in a somewhat more recent historical context. If we look at the year 1947 and the post-war emphasis on reconstructing a new order out of the devastation left by World War II and on the importance of reasserting the roots of democratic societies, we find in the Province of Ontario in that year the introduction of a racial discrimination Act. Very shortly after that, other provinces followed suit. By 1951, provinces began legislating fair accommodation and fair employment practices Acts. In 1960 here in Parliament, the Canadian Bill of Rights was enacted. Fifteen years later, it could be said that by 1975, all provinces of this country had established Human Rights Commissions. The year after that, in 1976, Canada ratified two major United Nations' human rights covenants. It was in the following year, in 1977, that the Canadian Human Rights Act established a federal Human Rights Commission and consolidated other existing federal human rights legislation.

By 1980 a movement had begun here to establish a Charter of Rights and Freedoms. This was included in the federal proposed resolution to amend the Canadian Constitution. The ins and outs of that battle are well known to all Members of the House. It was really two years there after, on April 17, 1982, that Her Majesty proclaimed the new Constitution Act, 1982 and that Section 15 of that Act would come into effect three years hence, which will be on April 17, just a few days away.

● (1620)

There has been much activity which can and should in the near term lead to further changes. We have had the report of the Special Committee on Visible Minorities in Canadian Society entitled *Equality Now!* It was tabled in the House in March, 1984. Also we received the Abella Commission report on equality in employment, as well as a discussion paper of the Minister of Justice (Mr. Crosbie) on equality issues in federal law. It is clear in considering Bill C-27 that it is but one measure in an area which is exceedingly active in Canadian legislatures and in the minds and movements of those who care about developing a truly democratic society. We have never had a greater amount of activity than is the case today. Not only do we have Bill C-27 before us and the prospect of our parliamentary committee doing its work and reporting back to Parliament in the near future, but we have a criminal law review under way which is raising many Charter-based issues. As all Hon. Members of the House know, the Indian Act is now under revision aimed particularly at resolving a number of the sexual equality issues found there. Legislation is being challenged before the Supreme Court of Canada with respect to the provisions of the Lord's Day Act in light of Charter provisions. The Unemployment Insurance Act is under review, also in relation to Charter provisions, as well as many other economic and relevant considerations. The list continues. I have marked at least seven major areas apart from the work now before the House in which the present Government is currently engaged, areas dealing with the quest for equality and fairness in Canadian public policy, Canadian law and the practices of the federal Government.

I have heard in the House statements by opposition Members to the effect that Bill C-27 is only a small step or a half-way measure. Rhetorically they have stated that it is too little in light of what must be done. I would certainly agree with those comments if Bill C-27 were all that we had before us. I hope what I have just said leaves the picture as clear as it can be. This is but one part of a great effort which is now being made by a new Government strengthened with a clear mandate from the people to make changes and to get on with implementing recommendations, policies and ideas which have been around for quite a while. That is most certainly what motivates me. If Hon. Members opposite can be supportive of this endeavour, let them join with us and avoid trying to score rather narrow partisan points on a matter as profoundly important as this one, because then we could really make great strides for the country.

Bill C-27 should not be diminished. As someone who has worked closely with over 140 statutes during the last five years in writing my books on election law, I readily appreciate the hours and hours which have gone into combing through federal statutes to pull out the discrepancies, distinctions and discriminatory provisions which exist on the face of the more than 1,100 statutes. This Bill therefore represents no small effort in and of itself. It justifiably represents an important first step. However, more important, it is fundamental to our approach that the solutions to the problems of equality in Canadian law not be dictated from Ottawa but, rather, be arrived at through speaking with and listening to the people of the country. If anything was said last September 4, I think it was a very clear statement that the era in which Ottawa knows best and Ottawa tells Canada that this and that is what the laws will be is an era which is over.

We will come forward with a program based upon a consultative process. We will try to relate the complexities of modern government to the realities we face and the continuing ideals of Canadians living in a democratic society.

[*Translation*]

Mr. Speaker, the in-depth review of Federal statutes to ensure that they reflect the equal status of all Canadians in accordance with Section 15 of the Charter has resulted, first, in the introduction of Bill C-27, and second, in the creation of the Committee on Equal Rights.

Bill C-27 proposes amendments to a number of Federal acts related to legal matters. Under its terms of reference the committee will examine the Federal statutes related to economic, social and cultural matters on which present legislation is based. The Canadian Charter of Rights and Freedoms must be interpreted on the basis of our social standards. We, as Members of the committee, must therefore allow every Canadian to express his views. We are now developing a participatory process, and our recommendations will have to reflect daily facts of life as well as the provisions of Section 15. In other words, Bill C-27 and the work of our committee will be the starting point in the recognition process of human rights. For these reasons, Mr. Speaker, we are favourably impressed with the mandate of our committee.

[*English*]

We have a task to find laws which will curb the powerful and will uphold the weak, laws which will give meaning to the principle stated in Section 15 of the Charter that all Canadians are equal before the law and equal under the law. Those who would lament the fact that today we do not have the last word or the definitive answer on all policies raised in the federal statutes, particularly those of the Liberal Party who have been critical of this, must in fairness recognize that the review in the Department of Justice was not begun on this subject until a mere seven months before that Party was driven from office. In short, there was a singular lack of dispatch in getting down to the task at hand. I do not wish to make any strong point on that score, any more than I wish members of

the Opposition to use it for their partisan advantage. The reality is that the task of understanding the ramifications of the Charter in light of the existing provisions of our law requires a long, careful and continuing effort by many of us.

In conclusion, I want to report to you, erudite Speaker that you are, that I have been rereading Gordon Allport's classical work on the nature of prejudice, to give some basis for the further work which we will now be doing. He asked whether discrimination and prejudice were facts of the social structure or of the personality structure, and his answer was that indeed they were the results of both.

● (1630)

We are looking here not at the matter of how individuals may in their personalities respond through prejudice in a way that results in discrimination, but at how in the social structure, which includes the laws of this country, the discriminatory provisions, the distinctions that are there, are now, in light of Section 15 of the Charter, eradicated for the betterment of this country and its citizens.

The Acting Speaker (Mr. Paproski): Questions or comments? The Hon. Member for Moose Jaw—I'm sorry, Restigouche, (Mr. Girard).

Mr. Girard: Mr. Speaker, what is the opinion of the Hon. Member of the criticism by the Opposition that the Government's approach will force people to go to court to assert their rights under Section 15 of the Charter?

Mr. Boyer: Mr. Speaker, I can say that whether they are from Restigouche or Moose Jaw, the view of Canadians on this will be quite the same. Those comments made by Members, particularly of the Liberal Party, that the approach which the Government is taking will force people to go to the courts to assert their remedies under Section 15 of the Charter is erroneous, misleading and disruptive to the process of this parliamentary committee.

In this country if you can make any statement with assurance, it is the following: nobody in Canada is forced into the courts. Our courts are there as a refuge for people who want to see that in the final analysis the rights and the remedies which they have can be interpreted. That is where they can turn to seek their remedy, if they so wish.

The context in which that has been raised is that the work of the parliamentary committee is now going to review the more complex social and policy issues, the cultural and economic dimensions of many of these issues before us as raised in the booklet *Equality Issues in Federal Law*. It was said that because this is not all in place and finalized prior to April 17, there will be a period during which people will have to turn to the courts. I just do not buy that. As long as Canada is a country and as long as we have a Charter of Rights, people will be going to the courts to assert their rights, and so it should be.

Everyone can recognize that the great body of complicated issues that are now before us are ones that are properly resting with the parliamentary committee to deal with them. After all, we are the ones who can legislate. If we decide that mandatory retirement laws are something that should be changed, we can bring in measures to make all the consequent changes that flow from them dealing with the Canadian Pension Plan and other pension plans.

Those are not things the judges of this country can do. That is not their role. Traditionally, it has not been the role of judges in this country to be legislators. That is more the American approach. I believe that every Member of this House, duly elected, recognizing the supremacy of Parliament as the law-making body in our system, would welcome an approach which leaves the greatest amount of control in changing the laws with the duly elected Members representatives of the people.

[*Translation*]

The Acting Speaker (Mr. Paproski): Supplementary. The Hon. Member for Restigouche (Mr. Girard).

Mr. Girard: The Hon. Member for York Centre (Mr. Kaplan) told us the other day that the consultation approach of our Government showed that this Government did not take matters seriously. Does the Hon. Member have any comments to make about this statement?

Mr. Boyer: Mr. Speaker, in my opinion, consultation with the Canadian public is a very important step in the work of our committee. I believe that, for cooperation between the Government and the Canadian people to be successful it has to be expressed in positive terms. I therefore think that the hearings held by our committee will be a very important part of the process. More important, the consultation process will allow us to discuss with the public major problems related to the social, cultural and economic policies on which our laws are based. Another very important fact is that the public will be made more aware of the complexity of the problems we are now discussing. I believe that it is very important and very useful to discuss these problems with the people.

[*English*]

Mr. Marchi: Mr. Speaker, I have a comment plus a question for the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer). He stated that no Bill introduced in this House is the be all and end all. Members from all sides can agree with that. On the other hand, Bill C-27 is a terrible start. Some Bills certainly attempt to address the issue or the area which the Bill tries to cover to find a solution in a more comprehensive, genuine and encompassing way. He also mentioned that perhaps in the backdrop of this Bill, there is a flurry of activity. He mentioned the *Equality Now!* report with respect to visible minorities, and the Abella Commission. Perhaps he should have mentioned to the Canadian public that those were Liberal initiatives, as was the whole constitutional process and the Charter of Rights.

Perhaps he should also mention to Canadians that most of the objections which came in 1981 and 1982 certainly came

from that side of the House and its provincial friends across the country.

The Hon. Member also mentioned the hours and hours that must have gone into amending those 50 federal statutes. He should also mention to Canadians that minority groups spent hours and hours in terms of preparing briefs. Also they spent a lot of money coming to Ottawa to present their views. We should also consider whether it is fair to encumber those individuals or groups throughout the country with having to repeat that performance. We should be asking Canadians whether we should in fact be reinventing the wheel today, April 1, in light of the April 17 deadline.

The Hon. Member talked about September 4 being the date on which this Government was given a clear mandate, a mandate for change. We all recognize what happened on September 4. It is all the more important that it does have the absolute majority, given the political will, that it does have the ability to give Canadians that change. In 1979, the Government acted as if it had a majority. In 1985, it is acting as if it were a minority. Its biggest desire is to be loved by everyone everywhere at the same time without affecting anyone's life, without saying that it is going to take a certain course.

Leadership also means giving direction with the full knowledge that that direction is not acceptable to everybody. By sitting on the fence and not trying to hurt anybody, you are not giving leadership.

I now come to my question. Given the fact that the Hon. Member, through this Bill, is looking at changing federal statutes, 50 pieces of legislation I believe, legislation with which everyone was in agreement, legislation which is purely cosmetic, why did it not tackle the other 950 statutes that need updating? Why stop at 50? Why did the Government not go further? Why create a parliamentary committee if we already have a standing committee that parliamentarians and minority groups can go to once we look at this legislation detail by detail? Why the parliamentary committee on the one hand and why, on the other stop at 50 pieces of legislation rather than taking a much broader look as a first step in bringing federal laws into compliance with Section 15?

Mr. Boyer: Mr. Speaker, the question just posed clearly reflects the Hon. Member's deep interest in the subject at hand. I welcome that interest. However, if he were to be fully fair-minded, he would not describe all the initiatives in the human rights field as being Liberal initiatives. In many respects, the reports which I cited were, in my understanding, parliamentary initiatives, initiatives taken by committees made up of Members of all three Parties of this House. Even the Constitution and the Charter to which the Hon. Member refers had success only because of support from two provincial Governments with complexions other than Liberal.

• (1640)

The Hon. Member then went on to refer to Bill C-27 as being merely cosmetic. I would think that the spouses whose rights are now for the first time to be protected by the clarification of provisions in the existing law would not find that change cosmetic. When speaking in general terms, it is very easy to skip over glibly some very profound and important points. I am afraid that is what has happened.

The Acting Speaker (Mr. Paproski): The Hon. Member's time has expired.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to speak to one specific matter which, regrettably, was not covered by Bill C-27 but which, I believe, flows from the Charter of Rights. It is a matter on which urgent action is required and on which initiative has been taken not by the Liberals or Progressive Conservatives but by the New Democratic Party. I am speaking, of course, of the question of political rights or the right to participate in democratic elections and election campaigns of persons who work for the Public Service of Canada and of persons who may work for provincial legislatures.

My focus today is on the federal legislation. This is a matter of real and urgent importance. In fact, I raised this question in the House of Commons today. There are some 120,000 federal employees who live and work in the Province of Ontario. The provincial Government is now entering into an election campaign. Those federal employees were told last February that they were not to take any action which could give rise to the perception that they were acting in a manner which was partisan or which was not impartial during an election campaign. As a consequence, a number of employees, with great trepidation, backed away from participation in the federal election campaign and will in fact back away from participation in the current provincial election campaign. This has happened despite the fact that the Charter of Rights guarantees freedom of speech and freedom of association as fundamental rights, despite the fact that the Charter of Rights, in Section 1, provides for exemptions on a very limited basis, and despite the fact that in Section 15, the Charter of Rights provides equality of rights which should surely ensure that people working for the Government of Canada are given the same kind of treatment in terms of freedom of speech and of association as are other citizens of the country.

This is an urgent matter. My friend, the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer), suggested that no one has to go before the courts. I have been before the courts. I am in fact before the Federal Court of Canada right now in conjunction with four federal Government employees regarding the interference with their rights of association and freedom of speech because of the lack of amendments to Section 32 of the Public Service Employment Act and because of the actions of the Government of Canada as the employer which essentially interfered with basic political rights.

I think it is fair to say that this is an administrative as well as a legislative matter. There has been federal legislation for many years which has tended to interfere with what I believe are the basic democratic rights of federal Government employees just as such legislation exists at the provincial level. Beginning one year ago, guidelines issued by the Public Ser-

vice Commission had the effect of stepping up the heat very considerably. The guidelines transferred the enforcement of restrictions on federal employees from the provision in the Public Service Employment Act, which had not been used since 1967 because it required enforcement of a complaint by a political candidate, and no candidate has ever complained, to the internal disciplinary mechanisms of the Public Service. There, as some Hon. Members know, a number of disciplinary actions have been initiated or carried out. People have been suspended, called to account or have had black marks put on their records because of various participations in political life.

The reason I raise this issue now and the reason I raised this question earlier today is that there will possibly be elections later this year in Saskatchewan, Manitoba and the Yukon. There are two election campaigns under way right now. Even if the next federal election does not take place for another three or four years, the question of the rights of people who happen to work for the Government of Canada is one which I believe must be dealt with quite urgently.

I would like to suggest to my hon. friends from all Parties that we should look at the Charter of Rights as hard as we look at Bill C-27. Obviously Bill C-27 is designed to amplify and implement what was intended by the Charter. When looking at the Charter, we find that the Charter itself is rather weak when it comes to the question of democratic rights. Section 3 of the Charter refers to democratic rights and is in fact considerably more limited than I believe it ought to be. It guarantees every citizen of Canada the right to vote in an election for Members of the House of Commons and to be qualified to be a Member of the House of Commons. It also guarantees that no House of Commons will continue for more than five years save under certain narrowly defined emergency circumstances.

It is interesting to compare this with the enormous amount of detail into which the Charter goes with respect to the official languages and with respect to minority language educational rights. In fact, on those two issues, the Charter is almost as detailed as the Bill.

Regarding democratic rights, the Charter is silent on a number of things which I think are extremely important. The Charter does not guarantee citizens of Canada that there will be fair and impartial conduct of elections. It does not guarantee the right of candidates to communicate with their electors and of electors to communicate with their candidates. It will likely be tested in the courts as to whether or not such things as the gerrymandering that is now taking place in British Columbia is in fact forbidden under the equality provisions of Section 15 of the Charter of Rights. If the gerrymandering in that province is not governed by Section 15, I suspect that it will be possible for British Columbia to ensure that the Socreds can have three or four times the number of seats for each vote received compared to the New Democratic Party and not be in violation of the Charter. In other words, we have not thought this particular area through. I would ask my colleagues from all Parties to consider that question very seriously.

Of course, I am speaking initially of the status of people working for the Government of Canada, because it is a fact that promises were made by Progressive Conservative Members when they were running for office last summer and these promises have yet to be implemented. I understand that it takes time to move the wheels of Government and I am hopeful that the promise made by the President of the Treasury Board (Mr. de Cotret) that discussions with the Public Service union will yield a statement very soon will in fact come to pass.

Working under the guarantees which I believe are in the Charter of Rights and Freedoms, I feel that I have no choice but to go to the courts to say that if the citizens of Canada are to have freedom of speech, it should not be denied to a person because of the fact that he happens to work for the Government of Canada, except in so far as Section 1 would apply, and that would be where a restriction is reasonable, where it is proscribed by law, and where it can be demonstrably justified in a free and democratic society.

The jurisprudence limits those restrictions under Section 1 very sharply. The jurisprudence effectively says that one cannot apply a blanket restriction on an entire class of individuals. One may be able to demonstrate that Deputy Ministers and other persons who are providing senior executive services to the Government of Canada might have their political rights restricted or even eliminated entirely because of the nature of their jobs. Surely that restriction should not apply to a truck driver in the Yukon, a secretary working in the Department of National Health and Welfare in Tunney's Pasture, or someone who is a fisheries enforcement officer riding around in a boat somewhere off the coast of Prince Edward Island. Surely that would not be a reasonable kind of restriction.

• (1650)

My problem is that the promise was made by the Government eight months ago as it was coming to office, but we are still to see that promise implemented. The reason I am going to court is that I have regard to the fact that the previous Liberal Government, when in opposition, promised the same thing as the present Government but did not implement it. In fact, there has been more said about the issue of the political rights of federal Government employees in the six months of this Parliament than during the entire four years or four and a half years of the previous Parliament. I would undertake, as the Member for Ottawa Centre who represents a lot of public employees, to continue to raise the issue in Parliament and to urge the Government to act.

I deplore the fact that action is not taken in Bill C-27 and I will take action, if necessary, in the courts if what the Government proposes is not satisfactory. I would argue as well, Mr. Speaker, contrary to my hon. friend, the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer), that it may well be, given the failure of the Government to act, that there is no choice but to go to the courts. There is legislation, I believe, in eight or nine provinces restricting the political rights of provincial

public employees. Once those restrictions crack somewhere because of court action, we will see the political rights of all federal and provincial employees enormously expanded. I believe that is very important in view of the guarantees of the Charter of freedom of speech and freedom of association.

I have to report to you, Mr. Speaker, with regret, that in the court case which I undertook in conjunction with Randy Barnhart, Lynda Camponi, Ken Clavette and Heather Stevens, all employees of the federal Government and members of the Public Service Alliance—this case is in fact being supported financially by the Public Service Alliance—we have had what I think is a terribly retrograde and insensitive response from the Attorney General of Canada (Mr. Crosbie) to the statement of claim we put forward. The gist of that statement is that the restrictions of Section 32 of the Public Service Employment Act on persons who work for the Government of Canada—those are the restrictions which say that if a person works for the Government of Canada, he will not work for a political Party or a candidate in an election—are on partisan political work for a political Party or a candidate in an election. The Attorney General states that the section does not prohibit, limit or infringe upon any person's right to associate with any other person or persons. A person in British Columbia who went to the federal leadership convention of the Leader of the Official Opposition (Mr. Turner) was suspended from working for five days. Public employees in Manitoba working for the Government of Canada were threatened with disciplinary action if they did not withdraw from accepting a delegateship they had been awarded to participate in that particular election campaign. In other words, what the Attorney General seems to be saying is that one can have freedom to associate so long as one does not associate with a political Party. I find that unacceptable, Mr. Speaker.

The Attorney General also argues that entry into or departure from the Public Service of Canada, with all the rights, benefits, obligations and responsibility that entails, are matters of freely exercised choice, and each public servant is subject to the obligations imposed by Section 32 of the said Act only during tenure as an employee. In other words, it is argued that the freedom of speech and of association 250,000 employees of the Government of Canada is not impaired, according to the Charter, because in order to exercise freedom of speech, all they have to do is to quit their job or resign their position in the Public Service. I find that a very unacceptable position, Mr. Speaker.

I believe that during the election campaign the Progressive Conservative Party, at least on the campaign trail, seemed to accept that particular point of view. Those Hon. Members thought that it was an unreasonable kind of restriction. These days, the job market is not particularly good. The Government of Canada covers a wide range of topics, as it has done for a long time. I do not see why someone who is concerned with weights and measures should have to refrain from making a comment about whether Canada should be involved in the U.S. star wars initiative because he happens to be working for the Department of Consumer and Corporate Affairs. That seems like an unreasonable restriction on his opportunity to comment on a matter which is not only of vital public concern but is of crucial public concern to himself and his children since he, together with everyone else in Ottawa, stands to be blown to smithereens if we get into a nuclear shooting match and the bombs start to fall on our national capital. The Government is casting its nets extraordinarily widely when it says, "Well, you can talk about anything you want, just quit your job".

I think, in a broader sense, Mr. Speaker, that the question of the freedom of individuals to participate in democratic life, without being inhibited by the employer, is something we in this Parliament should look at. We must look at it in part because of the increasing imbalance between power these days between employees and employers, thanks to the high unemployment policy of the Liberal Government prior to September and the policies of the present Progressive Conservative Government. That imbalance gives employers a lot of power over employees. That power can extend to directing an employee to participate, shall we say, in a dinner for the Prime Minister (Mr. Mulroney) or for some other Progressive Conservative luminary, or perhaps to contribute to the cost of a seat at a fund raising dinner for the Government in power. Perhaps it can even extend to directing an employee that if he wants to keep his job, he had better get out there and work for the local Progressive Conservative candidate, if he knows what is good for him. When a male supervisor harasses a female employee, it is called sexual harassment. But the doors are open to what I might call political harassment. There is no protection against that in terms of our concept of what a person's political rights should be.

I think it is commonly accepted that if a person works for an employer, he owes loyalty to that employer. If a person works for General Motors, that person does not go out after hours and say Chevrolets are lousy cars. If a person works for Beatrice Foods, that person does not tell the public that its yogurt is lousy yogurt. I think that is quite well understood. Likewise, if a person works for Weights and Measures Canada, that person does not go out and criticize the Government's program of metrication. If a person wants to do that, then he either changes his job or resigns. However, Mr. Speaker, I think it would be unconscionable for General Motors to tell an employee that if he chooses to speak out politically after regular working hours, it will censor what he says to make sure that it is consistent with its views as a corporation or, perhaps, with the views of some right-wing shareholders of its company in the United States. I think that would be unconscionable. I believe we have to be aware of that problem, particularly now that the Government of Canada is beginning to put that forward as a position it chooses to take with regard to its employees.

What I am suggesting, Mr. Speaker, is that the question of the political rights of federal Government employees should have been dealt with in Bill C-27. The political rights section or the democratic rights section of the Charter of Rights, is weak. The Charter of Rights suffers from a lack of coherent

and consistent thinking. Perhaps we spent too much time wondering whether we should have a Charter at all and too little time looking at all the areas which should be covered in the Charter.

Failing an amendment to the Charter respecting democratic rights which would broaden the concept of democratic rights along the lines I have spoken of, it seems to me it is not fair to require that people test through Section 15, through Section 2, and through the fundamental freedoms sections freedom of speech and freedom of association so that people can involve themselves in political life. I would, therefore, strongly suggest to the Hon. Member for Etobicoke-Lakeshore and to all his colleagues from all Parties who will be taking part in the committee, that even if they cannot make the amendments to Bill C-27, they come back to this House very seriously with recommendations suggesting that further legislation should be embarked upon which would deal not only with the question of the political rights of federal employees. That may be dealt with by other means and in the near future. I suggest that the whole question of democratic rights, in so far as it can be addressed by legislation, flowing from the Charter of Rights in its present form should be addressed by this Parliament during the course of the current session.

The Acting Speaker (Mr. Paproski): Order, please. Should we carry on with Bill C-27 tomorrow, the Hon. Member has two minutes remaining plus a ten-minute question and comment period.

[*Translation*]

Order, please. It being 5 o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

● (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Paproski): Is there unanimous consent to proceed to item No. 47?

Some Hon. Members: Agreed.

* * *

CONSTITUTION ACTS, 1867-1982

SUGGESTED AMENDMENT TO ABOLISH SENATE

Mr. John Parry (Kenora-Rainy River) moved:

That, in the opinion of this House, the *Constitution Acts, 1867 to 1982,* should be amended in order to abolish the Senate, and this House urges that the Senate and the Legislative Assemblies of all provinces pass similar resolutions, and that the Governor General issue a Proclamation under the Great Seal of Canada to that effect.

He said: Mr. Speaker, I rise to present a motion which I am proud and happy to say is very much in the mainstream tradition of my Party. I am hopeful, given some of the statements made in the last election and thereafter on all sides of this House, with the notable exception of the now decimated former Government, that this motion, while it may not lead to the arrival of the moving vans tomorrow, or even perhaps next week, will indeed assist in setting in motion those processes required to rid this country of an institution which once was an embellishment but which has now become an embarrassment.

In speaking today I would like to acknowledge the record of members of my Party, some of whom are no longer in this House, in proposing, promoting and arguing for the abolition of the Senate. I would like to acknowledge the contribution of former Leaders of this Party and its precursors and predecessors, and I would also like to acknowledge the contribution of our present Leader, the Hon. Member for Oshawa (Mr. Broadbent). I will quote briefly from a motion which my Leader sought leave to introduce in the House on March 11. Rather than cite it completely, I think the key phrase in the motion is this:

Whereas the Senate of Canada enjoys legislative powers, but exercises these powers without popular mandate;

If I were asked to make a one-sentence summary of my case for abolition of the Senate, I think those are the words I would choose. The Senate of Canada operates within the Canadian parliamentary framework without a popular mandate.

I would like to take note of the exchange which took place in this House last month in which the Prime Minister (Mr. Mulroney) was asked by my Leader if he would introduce legislation to abolish the Senate. He replied that he would do so if it were supported by the Leader of the Official Opposition (Mr. Turner). The Prime Minister, of course, in making that tongue-in-cheek request, was acting within his powers but he was not, I think, acting fully in the tradition of this House in seeking the consent of the Leader of the Official Opposition for a legislative measure which, if he, the Prime Minister, and his caucus were fully behind, would require the consent of no other Parties in this House owing to the size of the Government's majority. But, characteristically, the Prime Minister was faster on his feet than his official opponent who did not take him up on the offer. Had he called the Prime Minister's bluff, he could have embarrassed the Government because then they would have had to do something instead of relying merely on rhetoric, wit and evasion to accomplish their objectives within the parliamentary process.

It is not my purpose here today to provide a historical survey or narrative as to the procedures which led to the establishment of the Canadian Senate.

[*Translation*]

Moreover, I would not want to get into personalities. I understand that there exist rules of mutual respect between members of the House and those of the Senate. And although it might be difficult to deal with either assembly without referring to individuals or general practices, I will try to carry

on just the same, and I ask you to correct me if I happen to break the rule.

[*English*]

It matters little, in the context of a resolution to abolish the Senate, what the personal habits, personal worth or strength, or indeed the shortcomings, real, imagined or alleged, of the Members of the other House are. It matters little what the level of their income from their official duties, and I use the term loosely, might be. It matters little what their income from other activities may be, whether it be simply an old age security pension, for which many of them qualify, or indeed pensions and directors' fees and residual income in the hundreds of thousands of dollars which it is alleged pertain to some Members of that other place. I would try to avoid the employment of arguments *ad hominem* or *ad feminem* in this respect. While of course those who delight in deductive reasoning can deduce from the general remarks a number of particular allegations, I would ask for their forebearance in that respect. I ask Hon. Members to believe me when I say that I do not intend to offer insult or disrespect to any Member of that other place whose abolition I am advocating.

I would like to discuss the background of second chambers in general. In western constitutional history, bicameralism was originally justified by the need to represent the needs of the aristocratic element of society in a distinctive way within Parliament. The classical theory was expressed by Montesquieu in his *The Spirit of Laws*. Second chambers have indeed been passionately decried. The objection of Sieyès in the French Revolution is well known: if it contradicts the popular chamber, then it is not democratic. If it merely agrees with the popular chamber, it is then unnecessary. Harold Laskey said that anyone who examines the nature and history of second chambers in general will discover that their main purpose is at least to delay and, if possible, to prevent the disturbance of the status quo. They are in fact part of the general tactics of conservatism. I would point out that the conservatism instanced is of the small "c" variety, and I would acknowledge that many of my friends from the Conservative caucus also find the continued existence of the Senate at variance with the fundamental principles of democracy.

Since World War II second chambers have been abolished in Demark, Sweden and New Zealand, as well as in the Province of Quebec in 1968, which removed the last provincial second chamber from the Canadian scene. According to a survey carried out a decade ago, unicameralism, the function of a single elected chamber, prevails in 84 countries, and bicameralism, two chambers, in only 55.

The faults of the institution were in my Leader's remarks as being those of an institution which was established in an immature phase of Canadian democracy, a phase which has long since passed. The Senate was modelled, as were many Canadian institutions, on a British constitutional model. It is hardly radical to say that in Canada in 1985 we are at a very different phase of our development than we were in 1867 when we still functioned very much as an appendage of the mother country, in this case Great Britain. Canada's Senate was modelled on the House of Lords. The principle of the House of Lords in the British system, though not explicitly stated, was to provide a break for the powerful, the privileged, and the landed on the initiatives of the democratic society which they had historically governed. Second chambers were considered necessary to protect business and commercial interests from the workings of popular government.

• (1710)

In its concept and operation the Senate is neither regionally representative in the sense we understand today, nor is it democratic. It is in fact, as a former Member of this place and the next Premier of Ontario stated, "an undemocratic institution working at the heart of democratic government". I refer, of course, to an article by Bob Rae.

During its history the Senate has served mainly as a tool of patronage for the Party of power and as such has attracted continued criticism from my Party. It is, in a sense, a sort of escape hatch, a promotion alley, or a retirement institution for the two major Parties which have held the Government of this country over the last 117 years. It is, I believe, discredited in the eyes of the public. Of course, we must consider that simply by abolishing the Senate we will not necessarily accomplish an increase in public esteem for the House of Commons. We must look to ourselves to accomplish that.

It is difficult for me to see how any authentically Canadian institution could be established which would fulfil, in a democratic way and context, the role that the Senate is presently supposed to fill. It is not hard to understand that, since the governing elite of the Liberal and Progressive Conservative Parties are the potential candidates in this cash for life bonanza, they too will find it difficult to be driving forces behind a move for reform. It is, therefore, all the more commendable that there are some members of the Government Party who are prepared to speak in favour of this Bill.

The faults of usage of the Senate are indeed legion. The Hon. Member for Kamloops-Shuswap (Mr. Riis) referred to it as a home for hacks, flacks, and bagmen. I had to question why he was less than all-encompassing and did not mention bagwomen, or indeed why he was so generous. It is a prime instrument of patronage. It is a way of keeping retired politicians in the style to which they have become accustomed. I think the real question is why they should have become accustomed to such a high style in the first place, rather than why such a style should not be continued. It has been used as a repository for fired Ministers. The well-known term is "kicked upstairs".

I think the most obnoxious abuse of the Senate over the last few years has been that pioneered by the late, totally unlamented, ancien régime and its Leader, in that they made the Senate into a holding tank for their campaign teams. I am pleased to say, though I wish the proportions had been different, that the Canadian people decisively repudiated that backslapping, basically venal and mercenary approach in the last election. I think it does great credit to the people of Canada that they did see through it.

I would contrast the situation in our provinces and municipalities, which have no second chamber, with that in the federal Government and state my belief that, in the eyes of most Canadians, municipal and provincial Governments function in a more efficient fashion and relate better to the people they represent than does the federal Government. It is my belief that approximately 85 per cent of the legislation in Canada, including provincial legislation and municipal by-laws, goes through without benefit of the attention of a second chamber. My belief is that that legislation is not evidently or markedly inferior for the fact of being considered only by a single chamber.

While the Senate has no direct contact with money Bills, it is nevertheless true that approximately 85 per cent of the decision on spending, that which is subject to examination and not mandatory by legislation or program, goes through the provincial and municipal legislatures and councils.

The prime functions of government are three, Mr. Speaker. They are to establish laws, to spend money on purposes seen as legitimate, and to establish and promote a political ethos, ethic or culture within the country and society. I believe that Canada is not advantaged or benefited in any of those three prime purposes by the presence and intervention of the Senate.

In closing, Mr. Speaker, lest it be said that I did not have a good word for the Senate, I would say that we do acknowledge that there have been some valuable reports and long-term studies carried out by that institution in the last few years. They have been thought-provoking, intelligent, and, in many cases, marked by sound analysis and sound recommendations. In acknowledging that small praise we must turn to the overwhelming drawbacks of this institution, not the least of which is money. There is $27 million budgeted for 1985-86. I feel that we must acknowledge that the functions which it carries out could be carried out more effectively, efficiently, economically, and with less offence to the people and public of Canada, by the hiring of additional parliamentary draftsmen, additional staff for paliamentary committees, and even by the Members themselves.

The Senate of Canada is an idea whose time has passed, Mr. Speaker. We have the opportunity in this Parliament to make it what it truly deserves to be, a part of history. I hope we will not let that opportunity pass.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, the Hon. Member for Kenora-Rainy River (Mr. Parry) did point out that there has been some good work done in the Senate. For that I commend him. With regard to the balance of his remarks, I suggest that a little more study and a little more analysis of what must be done by the Government of Canada should reveal to him that perhaps the House of Commons, in some regards, is already overloaded. Perhaps there is a very good reason, as I believe there to be, to divide an element of that load between the upper Chamber and the House of Commons.

I suppose if the Senate has a bad name, it is because it has been abused by some Prime Ministers of the past, and particularly by the Prime Minister who was most recently removed from office. It was abused when legislation was passed to it at three o'clock in the afternoon with orders that that legislation must be back for Royal Assent by five o'clock at the latest. It must not keep the House of Commons waiting. That certainly deprived that Chamber of any opportunity to give any thought, let alone sober second thought, to the performance of the House of Commons.

• (1720)

Today we discussed a Bill dealing with the Constitution. It is an example of an issue that would have benefited from some extended sober second thought. If that had taken place earlier, it would not have been necessary to debate the Bill which was before us today and which must be passed in order to accommodate the Constitution. The Constitution was not properly planned, and the Senators were capable of doing that study.

Mr. Keeper: They didn't do it.

Mr. McCain: They did not have the time to do it. Members will know that the constitutional legislation was introduced to the House with a time limit attached to it. It was not here for in-depth consideration and the subject matter was not placed before the committee for the purpose of hearing recommendations from the people. It was there purely for show.

The committee was shown the frailties which existed in constitutions in other jurisdictions. It heard recommendations for a constitution that would not make the court the legislator while depriving the House of Commons of its legislative capabilities. Some of those recommendations came from some Members of the other place.

I suggest that the House of Commons is already overburdened with work. There are complaints from Members of all Parties about inadequate time for debate and that the committees of the House do not have the time, under the present structure, to give proper consideration to all the items that are placed before it. Therefore, I suggest that there is more reason today for a bicameral government than ever before. I realize that this view conflicts with that of many Members from all Parties. I understand that the reputation of the Senate has been shaped not only by its historic performance but also by the abuse it has suffered from Governments that did not want sober second thought or interference with their own legislative agenda.

I submit that there is no better example of the abuse of the present structure as occasionally imposed upon the House than the filibuster undertaken by the former Deputy Prime Minister of Canada against the budgetary requirements of Canada which occurred at a very inopportune moment. He perpetrated another another disfavour to the Senate to which he was appointed with the full knowledge of the consequence of the extension of that debate.

As the Member for Kenora-Rainy River (Mr. Parry) said, the Agriculture Committee of the Senate has provided Canada with a study of soil erosion and deterioration that I believe other jurisdictions will want to examine carefully. It is in that

way, in addition to the study of a government's legislative program, that the Senate should function.

There is room for change and a review of the method of appointments. There may be room for change in the duration of an appointment, all of which may be very constructive for an improved Senate. However, I believe the Senate should exist.

In the time I have been here since 1972, the work-load of a Member of Parliament has more than doubled. There is no longer enough time for Members of the House of Commons to fulfill their committee responsibilities and constituency responsibilities within the framework in which we now exist. I believe there is room for the Senate within that structure.

Let us consider one situation that was addressed during the last election campaign. It concerns the regulatory structure that is imposed upon Canada. During the last ten years, government Departments have had what is essentially a blank cheque to make regulations to govern, not necessarily by law but by their regulatory capability. I believe that the Senate could undertake to remove some of those regulations that are imposed by that departmental structure. The committee which presently reviews these regulations has been ineffective in the past and is unlikely to have enough time to study all the regulations now in place or being proposed. Furthermore, my experience with that committee from attending its meetings indicates that it does not have the time to understand the consequences of the regulations that are made. I believe this is a function which the Senate could undertake very well.

Let me say that I would abhor an elected Senate. An elected Senate would increase the number of elections to be held in Canada. Moreover, if there were to be a Senate election shortly after a national election, historical evidence would suggest that the Senate would be politically opposite to the Government of the day. That is the case at the moment, but it will be corrected in time. Nothing could be more confusing or condemnatory than an elected Senate opposing the government of the day and the policies on which it was elected.

While the Senate has its weaknesses and there is room for change, there is no room for abolition. It would be acceptable to review Senate appointments and its relationship to the Government.

According to the Constitution, the purpose of Senate appointments is to provide regional representation. I condemn those Senators from Atlantic Canada who have failed to recognize their regional responsibility, regardless of Party, affiliation. Not only Altantic Canada has suffered seriously but other regions have equally suffered because senators have put their political affiliation ahead of the well-being of their region. If there is a reason to condemn the Senate, that is it. We saw evidence of that irresponsibility in the Senate in the last few weeks. No one should be appointed to the Senate without recognizing his or her regional responsibilities. Under those circumstances, I believe the Government would consider legislative amendments when they impact a particular region unfavourably.

While the Senate may need some redirection, I believe it is necessary. I am a strong proponent of the bicameral system, particularly in view of the load that Members of the House must carry.

Mr. Murray Dorin (Edmonton West): Mr. Speaker, I would like to indicate my support for the motion by the Hon. Member for Kenora-Rainy River (Mr. Parry) to abolish the Senate. My personal view is that the Senate should be abolished immediately. We should start all over again with a clean slate. I believe that most Canadians would agree that the Senate of Canada has not done the job for which it was intended.

Canadians have little faith in the Senate today primarily because of its method of appointment. Recently, the Senate has been called the most expensive daycare centre in the world. This resplendent centre features doormen, security guards and a rumpus room with dazzling chandeliers. It is the safe rest haven for so-called lottery-for-life winners until they are generously pensioned off—

The Acting Speaker (Mr. Paproski): Order, please. We do not show disrespect for the other place, even though Members may want to abolish it. I hope the Hon. Member will remember that during his speech.

Mr. Dorin: I am sorry, Mr. Speaker. I will refrain from those kinds of remarks. Today, I essentially wanted to draw the attention of the House to a very recent report on Senate reform by the Alberta Legislature Select Special Committee on Senate Reform, released on March 22. Before I summarize the report's main recommendations, let me mention that the report demonstrates a strong belief in the need for and potential value of a reformed Senate. In the words of the report, the Alberta Legislative Assembly

—rose to the challenge to study Senate reform because of the feelings of Albertans toward the Senate of Canada.

● (1730)

The report goes on:

In the last few years Albertans have experienced feelings of alienation unmatched in past decades of Confederation. These heightened feelings of alienation resulted primarily from the contentious energy and constitutional discussions of the past few years with the former government in Ottawa. Albertans reacted vigorously against a federal government which was clearly insensitive to this province's needs.

Of course, Mr. Speaker, the Party in government in Ottawa is no longer the same. However, the Alberta Committee does not believe that the results of last year's election made Senate reform unnecessary.

The recommendations of the committee follow what has come to be known, particularly in Alberta, as the "Triple-E" model for a reformed Senate. According to the report, the Senate should be directly elected, with each province represented by an equal number of Senators. In addition, "Senators should have powers which would allow them to be effective in providing the regional voice envisioned by the Fathers of Confederation".

The Senate

The principal purpose of the reformed Senate envisaged by the Alberta Committee would be "to represent the regions in the federal decision-making process". The report notes, however, that the term "region" should be synonymous with the term province. The Committee believes the role of sober second thought should be the Senate's second most important function. I suggest it is not as relevant today because communication is almost instantaneous as opposed to what we might have seen in the 1800s or 1900s when communication was by pony express. Unlike the Alberta Government's 1982 discussion paper, the report does not propose that the Senate have an intergovernmental role. On this count, the report is very clear when it states:

To give the directly elected Canadian Senate even limited authority in the area of intergovernmental negotiations could complicate and blur the Canadian governmental process rather than encourage smooth intergovernmental negotiations.

A unique feature of the report is its call that the election be held during provincial elections. Senators would be elected during provincial elections for terms equal to the life of two legislatures, according to the first-past-the-post system now used for this House and other elected legislatures in Canada. Senators' terms would be staggered, that is, one-half would be elected during each provincial election. Senators would represent the province as a whole, as do American and Australian Senators. They would not represent a particular district within a province, as, for example, the report of the Special Joint Committee recommended a little over a year ago.

I have already noted that the Alberta Committee proposes equal provincial representation in the reformed Senate. I should add that each province would have six Senators and the Territories two each, for a total membership of 64.

As for the powers of the reformed Senate, the report makes the following general comment:

In Canada today, the Senate possesses power but does not exercise it because Members and non-Members regard it as lacking credibility. As a result, Canadians are witnessing an imbalance in the federal system of government. The Committee strongly recommends that a reformed Senate must be provided with "power" in order to live up to its purposes.

More specifically, the Alberta Committee recommends that the Senate have the power to initiate all legislation except money or taxation Bills; that the Senate have the power to amend any Bill, after which the House of Commons would consider the amendment; that the Senate retain the existing 180-day suspensive veto over constitutional amendments; that the Senate have the power to veto any Bill except a supply Bill; that the House of Commons have the power to override a Senate veto of money or taxation Bills by a simple majority; that the House of Commons be able to override any Senate veto or amendment of a Bill, other than a money or taxation Bill, by a vote that is greater in percentage terms than the Senate's vote to amend; that the Senate vote on a money or taxation Bill within 90 days and on other Bills within 180 days after passage by the House of Commons; that non-military treaties be subject to Senate ratification; and that all changes affecting the French and English languages be subject to a double majority veto, that is, a majority of all Senators combined with a majority of French-speaking Senators or English-speaking Senators, depending on the issue.

The final set of recommendations in the Alberta Committee's report concerns the Senate's internal organization. It is clear that the main purpose of those recommendations is to reduce the influence of political Parties in a reformed Senate. In the words of the report:

The Committee noted an absence of recommendations in other reports and studies on how the internal organizational structure of the Senate might be set in order to reduce potential party influence of Senators . . . The Committee recognizes that it would be extremely difficult, if not impossible, to eliminate party influence over Senators. However, changes can be made to the internal organizational structure which will go a long way towards lessening this influence.

The specific changes proposed in the report are the following: that the traditional opposition and government roles in the current Senate be abolished, including the positions of Government Leader and Opposition Leader; that Senators be seated in provincial delegations, regardless of Party affiliation; that each provincial delegation select from its membership a chairman who should sit at the pleasure of the provincial delegation; that the Speaker be elected by a majority of the Senate at a specified time every four years, and that there be a provision for the Senate, at any time, to initiate an election of the Speaker by a two-thirds vote; that the ten provincial chairmen, headed by the Speaker of the Senate, constitute a Senate Executive Council; and that the Senate Executive Council determine the order of business of the Senate and appoint committee chairmen and committee members. In addition, the Committee recommended that the determination of whether a Bill is or is not a money or taxation Bill be carried out by joint agreement of the Speakers of the House of Commons and the Senate; that Senate Executive Council members receive remuneration and staff assistance in addition to that received by other Senators; and that Senators not be eligible for appointments to Cabinet. This would keep them out of the difficulty of being in a situation where they have to assume collective responsibility for the Government.

I would simply say that, in my own view, the Select Committee of the Alberta Legislative Assembly should be given a good deal of credit for its thorough study. I believe its report will be discussed widely, both in Alberta and at the national level, and will be a useful contribution to the examination of the future of the Canadian Senate.

I would like to examine quickly two of the proposals. The first is, if we consider the purpose of the Senate, that we add two additional proposes. First, that the Senate try to take a longer term view, with longer term objectives in a less partisan way. Second, that the Senate have the opportunity to review federal appointments which have significant regional impact.

Finally, I would like to suggest that while it has been suggested in the report that the Senate should be elected, I think we should consider that election might not necessarily be essential. I believe the call for election has come recently because of the current situation and the view of the public with regard to the Senate. If the Senate were reorganized, we might look at some of the other options that have been put forward for appointment, either federal appointments, provincial

appointments, a selection by one government or the other of a short list presented by the other government, or some combination of these factors. Elections, Mr. Speaker, have their pitfalls. One of them is that there will continue to be a short-term partisan view if it were necessary to seek re-election even for a second term. Beyond that I would suggest that with the elected requirement, people in the Senate would be looking, even if they were not personally seeking re-election, to try to present the views of their Party to ensure that a member of their Party was elected later. I do not think we would be able to keep partisan politics out of it.

In any event, I just wanted to try to outline some of those viewpoints. I think it is a good report, I think we should examine it and other reports that undoubtedly will be coming forward, but I do endorse the Hon. Member for Kenora-Rainy River's (Mr. Parry) stand that the way to get the ball rolling might be to call initially for abolition of the current Senate.

• (1740)

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I will speak very briefly on the motion before us because I would like to see it go to committee to be dealt with and become law. I should like to begin by acknowledging the contribution of the Hon. Member opposite. He agrees with abolition. He took the position which our Leader took, that abolishing the undemocratic and non-representative Senate which exists today would really open the door to various possibilities for the creation of another institution that could be truly representative of Canadians. The abolition of the Senate as it exists today should not in any way cut off any options of Canadians to have a second chamber that represents regional interests or minority interests, and it should have a reasonable structure to it.

My comments will not have much to do with the Senate itself, as I do not want to be disrespectful of the other place. My comments will not really be aimed at it but at how it has been used, particularly by Prime Ministers. They have used the Senate as their personal plaything, as a place in which to put old political war-horses. That is an abuse of the Senate and is not the fault of the institution itself. Even our new Prime Minister (Mr. Mulroney) recognizes that the Senate has been abused and used by Prime Ministers as a place of patronage. He recognizes it more than anyone else. During the last election campaign, he very effectively condemned the Liberals for their flood of patronage appointments, including those to the Senate. He pointed out how wrong and how abusive that was of the institution, of the public and of the powers of the Prime Minister.

It is sad that once the hon. gentleman assumed office he did not go down a new road or find non-partisan ways of making appointments. He started by making a few good appointments, such as that of Stephen Lewis. That was an excellent appointment. He will do a good job at the United Nations for Canadians. Unfortunately, the Prime Minister is hiding behind that good appointment and other good ones. He is using them as a smoke-screen for the patronage appointments in which he has been indulging to an extent unheard of in Canadian history. The Prime Minister has achieved a new record of the number of patronage appointments.

An Hon. Member: You ain't seen nothin yet!

Mr. Keeper: I am sure that is true. Quite naturally the Prime Minister was somewhat teed off with the Senate when it held up his money Bill, and when he returned to the House of Commons he said that he would reform the other place. Unfortunately he did not bring forward any specific reform proposals. However, he has let it be known that he intends to limit the powers of the other place.

Our fear is that he will limit the powers of the other place but preserve it as a place in which to put old political war-horses, that he will preserve it as a patronage tool. If he had good intentions with regard to the Senate, if he wanted to change the method of appointment and make it non-partisan, he should have held off on any appointments to that place until he had brought forward his reform package to the House of Commons. He failed to do that.

As I said, the Senate has been much abused. We could start all over by abolishing it now. If we want a second chamber, we could have some real negotiations as to what it could be, what functions it could serve, how it could acquire its political legitimacy and what interests it could represent. It is not good enough to treat the Senate as a patronage tool, nor is it good enough to simply limit its powers so that it can continue to play that role in Canadian history.

I hope Hon. Members will adopt the resolution of my colleague. If we want a second chamber, we should approach the matter with a clean slate, as the Hon. Member opposite said.

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, I am delighted to have a few moments in which to participate in this debate. I applaud the Hon. Member for Kenora-Rainy River (Mr. Parry) for bringing such a clean and concise resolution before the House to render the necessary death knell to an institution whose time has come and has long since gone.

I know that we, as Members of the Lower House, must contain ourselves and our emotions on this subject. I know we must always speak with respect for the Senate or, as we are constrained in this Chamber, must refer to it as the other place. With all decorum possible and appropriate, I will try to address my remarks in the next few moments.

The one Party which is not present to speak to this resolution is the Liberal Party. That is ironic, as the Senate of Canada is the only legislative Chamber in the entire country where that Party has a majority. The movement toward Senate reform really began in 1873 when Liberal Prime Minister Sir Alexander Mackenzie was first elected. He learned to his dismay the uses to which the grand-daddy of our Party, Sir John A. Macdonald, had put the other place. He had applied his political wiles in getting this nation together. It was a difficult task, and part of the expedient which Sir John found necessary was in fact to put in the other place people who

could only fit there and nowhere else in the political complexion of the country.

Also it is interesting to note, just as a preliminary observation, that indeed there may be a good measure of agreement between representatives of the New Democratic Party and of the Progressive Conservative Party on this movement. One could reflect upon the writings of Gad Horowitz who wrote about the different strains in Canadian political philosophy, how Conservatives come through a philosophical approach which recognizes the organic nature of society, and that indeed socialist Parties spring from the same basic formation and share that organic view of society, that collective perception of how society works. On a few issues such as the one before us, there may indeed be some basis for philosophical agreement between our two Parties. Particularly it is the Conservative instinct to look at the organic growth in this case, perhaps to compare it with a tree and to recognize that the time has come to lop off the moulded branch and by so doing leave the rest of the tree healthy and flourishing.

The movement toward Senate reform in recent years perhaps had its greatest impetus in 1983 when the Trudeau Government brought in a discussion booklet of some 44 pages—and I was just looking at it—outlining its view on Senate reform. It is clear that that discussion paper really represented a synthesis of the many proposals that have come along in recent years to try to breathe new life into a defunct institution. Indeed, I was interested in the comments of my colleagues, the Hon. Member for Edmonton West (Mr. Dorin) reporting on a proposal from Alberta as to how the second Chamber might be revived.

● (1750)

With great respect, all of these proposals strike me as being somewhat analogous to the homestead. Here is the old homestead that we started with. We have come a long way. We are now in a good building with all the modern facilities. But we are still proud of the old log cabin in the back. It was the first structure in which anything happened. We look at that old log cabin and, because of some sense of nostalgia, we do not want to let it go. We wonder what we can do to keep it relevant. We think that maybe we can put in a microwave oven or a television, or possibly a circular driveway. We feel that we might be able to do something to make the old log cabin relevant to the 1980s. Sometimes the best thing that can be done with something that has long outlived its function is simply to let it go the way of history and fade gloriously into the past.

Some of the genesis of these proposals coming from western Canada originated a few years back when there was a feeling of alienation from the Government in the central part of the country. That was quite understandable. It was seen that Senate reform would be a vehicle for bringing western Canadian political imperatives back to the heart of the Government of this nation. That is no longer necessary. It was demonstrated last September 4 that the solution was not institutional change but political change.

Again we have western Canadians fully at the heart and functioning of the Government of Canada. The evidence is the great number of Cabinet Ministers from western Canada, the end of the National Energy Program and its divisive and economically destructive provisions as well as the signing of the Western Accord on energy policy. All of these show that western interests are strongly being represented, that they are being paid attention to and that it is not necessary to make any kind of institutional change such as foisting an elected Senate or any other kind of Senate on this country.

To put it charitably, throughout Canadian history the role of the Senate has been marginal. At sporadic intervals, there were proposals to reform or change the Senate. Those proposals were always met by a couple of arguments. The first was that the Senate provided a sober second thought, that we here in this Chamber, in the hurly-burly and rush of daily debate were too carried up and carried away really to make legislative enactments, but in the other place, the Senators, in the calm and cool interiors, the inner recesses of the time and reflective position, were able to see calmly the errors, omissions, the need for amendation and change, and they would fine tune, with that sober second thought, the legislative enactments.

History has clearly shown that that has not been the case. Without any disrespect, the Senate has served largely as a rubber stamp, except in cases where it has chosen to be merely political and obstreperous.

The other great argument that was given was that the regional representation was manifested in the Senate, as if, by inference, it was not being manifested here in the elected Chamber. My colleague, the Hon. Member for Carleton-Charlotte (Mr. McCain) spoke in defence of the Senate a few moments ago. Nevertheless, in doing so he condemned the maritime Senators for their failure to observe regional interests and to represent effectively the interest of Atlantic Canada. Even from the mouths of those who would support the Senate, come words of condemnation for that second argument that is given to us in support of the Senate.

The sober second thought theory and the regional representation theory just do not wash when analysed in the hard reality of Canadian history. It is at this point that the defenders of the Senate traditionally rush in with the latest and best argument they can muster, that is, that the Senate does some great study, and that the Senate has benefited the nation by bringing forth documents that have painstakingly analysed issues such as poverty and many other topics that are important. The fact is that those studies are done by the staff that is hired by the Senate. There are committees to do that work. Any committee of this House can do likewise. It is the quality of the staff that is reflected directly in those great studies which the Senators from time to time are wont to pull out in their defence.

I disagreed with my colleague, the Hon. Member for Kenora-Rainy River, when he alluded to those great studies done by Senators. In fact, it was the late Dr. John Deutsch who had much to do with the great study done there. Mr. Peter Dobell

of the parliamentary centre, William Hood, who went on to become a Deputy Minister of Finance, and others like that were really responsible for the great studies for which the Senators take claim. With great respect, that should be recognized. Therefore, we can put to an end once and for all that fallacious argument as a defence for maintaining the Senate any longer.

The end of the Senate will allow us to pass through an era where we no longer mislead our friends and allies abroad by the phenomenon whereby they think that when they are in the presence of a Senator they have with them the charismatic presence of someone like a United States Senator, those men of action and power in the United States of America. Our Canadian Senators are just not in the same league.

We have seen what was referred to as a haven for provincial Liberal Party leaders. I think of Senators such as Gildas Molgat, Louis Robichaud, Henry Hicks, Andy Thompson, David Steuart and so on. We are now in an era where the Liberal Party is a Party of yesterday. There are no longer any real provincial Party leaders to be appointed. The Liberal Party is talking of setting up a think-tank, some kind of institute. That would be a great place, when we abolish the Senate, to which those great thinkers of the Liberal Party, Senators Pitfield and Kirby, can go. Their role to the nation would not be denied. They will be able to carry on function as part of the Liberal think-tank.

The notion of the Senate being integral to the system of Government is erroneous. It may indeed be central to our system of Party Government, but even there we can render a great service to the Prime Minister (Mr. Mulroney) who has to make the appointments to the Senate. It is no secret or mystery around here that for every one person appointed to the Senate, 30, yea, 40, possibly 50 others are left in a state of disconsolateness and shock.

I know a former Liberal Member who represented Sault Ste. Marie. He had been directly and expressly promised by a former Prime Minister, Mr. Pearson, that he would go to his great reward in the other place. It never happened. If we were to abolish the Senate, we would render a great service by bringing to an end the house of broken promises and shattered dreams.

These are but a few of the reasons that I think it is important, indeed incumbent upon us to be supportive of the move to abolish the Senate. If the Senate we must have, I would see a properly appointed Senate on the same basis that we appoint our judges. That would be far preferable to an elected Senate.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

IMMIGRATION—ERNST ZUNDEL—DEPORTATION PROCEEDINGS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I rise under the provisions of Standing Order 45. In the House on March 27, I asked the Hon. Minister of Employment and Immigration (Miss MacDonald) about the Ernst Zundel case. Since Mr. Zundel had been sentenced to 15 months, I asked how a determination would be made about whether or not to begin deportation proceedings. The Minister mentioned that an inquiry had begun that very day.

I would like to make a few comments about this most serious situation because we are dealing with the entire climate of freedom and goodwill in this country. I understand that the review to which the Minister referred is relatively automatic if a person is sentenced to six or more months' imprisonment or if a person is convicted of a crime that has a maximum penalty of at least five years' imprisonment.

Mr. Zundel was convicted under Criminal Code Section 177 which indicates that it is a criminal offence to knowingly—and that is the operative word—publish a false statement that causes or is likely to cause injury or mischief to a public interest. I think there is something wrong when a situation as serious as this must be dealt with under an almost obscure law such as this one. We need more meaningful laws that deal more directly with a matter as serious as the Zundel case.

Mr. Zundel arrived in this country some 27 years ago. He still enjoys landed immigrant status. It is clear from what has been said that he is not contrite in any way. I will likely hear from the Parliamentary Secretary about just how long these proceedings may be dragged out, but normally one of the things we look for is the assurance of an attitude of rehabilitation. To be very frank about it, I do not see anything even approaching that in this case.

I have made the point that we are using the wrong law for a case like this. One of the real tragedies is that the approach taken in this case ended up with the victims on trial and not the perpetrator. I have spoken out on this on a number of occasions. On March 3, I was at a Toronto regional annual meeting of the B'nai, B'rith held at a synagogue in central Toronto. On Sunday, March 10, along with a number of other colleagues I attended a service for the Jewish war veterans, and I had the opportunity to express views at that time. On the same day I attended a meeting at the O'Keefe Centre where about 5,000 people from the Jewish community got together to think, talk and pray about this most regrettable situation that was allowed to develop in this country. At the afternoon session, Mr. Speaker, we visited with the Jewish war veterans

and had a special service. Mr. Ernst Koch, the Consulate General from West Germany, was present. In the course of his remarks he said:

● (1805)

The issue of redress of wrongs committed during Germany's nazi regime has been dealt with.

It is clear from his remarks—and I believe it took a lot of courage and dignity for that gentleman to attend that particular service—that Mr. Zundel himself may not be welcome back in Germany itself. I would just like to quote a couple of comments from *The Gazette* of March 27, 1985:

Canada would be a better place wihtout Ernst Zundel.

Mr. Zundel fancies himself a martyr on behalf of free speech, but he is a sorry example of the values upon which this country is founded.

The Jewish community itself, as you well know, Mr. Speaker, was divided on the issue of whether further action should have been taken. Since the action was initiated by Mrs. Sabrena Citron, and since Mr. Zundel has now been sentenced, I believe it is largely the view of the Community that this gentleman should be dealt with effectively and quickly, and not over what I would call a protracted period of time.

I visited Israel in January of this year, and I spent an hour and a half with a group at Yad Vashem. Anyone with any sensitivity would know that the holocaust did indeed happen. I would ask the Parliamentary Secretary if there are any precedents to deal more expeditiously with a situation like this? How many legat steps are there? How can we deal with this man in a strong yet thoughtful way? We all pride ourselves on our freedom in this country. However, there are extremes and they must be dealt with.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I should like to complete the reply which the Minister of Employment and Immigration (Miss MacDonald) made to the Hon. Member for Don Valley East (Mr. Attewell) on March 27, 1985.

A report pursuant to the Immigration Act was prepared by an immigration officer and submitted to the Deputy Minister of Employment and Immigration on March 26, 1985, following the reception on that date of a certificate of conviction to the effect that Mr. Zundel had been sentenced to 15 months in jail.

As early as March 27, upon the initiative of the Minister of Employment and Immigration, the Deputy Minister issued an instruction to a senior immigration officer to carry out an inquiry pursuant to Section 27(3) of the Act. The proper instructions were given to the senior immigration officer the next day. This senior officer will initiate the inquiry shortly. A notice of inquiry will be sent to Mr. Zundel. He will be advised of his right to be represented by a legal counsel or any other person he should deem qualified.

The inquiry will be conducted by an adjudicator in the presence of Mr. Zundel and his counsel. The duration of the inquiry may vary, depending on the legal recourse Mr. Zundel might seek, including the adjournment he might ask for to prepare his case, motions to the Federal Court and so on. During the inquiry and before the adjudicator should render his decision, Mr. Zundel may seek refugee status. The processing of such an application could take as much as a year.

Should a deportation order be issued against Mr. Zundel, he would be entitled, as a permanent resident, to appeal to the Appeal Board of Immigration. This could take six months. Mr. Zundel could also appeal to the Federal Appeal Court or the Supreme Court of Canada of the decision rendered by the adjudicator or the Appeal Board of Immigration, which would require another year.

[*English*]

AGRICULTURE—INSPECTION SERVICE CHARGES. (B) MINISTER'S POSITION

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, on March 20 I rose in my place and asked a question of the Minister of Agriculture (Mr. Wise) concerning his attempts to implement a cost recovery program against farmers for the inspection services traditionally performed at Agriculture Canada. This change came about because of the economic statement of November 8 when the Minister of Finance (Mr. Wilson) announced that the budget for Agriculture Canada would be cut by some $65 million. Some $23 million of those cuts would be in inspection services. The Department would then be charging farmers an additional $33 million for the inspection services eliminated because of the $23 million cut.

● (1810)

I suppose one could ask where is the efficiency of getting the Government out of inspection services since the new services are obviously going to cost at least $10 million more. However, the focus of my questions on March 20 had to do with the fact which had come to light that the Minister knew that the ultimate result would be to inflict harm on Canadian farmers, not only by increasing the operating costs of a whole industry, which has essentially had its net income frozen for the last 10 years at about $3.5 billion, but in addition, and this is even more damning evidence as the Minister knew this quite clearly from his briefing notes, this particular set of proposals would reduce the output of grain in this country. Yet, despite that, he deliberately went ahead with the proposals to reduce the output of farm products in this country.

The Minister knew from his briefing notes that a great many small plants processing hogs, cattle, and sheep in this country would not be able to continue operation under the new proposals as many of them could not afford to stay in business with the daily total charge of $125 for inspection. A lot of small towns and villages have processing or slaughtering plants which process a few dozen animals. This would increase their costs of inspection per animal far beyond anything their

competition has to put up with in the larger centres. It would eventually push these people out of business. Jobs would be lost in these small communities, and a service which people in these small communities take advantage of would disappear.

The Minister in responding tried to pretend that what we had heard was not an economic statement but simply a proposal to begin negotiations. That is so much claptrap. It is very clear that the Minister of Finance intends to achieve a saving of $65 million in the expenditures of the Department of Agriculture, and has every intention of collecting $33 million in so-called cost-recovery, but which is simply an extra tax on agricultural production. There is nothing there to negotiate, yet the Minister gives the impression that he is prepared to do some negotiating.

His own briefing notes point out that they should work with the industry towards agreement on these proposals. While remaining firm on questions of policy, they can be flexible as to the mechanics of the application. For example, the industry may have valid reasons for preferring a particular basis of payment on recovery, such as a per hour or per head or per lot basis. The notes also said they can be flexible regarding who in future might perform the work or how it might be done. For example, an industry group might suggest that at some future date they provide the service themselves. The nature of the meetings should be informative and consultative. Under no circumstances should there be confrontation. They say they should emphasize that fees are based on the nature and cost of each program. Avoid industry to industry or program to program comparisons.

They were very careful to make certain, Mr. Speaker, that the proposed fee charges were not generally known. Each industry got its specific proposal. They knew they were being charged 10 or 15 times more than had been the practice in the past, but they did not know how they stacked up against other sectors in the industry. The horticulture industry found out what its proposed charges will be; the Canadian seedgrowers found out what its proposed charges will be; and the small meat processors found out what its proposed charges will be, but there is no method for them to consult to discover whether they are all being charged 10 or 15 times more, or whether some are being charged only three or four times more.

● (1815)

The Department ensured that the information that went out was very limited. As a result, I contend that proper consultation cannot take place. I contend that it is the intention of the Government to charge this tax. There is no consultation on that. The parameters in which the consultation takes place are very limited. Therefore, real consultation cannot take place, so it is simply a sham.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, as the Hon. Member pointed out earlier, the new inspection services fee schedule is not yet in itself a proposition; one should look up in the dictionary the meaning of a proposition which is the object of consultation, and one ought to be careful when talking about a firm intention. The whole matter is now under consideration by the people concerned.

We made a proposition and the industry took it under advisement. We are now discussing every detail of this matter with the groups involved, and we know there might be some difficulties. That is why we meet with the major national associations to seek their views and suggestions. We have said many times, and I say again, that we are consulting the industry before implementing new charges.

The Hon. Member is asking me why we are undertaking this cost-recovery program. It is quite simple, Mr. Speaker, and the answer is obvious—the deficit has to come down. From our discussions with the industry, we know that the agricultural community shares this concern and is anxious to cooperate to reduce the national debt, and that protects them, as it does the consumer and the agricultural production industry. They agree they have their share of responsibilities.

We are therefore convinced that together we can find an acceptable solution which will help us lower the deficit while at the same time cushioning its impact on Canadian producers. If we refer to the November 8 economic statement, it is true that some measures have been adopted, but the Government is now in a consultation process concerning various measures with a view to adapting the general principle to each specific case.

[*English*]

UNEMPLOYMENT INSURANCE—PETITION AGAINST CALCULATION OF SEVERANCE PAY. (B) DISCUSSION PAPER INQUIRY

Miss Aideen Nicholson (Trinity): Mr. Speaker, I would like to follow up on a question I asked the Minister of Employment and Immigration (Miss MacDonald) on March 25 concerning changes to the Unemployment Insurance Act.

The November 8 economic statement included an announcement that severance pay and accumulated pension income would be considered as earnings when people apply for unemployment insurance benefits. This would have the effect of delaying, for many weeks, the time when a person could begin to draw unemployment insurance. At that time the Government reckoned that these changes would save it $90 million.

I have great difficulty with this, Mr. Speaker. While I recognize the Government's concern about the deficit and its desire to move on that in a responsible fashion, I cannot see these particular measures as responsible in our particular situation of high unemployment. Until now a person could receive income amounting to up to 25 per cent of their UI benefits. It may seem logical, to a point, that people be required to use severance pay to deal with their expenses until they relocate. However, in times of high unemployment one would question the wisdom of requiring people to use up their severance pay before claiming for unemployment insurance.

• (1820)

In these times of high unemployment, people must be mobile and resourceful. Given a little freedom to use their severance pay, some people would probably relocate to an area where they may have a better chance of finding employment. They might use it in some other way to help become re-employed, such as by investing in tools or other work related equipment.

Under the present situation, when people become unemployed and know they will be unemployed for some time, the Government is essentially forcing them to use all of their severance pay to deal with the necessities of life, and thereby perhaps inadvertently interfere with their opportunity to become re-employed.

There were many complaints after the economic statement of November 8 and the Minister has made some adjustments. For instance, there will be exceptions in cases where severance pay is part of a collective agreement or written employee-employer's policy within certain dates. The question of using returned pension contributions has been postponed to January 1. However, this is a matter about which I feel most strongly, a matter which I hope the Minister will not only postpone but will eliminate completely.

According to the new policy, a person who is under 45 years of age and loses his or her job will have pension contributions returned. Obviously, pension contributions for people over 45 are locked in, or vested. If a person receives $3,000 back from a pension fund and his or her normal earnings were $300 a week, that person is now deemed to have ten weeks income. Therefore, the claim for unemployment insurance is postponed for ten weeks.

Surely this is very unwise because we expect people to save for their future. When most people become unemployed they do all they can to make the severance pay and unemployment insurance cover current expenses until they get rehired. They try to keep the returned pension contributions for investment either in a new employer plan or an RRSP in order to provide for their future.

When this plan was originally announced by the Government on November 8, there were many vigorous complaints; complaints from unions, and complaints from companies in the process of negotiating early retirement packages for their employees. They saw their plans thrown into turmoil because these changes amount to a disincentive to early retirement.

The Minister has agreed to postpone to January 1 the Implementation of the requirement that people use up their interim pension contributions. I am sure that the Minister, who is a compassionate woman, does not have her heart in this requirement. I am sure it is the hawks in her Cabinet who are forcing this measure on her. I sincerely hope some way will be found to drop this measure.

• (1825)

We all know that Canada is a nation of savers. It is difficult to get by if one is over 65 and must rely on government assistance. It is unacceptable for the government to expect people who are out of work to mortgage their futures, to use for the necessities of life that money they are contributing to a pension fund for their retirement. How many will be deprived of a dignified retirement by this ill-considered measure if it is enforced? I sincerely hope that after January 1 wisdom will prevail and we will see the end of it.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, my hon. friend is concerned about changes in connection with unemployment insurance and about the many complaints he has received. I think all Members in this House have received a number of complaints, further to a decision that was announced in the economic message on November 8, which in turn was further to a Cabinet decision.

Considering these complaints and especially the negotiations in progress for a number of collective bargaining agreements, the Minister decided on December 21 to introduce transitional measures that would give employees a chance to readjust, except that there is a deadline, and today the Minister has tabled a document to that effect in the House.

The main principle is to avoid duplication. My hon. friend referred to situations which, I must admit, may be very difficult for people in their forties, but we can hardly apply the same argument to individuals who are receiving pension benefits. Unemployment insurance was instituted to cushion the effects of unemployment. However, people must be available for employment. At the present time, considering the enormous national deficit and more particularly, the deficit in the Unemployment Insurance Fund, we must take measures that will preclude people from having two or three jobs. Mr. Speaker, we know how difficult it is in cases ... because unemployment insurance was introduced to deal with emergencies. Among the various changes or amendments to be proposed, we will have to see which proposals are urgently required and which are not. This does not mean that in every case, a complaint is necessarily urgent. I admit that in the case of people in their forties who are working full time, this may

seem a discriminatory measure and it may seen inequitable, but what we want to avoid is duplication of income.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Tuesday, April 2, 1985

The House met at 11 a.m.

● (1105)

[*English*]

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, yesterday I had indicated that today we would be dealing with the Bill relating to the Charter of Rights and with Bill C-19, which is a Bill with respect to the reorganization of Bell Canada. You will recall that I did mention the possibility of proceeding with Bill C-38, an Act to amend the Customs Tariff, on the basis of consultations with the Opposition Parties.

I am happy to report that discussions have taken place between the Parties and I think you will find a disposition on the floor of the House to deal with this Bill as the first item of business today. I understand that there is a disposition to deal with all stages of the Bill in the House, including Committee of the Whole, so that we can send this matter to the other place today with the hope that they will deal with it and we can have Royal Assent before Easter. Mr. Speaker, if you were to call Bill C-38 I think you would find an agreement to proceed at this time with all stages of the Bill.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I would like to confirm that there have been negotiations and that we are ready and disposed to pass the Bill through all stages today. I would just like to ask the House Leader, if we do pass this Bill some time before the end of business today, will he then return to Bill C-27 or will he be calling Bill C-19?

Mr. Hnatyshyn: Mr. Speaker, the answer to my hon. colleague's question is that we will go back to Bill C-27. Only after we have concluded that debate will we proceed with Bill C-19.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, there were in fact discussions that went on into the evening last night with regard to this Bill. After having had those discussions we have decided that we will agree to pass the Bill during the course of today, recognizing that it is not everything we thought it might have been. Nevertheless, it is a temporary measure which will be superseded some time within the next 12 months by permanent legislation which responds adequately to two reports, one of which has not yet been tabled, on the subject of pornography and the distribution of obscene material in Canada.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-38, an Act to amend the Customs Tariff, be read the second time and, by unanimous consent, referred to Committee of the Whole.

She said: Mr. Speaker, I am not only pleased but very anxious to speak today and move second reading of Bill C-38, an amendment to the Customs Tariff Act. This amendment has important implications for the importation of obscene material and hate propaganda into Canada. Mr. Speaker, Members of the House, and indeed all Canadians, are seriously concerned about the increasing flow of obscene material, particularly the more virulent forms which depict or describe sexual and other activities in a manner which is violent, degrading and dehumanizing.

Canadians find particularly repugnant the growth in distribution of obscene material involving children. This amendment, Mr. Speaker, responds directly to the heightened awareness and paramount concern the Government and all Canadians have regarding the insidiousness of child pornography. In addition, this amendment highlights the gravest concern the Government has regarding the dissemination of spiteful propaganda.

The Department of National Revenue, Customs and Excise, has the administrative responsibility to ensure such materials do not enter this country. The legislative provision which enables the Department of National Revenue to carry out its duty is Tariff Item 99201-1 of the Customs Tariff Act. As Members know, on March 14, 1985 the Federal Court of Appeal ruled that "Tariff Item 99201-1 is not a reasonable limitation upon the freedoms guaranteed by Section 2(B) of the Charter (of Rights and Freedoms) and is of no force or effect".

The Government, of course, respects this ruling. Nevertheless, the ruling has created an appalling situation whereby the powers of the federal Government to protect the interests and wishes of Canadians concerning the importation of obscene and hate material has been seriously curtailed. This situation is simply not acceptable. Therefore, the Government has moved quickly to take appropriate measures to combat it.

As a preliminary step the Minister of National Revenue (Mr. Beatty) immediately instructed Customs officials at Canadian points of entry to report to the local police any

shipments of a commercial nature which are suspected to contravene the Criminal Code. With this stop-gap measure the Government hopes to head off any attempts by commercial interests to flood the Canadian market with books, printed paper, drawings, paintings, prints, photographs, movie film, video tapes, audio tapes and representation of any kind which depicts or describes sexual and other activities in a manner which is violent, degrading and dehumanizing.

The legislative proposal which we are examining today is of the utmost importance. It would amend Tariff Item 99201-1 to meet the objections of the Federal Court of Appeal by providing more specific and precise definitions of what constitutes obscene material or hate propaganda for the purposes of the item. This has been done by tying these definitions to existing definitions in the Criminal Code. Thus, obscene material will be defined according to the meaning of that term in Section 159 of the Criminal Code, while hate propaganda will be defined as it is within Section 281.3 of the Code.

● (1110)

We are confident that these steps will meet the concerns of the courts regarding the hate propaganda item. With the co-operation of all Parties in speedy passage of this Bill, Customs officials, under this amended tariff item, will effectively be able to prevent the import into Canada of obscene and hate material which is prohibited for sale and distribution by the Criminal Code.

On passage of the Bill, the Minister of National Revenue will, as suggested by the court, publish detailed administrative policy guidelines defining goods which are considered to be obscene or hate propaganda under the amended tariff item.

In introducing this legislation, the Government is asking that it be adopted for a period of approximately 15 months from the date of its passage. This relatively short time period, which will last only the 1986 summer recess of Parliament, has been established in anticipation of forthcoming proposals for changes in the statutory provisions which control the importation of these materials.

This Government regards the control of obscene and hate material as a matter of utmost urgency. In the course of human affairs, there is nothing more repugnant than the undue exploitation and the degradation of sex. This is made more despicable when children are involved.

Equally, in the conduct of human affairs there is nothing more destructive of the ideal and the values of our country than the propagation of hatred based on colour, race, religion or ethnic origin.

We will bring forward legislation which will more precisely define the types of material which are offensive to our society and which will give the federal and provincial Governments the necessary enforcement mechanisms to deal with them. This legislation will follow federal-provincial study of both the Badgley and Fraser reports.

Previous attempts have been made by the House to come to grips with this subject. For example, in 1981 the then Justice Minister introduced legislation aimed at the control of child pornography, following a 1978 recommendation of the Standing Committee on Justice and Legal Affairs. However, this legislation subsequently died on the Order Paper.

On August 22, 1984 the report of the Badgley Commission on Sexual Offences against Children and Youths was released. It made 52 recommendations on the subject of child abuse, including the effects of access to pornography on children and the use of children in pornography. The Department of Justice and the provincial Attorneys General are preparing responses to these recommendations. We will develop and enact comprehensive and effective anti-pornography legislation as early as possible in our mandate.

Also, the Special Committee on Pornography and Prostitution, known as the Fraser Committee, travelled the country and made a wide-ranging study of this subject in 1984. The report of this committee will be available in the very near future.

Bill C-38, which we are examining today, will provide us with an interim measure for the next year while new legislation dealing with the current concerns of Canadians and the realities of the 1980s is developed and enacted.

There is clearly a widespread call by Canadians for tough leadership at the national level in combatting the sale and distribution of these dehumanizing and degrading materials that have no place in Canadian society. I urge all Canadians and all Members of the House to join with me in giving unanimous and speedy approval to this measure before us.

Some Hon. Members: Hear, hear!

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am pleased to participate in the debate on the amendments to the Customs Tariff Act concerning the implication of pornographic material and hate literature. It is certainly well worth while undertaking to bring the definition in the Customs Tariff Act into accordance with the Criminal Code, and it is much appreciated. Certainly the Zundel case and the Keegstra case underscore the importance of this temporary sunset measure. As well, when the Federal Court of Appeal struck down the section of the Act which allowed Customs officers to seize immoral or indecent material at our borders, Members from all sides of this House urged the Government to take action to prevent access to our Canadian markets and to stop the flood of degrading materials depicting violence toward men, women and children.

● (1115)

While I regret we are not currently debating substantial amendments to the Criminal Code on Section 159 dealing with obscene material or Section 281 dealing with hate literature, I am pleased that the Government has introduced this Bill as a stop-gap measure.

As the Minister of Justice (Mr. Crosbie) and as the Minister of State for Finance (Mrs. McDougall) has just commented, it is not surprising that the Federal Court ruled the

117-year old section of the Customs Tariff Act on pornography and hate literature as being too vague to be held as reasonable limit on the constitutional right to freedom of expression.

The Charter of Rights and Freedoms has forced this House to take a hard look at this important measure. As I have indicated in the Justice Committee and in this House, these amendments are necessitated by the imprecise wording of the Act.

Even judges disagree about the meaning of "immoral", or "indirect" despite agreeing that obscenity should be measured according to the community standard of tolerance. Since no one knows what material will be immoral or indecent in advance, Customs seizures have become nothing more than whims of officials, placing an unfair burden of responsibility on them by expecting the officials to be judge and jury.

As the Federal Court indicated, the Charter of Rights should not have whims when it comes to curtailing fundamental freedom of expression. As Section 1 of our Charter states, "freedoms can be restricted only by reasonable limits defined by law as can be demonstrably justified in a free and democratic society". But as Chief Justice James Hugessen ruled:

> A limit which is vague, ambiguous, uncertain or subject to discretionary determination is by that fact alone an unreasonable limit. Uncertainty and vagueness are constitutional vices when they are used to restrain constitutionally protected rights and freedoms.

It is this uncertainty and vagueness that must be eliminated to prevent the importation of violent, degrading material. This brings me back to my original point that as legislators we must address the issue of providing our courts with a clear, precise definition of pornography, as the Minister so stated.

Let us look at the evolution of this issue. Sexually explicit material is not a new phenomenon. It has existed in virtually every society in history. But it is evident that in Canada today, following the court challenge of 1962 on the right to distribute *Lady Chatterley's Lover* wich was found not obscene and acceptable by community standards, much more of such material is available than ever before. It is increasingly more explicit and more violent than in the past.

There is still some difficulty about the term "pornography". Police estimates have placed the annual Canadian market in pornography at $300 million. I have heard figures as high as $500 million, but the scope of the use of the term is not disclosed. Notwithstanding these definitional uncertainties, many believe that pornography that depicts violence or demeans the person is demonstrably harmful and should be controlled.

At present the main sanction relating to pornography is found in Section 159 of the Criminal Code. Central to these sanctions is the definition of what is obscene in Section 159(8). It reads:

> Any publication, the dominant characteristic of which is the undue exploitation of sex or of sex and any one or more of the following subjects, namely crime, horror, cruelty and violence, shall be deemed obscene.

Whether there is undue exploitation is determined by reference to community standards. But this definition cannot deal with increasing virulent and misogynistic types of pornography. The current definition, with its emphasis on sexual explicitness, does not lend itself to clear application in the area of degrading material. Many women's groups have long advocated that the existing definition is unacceptable because it is targeted only at sexual representations in general, not at the more serious problem of representations which degrade the human person. There has also been criticism of the requirement that in order for violence, cruelty, horror and crime to be obscene they must be combined with sex. There is something wrong in one's thinking when that is the fact within our laws.

● (1120)

As I have noted, pornography is notoriously difficult to define. Clearly the existing Criminal Code definition does not cover the concerns voiced by many groups. There are few people who would say that all sex and all violence is pornographic. Generally speaking, people use the term "pornographic" to refer to material which causes offence or some other kind of harm. One of the problems is that people have different conceptions of offensiveness and harm. Whether or not certain material is offensive is clearly a personal and subjective assessment. It is a reflection of individual experiences, the thinking of common interest groups, as well as moral and religious values. Let us not confuse erotic or sexually explicit magazines, movies, videos and books which express human sexuality with what the reality of pornography is today.

As a representative of a group of French women in Quebec who put together a slide show on the impact of pornography with some clippings out of magazines which we picked up on the stands, I can say that my reaction was one of sheer horror. Pornography today is violent, degrading to men and women. It is often racist and certainly sado-masochistic. It uses children or nubile teens as models. Men and women are often portrayed as objects rather than partners. It represents bestiality, buggery and bondage and goes well beyond community standards.

There is great concern that pornography which contains explicit scenes of sadism, in which violence is condoned or the victim is seen or perceived to be enjoying his or her pain and suffering, is not the model and the role we wish to present to society about tender human relationships. I believe this type of material creates an environment in which violence is seen as a legitimate means of achieving ends or expressing feelings. Moreover, people become desensitized to violence and our collective will to oppose this behaviour is eroding.

Another concern is that much pornography is openly hostile to women. A standard feature of much of the material available today is the gagging, beating, chaining, raping and even killing of women. In addition, women are often depicted in this material as enjoying or at least tolerating such violence. The image of women conveyed is extremely negative, showing them subservient to men, masochistic and in a sense less than fully human.

Many other concerns have been expressed about the long-term effects of pornographic material on social values. The public needs to be educated about the harmful effects of

material which depicts violence against men, women and children. Civil libertarians say no censorship. I say consenting adults in the privacy of their home can do and conduct themselves as they please, but community standards guidelines clearly defined and respectful of the general population are vital. Freedom and liberty do not mean licence. They mean and impose responsibilities and limits.

Pornography is seen to cause harm to society at large in three ways. First, exposure to pornogrpahy leads directly to an increase in sexual offences, violent crimes and aggressive antisocial behaviour. Second, exposure to pornographic material diminishes the dignity and status of women. Third, exposure to pornography undermines society's values.

The issue of child pornography is of great concern to me. The Badgley report on sexual abuse of children made extensive recommendations regarding the making, distribution, sale and importation of child pornography. This material is a direct product of child sexual abuse. It comes into existence, and can only come into existence, through the base and coldly premeditated exploitation of a young person's sexual vulnerability.

• (1125)

According to the report, and I quote:

> The existing Criminal Code framework relating to obscene publications is inadequate to deal with the special circumstances attending the making and distribution of child pornography. The general definition of obscenity does not reflect the state's particular and more compelling interest in prosecuting and punishing those who promote the sexual abuse of children in this manner. The definition of an "obscene publication" in the Criminal Code pertains to the over-all content of the publications, rather than to the circumstances of its production. In reference to child pornography, it is the circumstances of its production, namely, the sexual exploitation of young persons, which is a fundamental basis for proscription.

Parliamentary action to expand the definition of pornography has been slow. In 1978 the House of Commons Standing Committee on Justice and Legal Affairs recommended a new definition, one which would employ degradation as a separate basis, and which would also include reference to materials involving children. Criminal Code amendments in 1978, 1981 and 1984, which would have included similar provisions, and several Private Members' Bills, have died on the Order Paper.

In order to have a comprehensive look at the issues of pornography and prostitution, in 1983 the Liberal Minister of Justice, the Hon. Mark MacGuigan, set up a special committee chaired by Paul Fraser. The committee received many representations and listened to the concerns of many groups. This report has been submitted to the Government and I am most anxious to see its recommendations.

I am not surprised and women's groups are not surprised by the ruling of the British Columbia Federal Court of Appeal, a ruling that precipitated the introduction of this Bill, C-38, today, for it underscores and substantiates claims of women's groups for years and years about the inefficacy of the current law. Pornography is hate literature and is hate propaganda. Any material that diminishes men, women and children based on sex, race, colour, creed, religion or anything else is anathema to Canadians who are for the most part very fair-minded people.

While I support Bill C-38, it must only be regarded as a stop-gap measure until we have a comprehensive, precise definition that the court can uphold. With the Badgley report and the Fraser committee's recommendations in hand, I look to the Minister of Justice for swift, positive action to provide society with adequate protection against the degradation, undue exploitation and violence depicted against and directed toward men, women and children. I await with interest the Bill promised before June 30, 1986. In the meantime I welcome this temporary Bill which will cease and desist the importation of this material.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I rise to address Bill C-38, a very short Bill before us today, of which we will certainly want to see swift passage. It addresses a problem in the enforcement in the Customs Tariff Act. It has been in the law for a very long time. It contains excessively vague wording which we have known about for a long time.

Recommendations have been made by women's groups and other organizations over the years to improve both the definition of obscenity in the Criminal Code and to bring in line the ancillary definitions in legislation designed to deal with pornography.

I am sorry that we are dealing with only such a stop-gap measure today. It would be an ideal opportunity to get a better definition in the Criminal Code. There are very serious loopholes dealing both with child pornography and violent pornography. Previous Governments have only entertained dealing with those things. For example, there was draft legislation introduced by the Liberal Minister of Justice, Mark MacGuigan, but it was never introduced as real legislation. It subsequently came before the House in an omnibus Bill and never even got to second reading stage. Governments have acknowledge the existence of the problem but have not dealt with it. I think the previous Liberal Government was quite negligent in not improving the wording and in not heading warnings of Charter of Rights challenges to the pornography, obscenity and Customs Tariff Act legislations.

• (1130)

The ruling of the Federal Court of Appeal on the Customs Tariff Act is that it is not a reasonable contradiction of the Charter of Rights because the definition of what is indecent and immoral is too vague, and that is quite correct. The wording is too vague and that has been admitted for a very long time. Bill C-38 will address that but only by referring to the legislation that is currently in the Criminal Code and that legislation is woefully defective.

I would have preferred to see the sunset clause in this legislation which has it going to June, 1986 providing for a briefer period of time. There is no reason why we have to wait a year and a half to get improvements. We have had the Badgley Committee recommendations since last Angust and

the Fraser Committee is expected to come back with recommendations for action on pornography any week now. I would have thought that legislation would have been brought in by the end of June of this year. Perhaps the Government will bring in the legislation before the summer recess if the Fraser Committee comes back with a good definition to be used in a Criminal Code amendment. We do need a very precise definition in the Criminal Code so that the other pieces of legislation can refer to it and be an effective barrier to the importation of pornography.

The importation of pornography is indeed the problem facing us. Most of the pornography that is circulated in Canada is imported, and that is particularly the case for violent pornography and child pornography. What appears in the Customs Tariff Act is extremely important for regulating pornography at the border.

Promises of legislation have been made and repeated since 1978. I think that it is high time that we actually amended the Criminal Code to get these definitions in place. I would like to point out to the Government that there is increasing agreement in Canadian society as to what those definitions should be, so it is not necessary to wait for this consensus to evolve. The Badgley Committee commissioned studies on public attitudes toward pornography and child pornography and it found a very profound abhorrence to it and a very important concern regarding the limiting of pornography and the use of legislation to do so. A recent court ruling by Mr. Justice Shannon included an extremely good definition of obscenity by distinguishing violent and degrading pornography on the one hand from what is merely sexually explicit on the other.

Court decisions are beginning to make the distinctions that women's organizations have been making and advocating to government and public opinion is beginning to coalesce around these distinctions. I do not think there is a reason for ongoing delay. The courts are beginning to move their interpretations in that direction. The public is moving in that direction and the women's organizations have led the way in offering precise definitions. It is really now up to the Government to act by including these definitions in legislation.

I would like to make a few remarks about the problem posed by hate propaganda in Canadian society. One part of Bill C-38 gives the authority to Customs and tariff officials to keep hate propaganda from entering the country. In this area we can be somewhat less smug than we are in the area of pornography because hate literature is indeed produced in Canada and Canada has been known to be an exporter of hate propaganda. We have no occasion to be smug in this regard. Courts have not upheld the banning of such literature because of the vagueness of the wording in the legislations. Because of this, we have made the Zundels and Keegstras of Canada very happy. I think we should be very unhappy when we see their pleasure at court rulings.

The Zundels and Keegstras of Canada argue on the basis of freedom of expression and I think we must look seriously at their contentions. Freedom of expression is a very basic value that we as Canadians hold dear, but I would remind the House that freedom of expression has never been absolute in our country or in any other country. There are reasons for limiting freedom of expression. We limit it on the basis of libel and slander, and on the basis of counselling a crime, threatening and extortion. There are all kinds of laws that forbid the expression of certain opinions because the expression of those very opinions would cause harm to other people. Freedom of expression cannot go further than respect for the life, security and dignity of other people. Hate propaganda very much violates the freedom, life and security of other people in our society.

Our laws on hate literature, as with our laws on pornography, are woefully inadequate as currently defined in the Criminal Code. Until this year there have not been convictions that have stood up to appeals and we do not know what will happen with the Zundel case because it has been appealed and it is possible that that verdict will be overturned. The hate literature sections of the Criminal Code are thoroughly inadequate.

The Canadian Jewish Congress and other groups have made recommendations for amendments. This is not the place to deal with the substance of those amendments but, very briefly, they indicate that the loopholes which exist regarding religious belief, wilfulness, good faith and the requirement for the Attorney General to prosecute these cases have meant that hate propaganda laws have simply not had any teeth.

I would like to read a very good statement of the problems that hate propaganda and particularly the Zundel case have caused members of our society. Bob Rae, the Leader of the Ontario New Democratic Party, while attending a Holocaust Remembrance service recently held in Toronto, said the following:

> We have just lived through the bewildering experience of a trial of a West German citizen living in Canada who has for years used this country as a base for spreading hate propaganda, misinformation and lies about the past—
>
> I say "bewildering" because for some weeks what was on trial, or at least being tested, were not Mr. (Ernst) Zundel's lies and propaganda, but rather the reality of the Jewish experience in the twentieth century. One can scarcely imagine a court being asked to determine whether D-Day happened, or the Dieppe raid. Neither the defendants at the Nuremberg trials, nor Adolf Eichmann himself in his own defence in Jerusalem, tried to argue that the Holocaust never happened, or was some kind of hoax. That would have been too utterly fantastic, too absurd.
>
> But in Toronto in 1985 we saw headlines day after day talking about "rival theories" and "revisionist thinking" about what happened to the Jews in Europe between 1933 and 1945, as if these theories could somehow be placed on an equal footing with the fact of the Holocaust.
>
> The Holocaust happened. Millions of Jews were killed as part of a policy of deliberate extermination. These are not theories. There will be many opinions on why this terrible event happened. But to deny that it did happen, or worse, to assert that it has been distorted and invented by people, is not "revisionism": it is hatred pure and simple.

A community has gone through the agony of seeing that reality denied and it has suffered again as a result of that.

It is ironic that the Charter of Rights, which was a promise of freedom and equality for all members of Canadian society, should be used to defend threats to and attacks upon fellow citizens who are not thereby equal and free members of our society. It is ironic that the Charter of Rights, which was

supposed to guarantee freedom and equality to Canadian women, should be used in the defence of pornography, which degrades, humiliates and encourages violence against women. It is ironic that the Charter of Rights, which is supposed to guarantee equality to people regardless of ethnic origin and religion, should be used as a defence for the attack on the Jewish community and the people who have lived through the experience and have been survivors of the physical assault known as the Holocaust.

● (1140)

I am one of the people who takes the Charter of Rights and Freedoms seriously. The Charter is supposed to be a guarantor of freedom and equality. If it is to mean anything, the Charter must mean that the groups which are victimized because of religious or ethnic origin, and the females of our society, receive dignity and equality. There will not be equality and liberty when people can be degraded through pornography and attacked through anti-semitic literature.

I view Bill C-38 as a very necessary piece of legislation which is entirely within the spirit of the Charter. It is legislation which is necessary to promote freedom, liberty and security for members of our community. However, I am sorry that the legislation does not go further and address the substantive issues which remain in order to provide the protection from pornography which women need and the protection which other groups require who are being victimized by hate literature. At least it is a first step. I hope the Government will give us the assurance that there will be very speedy action taken to address the substantive issues and that it will provide good and workable definitions which will be upheld by the courts in actual cases.

Mr. John Nunziata (York South-Weston): Mr. Speaker, it is with pleasure that I rise to speak on Bill C-38, an Act to amend the Customs Tariff. As previous speakers have indicated, the legislation was necessitated by a recent decision of the Federal Court of Appeal which struck down a particular section of the Customs Tariff Act. The court indicated that the section was too vague and uncertain and that it contravened the Canadian Charter of Rights and Freedoms.

The tariff item which is in question is Tariff Item 99201-1. It reads as follows:

> Books, printed paper, drawings, paintings, prints, photographs or representations of any kind of a treasoanble or seditious, or of an immoral or indecent character.

Any publications or documents which feel within that particular definition could be seized by Customs officials at the border before they were allowed to enter Canada.

Unlike the previous speaker, I applaud the decision of the Federal Court of Appeal, not because of the result, which would allow individuals to import pornography and hate literature into Canada, but because the court has given tremendous weight to the Charter which is the supreme law of the country. The court did not indicate in any way that it agreed with the importation of pornography or hate literature into Canada. It said that there must be some restrictions with respect to the arbitrary decisions which are made by Customs officials at the border in confiscating certain material. The court indicated that that tremendous authority could not be given to Customs officials without providing a concrete definition.

Why did the court strike down that particular section of the Customs Tariff Act? It indicated that the section offended the Canadian Charter of Rights and Freedoms. Section 2 of the Charter delineates the freedoms which Canadians have come to respect and expect in Canada. They are freedoms which make this country truly democratic. Those freedoms make us proud of our heritage and the values which our society holds. Section 2 reads as follows:

> Everyone has the following fundamental freedoms:
>
> (a) freedom of conscience and religion;
>
> (b) freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication;
>
> (c) freedom of peaceful assembly; and
>
> (d) freedom of association.

The Court was specifically concerned about Section 2(B) which refers to freedom of expression. The court felt that it was an ultimate freedom and could only be restricted under certain circumstances. Section 1 of the Charter reads as follows:

> The Canadian Charter of Rights and Freedoms guarantees the rights and freedoms set out in it subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.

The court looked at the freedom of expression and felt that in the case of the Customs Tariff Act, which is 117 years old, the definition of pornography and the authority which is given to Customs officials was not a reasonable infringement on freedom of expression. Therefore, the court struck down the legislation and told Parliament to amend the Act and provide a better definition of what is obscene, immoral or hate literature.

I disagree with the NDP Member who criticized the decision and said that it was ironic that it should assist the hatemongers and those who import pornography into Canada. In fairness, the Court of Appeal said that the Charter was important; it did not say that we would open the floodgates so that pornography and hate literature could be imported into Canada. The decision was a victory for the Charter. The unfortunate side effect is that it will allow the importation of pornography and hate literature into Canada. However, it will only allow importation for personal use, which is an important distinction.

Once the decision was rendered, there was hysteria in certain circles across the country. Some people felt that all of a sudden the country would be inundated with obscene or immoral materials and hate literature. But under the Criminal Code of Canada, Customs officials still have the jurisdiction to confiscate immoral or indecent material if it is meant for distribution to Canadians. Even though this particular tariff provision was struck down, it does not leave Canadians powerless to deal with the importation of undesirable material. The legislation does allow people to import that material for personal use, and that as well could be a subject for controversy or debate.

People may ask why an individual Canadian cannot import material for personal use. That is something which will have to be debated when new legislation is brought forward to address the Fraser report. The Hon. Member for Mount Royal (Mrs. Finestone) eloquently indicated that the Government has no business in the bedrooms of the nation and that people should be free to do as they please in their own homes. With respect to the importation of pornography or hate literature, it may be an area of controversy as to whether people can import that material for their personal use.

We agree that it is a very serious problem when the material is imported for the purposes of distribution and sale in Canada. We in the Liberal Party will support any legislation whatsoever which will deal with this very serious problem of all this smut coming into the country, finding its way into grocery and variety stores, and being available for children and others to see. I can assure the Government on behalf of my Party that we will support legislation which will serve to stop the importation of such material.

● (1150)

The court struck down Tariff Item 99201-1, and said it was too vague and ambiguous. In its decision it also gave some advice to us in this Parliament. It said that if you were to define what constitutes obscene or immoral material and hate propaganda according to the definitions found in the Criminal Code, then that would be sufficient and would not contravene the Canadian Charter of Rights and Freedoms, specifically the right of freedom of expression as found in Section 2 of the Charter.

We commend the Government for bringing in this legislation and have agreed to its speedy passage. Bill C-38 is a very short Bill indeed and simply refers to the definitions found in the Criminal Code of Canada. Whereas the tariff item which was struck down did not define what immoral or indecent meant, this Bill repeals that tariff item and replaces it with another which reads as follows:

> Books, printed paper, drawings, paintings, prints, photographs or representations of any kind.
>
> (a) of a treasonable or seditious characters;—

There is no problem with respect to what constitutes treasonable or seditious, so there is no need for a reference to the Criminal Code. It continues:

> (b) that are deemed to be obscene under subsection 159(8) of the Criminal Code;—

I would like to read that subsection of the Code for the benefit of Hon. Members. We have already heard that this definition does not go far enough and we hope soon to be dealing with recommendations from the Fraser Commission which will address the inadequacies of the definition of obscenity and pornography in the Code. The existing definitions are not good enough. We have to deal with pornography which exploits children and depicts violence. We have to come to grips with child pornography, which is a very serious problem in Canada today. Section 159(8) says:

> For the purposes of this Act, any publication a dominant characteristic of which is the undue exploitation of sex, or of sex and any one or more of the following subjects, namely, crime, horror, cruelty and violence, shall be deemed to be obscene.

This has been the cause of some concern to the courts. What is obscene? What may be obscene in Nova Scotia may not be considered obscene in Ontario. The courts have grappled with this problem. There was the case of Regina *versus* Brodie and Regina *versus* Dansky where the court dealt with the novel *Lady Chatterley's Lover*. The Supreme Court of Canada held in a split decision that there was no undue exploitation of sex in that novel. To quote Mr. Justice Judson:

> It has none of the characteristics that are often described in judgments dealing with obscenity—dirt for dirt's sake, the leer of the sensualist, depravity in the mind of an author with an obsession for dirt, pornography, an appeal to a prurient interest, etc.

Referring to Section 159(8), the court said:

> The section recognizes that a serious-minded author must have freedom in the production of a work of genuine artistic and literary merit and the quality of the work, as the witnesses point out and common sense indicates, must have real relevance in determining not only a dominant characteristic but also whether there was undue exploitation.

Another decision was that in the case of Regina *versus* Prairie Schooner News Ltd. It indicated that the test of undue exploitation of sex is to be determined according to contemporary community standards in Canada. In the case of Regina *versus* Goldberg and Reitman, it said that community standards are not those of an individual community, such as a university community, but are those of all segments of the community.

So we have a problem when we talk about community standards. It is that of trying to define what is acceptable in a free and democratic society. We agree that students on university campuses might have a different interpretation of what is obscene and what is immoral as opposed to what senior citizens living in a senior citizens' complex might feel. I have given two extreme examples, but somewhere in between there is a community standard with respect to obscenity. Now, Bill C-38 says that obscene material is as defined in the Criminal Code of Canada. I have indicated that we have problems with the definitions of obscenity in the Criminal Code. Therefore, I certainly encourage Hon. Members opposite on the Government benches to petition the Minister to bring in legislation quickly to deal with the question of child pornography and violence so we can clean up that particular section.

The Bill we are dealing with here today also refers to the definition of hate propaganda. The old tariff item which was declared unconstitutional was too vague and so the court said you had to be more specific. What the Government is doing here, with our approval, is defining what hate propaganda means. The section of the Criminal Code referred to is Section 281.3(8) and I would like to read that section for the benefit of Hon. Members. It defines what hate propaganda means:

> "hate propaganda" means any writing, sign or visible representation that advocates or promotes genocide or the communication of which by any person would constitute an offence under section 281.2:

I will refer to that section for the benefit of Hon. Members. It says that everyone who, by communicating statements in

any public place, incites hatred against any identifiable group where such incitement is likely to lead to a breach of the peace is guilty of an indictable offence and is liable to imprisonment for two years. The Crown can also proceed by way of summary conviction. Genocide is defined in Section 281.1, and we are satisfied that that definition is acceptable.

● (1200)

The hate propaganda section of the Code could be amended to deal with the Zundels and Keegstras. I note, Mr. Speaker, that you are indicating that my time is almost up. I just want to indicate in closing that the Government will have to take a hard, serious look at the Code provisions, including Section 281(8) dealing with hate propaganda, to see what must be done in order to address the Keegstras and Zundels of society.

In conclusion, I would like to indicate that we in the Liberal Party whole-heartedly support Bill C-38. We believe that it is necessary. We recognize that it is a stop-gap measure. There is a sunset clause in the legislation: the legislation will cease to have effect on June 30, 1986. That is about a year and two months away. We hope the Government will act more quickly than that to bring in legislation to deal with pornography. I understand that the Fraser report is about to be tabled. The Government will seriously consider the report and, no doubt, the committee will hear representations from concerned Canadians from coast to coast on this particular matter, and legislation will be forthcoming.

I urge the Government to speed up the process with respect to hate literature and pornography in the country because it is a serious problem. All Members in the House want to address the issue forcefully.

Ms. McDonald: Mr. Speaker, I have only a brief comment. In his address the previous speaker quite misrepresented my remarks. Contrary to what he said, I agreed with the ruling of the Federal Court of Appeal that the wording in the Custom Tariff Act was too vague. I did not applaud it. I do not know that one applauds court rulings, but in my opinion it was certainly a correct interpretation of the law.

At no time did I say it was ironic that the court had made that decision. My use of the word "irony" was to point out the irony that lawyers and defendants should be using the Charter of Rights in defending pornographers or hate propagandists. It is ironic that the Charter should be used by people who want to oppose the very freedoms and equalities which the Charter is supposed to be guaranteeing. It is very ironic that an instrument such as the Charter of Rights, which is supposed to be protecting us, should be used to promote pornography or hate literature.

I have a great deal of confidence that the courts will not allow this to happen and that any reasonably defined definition in legislation would be acceptable. The courts have shown a great deal of wisdom in recent decisions. I refer to one in particular which came up with a better interpretation of the current obscenity laws in the Criminal Code. It is actually in the wording itself. I think the courts are moving in the right direction and I have a great deal of confidence that a well-worded definition in the Criminal Code and in the Customs Tariff Act will be respected by the courts and that the Charter of Rights will indeed have its intended function.

Mr. Nunziata: Mr. Speaker, while the Hon. Member for Broadview-Greenwood (Ms. McDonald) would not applaud the decision, I applaud it. I think all civil libertarians, all those who believe in freedom of the country, all those who believe in the Canadian Charter of Rights and Freedoms, should applaud it. The court is defining the limits of what the Government can and cannot do with respect to limiting specific freedoms. Although an individual may want to import pornography, what is important is the freedom of expression and the definition of that freedom. The courts are attempting to ensure that civil liberties are enhanced in the country. The courts want to ensure that people have those rights.

I do not think it is so ironic that individuals, even those who might import pornography into the country, should refer to the Charter of Rights and Freedoms. They have the right to refer to the Charter because it is the supreme law in the country. If the courts, in their wisdom, tell these individuals that they are wrong and that there are reasonable limits within which they can restrict freedoms, that is fine. However, if the courts say no, we should applaud the courts for upholding civil libertarian values in the country.

Mr. Ernie Epp (Thunder Bay-Nipigon): Thank you, Mr. Speaker.

Mr. Taylor: Question.

Mr. Epp (Thunder Bay-Nipigon): Is there someone with a question?

Mr. Taylor: Yes, we want to vote on it.

Mr. Epp (Thunder Bay-Nipigon): Just a few moments, my good friend. The last comments have further underscored the issues involving liberties which clearly arise at the basis of the kinds of questions we are dealing with in considering this particular Bill for speedy passage today. I do not want to speak for very long and in any way delay that action. Given the hour of the day that we are at, I am sure that we shall in fact complete our work here.

Surely it is worth recognizing that in the clarification of the principles of liberty, which has gone on in the English speaking world over the past couple of centuries, the argumentation which the last speaker was making in defence of his applauding a decision can bring us very close to boundaries which that great 19th century philosopher of politics and society, John Stuart Mill, recognized when he wrote on the matter in the 1850s. His memorable essay on liberty, which I am sure is familiar to many Members, made clear the far-reaching liberty which each individual must have. It also states as clearly as anyone could ever state that my liberty ceases where it impinges on the liberty of other persons.

That particular principle can easily be lost sight of as we ourselves, in making the laws of this land, are pressed toward the limits that others are always exploiting. It is obvious, in one area and another, that what we have been observing in the last years in the area of pornographic material, as well as in the production of hate propaganda, is no progress. Material has become more and more explicit, more and more extreme, and more and more shocking in both areas in order to create any reaction and, presumably, in order to appeal to the buyer. We have incredible commercialization in both of these areas.

The fact that we have seen such degrading regress taking place only underscores the fact that, while we want to defend liberty, when that liberty impinges on other persons, denies their freedom to be full-fledged citizens in our country and reduces them to some lower state of life, that liberty ends.

The broad reality of the Nazi era goes far beyond the fact of the Holocaust. Nazism represented racism within the state policy. It was not just the destruction of the Jews in those horrifying numbers. It was focused on other peoples of a lower state of life as well. The Slavic peoples of eastern Europe were to be reduced to the rule of the Arian master race as the German armies pressed eastward and established a great imperial domain on the Eurasian continent. That endeavour of the Nazis is the larger reality that can be lost sight of if we focus only on the Holocaust.

The principle that, by reason of their race, people are to be given a lower, subjected, and degraded position is surely a reality of the 20th century that is not unrelated to the questions that face us when we consider the boundaries of what it is right to print or publish for people to buy and enjoy. The result may be that such enjoyment builds a desire to attack others. For example, the "Rapist File" is a publication that is currently causing controversy in Toronto. That controversy was also raised in the local Thunder Bay paper yesterday afternoon. It is questions such as when private enjoyment may lead to public attack that must be dealt with here.

● (1210)

As a member of the Canadian Civil Liberties Association, I am somewhat sensitive to their traditions and views, and when we are concerned about advancing and tightening the values of Canadian society and Canada as a nation, I am somewhat undecided. I think what John Stuart Mill said about the limits on liberty in the 1850s is worthy of our consideration as well. I am confident that Members are willing and eager to support good legislation that is sensitive to the development and enhancement of Canadians about us.

Unfortunately, the previous Government, rather than introduce solid legislation, spent the time of the House dealing with an omnibus Bill. I share the view of my colleague, the Hon. Member for Broadview-Greenwood (Ms. McDonald), that we should soon deal with sound legislation addressing this issue so that Customs officials and law enforcement officials within the country can have a sound basis upon which to deal with these subjects.

Mr. Deputy Speaker: Questions or comments? Resuming debate.

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I will attempt to be as brief as the Hon. Member for Thunder Bay-Nipigon (Mr. Epp). As Members of the Opposition, we have a tendency to oppose legislation, often with great justification. However, Bill C-38 provides us with an opportunity to applaud the Minister of State for Finance (Mrs. McDougall) for taking such quick and decisive action in introducing this particular amendment.

This amendment comes as a result of a decision by the Federal Court of Appeal. The Minister has attempted to make some changes by enhancing the wording with regard to the definition section contained in the Customs Tariff Act. In essence, the Minister is amending a piece of legislation which, in its entirety, is about 117 years old. Many of us who are speaking to this legislation realize that it was antiquated from the beginning. Therefore, it should not be startling to Members of Parliament or the public that this particular section is being amended.

I have some reservations about the extension which is implicit in the Customs Tariff Act as a result of this legislation. Clause 1(b) states "that are deemed to be obscene under subsection 159(8) of the Criminal Code". We support the amendment because it gives Customs officers the power to intervene on behalf of the Government of Canada to prevent the importation of this material. However, by extending the amendment in the words so used, it does not necessarily add to but focuses, I suggest, attention on the confusion.

Section 159(8) of the Act begins: "For the purposes of this Act, any publication, a dominant characteristic of which is the undue exploitation of sex". The Hon. Member opposite knows very well what I am referring to and while he is not an expert in this area, his familiarity with the subject perhaps would benefit this debate.

A review of past litigation with respect to this particular section will show that defence counsel, Crown prosecutors and various experts who have given a determination to assist the judge or the jury in making a ruling have grave difficulties with this wording. The words "a dominant characteristic" are very clear. It does not mean a little or a lot, but "dominant". What do we mean by dominant? Are we required to refer to the literal definition of "dominant" in the *Oxford Dictionary* in terms of exploitation of sex? What is the meaning of "undue"? Does that refer to the standards of a community or to what a university may stand for in that particular community? It is very confusing.

My purpose in drawing this confusion to the attention of Members opposite is certainly not to be disputatious or difficult. I simply draw to their attention the complexities and difficulties with this particular legislation, as amended. It will need further consideration and I am pleased that the Government has added a sunset provision with regard to the amendment.

My second point concerns Clause 1(c) which reads "constitute hate propaganda within the meaning of subsection 281.3(8) of the Criminal Code". That particular section contains a definition of hate propaganda. Since this is a sunset law, why is the Government allowing accused individuals the opportunity to proceed by indictable offence as well as summary conviction, according to this amendment? Surely we are attempting to give a clear and unequivocal signal to those who wish to import such undesirable material into Canada that we in Canada do not want it and do not believe that it is in the Canadian interest to have it in Canada. Therefore, I would suggest that as a result of giving accused persons the option of proceeding under summary conviction, which carries a lesser fine and lesser penalty than the indictable offence which is much more serious, the Government has failed to grasp the opportunity that was before it.

In its amendment under Clause 1(c), the Government should clearly have spelled out that until 1986 all actions will be followed with an indictable offence as opposed to summary conviction. That does not prejudge in any way what future amendments may or may not be and I believe that Parliament would be giving a very clear signal to those individuals. I think the Government has missed its opportunity to give that signal.

Let me deal with the sunset provision. This provision, which states that the amendment will no longer be effective after June 30, 1986, is a good beginning. However, due to the Budget debate and a host of other legislative matters on the parliamentary calendar, what will happen if the Minister of Justice (Mr. Crosbie) is unable to introduce legislation by that time in order to make changes which are so necessary and demanded by the Canadian people? I am afraid that what will happen will be a continuation of that particular amendment both in substance and perhaps for another indefinite period of time. I had hoped that the Minister of Justice would be in his place today. I realize and appreciate that he is at a very important conference. I thought the esteemed and eloquent House Leader of the Government would have been able to stand in his place and clearly say that at a given time we will have given legislation before this Parliament to address the concerns which we as Canadians have with regard to this undesirable material.

● (1220)

Unfortunately, Mr. Speaker, there must be a rift in the Cabinet. The House Leader of the Conservative Party has not stood in his place. There is still time for him to get up and wax eloquent before us that by such and such a date, within three months, there will be new legislation placed before Parliament and referred to the Standing Committee on Justice and Legal Affairs so that Members of Parliament and the Canadian community will have an opportunity to review and assess where the Government stands on this particular material.

This was an opportunity for the Tories. Once again opportunity came and the Tories have missed that opportunity. I would hope, and I stand to be corrected by the Hon. House Leader of the Conservative Party, that he may yet later this afternoon stand in his place, if he has received a memo from the Deputy Prime Minister (Mr. Nielsen) or the junior Minister of Justice, and tell us when legislation will be forthcoming. I know that in the spirit of parliamentary co-operation and parliamentary reform the House Leader for the Conservative Party wants to take his responsibilities seriously. He should forthwith take his responsibilities seriously and get a specific time undertaking from the Minister of Justice as to when he and the Government will bring in legislation that will address the matters we are now discussing.

It is not sufficient, I suggest, Mr. Speaker, with all due respect, to say in Clause 2 of the amendment which is part of Bill C-38 that by June 30, 1986 this amendment will no longer be in effect. I think we need more. I think the Canadian people who overwhelmingly supported the Conservative Party in the last federal election deserve more than that. They deserve more than just a pat on the head, if you will. I would hope that the very eloquent, distinguished House Leader of the Conservative Party would for once assume his responsibilities, in a responsible and serious way and stand in his place and give us that undertaking.

Mr. Nunziata: That is wishful thinking.

Mr. Dingwall: I want to compliment the Minister of State for Finance (Mrs. McDougall) who is not in the House. No doubt she is in the Government lobby listening with great care to the views expressed by Opposition Members of Parliament—I am very certain of that—but I want to congratulate her for bringing this legislation forward. It may not curtail, it may not assist, but it is a sincere attempt by the Government, which we support and which the New Democratic Party supports, to try to tackle the issue. The Tories have gone only a very small part of the way, in my view. I think there is a great deal to be done. I would hope Hon. Members opposite will see this opportunity to raise their concerns when caucus meets tomorrow and come back some time later tomorrow and share with Members of Parliament the specific date when we will be discussing both the timing and the substance of the legislation.

Mr. Nunziata: Mr. Speaker, I would like to congratulate the previous speaker on his comments. I was listening very attentively to what he was saying. I agree whole-heartedly with his comment that the Government is not taking the bull by the horns and bringing in the necessary legislation. It is the Conservative Government's approach to governing in this country. This Government appears to be constantly shirking its responsibilities notwithstanding that it was given a massive mandate on September 4 to provide the necessary leadership in this country and to bring in legislation for the benefit of Canadians from coast to coast.

What we find time and time again is that the Tories are dragging their feet because they are afraid, because the Prime Minister (Mr. Mulroney) is afraid to make the tough decisions that are necessary in order to govern properly. The Prime Minister is afraid to alienate any one particular group or individual. As a result we have had all this consultation going

on, constant consultation for the sake of consultation, not for the sake of hearing the views of Canadians.

I am sure that, as a Member of the last Parliament, the Hon. Member is aware that the former Liberal Government introduced legislation last year that would have made it easier to prosecute those who publish or distribute hate literature or pornography. I am sure the Hon. Member is aware of that because he was in the House and was a strong advocate of that legislation introduced by the previous Government. I am sure the Hon. Member is also aware that the Conservative Party, while it was in opposition, stone-walled and obstructed that omnibus Criminal Code Bill introduced by the Liberal Party. Consequently no action was taken because of the obstructionist tactics by the Conservative Opposition of the day.

I would like to hear from the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), as an experienced and seasoned Member of Parliament and as a Member during those days, whether he can advise the new Members of Parliament, such as myself, why the Conservative Party in opposition stone-walled legislation introduced by the Liberal Government that would have addressed the issue of the importation and publication of pornography and hate literature.

Mr. Dingwall: Mr. Speaker, I want to thank the Hon. Member for his complimentary remarks. It is in character with the disposition that he has demonstrated during his short time in Parliament, and I want to thank him for his complimentary remarks.

Some Hon. Members: Oh, oh!

Mr. Dingwall: I hope I can live up to the objective test that he has set for me.

I should point out to the Hon. Member that unfortunately this Government—who knows why?—is bent on the idea of consultation, which I think for many objective standards is a good thing. What the Government has refused to do, although it has tabled its consultation papers for the benefit of Members of Parliament and Canadians, is to table the number of polls initiated by the Prime Minister's office concerning public policy in Canada. The Government has refused, Mr. Speaker, to table the polls which the Conservative Party and its agencies have taken with regard to public policy issues and where the public stands.

Mr. Hnatyshyn: Are there some pages missing from my Bill? It has nothing to do with polls. The Hon. Member must be reading a different Bill, Mr. Speaker.

Mr. Dingwall: Therefore, it is quite in character with the Conservative Government that it would not come forward in a very forthright, substantive way with regard to new law, new legislation, respecting child pornography. This Government is going to wait and it is going to consult. It is going to take more polls, so whatever the Government does the Tories will make certain that the Prime Minister (Mr. Mulroney) will be loved in each area of Canada.

• (1230)

Perhaps I could answer specifically the question raised by my distinguished colleague as to the motives of the then Government, but I do not think anyone in Canada would dare to question the intentions or motives of the Tories. We know by their track record what are their motives and intentions. They have been the same for 100 years. They are on the side of big business, on the side of big, multinational oil companies and on the side of vested interests. They do not care about the various regions.

To give a concise and concrete answer as to their motives is very difficult. I can only say that what they have demonstrated in the past by their stance on vavious issues and by what they have done in policy conferences on the national and regional levels indicates that their sole purpose in government is to perpetuate the class system in Canada, not the middle class or the poor. That is their ideology, motive and intention.

Ms. McDonald: Mr. Speaker, my point of order is that the debate has been rather lost, but since there is only a brief period for questions and comments, I want to make a comment at this point. Do I have the floor for that purpose?

Mr. Deputy Speaker: Yes.

Ms. McDonald: I want the Bill to pass, so I will be very brief in my comments. However, I am afraid I have to say something about the hypocrisy of the two previous Liberal speakers.

Mr. de Corneille: Mr. Speaker, I rise on a point of order. The Hon. Member has declared that her intention now is to talk about some other speakers, not about the subject. Therefore, I would suggest that Your Honour rule her out of order.

Ms. McDonald: Clearly my remarks concern the substance of the remarks of the two previous Liberal speakers on pornography and the accusation of failure of the Conservative Government to act swiftly. The Liberals were in government for the last number of years, until September 4. They had many opportunities to bring in legislation. They were requested to bring it in. They were made offers of swift passage in the case of pornography legislation. They were told that if the clauses on pornography were taken out of the omnibus Bill, they would be given swift passage. But the Liberal Government was not prepared to move swiftly on the matter.

Further, the notion of applauding the Federal Court of Appeal because it discovered that something was wrong with the legislation is unacceptable, as that had been repeatedly pointed out to the Government. They could have brought in an amendment without the court pointing out what was wrong with the legislation. It was well known. They had been told that and had been asked to bring in amendments to the legislation so that it would not be unconstitutional. Instead they were slack. They just let it drift. Now we hear compliments to the court for finding out something which the Government ought to have known and ought to have acted on a long time ago.

Mr. Dingwall: Mr. Speaker, I am very happy to respond to the Hon. Member's comments. She has a great interest in the subject-matter which we are debating. All I can suggest to that particular Member of Parliament is that we were the Party in government which passed the Charter of Rights that she so loudly applauds at this point in time.

Just for her own edification and so she will be able to sleep better in the evening, in 1959 amendments to the Criminal Code were brought in by the Conservative Party. There were further amendments in 1962, and in January, 1978 the amendments of 1962 were reflected upon. There were further amendments on March 22, 1978; on May 1, 1978; on January 12, 1981; on February 16, 1981; on April 17, 1982; in January of 1983; on March 31, 1983; on June 23, 1983; and in November of 1983. The list goes on and on. I do not wish to have the debate go on longer than necessary, but the record is there for everyone to examine and is very clear. I suggest to the Hon. Member that she is a little off centre.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, it seems that all Hon. Members of the House who are present have thus far indicated their willingness to support the measure before us for consideration. Also I think we have agreed that this is a stop-gap Bill. It is something which was hastily put together in order to try to overcome what seemed to be shortcomings in terms of preventing the admission of various kinds of materials which incite hatred and violence. Since we all understand the ultimate fate of this Bill, that we will all work together to pass it today, I should like to use this occasion to reflect upon some of the important issues that in our haste about other matters we keep passing over.

Once again this Bill brings to our attention the urgency of dealing with matters relating to the whole question of violence, whatever form violence takes. We have seen over the years that the inciting of violence has been successful. We have seen wars and genocides internationally. We have seen the danger of terrorism which until recently we thought happened on the other side of the world. Now it has come home to roost, to Toronto and to Ottawa.

I have worked on conferences dealing with terrorism in an attempt to bring about some way of condemning it as a nation. Nationally and internationally we have noted a certain degree of apathy about the matter. Violence has also been recommended in this country against those who allegedly committed murder by bringing in capital punishment. Violence is part of our lives as we watch television and see people being massacred at an incredible rate of speed. We become almost immune and in fact somehow inured to the danger of violence in society.

Violence is something with which we have to deal not as an isolated matter or on a patchwork quilt basis. We have to take a comprehensive view of it and of course we have to deal with it as it emerges. I served on the committee on battered women which was a subcommittee of the Standing Committee on Health, Welfare and Social Affairs in the last Parliament. It brought forth a report which needed to be acted on fully and was acted upon in part. The Liberal Government at that time took certain steps to provide through CMHC homes for battered wives. We saw certain steps taken to deal with the concerns of those groups in terms of amending the laws and the ways in which we dealt with their concerns.

I suggest that these steps deal with the result, the violence itself. In my view it is important that we deal comprehensively with the cause as well, not in a patchwork quilt, unrelated way. Some comprehensive steps which were taken to deal with violence occurred as long ago as when Mr. Trudeau, Dean Maxwell Cohen and Mark MacGuigan began to deal with the hate literature Bill. They brought about a Bill which was successful and began to call to our attention as Canadians the grave problems which result from the promotion of hatred. That hate literature Bill was passed.

All people concerned about freedom of speech—and I am sure that would include everyone in the House—have to realize that there is a growing understanding that groups cannot be libelled any more than individuals. Hate literature is a way of libelling individuals because they are members of a libelled group. While there are still perhaps some who belong to civil liberties groups which oppose the idea of bans against hate literature, the vast majority of civil libertarians today approve of the steps that were taken to deal with hate literature.

● (1240)

Because we have begun to set those kinds of legal definitions which have taken years to evolve, they have become accepted gradually by the community. There are certain things that you cannot say against a group any more than against an individual. We are now beginning to grow in our culture and in our approach to civilization. At last we have passed rules and laws against hate literature. They must still be further refined. They must be strengthened. We still see that hate literature is being brought across the borders into this country which in fact incites hatred against people in our community.

The second thing the Liberal Government of the past did was not only develop the hate literature law gradually against opposition, against editorials in *The Globe and Mail* and *The Toronto Star*, but it nonetheless persisted in bringing in that legislation against hate literature. We also moved in the direction of bringing about a policy of multiculturalism. That policy tried to bring about better respect among Canadians each of the other, no matter what their linguistic background, the language they spoke, the religion they espoused, the culture group they belonged to, their sex or gender or what their background may have been.

We have a rich country because we have a multitude of cultures, not just one. They are the riches of the nation, the riches of the world. We have people who belong to many cultures, backgrounds, races and creeds. We respect one another. That policy of multiculturalism has been the basis for this country in fighting hatred and violence. It is a total policy which we must use to fight violence.

The third area to fight violence was to bring in a Charter of Rights and Freedoms. I remember the time it took us to

convince the provinces to agree to signing the international human rights Covenants. We had to carry on a petition campaign in 1971. We forget how recently this battle was against violence, genocide and hatred. We forget how thin is the veneer of civilization still. In 1971 Canada still had not yet signed the international human rights covenants because the provinces refused until then, and until some time later, to give their consent to Canada signing those covenants.

Why could Canada not sign them without the provinces? Those covenants included areas that dealt with matters that were of a provincial nature. In respect for the provinces, the federal Liberal Government was not able to proceed more quickly in signing those international human rights covenants. Through the persuasion of petitions we were able one by one to convince each of the provinces to sign those covenants. It was a long struggle.

Then came the Charter of Rights and Freedoms. It was a further step to try and espouse those noble values and principles and enshrine them into our Constitution. We wanted to say that all men are equal, that they will be treated equally, that they have the right to be respected and not to be assaulted in their dignity and their right to exist in freedom in this country. That is why the Charter of Rights needed to be enshrined.

There are those who want to regress and treat these things in a light-hearted fashion. Canadians wanted that Charter. They have now seen that dream also, another step forward, step by step to combat violence. In the Charter of Rights and Freedoms we speak about the right of people to be able to conduct their lives without threat to their dignity, to their person, their family and their property. We cannot do enough to enshrine these values.

I am happy to say that this is one of the great Parliaments of the world, one of the few places in the world where we believe we can enjoy those freedoms, where we try to protect the dignity of our citizens. I am proud to be part of that kind of Parliament and to have served in that Parliament. I suggest that this Bill is indeed just a stop-gap measure, a small blip in a much greater challenge which we must face. That challenge is to face violence and deal with it, not merely with the rape that takes place or the terrorism that takes place, or the battered wives or children who are abused. Rather, we must deal with the causes of violence.

We must ask ourselves about the way in which the communication systems convey violence, particularly the manner of permitting into this country hate literature or pornography which enhances, spreads or incites a form of violence. Rape is a form of violence, as is child abuse, murder and terrorism. Denying the dangers of the Holocaust and its existence is indeed to deny the greatest and most horrible violence we have known in this century.

Right at this time, because our Bills still are not adequate and our protection is not adequate, hate literature and denials of the Nazi Holocaust can enter and cross our borders at will. I wish to bring to the attention of the House the horrors that existed for those who would deny that the Holocaust took place. It was not just this deformed mentality that has been entertaining, if you will, those who enjoy that kind of entertainment in a hard hat and in a courtroom. Others in this country who are perhaps more serious individuals are also hateful and have also spread the idea that the Holocaust did not take place. I remember someone from Quebec who ran for the Tory Party who was espousing that view. He ran in Terrebonne. He espoused the view that the Holocaust never took place, that the Jews in fact torpedoed their own ships to create martyrs in the last war. That came from the mentality of a Canadian, not one who is across the seas.

In case there are those pathetic minds who think that the Holocaust never took place for one reason or another, I wish to point out that I recently attended a rally at Queen's Park in Toronto. The rally was held in order to allow the German Consul General, Dr. Ernst-Gunther Koch, to be able to give a message from Germany about the Holocaust to counter this hate literature, this hatred being distributed throughout the country to cast doubt upon the integrity of the Jewish people and their honesty in saying that the Holocaust took place. These are the words of Dr. Koch:

> I thank you very much for your invitation to be with you this afternoon. This gives me—as the representative of the Federal Republic of Germany—an opportunity to draw your attention to the following facts:
>
> The conviction of my Government as well as the attitude of the German people with regard to the genocide of the Jews during the National Socialist Regime—

That was the Nazi regime.

> —are based on the fact that it was the declared goal of the national socialist policy to persecute and annihilate the Jewish population in Germany and Europe for racial reasons.
>
> As a consequence of this criminal policy, millions of Jews were killed, and the Jews were afflicted with terrible pain and grief.

● (1250)

> These facts are absolutely evident for my Government. They are confirmed by the consistent results of research of all competent historians as well as by the sentences pronounced by German courts and by witnesses and defendants in these procedures. The great majority of Germans shares this view which has been held by all German governments since the chancellorship of Konrad Adenauer in 1949. My Government considers it an undeniable fact that a large number of Jews were gassed in concentration camps. German courts have regarded the claim that there were no gas-chambers in concentration camps established by the Nazi regime for the mass murder of Jews and other people as defamation and have instituted criminal proceedings in such cases.
>
> The Federal and Land Governments of the Federal Republic of Germany have been endeavouring for decades to redress the crimes of the Nazi Regime. The Bundesrat and the Government of the Federal Republic of Germany have repeatedly stated that redress for the crimes of the Nazi Regime is one of the most important and urgent commitments of the German people.

That was a statement made by Dr. Ernst-Guenther Koch, Consul General of Germany, on behalf of his Government.

I bring this to your attention, Mr. Speaker, to show how, on the one hand, one can have the total submission of the German Governments and of the German people to clarify their own history and yet we have the bizarre situation of pedlars of hate defaming the Jewish people and those of us who had parents and relatives who were not Jews but died in the Holocaust. They are defaming the very existence of those people and

saying that they have made up this story in order to advance their ends. That is hatred. It fans the flames of hatred.

Indeed, we should be considering whether or not there should be laws in Canada, as there are laws in Germany, that forbid the dissemination of such hatred as to deny the existence of a Holocaust which swept away in its ranks not only the six million Jews who were gassed only because they were Jews but the gypsies, the mentally ill and, as well, the other 25 million people of Europe who died as a result of that Holocaust. That ultimate Holocaust was caused by hatred and the propensity to say that only one race was greater than all others, something which is exactly the opposite of the beliefs of this Parliament and all it has stood for and fought for over the decades.

This is a matter of fighting for civilization. When passing this particular Bill we must not feel as though we have achieved something great here today. It is merely a stop-gap measure. In the general thrust of this House, I hope we shall continue assiduously to try to promote and carry on a battle against violence in all of its forms. The idea of combatting such things as rape and violence against women in the form of pornography or hate literature, or any other thing such as the advocacy of capital punishment, should continue by this Parliament in order that reverence for human life be established and that this Parliament be able to set an example for other Parliaments throughout the world.

I thank you for your attentiveness, Mr. Speaker, and for the time of the House allowing me to be able to express my deeper concerns which go beyond this particular Bill. I hope they will be there for us to continue to use as guideposts for the future and for the great heritage of this Parliament of Canada.

Mr. Deputy Speaker: Questions and comments? Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Ms. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-38, an Act to amend the Customs Tariff Act, be read the second time and referred to the Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and the House went into Committee thereon, Mr. Danis in the chair.

Clauses 1 and 2 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I appreciate very much the co-operation again shown by the Opposition. Under the circumstances, I think we should take an extra five minutes for lunch. I believe there is an inclination to see the clock as being at one o'clock. After Routine Proceedings, we will proceed on the Bill relating to the Charter of Rights.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At 12.57 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

EXTERNAL AFFAIRS

PARLIAMENTARY DELEGATION TO U.S.S.R.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Government of Canada has sent a delegation of Members of Parliament to the U.S.S.R. under the leadership of that famous globe-trotter, the Secretary of State for External Affairs (Mr. Clark). The group is composed of the Hon. Members for Western Arctic (Mr. Nickerson), Kootenay West (Mr. Brisco), Calgary South (Mrs. Sparrow), Niagara Falls (Mr. Nicholson), Leeds-Grenville (Mrs. Cossitt), Témiscamingue (Mr. Desjardins) and, apparently, the Parliamentary Secretary, the Hon. Member for Dollard (Mr. Weiner).

Mr. Speaker, if you haven't noticed yet, all those Members are Tories. It seems that the Government cannot find anything else for the back-benchers on the government side to do, other than to send them on trips around the world. The action of the Government in sending only Conservative members to represent our country should please the Soviets immensely. They too are of the opinion that there should be only one Party.

* * *

ENVIRONMENTAL AFFAIRS

CANADIAN WILDLIFE SERVICE CUT-BACKS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, yesterday the cuts in the Canadian Wildlife Service took effect, an appropriate day for them to have done so, because only a fool would still try to justify the terrible mistake the Tories have made in this area.

Witness after witness testified before the Standing Committee on Fisheries and Forestry that the research to be abandonned as a result of the cuts would not be picked up by the private sector, the universities, or the provinces, and that is undoubtedly the case. Yet the Minister of the Environment (Mrs. Blais-Grenier) decided to have eyes that would not see and ears that would not hear, and has stubbornly refused to reconsider.

We can only hope that when it comes to the many remaining items on the Canadian environmental agenda, the Tories will show more sensitivity to public support for environmental protection than they have when it comes to wildlife and national park planning. What about the promise they made during the election to make environmental impact assessment something required by law? Or will this conflict with the Deputy Prime Minister's (Mr. Nielsen) joint study team on regulatory program review, which has been asked to evaluate environmental programs primarily on the basis of whether they directly or indirectly constitute an obstacle to economic development or job creation?

Since that is obviously the case with some environmental programs, at least insofar as traditional forms of exploitative economic development are concerned, one can only conclude that the worst is not yet over. The Tories, like the Romans who persecuted Saint Paul because Christianity was putting the idol makers out of business, use the rhetoric of job creation to cover the fact that what they are really concerned about is the well-being of that idolatry represented by the values of the market-place, a form of sanctified self-seeking that has already done enough to creation, both human and non-human—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

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[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

UNEMPLOYMENT PROBLEMS—GOVERNMENT POSITION

Mr. Richard Grisé (Chambly): Mr. Speaker, on April 1 in the riding of Chambly, a group of business people from a number of municipalities that are particularly affected by unemployment have opened a door to job creation. Thanks to the program set up by the Department of Employment and Immigration, these men and women who, like the present Government, are aware of Canada's economic development needs, have set up an industrial and business recovery fund.

The new LEAD company will receive more than $2 million in financial assistance over the next five years. This recovery fund will be a source of risk capital, to be used not only to help existing businesses but also to attract new businesses that will create more than 50 permanent jobs in three communities in the riding of Chambly.

Mr. Speaker, by maintaining programs similar to the LEAD Program, the Progressive Conservative Government is clearly showing it is anxious to deal with employment problems in Canada, Quebec and more specifically in the riding of Chambly.

S.O. 21

[*English*]

AGRICULTURE

CALL FOR IMPLEMENTATION OF AGRI-BOND PROGRAM

Mr. Elliott Hardey (Kent): Mr. Speaker, many of my constituents in the riding of Kent feel that the Farm Credit Corporation may never function properly or become the main lender of farm credit again unless an agri-bond or similar program can be developed and legislated. I realize the efforts which many are making to bring this about, and I call on all Members of this House not only to encourage this action but to encourage its expediency.

But there is another very important and immediate problem to be addressed in the farm community, and the Farm Credit Corporation holds the key to the solution. The problem is this. How do we deal with the many questionable bankruptcies facing many of our most aggressive and efficient farmers, in other words, the farmers we cannot afford to lose?

A recent special review board has indicated that many of these farmers may still be viable even though their net worth has shrunk due to decreasing land prices. The same escalated land prices that were involved improperly in the lending of dollars are now involved improperly, due to devalued land prices, in the "unlending", if I may use that word, of the same dollars.

I call on the agency to be less rigid and to be the first to waive one-half of the actual dollars it estimates it will lose when it forces a bankruptcy sale. I believe the banking industry is ready to follow this course and is watching closely for the initiative to be taken by the FCC. With that action, this sensitive issue could be resolved sooner, and even the taxpayer would benefit.

* * *

[*Translation*]

IMMIGRATION

TREATMENT OF APPLICANTS FOR REFUGEE STATUS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, when we mentioned the occurrences at Toronto detention centre for persons claiming refugee status a few weeks ago, the Minister of Employment and Immigration (Miss MacDonald) referred the matter to the Standing Committee on Labour, Employment and Immigration.

The House will recall that the RCMP questioned prospective refugees without the benefit of a lawyer or adviser. There was also a problem about the lack of information given these people on assistance available from humanitarian and professional agencies.

Mr. Speaker, the committee must now discuss how its members are to conduct their investigation. The Committee on Transport and Communications was allowed to travel far and wide, but it seems there are no funds left for the Committee on

Labour, Employment and Immigration. The problems discussed in the Committee on Transport are probably less embarrassing politically than those on the agenda of the Committee on Labour, Employment and Immigration.

Mr. Speaker, this goes to show there is a wide gap between the Progressive Conservative Party's so-called resolve to govern by consensus and what is actually happening.

* * *

[*English*]

ENERGY

WESTERN ACCORD—REMOVAL OF OIL INDUSTRY TAXES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, Ontario's Deputy Energy Minister, Duncan Allan, was quoted this morning as having said that he fears the federal Government "gave away the store", and is exhibiting "a lot of faith" that the oil industry won't simply take its money and run, under the Western Accord. Those are his words, not mine. I believe that at the minimum we should have a statement from the Prime Minister (Mr. Mulroney) and Premier Miller on the kind of language which the Deputy Energy Minister of Ontario used.

The Conservative's new energy policy removes five federal taxes on the oil industry, at a cost to the federal Treasury of $1 billion over the next two years. There is another $1.4 billion deficit in the oil import subsidy account. When it comes to oil companies, clearly the federal deficit is no problem. It is only a problem for ordinary Canadians whose programs and benefits must be cut back.

We have seen the catch phrases which have been used by the Minister of Energy, Mines and Resources (Miss Carney) before. Catch phrases such as "engine of economic growth", "market-oriented prices", and "end to discriminatory taxes" have been used. I figured out where I had seen those catch phrases. I have seen them in the Gulf advertisements on television and in the newspapers in the last four years.

Why would a Government give a conservative company like Texaco such a windfall? It is a disastrous policy. I would suggest three ways to salvage it. One, Premier Miller must insist that Clause 9 of the agreement on consumer protection must be beefed up. One could sail a super tanker through that clause. Two, the Petroleum Monitoring Agency should be given more power to monitor in the upstream and downstream—

Mr. Speaker: I regret to interrupt the Hon. Member, but his time has expired.

[*Translation*]

LABOUR

NEED TO MAKE RADICAL CHANGES TO EXISTING LEGISLATION

Mr. Gilles Bernier (Beauce): Mr. Speaker, does the right to work exist in 1985? We live in a society governed by laws that often put constraints on that fundamental freedom that is the right of the citizens of this country to engage in employment.

As far as employment is concerned, I am astonished at the number of rules and regulations. In Quebec, work permits, qualification cards and OCQ regulations often penalize large numbers of workers. Our democratic institutions leave very little room for invention, creativity, freedom of choice and the right to work. I am convinced that thanks to technological change, employment will increase as a result of the creativity and energy of the individual.

Canadians and Canadian businesses must know they cannot constantly live off government handouts. I am sure there is a majority that wants to be free to go on working and developing their skills. Interventionism is not a panacea. We must reduce Government intervention in the lives and economic activities of Canadians. Government administration today is often too complex to be effective.

Finally, Mr. Speaker, thousands of workers are anxious to see drastic changes in our present legislation so that they can work freely without constraints. As far as federal-provincial relations are concerned, I suggest taking down the barriers that are preventing my constituents and Quebecers and Canadians in general from working where they want to work.

* * *

● (1410)

[*English*]

SOCIAL SECURITY

UNIVERSALITY UPHELD

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, the Progressive Conservative Party has long been the champion of effective and beneficial social programs. The Conservative Government under John Diefenbaker introduced some of the most progressive social assistance legislation in Canadian history. To quote the Hon. Member for Regina East (Mr. de Jong): "Mr. Diefenbaker's concern for the unfortunate, the weak, and minorities should be a reminder in future years to Members of Parliament and Governments yet to come." Yes, it is this Party and, indeed, this Government, which truly care about all Canadians.

The Minister of National Health and Welfare (Mr. Epp) wrote in his consultation paper on child and elderly benefits that the concept of universality is a keystone of our social safety net. Its integrity must not and will not be called into question.

The Progressive Conservative Party is a caring Party for all Canadians. We do not believe that Canadians are ordinary; we believe that all Canadians are extraordinary.

Some Hon. Members: Hear, hear!

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ENVIRONMENTAL AFFAIRS

CANADIAN WILDLIFE SERVICE CUT-BACKS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it was reported in the Ottawa *Citizen* that Pierre Couillard, an expert in wildlife disease, has been hired as a chauffeur for the national museums. I submit that no credible consideration of ways and means to reduce the deficit could seriously conclude that a saving of $3.8 million, roughly one ten-thousandth of the deficit, in the Canadian Wildlife Service would do anything to move the Government toward sound fiscal management. Yet, $3.8 million represents a 17 per cent reduction in the annual budget of the Canadian Wildlife Service, and will cause widespread disruption of research activities and human resources.

Canada gets a good return on its annual investment of $22 million in the CWS. Recent Government statistics about the importance of wildlife to Canadians indicate that industry, directly or indirectly related to wildlife, employs about 184,000 individuals, and generates about $2.9 billion in personal income. From this the federal Government receives about $737 million in income taxes, and another $269 million in import and excise duties. By comparison, the total revenues to be saved, or costs recovered, announced on November 13 for the whole of Environment Canada for the fiscal year 1985-86, total only $44.1 million, or 4 per cent of the entire revenue generated by wildlife related industries. Despite claims by the Government that the cuts were rationalized, no rationale besides restraint and sound fiscal management has been forthcoming.

We condemn the action taken by the Government which has led to Canada's top wildlife experts having to seek positions of employment which are totally unrelated to their qualifications, and to severe losses in the long term to Canada as a whole.

* * *

CULTURAL AFFAIRS

IMPORTANCE OF THEATRICAL GROUPS

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, we live in a world of rapid advancement, and it is sometimes with awe that we watch and experience the impact of these developments and how they affect our lives. It therefore becomes all the more crucial that we take time to reflect on our heritage and recognize the absolute importance of supporting Canada's arts and culture. It is unfair and unrealistic to expect Canadian artists alone to ensure the enhancement and future of our culture. This process should be a collective effort, shared by our artists, the general public, and our Government.

Ottawa has the advantage of the National Arts Centre, an institution which gives us the opportunity to patronize artists from across the country. It is, however, equally important that we support the smaller groups in our communities. The National Capital region supports organizations such as the Great Canadian Theatre Company, servicing both the adults and youth of our community. In Vancouver, the Vancouver Playhouse not only produces shows but also has a mandate to cultivate young talent. In Toronto, Theatre Passe Muraille endeavours to exhibit Canadian works. In Montreal, Le Théâtre de Nouveau Monde works to ensure the future of French Canada's unique culture. These are only a few of our organizations which represent thousands of Canadian artists who are dedicated to Canada's cultural development. But dedication is not enough; they also need our financial support.

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CHARTER OF RIGHTS

FURTHER TRANSLATIONS URGED

Mr. Ernie Epp (Thunder Bay-Nipigon): With the equality provisions of the Charter of Rights and Freedoms to be proclaimed on April 17, Canadians are again reminded of their right to freedom of speech and assembly, and to freedom from discrimination. However, many Canadians whose mother tongue is neither English nor French will be unable to understand those fundamental rights fully.

Although the Charter has been translated into some 16 languages, there remain some very significant omissions. Where, for example, is the Charter in Japanese, in Inuktittut, in Finnish—spoken in Canada by the largest population of Fins outside Finland—in Hindi, or in Russian? All these and others are spoken as the first language by large numbers of Canadians.

Now that the Liberal Canadian Unity Information Office has been disbanded, its functions with respect to distributing the Charter to Canadians have been absorbed by the Secretary of State (Mr. McLean). I am told, however, that the Department does not intend to have any other translations done. The Government has stated its intention to enhance multiculturalism. In the rush to hack off government programs, it is forgetting significant portions of our society. I trust the Secretary of State and the Minister of State for Multiculturalism (Mr. Murta) will consider this unfortunate lapse and make the Charter available soon to all Canadians.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ENERGY

WESTERN ACCORD—GASOLINE RETAIL TAXES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. He must have recognized that the recent oil deal certainly does not benefit the consumers who will be the real victims of that deal. The Prime Minister certainly did not reassure the people of Ontario yesterday when he refused to give a commitment that there would be no increase in taxes at the pump.

Will the Minister assure this House that there will be no taxes imposed at the pump? Will he give us his undertaking that that will not be part of his Budget? Will he at the same time explain to the House why he made that commitment initially and spontaneously to reporters, and then withdrew it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is very clear that the Western Accord does benefit consumers, particularly those who are out of a job today. There will be 250,000 or 300,000 of those people who will get work as a result of the Accord.

As to the other questions that the Right Hon. Leader of the Opposition has put to me, he knows that those are matters which would be addressed in a Budget. I remind him that we will be addressing a very wide range of issues in the Budget which affect both the revenue and expenditures of the Government. He will have to wait until then, as will others, for those answers.

EMPLOYMENT FORECAST

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I wonder whether that is the advice that his Deputy Minister is giving him, because it is certainly not the advice of the Deputy Minister of Energy of Ontario, Duncan Allan, who is reported today's Toronto *Star* as saying he is skeptical about whether the industry can create 250,000 jobs. He says if Ottawa imposes a gasoline tax to help pay for the energy deal, it will throw Canadians out of work. That is the official Ontario position.

Therefore, would the Minister be good enough to table the list of alleged jobs that would be created, and which was cited by his colleague, the Minister of Energy, and which seemed to be as full of holes as a piece of Swiss cheese, and show us where those jobs are coming from?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am really quite taken aback by the Right Hon. Leader of the Opposition. On the one hand he tells me that we should be addressing the problems of the deficit, and on the other hand he says we should not be doing certain things to address those problems. I do not have the list that the Minister of Energy is referring to, and I suggest he put that question to her when she returns to the House.

ONTARIO AND QUEBEC PREMIERS

Right Hon. John N. Turner (Leader of the Opposition): I posed that question because the Minister was boasting about jobs flowing from the deal. Would the Minister tell the House whether, before that deal was signed, he had consultations with his counterparts in Ontario and Quebec to assure them that his officials were not actively exploring ways of levying a huge tax at the retail level on gasoline to compensate for revenues lost to the oil industry as a result of this deal? Did the Premiers of Ontario and Quebec agree in advance with the oil deal, knowing that in view of this potential tax increase, and, I suggest, forthcoming tax increase, their consumers would be footing a bill of somewhere in the range of five to ten cents a litre?

• (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Right Hon. Leader of the Opposition is using scare tactics which are inappropriate for the House. He has written, in his own words, that the national energy policy was a disaster. For that reason we have moved quickly to make the changes in that policy that will create jobs, not only in western Canada but in the consuming provinces of Ontario and Quebec. I would think that the Premiers of both those provinces will be very pleased when those jobs are created.

NOTIFICATION OF ONTARIO PREMIER

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister. It is with regard to the oil deal as well. Last Thursday I asked the Minister of Energy, Mines and Resources if the Premier of Ontario had been consulted on the details of the oil deal and its relative negative impacts on Ontario. In her reply the Minister said that she would be addressing that in her remarks the same afternoon, which of course was not the case. Can the Deputy Prime Minister now tell the House when the Premier of Ontario was notified of the details of the deal? What input, if any, did he have in the process of the signing of that agreement?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I listened very carefully to the Minister of Energy, Mines and Resources when she made her statement. I recall her saying that she consulted with the Minister of Energy of the Province of Ontario all through the process. She assured the House that there were no negative impacts on the Province of Ontario.

Mr. Hnatyshyn: It has a positive impact.

Mr. Nielsen: As my hon. friend points out, it has quite a positive effect on the Province of Ontario, including jobs and industrial spin-offs. I wish the Hon. Member would accept the explanation rather than running around, as the Minister of Finance has said, like his Leader and, through scare tactics, creating fear in the hearts of Ontarians.

PRIME MINISTER'S MEETING WITH ONTARIO PREMIER

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, if there was no negative impact, why was an emergency meeting held between the Prime Minister and the Premier of Ontario, even if it was after the fact? Why did the Premier come out of that meeting empty-handed? Would the Minister not agree with the Ontario Deputy Minister of Energy, Duncan Allan, who said that the Government gave away the store to the multinational oil companies?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that same question was put yesterday by Hon. Members of the Opposition. There was no emergency meeting. There was a meeting with the Premier of Ontario, and there will continue to be meetings with Premiers of other provinces, totally unlike the die that was cast by the previous administration. There is a new era of federal-provincial co-operation in existence now. You will have to get used to that.

STATEMENT ATTRIBUTED TO ONTARIO DEPUTY MINISTER

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to direct my question to the Minister of Finance. The Ontario Deputy Energy Minister, Duncan Allan, fears that the federal Government "gave away the store" and is exhibiting "a lot of faith" that the oil industry won't simply take its money and run. Does the Minister agree with that statement? If he does not agree with it, is he accusing the Government of Ontario of using scare tactics?

Hon. Michael Wilson (Minister of Finance): Simply put, Mr. Speaker, I do not agree with that statement. I would suggest that the jobs which will be created by the Western Accord will be beneficial, perhaps even to downtown Vancouver. The Accord will be beneficial to the Province of Ontario, the Province of Quebec, and the entire country, because of the jobs that will be created by the new incentives that are now in place and which were taken away by the previous Government. I would remind the House that the Hon. Member did not like the last energy policy for the same reason, that it was cutting out jobs all across the country.

IMPACT ON CONSUMERS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, consumers and taxpayers in downtown Vancouver and elsewhere in the country are concerned that their taxes are going to be increased, either at the pump or generally, to pay for this windfall that was given to the oil companies. Will the Minister go on record telling Canadian consumers that their taxes will not be increased to pay for the windfall he just gave to the oil companies?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I answered an almost identical question about two minutes ago. If the Hon. Member did not hear me then, I will repeat the answer. Consumers, particularly those who are out of a job today, will be very pleased by the impact of this energy accord because it will create jobs right across the country. On September 4 we were elected to create jobs, and we will be creating those jobs.

* * *

[*Translation*]

IMMIGRATION

FUTURE LEVELS OF IMMIGRATION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, in the absence of the Minister of Employment and Immigration, my question is directed to the Deputy Prime Minister.

Yesterday, the Standing Committee on Labour, Employment and Immigration tabled its report on future immigration levels. Could the Minister inform the House whether he agrees with the mainly economic focus of the report and especially with the fact that we seem to be attracting wealthy immigrants to ensure Canada's economic growth?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the Hon. Member is referring to a report of the parliamentary committee. When the Government has had an opportunity to review that report it will be making its views known. The report, and the press conference following that report, in no way impinges upon Canada's ability to accept refugees.

* * *

TRUST COMPANIES

COLLAPSE OF WESTERN CAPITAL TRUST

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of State for Finance. In the last eight weeks we have seen a major trust company in Saskatchewan collapse, and the near collapse of the tenth largest bank in Canada. We learned yesterday that Western Capital Trust has collapsed in Vancouver. It is important that the financial community know that the Minister is taking action.

When the Minister learns that a trust company or bank is in trouble, does she always take immediate action to ensure that the Government is doing everything possible to stop a collapse or near collapse?

Hon. Barbara McDougall (Minister of State (Finance)): Yes, Mr. Speaker.

MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, today I learned from sources within the Department of Insurance that the Minister of State for Finance was given a report in December outlining the problems associated with Western

Capital Trust in Vancouver, and laying out a course of action to stave off a collapse. The Minister refused to take any action. If the Minister was notified of the problem and given a course of action to stop the collapse, will she explain why she failed to take action?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, my officials met continually over the winter months with the people from Western Capital Trust. In January the head of Western Capital Trust was given the opportunity to come to see me personally, and he refused.

REQUEST FOR MINISTER'S RESIGNATION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, we have a financial Nero here. The financial community is serious about the concerns of a variety of trust companies and banks. They have been getting into certain troubles. We have now heard from the Department of Insurance that the Minister refused to take action. This is a time when strong leadership is required. The Minister has admitted that she did not take action when she was directed to. Therefore, will she do the honourable thing and resign from that position?

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame!

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I will do the honourable thing. I am producing a paper on financial institutions for which the industry has been waiting for years. I have also instituted a report on the Canada Deposit Insurance Corporation for which the industry has been waiting for years. That is the honourable thing to do, Mr. Speaker, and I am doing it.

Some Hon. Members: Hear, hear!

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IMMIGRATION

COMMITTEE REPORT—ENTREPRENEURSHIP ADVOCACY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Deputy Prime Minister. Yesterday's Conservative report advocating conditional increases in immigration based on an individual's wealth is completely immoral. It overlooks the tens of thousands of average immigrants who have come here and made themselves successful entrepreneurs and immigrants, who have taken jobs that Canadians did not want. All immigrants, regardless of economic status, are automatic consumers when they come into the country.

● (1430)

Is the Deputy Prime Minister prepared to reject this latest elitist proposal, in favour of a more balanced and humanitarian approach, given that traditional immigration policy has been built on family unification and humanitarian concerns?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that is quite a bundle that is all wrapped up into what masquerades as a question. The fact of the matter is that what the Hon. Member refers to as a Conservative report is not a Conservative report. It is a report of the standing committee.

The Minister of Employment and Immigration informs me that she has spoken with some 160 organizations, including provincial Governments. The standing committee report is yet one other source of advice, albeit a very important one, upon which she is calling, as he knows.

When the standing committees report, the Government considers their recommendations and makes any decisions that might flow therefrom known in due course.

Mr. Marchi: I would indicate to the Deputy Prime Minister that it was a Conservative report. Only the nine Conservative Members agreed to the report. The Liberals did not, and produced a minority report.

CONSIDERATION OF REPORT

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. How can the Cabinet and the Government consider a report that is based on the whims of nine Tory Members, when not one ethnocultural witness was asked to come, not one immigrant aid society, and not one economist was asked to come to correlate unemployment and immigration? Is he prepared to repudiate this very elitist, one track, and regressive policy, in light of these facts?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, perhaps it is a result of his inexperience with the practices and procedures of this place, but what the Hon. Member is advocating is a total dismantling of the committee system, regardless of the fact of numbers on the committee. I can recall when the position was precisely reversed and the Liberals held the majority on that committee. Nonetheless, it was a report of the committee, even though there are majorities on each of those committees.

With respect to the string of witnesses that he enumerates as not having had input to that committee, I would suggest that the Hon. Member has been woefully lacking in his duty as a Member of Parliament on that committee by not ensuring that those witnesses did appear.

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TRUST COMPANIES

PIONEER TRUST—PLIGHT OF UNINSURED DEPOSITORS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of State for Finance. Last week the federal Government participated in the bailing out of the Canadian Commercial Bank to the tune of almost $255 million, much of it interest free.

According to information I have received, the Saskatchewan Minister of Finance, through his office, has been telling uninsured depositors of Pioneer Trust that they will be fully compensated, or nearly fully compensated, and that an announcement will be made soon. Will the federal Government be contributing to the uninsured depositors' compensation, over and above what CDIC has already paid out?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have already indicated in the House that I am having discussions with the Minister of Finance in Saskatchewan. I have nothing new to add.

UNINSURED INCOME AVERAGING CERTIFICATES

Mr. Simon de Jong (Regina East): Mr. Speaker, trust companies and other financial institutions are falling down like ten pins. Obviously CDIC has not the resources to fulfil its legislative responsibility properly. My supplementary question concerns the matter raised by my colleague, the Hon. Member for Yorkton-Melville, about the uninsured guaranteed income averaging certificates that were sold by Pioneer Trust with CDIC approval. Was CDIC aware of this practice, and what responsibility does CDIC have in compensating those people who have been misled?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Hon. Member's opening remarks are among the most irresponsible statements I have ever heard in the House.

Some Hon. Members: Hear, hear!

Mrs. McDougall: I can tell you right now that financial institutions in this country are not falling like ten pins, and I am producing results.

* * *

UNEMPLOYMENT INSURANCE

IMPACT OF CHANGES

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Finance. In view of the comments made by the Minister of Employment and Immigration yesterday outside the House that neither she nor her Department had done an impact study on the proposed changes with regard to unemployment insurance, does the Minister stand behind his comment: "That is not my responsibility. It is her Department that would have an impact study done on that particular matter"? Does he stand behind that comment?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Minister of Employment and Immigration and I had extensive discussions at the time these proposals were made back in November. During the weeks and months following that, she had extensive consultations with the industry about the impact of the measures. She proposed changes in the implementation of the proposals, which resulted in a phased in change, or transitional change, part of which took effect this Monday and part of which will take effect as of the first of next year. I think she has demonstrated that she is very much on top of the issue, aware of the impact that it has had, and has made the proper adjustments.

REQUEST FOR FREEZE ON IMPLEMENTATION OF CHANGES

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, the Minister has given tax holidays and tax breaks to the multinational oil companies. Is he prepared to exercise his responsibility to the unemployed and poverty stricken by putting a freeze on these unemployment insurance changes, ordering an impact study and tabling it in Parliament, before there is any implementation of unemployment insurance changes? Is he prepared to do that?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member would step back and look at the direction of the changes we are proposing, he would see that we are saying that the unemployment insurance fund is just that, an unemployment insurance fund. Over a period of time it has been allowed to do other things besides insuring against the impact of unemployment. That is what we are trying to adjust. We are very sensitive to the impact of those changes.

However, I would ask him to address those same comments to the workers and employers, particularly small businesses, who support the unemployment insurance fund with their premiums. The premiums are getting very high and we are looking at ways of restoring unemployment insurance to its original purpose.

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CANADIAN WHEAT BOARD

SPRING SEEDING CASH ADVANCE PROPOSAL

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of State responsible for the Canadian Wheat Board. I am sure that he is aware of the need for cash for farmers in western Canada. He has also received representations from the Saskatchewan Wheat Pool, UGG, the Farmers' Union, CAM and other organizations, about the possibility of a new program for spring seeding cash advances. Has the Minister had an opportunity to consider this proposal? Is he able to announce the date at which he could take appropriate action to provide a spring seeding cash advance for those farmers who need cash between now and spring seeding?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Member raises an important issue. Indeed there was a problem with the crop on the Prairies in the previous year, and there is need for cash to encourage producers to put their crops in the ground.

I have had representations which we have studied. The Member should know that there is considerable difficulty with

implementing the proposal, but I have not totally ruled it out. While I do not want to raise too much expectation, we are still looking at it.

I can say that we are very close to announcing a substantial payment under the Western Grain Stabilization Act that will be in their hands prior to spring seeding.

GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the Minister said that he is looking at the possibility of a spring seeding cash advance. Does that also apply to this year as well? Has he ruled it out for this year, or can the farmers expect the possibility of such an advance before May 1?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I can say that we have to consider this year because the reason why we are talking about the problem is that we had a poor crop last year. If we talk about it for an upcoming season, it would mean that we are clairvoyant and would know what kind of crop we will have in the current growing season. Obviously, we do not know that. Therefore, in order to make it useful, we must consider it in terms of the coming year. As I said, we have not totally ruled it out, but it seems that it would be very difficult to administer, and in some cases could cause problems for farmers who need credit the most.

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LABOUR

CLOSURE OF WABASSO PLANT IN WELLAND—PLIGHT OF WORKERS

Mr. Allan Pietz (Welland): Mr. Speaker, my question is directed to the Minister of Labour. During October of 1984, 490 workers in my riding of Welland received employment termination notices from the Wabasso Textile Company. The Welland plant was the first Wabasso plant to close. The older laid-off workers received some assistance from the Labour Adjustment Review Board legislation. This legislation expires in five months' time. I would like, therefore, to ask the Minister how his future plans for LARB will affect these workers and other possible textile worker lay-offs.

● (1440)

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I wish to inform the Hon. Member that although the LAB program is scheduled for review in August of this year, with a possible extension of three more years, I can also assure the Hon. Member and those individuals who come under that program that their benefits will be ongoing.

AGRICULTURE

PRINCE EDWARD ISLAND SWINE INCENTIVE PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, my question was for the Minister of Agriculture, but in his absence I will put it to the Acting Minister. Last week the United States slapped a countervailing duty of $12.50 a hog on our exports to the United States. This week there are three teams of U.S. investigators from the Department of Commerce combing through the books and records of the Provincial Marketing Board and stabilization programs of the provinces and the federal Government. In light of the U.S. investigation which is going on this week, is the Government continuing to support the Prince Edward Island Swine Incentive Program? I ask this question because this Program is very important to the viability of the new kill and chill facility in Prince Edward Island. Can the Minister clarify that situation?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): I am sorry I cannot bring the Hon. Member up to date on that program, Mr. Speaker. I will take the question as notice and bring him up to date the earliest possible time.

UNITED STATES DUTY ON CANADIAN HOG EXPORTS

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a supplementary question. It is about the countervail duty itself because it is having a devastating impact on Canada's pork producers, especially coming two weeks after the summit in Quebec City at which all these problems were supposed to have been ironed out. Would the Acting Minister make a commitment to the hog producers to have the Prime Minister telephone the President to ask him to call back these Department of Commerce investigators, and to lift this duty which is having a devastating impact on agriculture in Canada?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, we are well aware of the devastating effect that these duties are having on the Canadian hog producers.

I want to advise that yesterday our government officials met with the hog producers in Canada and their counsel to assist them with their hearing that will be held in Washington later in June. I would also like to remind the hon. gentleman that the levies at this time are temporary. We have an opportunity to make further representations, and we are hopeful that we will be able to persuade the tribunal that the levies are not warranted at this time.

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CANADIAN WHEAT BOARD

PLANTING OF UNLICENSED VARIETIES OF WHEAT

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is for the Minister of State for the Canadian Wheat Board. He will know that plantings of the unprescribed short straw wheat varieties in western Canada went up over

500,000 acres last year and are expected to make up some 7 per cent of the total spring wheat acreage on the Prairies this year. There is real concern among farmers that the superior quality of Canadian wheat may be placed in jeopardy through the increasing use of these varieties. We also know that the Minister has established a committee to find ways of legitimizing the use of these wheats which are not now licensed. Can he tell us his personal experience with these kinds of varieties? Have they been grown in his area or on his farm? What is the Minister's experience with them?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, if you want to hear my experience, I have had a permit book for 30 years. I believe the Hon. Member who asked the question is the only farmer in the two opposition Parties across the way, and I would certainly be happy to swap yarns with him about farming if he wishes.

Some Hon. Members: Oh, oh!

Mr. Mayer: Let me talk a little bit about what we have done. It is anticipated that acreage will go up this year. We announced a week ago Friday a system whereby we are not legitimizing these varieties. We are not encouraging people to grow them, and we are not discouraging them. We are simply acting as adults in recognizing that there is a potential problem.

If we continue to grow these unlicensed varieties, it can cause us to lose some of our reputation in the international market. None of us want to see that. We are not legitimizing their growing, we are simply recognizing that these varieties will be grown. We have sat down as adults and tried to use some common sense to develop a system that will avoid some of the problems to which the Hon. Member refers.

MINISTER'S POSITION

Mr. Vic Althouse (Humboldt-Lake Centre): I had asked the question quite specifically, Mr. Speaker, because there are some concerns among farmers in the grain industry that the Minister himself may have been growing such varieties.

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame!

Mr. Althouse: If so, I thought it seemed unusual for him to have taken on this job since it generally falls within the purview of the Minister of Agriculture. Could the Minister assure us that he is operating at a full arm's length in this particular area, that he has not been involved in production of such grains, and that he is not leaving the impression in the farm community that he is finding a way to legitimize his own past practice?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I plead guilty as charged. I am in all kinds of conflict of interest. I am a farmer myself, and I am trying to act in the best interests of farmers.

Some Hon. Members: Hear, hear!

Some Hon. Members: More!

Mr. Speaker: Does the Minister have an answer to the question?

Mr. Mayer: If the Hon. Member is telling me that he does not want me to fight for as large a payment out of the Western Grain Stabilization Act as possible, and if he is telling me that he doesn't want me to get the payment out as quickly as possible because that is a conflict of interest, then that frankly surprises me.

Let me tell the Hon. Member that I have grown semi-dwarf at my place, one of them a licensed variety called fielder. It is grown all over the Prairies. It is licensed, and it is grown particularly in the irrigation areas of southern Alberta.

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[*Translation*]

CONSUMER AND CORPORATE AFFAIRS

BANKRUPTCY ACT—GOVERNMENT POSITION

Mr. François Gérin (Mégantic-Compton-Stanstead): Mr. Speaker, consumers, small investors and small businessmen are delighted that the Minister of Consumer and Corporate Affairs has started a thorough review of the Combines Investigation Act and the Bankruptcy Act.

Since the present Bankruptcy Act contains a number of provisions that are unfair to the consumer, small business people and small investors, I would like to ask the Minister of Consumer and Corporate Affairs whether future bankruptcy legislation will contain specific measures to improve consumer protection.

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I mentioned earlier in the course of various consultations and conferences on the Bankruptcy Act, the Government does indeed intend to do a number of studies with a view to revamping the Bankruptcy Act and protecting small investors and consumers.

* * *

[*English*]

CITIZENSHIP COURTS

APPOINTMENT OF JUDGE GIOVANNI ROCCA

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is for the Hon. Secretary of State. In view of the fact that his Leader, the Prime Minister, promised in the election campaign that he was going to bring in "new dimensions of objectivity and fairness in making federal appointments", could the Minister tell us how this criterion applies to his appointments", could the Minister tell us how this criterion applies to his appointment as a citizenship court judge of

Giovanni Rocca, who worked as a full-time paid employee for the Tory Party and went down to thumping defeat as a Tory candidate in the last election in Davenport?

Hon. Walter McLean (Secretary of State): Mr. Speaker, I would think the Hon. Member would be extremely excited—

Mr. Boudria: I am.

Mr. McLean: —that a person who has not only contributed to the political process but who has also contributed to citizenship development in the area of the City of Toronto, such an important area of Canada, has been appointed, and he would be saluting him and wishing him well in his new responsibilities.

APPOINTMENT OF JUDGE SUZANNE WARREN

Mr. Roland de Corneille (Eglinton-Lawrence): Obviously he is not following the biblical policy, Mr. Speaker. Apparently the Tory policy is that they shall all be chosen.

Some Hon. Members: Oh, oh!

Mr. de Corneille: Many are called, and many are chosen.

Some Hon. Members: Oh, oh!

• (1450)

Mr. Speaker: Order, please. The Hon. Member for Eglinton—Lawrence on a supplementary question.

Mr. de Corneille: What about the Minister's recent appointment of Suzanne Warren as a citizenship court judge who, at the time of her appointment, was nothing more than a full-time paid employee of the Tory Party and its chief organizer in Toronto? Isn't this a clear and unmistakable government policy of appointing Tory Party hacks, and proof that one more of the major election promises of the Tories has been broken?

Hon. Walter McLean (Secretary of State): Mr. Speaker, it surprises me that the Hon. Member would start off by attacking appointments of Italian Canadians, and then move on to attack the appointments of those with social work and educational backgrounds. The Government has a determination to see that citizenship embraces an holistic approach and that people with wide experience will be included in these appointments.

* * *

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF DIRECTORS

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a couple of nice questions for the Minister of Transport. Is it the intention of the Minister, or of the Prime Minister, to announce appointments to the CNR board of directors within the next week or two? If so, about when, and how many?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, it is possible that there will be some changes to the board of CNR. If the Hon. Member is making a pitch for his own candidacy, I will be very glad to receive his CV.

Mr. Benjamin: Mr. Speaker, the job I would have liked has already been filled, namely, that of Minister of Transport.

REPRESENTATIVE APPOINTMENTS

Mr. Les Benjamin (Regina West): Before the appointments are announced, will the Minister assure the House that he and the Prime Minister will depart from previous Liberal practices and Tory practices to date, re the appointments to Air Canada and VIA Rail boards, and restore some reputation and credibility to government appointments so that the people who are appointed, even if they are Conservatives, come from a cross-section of groups and regions of Canada to represent the real owners of the company? For example, there could be one or two CNR pensioners, one or two from the agricultural sector, one or two from consumer groups, one or two from shippers and receivers, and if only one from the legal profession hopefully one who has not been a Tory bagman but who has some experience in transportation law. Would he assure us of that?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I assure the Hon. Member that I will take his question as a serious representation.

Mr. Benjamin: It really is.

Mr. Mazankowski: As for his own fortunes, I am sorry he missed out on the plum job he was after. Perhaps he should get a new campaign manager.

* * *

[*Translation*]

FINANCE

PAYMENTS TO QUEBEC—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the spokesman for the multinationals, the Minister of Finance. Yesterday on television, it was obvious that the Premier of Quebec was disappointed by the Minister's decision to give him only $110 million when the Premier was actually expecting $263 million. The Minister will agree with me that, after cutbacks of nearly $1 billion and foot-dragging in the cases of Domtar, VIA Rail and the cartographic institute, Quebecers were expecting a lot more than that. Can the Minister tell us why the Government of Quebec is getting less than half of what it had asked for, whereas other provinces are getting more than half of what they wanted to have?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member would be the first to agree with me when I say that, if the Liberals had been in power, they probably would have gotten nothing.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Let me remind him of the formula which I announced in the House yesterday. I said that we would be equitable in applying a 95 per cent floor to the three provinces which would not be receiving the same amount of equalization in the current fiscal year. Obviously that affected different provinces in different ways, because there are different variations from that 95 per cent floor. Since I think he is comparing the Province of Quebec with the Province of Manitoba, I would remind him that Manitoba, without any changes in the equalization payments, will see its amounts go from 480 to 408 to 367 under the formula which the Liberals introduced in 1982. This is why the Province of Manitoba is being treated somewhat better in terms of the absolute amount which has been provided under the supplementary payments.

[*Translation*]

INQUIRY WHETHER GOVERNMENT WILL RECONSIDER QUEBEC DEMANDS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): A supplementary question, Mr. Speaker. I might remind the Minister that he is the one who decided to slash $1 billion off Quebec projects. He is the one who decided to give Quebec only $110 million, and it was the Premier of Quebec on television last night who was quite disappointed by the Minister's decision. I would hope that it was not an April Fools' Day joke he played on the Premier of Quebec who supported him during the last election campaign. Is the Minister prepared to reconsider his decision and give the Quebec Government at least 75 per cent of the equalization payment it had asked for?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member refers to a billion dollars in projects which have been cut by the Government. I would ask him to table that amount and the specifics of it, and we will have a look at it. I think he will find that the amount is grossly overestimated, as is normally the case with the questions the Hon. Member puts.

I would have like to have done more but, as the Hon. Member for Saint-Maurice said yesterday, we had to look at our own deficit, and we cannot try to control the size of our deficit as well as provide the full amount of money—

[*Translation*]

Mr. Malépart: How many new jobs in Quebec!

[*English*]

Mr. Wilson (Etobicoke Centre): If the Hon. Member would care to listen, I would give him an answer.

* * *

ENERGY

WESTERN ACCORD—TAXATION INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I should like to return to the Minister of Finance and questions on the energy deal which he has not answered so far. The Deputy Minister of Energy for Ontario correctly pointed out that the Government has given away the store. I should like the Minister to answer the question this time. Considering that he has given oil companies over a billion dollars over the next two years and that, if a tax increase is levied by the federal Government to make up for that billion dollars, it will cost Canada about 20,000 jobs, will the Minister make a commitment that there will be no tax increase to make up for it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the New Democratic Party is throwing a lot of speculation out on the table here. He knows I will not speculate on matters which will be in the Budget. However, I remind him, as I reminded his colleague from Vancouver-Kingsway, that this energy accord will create a vast number of jobs right across the country. That is very clear, and we will stand on that record.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows that he is whistling in the dark. The Deputy Minister of Energy for Ontario, if not the Premier of Ontario, knows how ludicrous are the Minister's statements. Since it is correct that he cannot tell us in advance, in terms of his responsibility, what will be in the Budget, but can tell us, maintaining his responsibility, what will not be in the Budget—

Some Hon. Members: Oh, oh!

Mr. Dick: He can't do that.

Mr. Broadbent: He can do that. The people behind him can cheer the oil companies, but we are on the side of the people of Canada. Will he tell the people now, before the election is over in Ontario, that there will be no increases in tax as a result of this give-away to oil companies?

• (1500)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the people of Canada said on September 4 that the Conservative Party speaks for the people of Canada as well.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The Hon. Member comes from an Ontario riding. He knows what happened to the steel mills in Hamilton when the NEP came in. He knows what happened to the instrumentation companies in Ontario when the NEP came in. We are trying to reverse that. There will be a large number of jobs created in Ontario, Quebec, and all parts of Canada, as a result of that energy policy. That will be the test of the Western Accord that the Minister of Energy, Mines and Resources announced last week.

* * *

CLERK OF PETITIONS' REPORT

NUCLEAR WEAPONS-FREE ZONE

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Winnipeg North Centre (Mr. Keeper) on Monday, April 1, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

ADMINISTRATION OF PUBLIC BUILDINGS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have the honour to present a petition signed by a number of citizens asking for changes in the administration—

Mr. Speaker: One moment, please. I cannot hear the Hon. Member.

Mr. Garneau: Mr. Speaker, I have the honour to present a petition on the administration of public buildings.

[*English*]

RADIO LICENCE FEES

Mr. Jack Scowen (Mackenzie): Mr. Speaker, I would like to present this petition on behalf of some of my constituents who are opposed to the increase in radio licence fees.

[*Translation*]

REGULATION OF GASOLINE PRICES

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, on behalf of my colleague from Sherbrooke (Mr. Charest) and myself, I have the honour to present a petition signed by 7,207 residents of the Eastern Townships. This petition has been signed by people who, through the Opinion 63 open line show hosted by Mr. Roch Guertin on radio station CHLT, have voiced their objection to the excessive increase in the price of gasoline sold in Quebec.

The petitioners humbly call upon Parliament to urge the Minister of Consumer and Corporate Affairs (Mr. Côté) to intervene in this case as soon as possible and establish a national gasoline prices commission.

I present this petition and strongly urge the Government to act on it.

[*English*]

PRICE OF SUGAR-BEETS

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition signed by several dozen people from the Province of Alberta calling on the Government to institute a program to ensure that farmers in southern Alberta get a reasonable guaranteed price for the sugar-beets they produce.

* * * *

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I was just wondering whether you have had an opportunity to review some of the previous decisions by other distinguished Speakers with regard to where petitions come in terms of Routine Proceedings.

Mr. Speaker: I apologize; I misumderstood the Hon. Member. No, I have not. I will be back to the House as soon as I have. I assure the Hon. Member that the matter is under active consideration.

* * * *

ABORTION LAWS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, it is my duty and pleasure to present a petition today signed by residents of the constituency of Victoria-Haliburton. These petitioners believe that the Government of Canada must not allow any further changes to Canada's abortion laws which would make abortions and the resultant loss of human life more readily available.

RADIO LICENSING

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, the petition which I present to the House attests to the concerns brought to my attention by Fred Simpson, Director of Communications for the Penticton Radio Club and club member Mert Rawley, whose representation has the support of 153 general radio service operators who have attached their signatures to a statement asking that the Department of Communications reconsider its decision to license each radio, rather than the norm for other operators in which one licence fee is required irrespective of how many sets they own. The request asks this House to recognize the role which radio club mem-

bers assume by involving themselves in many community projects and—

Mr. Speaker: With respect, I have to interrupt the Hon. Member. I think he knows that the presentation has to be brief.

CANAGREX FUNDING

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition signed by several dozen people from southwestern Ontario in the Huron-Bruce area, calling on the Government to reinstate the funding for the Canagrex program to ensure that we continue to export our agricultural commodities abroad.

* * *

NUCLEAR POWER ACT

MEASURE TO ENACT

Mr. Bill Blaikie (Winnipeg-Birds Hill) moved for leave to introduce Bill C-231, an Act establishing a moratorium on the continued development of nuclear power in Canada for the purpose of establishing a public inquiry into nuclear power that is followed by a national referendum.

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

Some Hon. Members: Agreed.

Mr. Blaikie: Mr. Speaker, I am happy to be able to seek leave of the House to introduce the Bill today and have it read a first time. I hoped I would not have to proceed with this Private Member's Bill calling for an inquiry into the whole nuclear field cycle. I thought that was a commitment that the Government had made when it was the Government previously in 1979. However, it looks as if we are not going to have that issue considered. Therefore, I would now like to put that issue before the House in the form of a Private Member's Bill.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 35, 36 and 236.

Order Paper Questions

[*Text*]

FINANCIAL ASSISTANCE AVAILABLE FOR CRISIS CENTRES

Question No. 35—**Mr. Howie:**

Is financial assistance available for the creation of new transition houses or crisis centres for women and, if so (a) how is application made and to what body (b) approximately how much money was allocated for this purpose?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Department of National Health and Welfare and the Canada Mortgage and Housing Corporation as follows:

Under the Canada Assistance Plan, which is administered by the Department of National Health and Welfare, the federal Government is authorized to share in 50 per cent of the costs incurred by the provinces in providing residential care and services to needy persons. This includes the maintenance of battered women and their children in shelters commonly referred to as transition houses or crisis centres. Specifically, the Canada Assistance Plan enables sharing of provincial costs related to the operation of transition houses or crisis centres. Operating expenditures may include rental or mortgage payments or depreciation costs. It should be noted that the Canada Assistance Plan does not provide for sharing in provincial costs related to the purchase or construction of these facilities.

(a) Those wanting financial assistance to establish a transition house or crisis centre apply to provincial or municipal authorities, who decide whether it should be provided. If those authorities provide assistance, the province may request that the federal Government share the costs under the Canada Assistance Plan.

(b) While it is not possible to estimate the amount of Canada Assistance Plan expenditures for transition houses or crisis centres, the most recent information available (March, 1984) shows that the provinces have chosen to request financial assistance under the Canada Assistance Plan for 63 transition houses.

Transition houses or crisis centres for women may also be eligible for assistance under the Federal Social Housing Program whereby qualifying non-profit groups may obtain mortgage loan insurance for up to 100 per cent of acceptable capital costs and interest reduction subsidies under Section 56.1 of the National Housing Act.

(a) Non-profit groups wishing to develop and operate transition houses may apply for financial assistance under the Non-Profit Housing Program by submitting a proposal to Canada Mortgage and Housing Corporation. Any group intending to apply should contact the nearest branch of CMHC for details on the application procedure.

(b) In the past, resources under the Non-Profit Housing Program have been allocated in terms of subsidy units, not dollars. The actual amount of subsidy paid out is based on the capital cost of each project and the mortgage interest rate. In 1984, 11 transition homes across Canada have received commitments for funding and their operating costs will be subsi-

dized by CMHC for a maximum of 35 years. These projects will provide 129 beds for women and children in crisis.

For more details, please refer to the answer to question No. 36 answered this day.

NUMBER OF CRISIS CENTRES

Question No. 36—**Mr. Howie:**

1. For the latest date for which figures are available, how many transition houses or crisis centres for women are in operation in Canada?

2. Have any of these institutions been assisted by the Government?

3. Is financial assistance available to them and, if so (a) what is it (b) in what manner may it be obtained?

Hon. Ray Hnatyshyn (President of the Privy Council): 1. The Department of National Health and Welfare advises that according to the latest figures collected by the National Clearinghouse on Family Violence in 1984, there are approximately 190 transition houses providing residential services to battered women in Canada. There are three projects which provide second stage housing to women who moved beyond the transition house and who are trying to re-establish themselves in independent living situations. In addition, a number of areas are developing safe-home networks.

There are no statistics available on the number of crisis services which provide non-residential services for battered women.

The following Departments have provided a response to Parts 2 and 3. In so far as the Canada Mortgage and Housing Corporation is concerned:

2. In 1984, CMHC has assisted 11 transition homes providing 129 beds for women in crisis.

3. (a) Transition houses or crisis centres for women may be eligible for assistance under the federal Social Housing Program whereby qualifying non-profit groups may obtain mortgage loan insurance for up to 100 per cent of acceptable capital costs and interest reduction subsidies under Section 56.1 of the National Housing Act.

(b) Through application to local offices of Canada Mortgage and Housing Corporation, the federal government agency responsible for administering the National Housing Act.

In so far as the Canada Employment and Immigration Commission is concerned:

2. During 1984, CEIC was providing assistance to 56 transition houses or crisis centres at a cost of $1,524,210.

3. (a) Assistance is available under the Canada Employment and Immigration Commission's Outreach Program and through employment development programs.

(b) Information concerning funding under Employment and Immigration Canada programs can be obtained through Employment Development Branch offices and Canada Employment Centres.

In so far as the Department of Indian Affairs and Northern Development is concerned:

2 and 3. Under specific arrangements, an agency may be reimbursed by the Department on a per diem basis for the care and maintenance of a battered Indian woman with reserve residency status. In 1984-85, the Department has entered into very few such arrangements and these costs are not identified separately but are part of the total social assistance funding of the Department.

In so far as the Department of Justice is concerned:

The Department of Justice has no core funding capacity. In response to a proposal in 1984, the Contributions Program has contributed to the following project: Saskatoon Interval house, (public legal education program regarding wife abuse—1984).

In so far as the Department of National Health and Welfare is concerned:

2. According to the most recent information available (March, 1984), the provinces have chosen to request financial assistance under the Canada Assistance Plan for 63 transition houses.

3. (a) Yes, through the cost-sharing provisions of the Canada Assistance Plan (CAP), the federal Government shares in provincial/municipal costs of maintaining needy women and their children in transition homes and residential crisis centres. These maintenance costs are rolled up in a per diem fee which is agreed upon by the home and the province/municipality supporting it.

The Canada Assistance Plan also enables federal sharing of salary and related staff costs of non-profit agencies (such as non-residential crisis centres) providing welfare services such as crisis counselling/intervention.

(b) With respect to transition homes, cost-sharing is contingent upon the home being listed as a home for special care in the CAP agreement, the province/municipality making contributions on behalf of needy residents therein, and the costs being claimed by the province under the terms and conditions of the CAP agreement.

With respect to crisis centres, cost-sharing is contingent upon the crisis centre being listed in the CAP agreement as a provincially-approved welfare service agency, the province/municipality contributing towards the agency's costs of delivering welfare services and the costs being claimed under the terms and conditions of the CAP agreement.

In so far as the Secretary of State is concerned:

2 and 3. Once the houses or crisis centres are established, the cost of different services can be shared by federal programs. The women's program will provide financial assistance to groups which assist women who are victims of violence. Projects are funded for staff training, information, public awareness, education and others.

From April, 1984 to February 28, 1985, $257,797 was provided in financial assistance.

Groups providing support for women who are victims of violence can apply for financial assistance under the women's Program at one of the regional offices of the Department.

In so far as the Ministry of the Solicitor General is concerned:

2. The Secretariat of the Ministry of the Solicitor General of Canada is involved in funding a range of activities from research and demonstration projects to preparation of kits or pamphlets to assist local groups. It has funded a number of workshops and conferences. In 1984, the Secretariat has contributed $636,672 to assist battered wives.

Assistance is available to any community group either through consultative services, information services or funding.

3. Financial assistance is available to any community group, voluntary organization, or provincial department for experimental or demonstration projects for a maximum of three years. These projects develop or test new concepts in criminal justice and are usually funded in co-operation with the provinces and are administered by private agencies.

Core funding is offered through sustaining contributions or grants to national voluntary organizations in the criminal justice system.

FUNDING FOR SENIOR CITIZEN HOUSING

Question No. 236—**Mr. Howie:**

From January 1, 1984, what amount was loaned by the Canada Mortgage and Housing Corporation for construction of senior citizens' residences?

Hon. Bill McKnight (Minister of Labour): I am informed by Canada Mortgage and Housing Corporation as follows:

Canada Mortgage and Housing Corporation provides direct loans, representing 75 per cent of the capital costs, of constructing housing projects, including senior citizens' residences, under Section 40 of the National Housing Act. It also provides 75 per cent of the yearly operating losses on these projects. In 1984, there were some 584 senior citizens' housing units built under this program. CMHC's share of the capital costs of these units is estimated to be $20,470,576. CMHC's share of the first year's operating losses for these units is estimated at $2,980,956. Operating losses on these projects are paid for a period of up to 50 years.

CMHC does not provide direct loans for the construction of housing projects, including seniors' residences, under the current non-profit and co-operative housing programs. However, CMHC provides mortgage loan insurance and subsidies for these housing units under these programs. In 1984, current records show CMHC insured loans totalling $352,145,969 for the construction and/or acquisition of 7,062 non-profit and co-operative housing units for senior citizens. The subsidies to be paid by CMHC for the first year's operation of these units is estimated at $29,937,507. Final records should be available shortly. These subsidies are paid over the length of the mortgage.

Under Section 44, NHA, CMHC can subsidize the operating losses on provincially-owned senior citizens' projects by 50 per cent. In 1984, there were some 254 senior citizens' housing units provided under this arrangement, all of which were in Ontario. CMHC's share of the first year's operating loss is estimated at $1,069,935. Operating losses on these projects are paid for a period of up to 50 years.

In addition, under the rent supplement program (Section 44(1)(a), NHA) CMHC can provide a 50 per cent subsidy on operating losses on provincially-leased private rental projects. Rent supplement units approved in 1984 totalled some 689 units; however, the distribution between families and seniors has not yet been reported by the provinces.

As of January 24, 1985, there have been no commitments for senior citizens' housing projects in 1985 under any program.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (CANADIAN CHARTER OF RIGHTS AND FREEDOMS) AMENDMENT ACT

MEASURE TO AMEND

The House resumed from Monday, April 1, consideration of the motion of Mr. Crosbie that Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: The question is as follows: Mr. Crosbie, seconded by Mr. Hnatyshyn, moves that Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, be read the second time and referred to the Standing Committee on Justice and Legal Affairs. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

• (1510)

[*Translation*]

BELL CANADA ACT

MEASURE TO ENACT

Hon. Marcel Masse (Minister of Communications) moved that Bill C-19, an Act respecting the reorganization of Bell Canada, be read the second time and referred to the Standing Committee on Communications and Culture.

He said: Mr. Speaker, I welcome this opportunity to rise in the House to move second reading of Bill C-19, drafted following the reorganization of Bell Canada in 1983. The purpose of the Bill is to ensure that Bell Canada continues to meet its obligations to the Canadian public, and it establishes a number of regulatory powers so that the company's telephone service customers will continue to pay fair and reasonable rates. The reorganization took place as a result of the rapid changes taking place within the technological and economic structure of the telecommunications industry in Canada and abroad.

In recent years, the telecommunications industry throughout the world has been under tremendous pressure to adjust to the changes that have taken place in technology and the economy. The very foundations of this industry have been affected by developments in computer science, digital technology and radio and optic sciences. Consequently, the new generation of telecommunications products is faster, more innovative, more efficient but also less costly. At the same time, there is a growing number of users, especially large international businesses, that depend on these products for the efficiency of their operations. These businesses demand hi-tech products and services at relatively low cost.

Many countries have felt the increasing pressures of competition in providing the products and services of this new industrial era. In a sector that, at the beginning of this century, was typically a monopoly situation, we now see an increasingly competitive situation, especially in the United States, Great Britain and Japan.

We are also seeing many countries that are responding to the demand created by new technologies and their economic dimensions in particular, by bringing about tremendous corporate changes. Take for instance the privatization of British Telecom in Great Britain and the reorganization of AT&T in the United States which was obliged to divest certain activities. These are some of the most striking examples in the history of the industrialized world. Today, other countries like Japan are considering similar changes.

In 1983, Bell Canada was re-organized in response to the same sort of economic situation I just described. According to the new structure, Bell Canada Enterprises Inc. has become the new holding company of the Bell group whose headquarters is located in Montreal. The companies belonging to the Bell group are now organized in such a way that Bell Canada and its monopolistic subsidiaries like Tele-Direct publications, Bell Northern Research Ltd. and Telesat Canada, are separate from the other subsidiaries that are either competitive or regulated by the provinces. These subsidiaries include Northern Telecom Limited, Bell Canada International Inc., Bell Canada Ltd., Tele-Direct (Canada), Bell Communications Systems Inc. and the telecommunications companies subject to regulation by provincial governments. The purpose of the new structure is above all to make a very clear distinction between regulated monopolistic activities and competitive, non-regulated activities, so that these groups can meet the increasing pressures of international competition.

As stated by Bell Canada, and I quote:

> The continued success of the company will mainly depend on its ability to maintain its front-line position amid the rapid technological developments that are spurring on a number of its subsidiaries. If the company is to sustain the pressures of ever-increasing competition, it will also have to be both very flexible and very dynamic. The structure of the Bell group is intended to provide for the best possible utilization of all its resources. The re-organization was designed with these objectives in mind.

The need for innovation, competitive ability and new capital investment is in line with the objectives and vision of Canada's future as expressed in the Speech from the Throne and set forth in the agenda for economic renewal by the Minister of Finance (Mr. Wilson).

The Department of Communications is preparing studies with a view to formulating a Canadian telecommunications policy based on these objectives. Consequently, the Government, and especially my department, supports the reorganization of Bell Canada.

Because of its major capital resources, research and development activities and human resources, Bell Canada has always been one of Canada's greatest assets. It has become more than just a company. It is a Canadian institution.

The Bell Canada group plays a major role in our industrial infrastructure: as an operating company in Ontario, Quebec and the Northerwest Territories and as a holding company with a minority interest in a number of provincially regulated telephone companies in the Atlantic region. The company also contributes directly to the Canadian economy. In 1983, Bell Canada itself had 54,423 employees, and its operating revenue totalled $4.8 billion, while the company had assets of $10.9 billion.

In addition to providing systems and services, the Bell Canada group has created in this country a substantial research and manufacturing capacity thanks to its very competent administrators and staff. The group of companies includes Northern Telecom, one of the largest manufacturers

of telecommunications products in the world, and Bell Northern Research, Canada's largest private research and development company. Similarly, Bell Canada International Inc. has the biggest international consulting services in the world in the field of telecommunications.

When it was created by an Act of Parliament more than a century ago, Bell Canada was given a mandate to provide public service—a mandate that is still in effect. Our concern today is to maintain this social obligation while at the same time making it possible for the company to respond, unencumbered by excessive constraints, to international competition.

Now for a short history of the legislation on telecommunications adopted by the Parliament of Canada.

In Canada as in other countries, legislating and regulating telecommunications goes back almost to the birth of the industry. The Government of Canada—as did the Government of the United States—decided to let the new telecommunications companies like Bell Canada operate as private businesses, unlike other countries that quickly proceeded to incorporate the new technology into existing state monopolies, usually their postal services.

On March 7, 1876, Alexander Graham Bell received from the Government of the United States a inventor's patent for his telephone. The Canadian patent was given to Mr. Alexander Melville Bell, the inventor's father, on August 24, 1877, and the first telephone network started operating in Hamilton in 1878.

The Bell Telephone Company of Canada was incorporated on April 29, 1880, under an Act of Parliament. The new telephone communications technology was entrusted to a private company, an example of the traditional focus on free enterprise in North American society.

However, at the turn of the century, because of the economics and technology involved, the telephone seemed to lend itself to a de facto monopoly. While allowing those companies to corner the industry, Canada and the United States did impose regulations aimed at protecting consumer interests and preventing abuse of monopolistic powers. On various occasions, to take the development of the industry into consideration, the Canadian Parliament brought in legislative amendments to define regulatory powers and the respective responsibilities of the State and the industry.

• (1520)

Canadian parliamentary legislation on telecommunications stem from telegraph and telephone companies statutes and from general Acts on telecommunications regulation. Upon application filed by Alexander Melville Bell and associates, Parliament enacted federal legislation to incorporate Bell in 1880—an Act to incorporate The Bell Telephone Company of Canada. Under the Act, the new company was authorized to provide telephone service between two or more points anywhere in Canada and elsewhere. Two years later, in 1882, after a lawsuit in Quebec concerning the company's constitutional jurisdiction, the corporate statute was changed pursuant to BNA Act Section 92(10)(c) to indicate that the works of the company were for the general advantage of Canada. This was one way to make sure that Bell Canada would remain under federal jurisdiction.

Given the importance of such services and the changing socio-economic conditions, the statute of the company was modified on other occasions during the century so as to set forth certain obligations related to the quality of services offered. To comply with an amendment adopted in 1892, the company had to offer the most modern equipment available, within limits, and provide telephone service to any prospective customer.

Under a 1968 amendment, Bell was not allowed to apply for or be the holder of a broadcasting licence, but was required to act solely as a common carrier that would neither control the contents nor influence the meaning or purpose of the message emitted, transmitted or received, and the company could prescribe reasonable requirements concerning the connection to company facilities of equipment not provided by Bell. The CRTC was to determine whether such requirements were reasonable.

At the beginning, regulations governing the rates of telecommunications companies under federal jurisdiction, including Bell Canada, were part of the mandate of the Privy Council Railway Committee and took the form of changes made directly by Cabinet to company statutes. In 1892, the Canadian Parliament authorized the Governor in Council to approve increases in telecommunications rates. Under a further legislative amendment in 1902, the Governor on Council was authorized to increase or decrease rates as requested through applications filed by the industry or any interested municipality. Pursuant to the same Act, the Governor in Council had the new power to ask federal judges to consider rate change applications and make recommendations.

In 1906, considering the complexity of telecommunications rates, the Canadian Parliament empowered the Railway Commission to regulate the rates of Bell Canada and other federal telephone companies. The commission was also responsible for approving the amount, terms and conditions of capital stock issues, as well as the installation of telephone wires along public roadways. However, appeals to the courts were allowed on matters of rights or jurisdiction, and under the Act the Governor in Council had the power to reject or change any commission ruling.

As a result of developments in the transportation sector in this century, the Commission was reorganized several times. In 1938, the name was changed to Transport Commission of Canada and in 1967 to Canadian Transport Commission. In 1976, in order to achieve more harmonious regulation of both the medium and the message, authority to regulate telecommunications was transferred to the Canadian Radio-television and telecommunications Commission.

Canadian telecommunications are still governed by regulations that go back as far as 1903. The purpose of these regulations was, first of all, to safeguard the major principles of public utility and public transporter that had governed the field of transportation for many years. Applying these principles meant guaranteeing fair, equitable and reasonable rates

and the concept of "first come, first served", in other words, a service offered without discrimination.

The same regulatory structure and perspective has remained practically unchanged during the last 80 years. How should they continue to direct Canadian telecommunications, in the context of Bell's corporate reorganization?

What was the Government's response? First, the report by the CRTC. After the company made known its intent to reorganize and considering the company's importance both economically and socially, the Governor in Council ordered the CRTC on October 22, 1982, pursuant to Section 50 of the National Transportation Act, to conduct a public inquiry into the planned reorganization with particular emphasis on the following points:

Rate increases for Bell Canada customers that might result from the proposed reorganization.

The possibility that the reorganization would compromise the CRTC's ability to exercise the mandate it has pursuant to the Railway Act, the National Transportation Act and the Act respecting Bell Canada.

The amendments that will be necessary to remove or attenuate any obstacle to the exercise of that mandate.

In the case of reorganization, the limitations, if any, that would have to be imposed on the activities of the Bell group.

In February 1983, the CRTC held public hearings in the course of which many interested parties testified and made submissions on the proposed reorganization and its repercussions.

On April 18 that year, the CRTC submitted its report to the Governor in Council. It was in favour of the reorganization, subject to certain legislative amendments that would reinforce and clarify its authority with respect to Bell and its subsidiaries. According to the CRTC, these legal safeguards were necessary to prevent the reorganization from undermining the Commission's power to regulate the company and to avoid any prejudice to the interest of customers.

The CRTC summarized its position as follows, and I quote:

> According to the Commission, it is very important at this stage for Bell and its subsidiaries that its management be allowed this kind of flexibility. As Canada progresses in the information era, its future as an industrialized country will depend more and more on high quality skills in the management, technical and research sectors, the kind of skills we find, for instance, among the companies of the Bell group ... However, the desire to achieve certain goals in the field of industrial development should not lead us to ignore the necessary aspects of regulating public utility services.
>
> A regulated enterprise should have the flexibility it needs to innovate and improve its business prospects. However, this flexibility should not extend to subsidizing activities of a competitive nature from income drawn from the enterprise's monopolistic services.

The CRTC therefore recommended changing the legislation to provide that the Commission was authorized to obtain from Bell and its subsidiaries any documents and information deemed necessary; to empower the Commission to order that certain telecommunications activities had to be carried out within or outside Bell Canada; and finally, to maintain a certain number of constraints limiting the type of activity the companies could engage in.

On April 23, 1983, the Government announced its intention to examine the Commission's recommendations without delay and to propose as soon as possible any amendments that might be necessary to prevent the reorganization from undermining the CRTC's mandate. A few days later, the Department of Consumer and Corporate Affairs gave Bell its authorization to implement the proposed reorganization.

• (1530)

Last December 20, shortly after my appointment as Minister of Communications, I introduced Bill C-19 in the House, an Act respecting the reorganization of Bell Canada. The purpose of Bill C-19 is to change the legislative structure governing Bell Canada so as to give the Government more regulatory powers over the public obligations of the company, while at the same time freeing the company from constraints which make it harder to compete on the international market. The Act confirms the basic obligations of Bell Canada, which are to serve the public, refrain from regulating the contents of messages, and continue to be subject to regulations derived from the Railway Act. The Bill is also intended to consolidate the CRTC's regulatory powers over the monopolistic telephone service offered by Bell Canada as a result of its 1983 reorganization, thus making it one element of Bell Canada undertakings. Bill C-19 guarantees that the reorganization will not prejudice company customers.

Pursuant to Clause 11 of the Bill, Bell Canada may not sell or dispose of its shares, nor of such facilities as are essential to its telephone operations without prior CRTC approval. As requested by the CRTC, it is authorized under Clause 12 to obtain from Bell Canada any information required to discharge its regulatory responsibilities with respect to the company.

In keeping with our objective to deregulate competitive telecommunications services, the two provisions in Clause 13 are aimed, first, at making a clear distinction between competitive and monopolistic, regulated and non-regulated Bell company operations and, second, at enabling the CRTC to decide whether certain operations ought to be regulated or not. Under the first provision, the CRTC may require Bell Canada to perform directly the operations of one of its affiliates should be CRTC rule that there is not enough competition to guarantee fair and reasonable rates.

The second provision means that, conversely, the CRTC may require the company to dispose of any operation which is deemed competitive enough not to be regulated. This will prevent Bell Canada from using income from monopolistic services to finance its operations in competitive fields.

In conclusion, two years after the adoption of the Act to incorporate The Bell Telephone Company of Canada in 1880, the Canadian Parliament declared that the works of the company would be "for the general advantage of Canada".

Ten years later, the same Government stipulated that "...existing rates may not be raised without the approval of the Governor in Council".

For more than a century, the Government has regulated Canada's telecommunications and made sure that the necessary resources would be used to set up one of the world's best systems, while guaranteeing that Canadians would pay fair and reasonable rates, and have universal and non discriminatory access to the services. Those major principles still hold sway today, but we have to keep in mind new economic and technological factors, particularly the reorganization of Bell Canada, and that makes it necessary to take a new and more flexible approach when it comes to regulations. Since it has become imperative to define the structure of the reorganization that took place nearly two years ago, I ask Hon. Members to consider the Bill before them, and I conclude by quoting Robert Browning: "Progress is the law of life".

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, it gives me pleasure to take part for a few minutes in the debate on Bill C-19 respecting the reorganization of Bell Canada.

It is a well-known fact that the Liberal Government, through its then Minister of Communications, the Hon. Francis Fox, had already introduced legislation in response to the administrative changes made in 1982 to transform Bell Canada into a subsidiary of a holding company of Bell Canada Enterprises.

On February 8, 1984, the Hon. Francis Fox introduced in the House Bill, C-20, of which one of the purposes was to maintain the provisions requiring Bell to provide a telephone service and giving the CRTC authority to regulate the activities of Bell Canada. Bill C-19 is similar to that legislation in all respects.

We are happy that the Government has re-introduced the Fox Bill word for word.

While the Government is happy to take over this Liberal heritage, it has forgotten one of its major elements. While Bill C-20 introduced by Mr. Fox included amendments to the CRTC Act, this Government has tabled for this purpose a separate Bill, thus increasing considerably the extent to which Cabinet can give instructions to the CRTC.

The Official Opposition has already expressed its concerns over the interference of the Government with organizations such as the CRTC. For instance, what this Government has done in the case of the CBC is a cause for concern.

While Bill C-20 introduced by the present Government increases the authority of Cabinet to give instructions to the CRTC, Bill C-19 considerably increases the power of the CRTC to give instructions to Bell Canada.

In its reorganization, Bell Canada established a distinction between its basic telephone services and message communications service on the one hand, and the competitive research, manufacturing and operational activities in communication systems then being carried out by its subsidiaries on the other.

The new powers of the CRTC affect not only telephone communications, but also all other operations where Bell Canada still has an active role.

The Fox Bill did not give Cabinet as much authority to influence Bell activities through the CRTC. In this regard, the respondent has every reason to maintain that Government interference could eventually undermine its operations since these are truly political interventions at the highest level, namely the decision-making power of the Cabinet. For a Government that brags about doing everything to promote free enterprise, to me this is quite a paradox.

Let us look at the effective thrust of this legislation. The first 10 clauses are but a rehash of provisions in the special statutes under which Bell Canada was established. They guarantee that the company will still be regulated by the CRTC under the Railway Act. Clauses 11 to 13 point to the new structure. Clause 11 provides that previous permission from the CRTC is needed for Bell Canada Enterprises to dispose of Bell Canada voting shares, and for Bell Canada to dispose of any asset vital to its telephone operations. Clause 12 empowers the CRTC to obtain from Bell Canada Enterprises information relating to its power of regulation. Provisions under clause 13 are aimed at reflecting and guaranteeing a clear separation between Bells' competitive and monopolistic activities giving relevant authority to the CRTC.

The question to be addressed, Mr. Speaker, is this: Are consumers ensured services at a reasonable cost? Is the user, whether an individual or a corporation, obtaining the same standards of excellence and efficiency we have been used to, and which the Government has a responsibility to maintain?

The Government must on the one hand resist the temptation to deregulate. Ours is a vast country, which has to have an integrated and efficient communications network. From the American experience we can conclude that our market being limited, with a smaller population and remote areas, we cannot afford such New Conservative ambitions, which are to hand out everything back to private enterprise and abstain from regulating vital sectors such as communications.

In Canada, access to telephone service traditionally has been considered tantamount to an acquired right or an essential service. Up to a point, this is indeed the case. Past investments and sacrifices must now be part of tomorrow's heritage. While a company such as Bell must be encouraged to do research work and to improve its network, and allowed to discover and develop new avenues, the consumer must be serviced at a reasonable cost. The American deregulation experience certainly does not guarantee quality and service at a cost that is reasonable to consumers, individuals, businessmen or corporations, and above all we doubt that the American experience could have positive results here, in a different environment and with Canada's limited population.

To conclude these brief remarks, I would first suggest that the Liberal heritage is a kind of heritage that sometimes deserves to be maintained. In this case, the Tory Government has provided the evidence. I would add that the Official Opposition will keep an eye on the kinds and numbers of

guidelines imposed on Bell Canada Enterprises by the CRTC, but especially on the guidelines imposed on the CRTC by the Government. If the Government believes in free enterprise, this is a golden opportunity for him to show it.

● (1540)

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the introduction of this Bill we see proof of the old adage that the more things change the more they are the same. Bill C-19 is very similar to parts of the Bill C-20 which was brought in by the former Liberal Government and introduced by the then Minister of Communications, Francis Fox, in early 1984. On May 10, 1984 the then Opposition House Leader, the Member for Saskatoon West (Mr. Hnatyshyn), wrote to the then Government House Leader, Mr. Pinard, urging him to split the old Bill C-20 into two Bills, one to be called the Bell Canada Reorganization Act, which the then House Leader of the Opposition said "could receive a quick second reading and referral to committee".

Clearly the Progressive Conservative Government has done exactly that which it proposed then. It introduced Bill C-19, which we are now discussing, and its companion, Bill C-20, which has been passed by the House and is now before the Communications Committee. It is concerned with amendments to CRTC legislation and powers and to satellite broadcasting.

There are two main points which are worth making with regard to this Bill. This Bill is a shell, scarcely six pages in length, which simply outlines what already exists with regard to the supposed regulation of Bell Canada. It is not what the CRTC, consumer groups, or even the Government wanted. It only puts into legislation what Bell Canada wanted and is prepared to accept. Second, it is a testament to the power which corporations have in this country. Bell Canada took on CRTC, the Restrictive Trade Practices Commission, and the Bureau of Competition Policy in public hearings and fought them all off. In the end the Government backed off and, as a result, we have this Bill which only legislates what is already in place.

This Bill will permit Bell to do in the next few years what the CPR was able to do over almost 100 years. CPR started as a railway company funded, to a large extent, by grants of money, loans at very low interest rates, and grants of millions of acres of lands to induce the then owners and directors of the CPR to build a national railway. Over the years the CPR has used the assets given to it by the Governments and people of Canada, including the lands, forests and minerals. It has spun those off into CP Enterprises.

The railway remains as a regulated operation. It is a loser which requires massive help from the people of Canada to operate. But CP Enterprises now has a host of companies in various fields including communications, mines, forests and real estate. Those are extremely profitable and are not regulated by the Government. Those were built on the initial subsidies given to the railway company by the people of Canada. With the passage of this Bill we are going to permit Bell Canada to do precisely what the CPR did in earlier years.

Bell Canada, like the CPR, was originally a heavily protected, government created monopoly which was able to earn a regulated guaranteed profit and build up its assets so that now it can diversify, acquire other companies in different fields, and become the conglomerate known as Bell Canada Enterprises, which will be a tremendously profitable corporation not subject to Government regulation.

As much as anything that the Conservative Government has done in this Parliament, this Bill is the harbinger of the deregulation concept and principle which the Conservatives believe in. In this case the word has a special meaning. It simply means "take the money and run". Bell Canada is now almost entirely free to do as it pleases in the market-place with assets it acquired when it was a monopoly. The existing Bell Telephone service still remains under CRTC regulation, but without the important financial support which had provided cross-subsidization in holding down telephone rate increases, and with increasing costs looming which will greatly increase the cost of basic telephone service for the people who are serviced by Bell Canada.

Bill C-19 should be seen for what it is, a genuine failure in the development of public policy in Canada. We fully expect that the analogy with Canadian Pacific will hold true. Bell Canada service will become progressively worse and cost increasingly more. Bell Canada Enterprises, however, will become the rich relation, just as Canadian Pacific Investments has prospered at the expense of the users of CP Rail.

● (1550)

This need not have happened had there been a federal Government with a will to develop and enforce a telecommunications policy. The Prime Minister (Mr. Mulroney) promised this to the people of Canada during the election campaign. We are still waiting to see that promise fulfilled, unless the Minister says that this is the promised telecommunications policy, in which case we will know that as of today the so-called policy is doomed to failure.

As a result of the failure of the former Liberal Government and the present Conservative Government to develop a policy, Bell has imposed its corporate will on the country and received everything it wanted.

It is worth examining this process over the past few years in order to come to grips with the failure of the present Government and the previous Liberal Government and the ineffectual actions of Bell's regulator, the CRTC.

Let us look at the record to see how we got to Bill C-19 which, in our view, is so seriously defective. On June 24, 1982, Bell Canada announced a planned reorganization which would create "a new non regulated parent company called Bell Canada Enterprises Incorporated". It was said by the Chairman of Bell Canada, Mr. de Grandpré, to provide a "purification of Bell Canada's regulated activities, in his words "making the task of the CRTC easier". It will make the task of Bell's owners and managers much easier.

In Mr. de Grandpré's words:

> Bell Canada will remain the regulated utility, and it will simplify the regulatory process. Under the old structure, Bell controlled about 80 different companies, regulated and non-regulated, leading to distortions.

Others thought differently, including Andrew Roman of the Public Interest Advocacy Centre. He said, "It's an ingenious scheme to avoid regulation", and, "In football terms, it's and end run again, but around the other end". Gordon Hutchison of the *Electronics Communicator* magazine said, "It's a recognition that Bell is really in the investment business not the telephone business". One of the greatest problems in this country is that too many companies are interested in investments, moving paper and making paper profits, rather than concentrating on developing and improving the businesses in which they are involved. In this case it is one of the most important businesses for the people of Canada—that of telecommunications.

Boris Mather, Chairman of the Canadian Federation of Communications Workers, expressed the opposition of the workers at Bell Canada in a letter to me. I know that the unions have made similar representations to the Government. In a letter dated February 6, 1985, he said:

> We are very much opposed to any form of splitting off unregulated subsidiaries of the telephone carriers to carry on competitive activities. We oppose that because "it lets the shark out of the cage".

In the same letter he said:

> —we strongly object to power being given to the Commission—

—The CRTC—

> —to establish separate subsidiaries to carry on activity previously done directly by the telephone company.

The Bell proposal, which essentially has been endorsed by the Government and the CRTC, was opposed by a large number of very important interest groups. But they lost the argument.

Bell Canada simply created Bell Canada Enterprises as its holding company, displacing Bell Canada. The profitable subsidiaries and the revenues for planned acquisitions went to the new company. Bell Canada became a regulated subsidiary with only three subsidiaries, a 30 per cent share of Bell Northern Research, and a 24.6 per cent share of Telesat Canada and Tele-Direct (Publications), a subsidiary to be transferred to Bell Canada Enterprises as soon as practicable.

The intent of Bell Canada was clearly to get the profitable parts away from Government regulation. In order to head off any interference, Bell referred the reorganization to the Quebec Superior Court.

Most Canadians are aware of how slow the court system proceeds when they have a problem, but that did not seem to affect Bell Canada adversely because, in barely two months, the Quebec Superior Court approved the Bell reorganization, rejecting a federal Government challenge that the planned reorganization required the approval of the supposed regulator, the CRTC. Judge Charles Gonthier, Justice of the Quebec Superior Court, said, "The arrangement is just and reasonable for the shareholders of Bell, since it was approved by an overwhelming majority".

The federal Government appealed, but Bell won the appeal in the Quebec Court of Appeal on March 25, 1983. Later I will show what that decision meant for Bell and the people of Canada.

On April 18, 1983, a CRTC investigation and hearing produced a 105-page report. Some of its recommendations, have been included in this Bill. Significantly, though, the recommendation most sought as a check against Bell Canada Enterprises was for a minority shareholding in Bell Canada which is now 100 per cent owned by Bell Canada Enterprises. According to the CRTC, this would be a significant incentive to conduct company affairs in the interest of both subscribers and shareholders. Creating minority shareholders is a well established device but one unacceptable to Bell. Therefore, that recommendation is not included in Bill C-19. In fact, the CRTC itself said that it should not be created in the immediate future.

Also omitted from this legislation were the very real arguments put forward at the CRTC hearings by the Consumers Association of Canada and others for some disposition of the capital gain which Bell had acquired as a federally chartered telephone monopoly. The CRTC had calculated the capital gain on the sale of Bell-owned provincial telephone companies and Northern Telecom to Bell Canada Enterprises as worth $560 million.

The Consumers Association of Canada proposed that $200 million should be returned to telephone subscribers. The value of these investments had quadrupled from an historical cost of $440 million. However, the CRTC saw no reason for subscribers to share in the capital gain realized by Bell. Should not the Government of Canada be ready to consider this issue now in Bill C-19? Do not all levels of Government have a duty to protect the larger public interest when they create monopolies in the public interest? It does not seem so in Bell's case and certainly not in the way the Government had dealt with Bell in this Bill.

On April 21, 1983, having been defeated in the courts and having seen its own regulatory agency accept the reorganization, the Liberal Government sued for peace. There would be no further court appeals and the restructuring should occur, according to the then Minister of Communications, Francis Fox, "because it has a favourable impact on the economy generally" Another way of saying this is, "What's good for Bell Canada is good for us", or in simpler terms, Francis Fox was saying in effect, "The public be damned".

The federal Conservative Government, through this Bill, has thrown in the towel on the issue of whether a publicly fostered monopoly had an obligation to protect consumers. We believe it does. It was similar in a very real way to letting the CPR go back on its statutory requirement for the Crow's Nest Pass freight rates in return for the huge land and mineral grants which it had received in western Canada. But at least CP had lived with the Crow rate until 1983. Bell got away with everything. Perhaps even worse was the absence of any gen-

uine expectations of Bell in a regulatory sense. The service provisions in this Bill are scarcely commitments at all. Indeed, there is very little that commits Bell to staying in the telephone business at all, if it finds it profitable to get out of it.

● (1600)

On April 28, 1983, the Bell reorganization went into effect at the Bell annual meeting. The chairman was kind enough to hint only at future rate increases. He did not announce any at that time. The next announcement on July 27 was even better for Bell. The new company reported an increase in profits of 40 per cent for its first quarter as an unregulated holding company. With this kind of income the acquisitions of TransCanada Pipelines, Daon Development, British American Bank Note, Ronalds-Federated and Case Hoyt were not far behind. The year-end income in 1984 was $1 billion, the highest of any corporation.

We should ask ourselves, and I think the people of Canada have a right to ask themselves, what benefits do the telephone users of Canada get when Bell Canada buys a controlling interest in TransCanada Pipelines, Daon Development, or the British American Bank Note? That may be good for the shareholders and the management of Bell, but it really does nothing for the people of Canada.

On the telephone subscriber side it has been different, much different. A major campaign was started for user-pay charges on local calls and much higher basic telephone service rates combined with deregulation of long distance service. Those proposals have been put constantly before the public in a campaign to make these changes seem inevitable. We see that almost every day in the kind of campaign which Bell and other telephone companies are conducting.

Bell Canada Enterprises, according to its own executive vice-president, is "always willing to look" at a deal. The public is beginning to feel that in the deal-making they have been had. In sum, Mr. Speaker, what has the Bell reorganization accomplished? Let us ask ourselves some of the questions which must be asked on behalf of the Canadian people. Has it created more jobs? Takevers do not create jobs. They often result in their elimination as the company taken over is rationalized by its new owners. Bell has already cut jobs since 1980.

Has it resulted in lower rates or better service? Telephone rates have continued to rise. Phone centres and increased service charges mean that a visit from the telephone repair or a serviceman is a very expensive rarity. Bell is eliminating these jobs.

Has it created more research and development in Canada? This particular Canadian Holy Grail ought to be foremost on the mind of this Government. Yet, Bell's subsidiary Northern Telecom's record in Canada in recent years leaves a great deal to be desired. Between 1976 and 1980 Northern Telecom's Canadian workforce in Canada declined, although company sales doubled. At the same time, Northern Telecom's U.S. workforce grew from 2,940 in 1976 to 18,805 today. The new jobs by this Canadian-owned, Canadian-supported, Canadian-subsidized company are going to the United States, not Canada. Since the Canadian workforce is now about 23,500, there is strong speculation that this joint Bell Canada Enterprises and Bell Canada subsidiary is really headed for the United States, and Canada will ultimately be another small market to them. This is hardly what the Government has in mind when it talks about world product mandates and high-tech futures. Yet this Bill does not set down any research and development commitments for Northern Telecom because this opportunity was missed in the long inquiry conducted by the Restrictive Trade Practices Commission between 1977 and 1983.

Instead, we are stuck. We are stuck with what Bell Canada Enterprises will give us because the Government opposite has not ventured beyond the incentive agreements it makes with all large companies. We are stuck with Governments that have no sense of what a telecommunications policy should be and are prepared to let Bell escape while they think about one. In short, there is little in the history leading to this Bill that is far-sighted, visionary, or even commendable. It is truly a shell, a shell which legitimizes what Bell accomplished in the face of any regulatory or legal challenge almost two years ago.

This Bill is simply a recognition of how much Liberal and Conservative Governments defer to corporate power. The Government opposite, the one which said it has a mandate for change, has had every opportunity to examine and change this Bill. Bell Canada has given it reason to take another look at its operations with the provocative actions by Bell Canada International in acquiring subsidiaries of the Cable and Wireless Company in Britain.

Bell Canada International announced that it was its policy not to have a union representing the workers at one of these companies in Great Britain. This is a company with its head office here in Canada operating in a country for which the Prime Minister has so often expressed his support and friendship. In announcing that policy Bell invoked the first strike in the history of the company in Great Britain and gave Canadian companies an international black eye. Surely a Government headed by a labour lawyer who knows the value of consensus would wish to think again about Bell Canada Enterprises and how it operates. The Government is not really going to do it. It has simply done what it said it would do while in opposition and split the old Liberal Bill C-20 into two Bills, C-20 and C-19, this one. Only the most minor changes have been made.

We believe major changes should have been made. The changes should have awaited the statement of a national telecommunications policy which the Prime Minister promised while he was Leader of the Opposition.

When we have the opportunity, we will deal with some of the specific shortcomings of this Bill. I want to conclude by putting on the record what has happened to Bell Canada in the last few years. If we begin in 1981, Mr. Speaker, and these figures are taken from reputable financial reports Bell Canada had a profit of $555.5 million. In 1982, its profits were $615.4 million, up 10.7 per cent. In 1983, profits were $829.8 million, up 34.8 per cent, and in the first quarter of 1984, its profits

were $202.8 million, up 33.5 per cent over the first quarter in 1983.

Bell Canada also has cumulative deferred taxes totalling $1.5 billion to the end of 1983. Bell Canada has had federal contributions to help it grow. In 1980-81, it received communications grants of $170,000 and a science and technology grant went to Bell Northern for research. In 1981-82, it received communications grants of $40,000 and part of a share grant of $330,000. It got a science and technology grant for Bell Northern of $924 million. In 1982-83, it received a communications grant share of $300,000, External Affairs export sales assistance of $179,000, an industry co-op project grant of $159,000, and a science and technology grant of $1.6 million. This permitted Bell, as I indicated earlier, to begin a very rapid program of takeovers.

• (1610)

According to the May 7, 1984 edition of *The Financial Times*, Bell Canada Enterprises was in the process of buying a United States printing firm, Case-Hoyt. Also, Bell acquired a controlling interest of 42.3 per cent in TransCanada Pipelines for $605.5 million. Further, Bell acquired a 95.6 per cent interest in Comac Communications in 1982, and acquired Alphatext through its subsidiary, Ronalds-Federated Ltd., in 1982. Alphatext publishes *Homemaker's*, *Madame au Foyer*, *City Woman* and *Western Living*. It also acquired the B.C.-based Commercial Telephone Systems in 1982.

While Bell was making these acquisitions, it was also very generous to its senior executives. Again according to the May 7, 1984 edition of *The Financial Times*, the Chairman and President of Bell Canada Enterprises, Chief Executive Officer de Grandpré, received a salary in 1983 of $658,000, up 19.4 per cent from 1982. This excludes a non-cash benefit worth up to $25,000, as well as $290,000 as future retirement allowances. Just a few days ago it was reported that Mr. de Grandpré had received an increase for this year of 29.6 per cent, raising his salary to $853,000. The 1983 salary of its Deputy Chairman, Mr. Tropea, was $312,000, up 6.4 per cent, not including the cash benefit of up to $25,000 and the $90,000 expenses for future retirement allowances. Executive Vice-President Innes received $206,000, and the chairman and chief executive officer of Bell Telephone received $505,000 in 1983. In 1984, compensation to Bell Canada Enterprises executives amounted to $3.63 million, for an increase of 30.4 per cent. While the company was being that generous to its chief executive officers, its unionized employees were held to increases for this year and the next two years of 2 per cent, 2 per cent and 3 per cent.

In our view this Bill does not meet the promises of the Prime Minister when he was Leader of the Opposition that a Government under his direction would work out and bring forth a real national telecommunications policy. In our view this bill gives Bell Canada everything it wants. It permits it to siphon off those companies or fields which do not come under regulation. There are an increasing number of them. As well it leaves to the communications system, the regulated part, a very small part of its business. It lets the company go on to bigger and better profits. This will be very useful to the officers and shareholders of the company, but it will be nothing but trouble for the people of Canada. Therefore, we intend to oppose this Bill here and in committee.

Mr. Tom Hockin (London West): Mr. Speaker, I am pleased to participate in the debate on this piece of legislation. The Bill has been well explained by the Minister. The historical progress of the telecommunications industry and its effect on Bell Canada were well outlined in what he had to say. I do not want to repeat at any great length the points the Minister made, however I would like to give my perspective as a Member of Parliament who has in his riding a number of Bell employees and as someone who has taken a look at the difficulty in Canada of striking a balance between having highly competitive, strong international industries and protecting consumers.

In many ways this Bill is a litmus test of what a Government will do on matters of this sort. We want to encourage Canada to build large, effective and highly competitive industries in this modern age, especially in the telecommunications area where we are faced with fierce competition. At the same time, there are few utilities which are of more basic importance to average Canadians than telephone services. There are shut-ins who depend upon telephones. There are those living on limited incomes who, as one of their few luxuries, can afford telephones. They cannot afford expensive rates. We have the hotel industry and many others which depend upon reasonable telephone rates, not upon high or expensive charges. A balance always has to be struck between helping a major company and protecting consumers.

I trace the genesis of this Bill, to some degree, to the important sales of Bell Canada to Saudi Arabia some years ago. In the contract, billions of dollars worth of business was brought to Saudi Arabia through Bell Canada. The great expertise and experience of Canada in that field was used to assist that country. The contract was an extremely successful one for Bell Canada. It made the company more internationally important and competitive. It helped Canadians as well as Saudi Arabians. In the process of generating great revenues and indeed reasonable profits, Bell Canada found that the CRTC wanted to consider it as part of its ordinary revenue and to diminish somewhat its request for rate increases. I cannot go into the merits of the total request for rate increases which Bell made and the CRTC's injunctions to restrain its increases. However, what emerged in that instance was the fact that Bell Canada, to some degree, was being punished for reaching out and searching for an important international market. Somehow, if it made millions of dollars, it suddenly decreased its claim for a reasonable increase in telephone rates. The Canadian Government and the CRTC were faced with trying to strike the balance between encouraging Bell Canada to be internationally at the forefront of its industry and protecting Canadian consumers. I believe that particular market opportunity is what led to the reorganization of Bell Canada.

What was the reorganization? It was complex but, as Mark Twain said, at the middle of anything that is complicated is something simple. The simple principle was that the regulated part of that telephone company should be continued to be regulated, but the entrepreneurial parts of Bell's various enterprises should be given some flexibility to compete internationally. I was disturbed when I heard the hon. member of the New Democratic Party speak on the Bill. He did not try to encourage that side of the operations of Bell. We want Bell to be a world-wide force in the telecommunications industry. We want to free it up to have the flexibility to do that. That is the aim of this Bill.

When Bell Canada Enterprises was allowed to turn itself inside out and become the holding company of Bell Canada, it was suggested that there should be a study of the powers of the CRTC. Those powers are outlined in the Bill before us today. Perhaps some changes could be made. Hopefully that will be looked at in committee. I support the Government in bringing this Bill before the house at this time. I support it in its attempt to strike a balance between international competitiveness and regulation in terms of protecting the consumer.

• (1620)

Mr. Deputy Speaker: Questions or comments?

Mr. Orlikow: Mr. Speaker, I would like to direct a question to the Hon. Member. Does the Hon. Member not realize that Bell's ability to expand into the kind of operation it is conducting in Saudi Arabia is based on the profits that it was guaranteed as a regulated telephone company? Does the Hon. Member not believe that the Canadian subscribers of Bell should be able to benefit, subscribers who, through the payment of their telephone bills, contributed to that profit which permitted Bell Canada to expand and do the kind of business which he indicates it and other companies—I'll have another question about that—were able and are able to do in Saudi Arabia and other countries? Does the Hon. Member not believe that the subscribers of Bell Canada who contributed to the build-up of Bell should be able to benefit through part of the profits that Bell makes in these operations going to support the continued low rate for telephone service?

Mr. Hockin: Mr. Speaker, I would be happy to respond to those points. First, Bell's opportunity to do well in that Saudi Arabian contract was based primarily on its expertise, not on the cash flow from subscribers. Its great expertise allowed it to produce the kind of services that the Saudi Arabian Government was looking for. In terms of cash flow from subscribers, there was very little cash outlet that was needed by Bell Canada in Saudi Arabia. Everything was put up front essentially by the Saudi Arabian Government. There was very little need for cash flow from subscribers. There was never a better deal. Perhaps he points to an unfortunate example in terms of arguing that subscribers' revenues are helping in this particular contract.

The Hon. Member does have a good point, however, that there is a balance to be struck regarding the fact that revenues that flow from the regulated monopolistic Bell Canada operations do not help excessively the other parts of Bell enterprises. That is precisely the balance that this Bill is trying to strike.

Mr. Orlikow: Mr. Speaker, does the Hon. Member know that Bell is not the only company doing work in Saudi Arabia? In fact, other companies are involved. I know that the Manitoba Telephone System, which is a publicly owned utility, is also doing work in Saudi Arabia to upgrade the telephone system there. Any profits which the Manitoba Telephone System makes for the work it is doing in Saudi Arabia will go back to the system. Since the public utility is not a profit-making company, it will go to help subsidize the rates.

Let me ask the Hon. Member a second question. Does he realize that if and when the CRTC and the Government permit CNCP to compete with Bell and the other existing telephone companies for long distance business the profits of Bell and the other telephone companies will be sharply reduced? They have been making a substantial profit on their long distance business. That profit has been used to cross subsidize the local telephone rates and keep local telephone rates low. The experience in the United States is that competition for long distance business has driven the cost of local service up substantially. When that happens, Bell Canada's telephone profits will come down substantially and the telephone rates for subscribers in his constituency and the rest of Ontario and Quebec will go up very sharply. We say that part of the profits they make in these other businesses, which were based originally on the profits they made on telephone business, should be used to subsidize telephone rates in the City of London and in other parts of Ontario and Quebec.

Mr. Hockin: Mr. Speaker, the points made by the Hon. Member are worth exploring because I am sure that is what the consumers will be asking. I would like to say that his analysis is based upon a fairly uninventive, rather old-fashioned view of what Bell Canada is all about. I think the trade-off between long distance and local calls is not the only thing that will affect local call rates. There are many other things that Bell Canada would like to do and could do which could be profitable for it and which would help to make up for some of the lower profit margins that it might not enjoy because of the increased competition in long distance rates. I can think of mobile telephones and other things.

The key point is whether the Hon. Member is against competition. To bring in long distance competition is something Canadians have asked for and waited for for years and years. I am sure that the average low-income Canadian would be just as delighted to be able to call a relative on one coast or the other at a cheaper rate, thanks to this competition. When we look at the over-all mix of increased telephone rates in this country, we have to look at the long distance together with the local. They are all in a package. You cannot just look at the local rates. My answer would be that if you looked at the lower charges for long distance rates, if you looked at other fields in which Bell Canada might be able to become profitable, to-

gether with their local charges, we will have just as strong a Bell Canada and reasonable rates as well.

Mr. Orlikow: Mr. Speaker, does the Hon. Member not realize that if we have competition for long distance telephone business and if we achieve much lower rates for long distance telephone calls, the big winner will be the large corporations? The ordinary Canadian user such as the farmer or the old-age pensioner does not use the long distance system very often. Those people will not save very much money, but the large corporations will. Increases in local rates in the United States have reached 40 and 50 per cent and it is predicted that they will go to 100 or 200 per cent in the next few years. Therefore, they are the ones who will suffer from this sort of competition. We are not opposed to competition if it benefits the ordinary Canadian, but we are certainly opposed to competition if the benefits go to the large corporations which are best able to afford the kind of payments that they have had. I suggest that the Hon. Memer should be concerned about the ordinary Canadian whom he and others represent.

Mr. Hockin: Mr. Speaker, the Hon. Member for Winnipeg North (Mr. Orlikow) juxtaposes large corporate interests and the individual paying his telephone bill. I say that the whole issue should be put in a larger context. First, if you take a number of industries that depend enormously on long distance for their livelihood, especially a large service industry such as the hotel industry, if you are able to moderate their rates and make them more profitable, efficient and competitive, suddenly you will create jobs. Therefore, we have to look at the fact that if certain corporations are able to benefit and become more competitive, that can create jobs. That is part of the answer. The other part of the answer is the direct level of rates that will be in store for the local telephone calls. There is no evidence that the CRTC will allow unreasonable increases to take place. The CRTC will have a mandate under this Bill as it has always had to moderate those increases. I do not think we should be scared by the spectre of huge increases to which the Hon. Member for Winnipeg North referred.

• (1630)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)—Labour Conditions—Unemployment rate levels—Request that budget be introduced. b) Challenge '85—Wage subsidy component. c) Unemployment in Eastern Canada; the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Canadian Broadcasting Corporation—Budgetary cutbacks—Request for details. b) Nature of consultations; the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria)—The Administration—Government appointments—Remuneration levels. b) External Aid—Government position.

GOVERNMENT ORDERS

[*English*]

BELL CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Masse that Bill C-19, an Act respecting the reorganization of Bell Canada, be read the second time and referred to the Standing Committee on Communications and Culture.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, the Bill before us dealing with the reorganization of Bell Canada is an interesting example of the realities of politics and power in this country. The Government is putting forward a Bill which is a part of what the last Liberal Government brought before the House. The other part of that legislation will be coming to us later.

The Official Opposition is missing this afternoon. Having done their *pro forma* bit in recognizing what the Bill was before, Liberal Members have now disappeared to do whatever other pleasant duties there may be this afternoon. We in the New Democratic Party who are concerned about the impact of Bell Canada reorganization on ordinary Canadians are here endeavouring to maintain the debate.

Let us think a bit about the Bill that is before us. The reality of Bell Canada is that it has made enormous profits in these last few years. The reorganization of Bell Canada Enterprises has made it possible to use that cash flow and the economic power it gives the company in order to become a major operator in various Canadian endeavours. It can buy into real estate, enter into publishing and so on and so forth. It is producing a company that is on the way to becoming an enormous conglomerate. That achievement has been made at a time when so many Canadians are unemployed and when in fact the Canadian economy is in dreadful shape. This makes one wonder what exactly is going on in various areas of the Canadian economy.

Why is it possible for this company to make such inordinate gains? How is it possible for the profits to rise so sharply? On the one hand, the company pays a certain amount in the way of taxes but, as one of Canada's largest companies, it is surely also a beneficiary of the morass of tax breaks from which companies can benefit. To have the company then setting out at the beginning of this decade to reorganize its business in order to ensure that what Government regulates will be quite

neatly confined and controlled while profits can be used in other areas and the enormous cash flow can produce expansion and great gain from which the actual users of the telephone systems in Canada will get little if any benefit is an indication of the kind of capitalism that is triumphant in this country. It is the capitalism of which both the Official Opposition and the governing Party, more or less solidly, happily support.

It is fun to examine balance sheets and to watch annual meetings take place. It is fun to see the presidents, managers and directors of this company feel very, very happy. It is not so much fun to contemplate what that particular company is about as it presses its case against Canadian users of telephone services and keeps up the perpetual drive to increase its returns.

One can focus on only one aspect of that drive, Bell Canada's endeavour to move from the current flat rate rental to charges for the amount of use that is made of the telephones. The latest item in that area is the possibility of this charge being applied to businesses using telephone lines to exchange computer information. Of course, modern technology opens up all kinds of wondrous possibilities, and one of them is the possibility of monitoring those bursts of information which are flowing over the wires by counting how many bits flow by a whatever astronomical rate it may be and sending the business that is using the service a bill reflecting how much information it received. In this way, the companies with the most advanced equipment that are able to send information in the shortest period of time will not get a cheaper ride on the system.

That is an interesting application to business, but I am more concerned about the prospect of individual subscribers to telephone systems being faced with billing according to the amount of use that is made of their telephones. If that were to be applied, then instead of having a utility that is available to all Canadians on a flat rate rental, every poor subscriber still able to maintain a telephone will be doing his or her bit in making Bell Canada as profitable as it will be allowed to be within this stable of enterprises.

I suppose Members of Parliament, who can all too easily settle into their comfortable seats and live the life of the privileged that the Parliament of Canada gives them, are all too likely to forget the plight of individual subscribers. They are all too likely to forget that people who have been unemployed and people living on social assistance who need a telephone in order to maintain their connections and to pursue job hunts will find that Bell Canada, thanks to the possible acquiescence of the CRTC, is deterring them in their basic information-seeking endeavour.

At that point, I imagine that government Members who are happy about this now, as indicated by their composure, may not be nearly as happy to respond to what their constituents will say about this. They will more or less gracefully throw up their hands and say that that is the law of the land because a Bill was passed in Parliament. They may not refer to their part in helping that Bill pass. They will do this, instead of realizing that there are points at which those eventualities begin to unfold, and this happens to be one of those points. When a Government, in the absence of the Official Opposition, allows that to happen, it is in fact making it more difficult if not impossible for my constituents and for all of our constituents to maintain telephones and to keep in contact. It is in fact putting a hindrance in the way of the flow of information that is so important to economic life. It is in fact driving people to think of telephone use not as a right, as it is now in a country with the largest number of telephones per capita in the world, but as a privilege.

When I was in Baltimore in the United States as a graduate student 20 years ago, I experienced that kind of telephone use. My landlady was quite anxious about the number of calls I might make and was even anxious about the number of local calls I might make because she had to pay per call for the calls that I made. That eventuality is one of the possibilities that surely exists as a result of the passage of this legislation and the acquiescence of the Government in what corporate giants wish to do in order to increase their wealth at the expense of Canadian people including widows and the unemployed.

I challenge government Members to be a little less pleased about the progress that this Bill represents and a little more anxious about it all. I suppose it is impossible to move them to vote it down, but certainly these are the kinds of concerns that give us adequate reason to oppose the Bill, as did the Hon. Member for Winnipeg North (Mr. Orlikow) and as I know other members of our caucus will do as well.

• (1640)

I am pleased that I had the opportunity to speak on this Bill in defence of constituents of mine who are anxious about the ways in which Bell Canada will use its powers, and questions will arise about the way in which that power will be supported and strengthened by the Government.

Mr. Deputy Speaker: Are there questions or comments?

Mr. Orlikow: Mr. Speaker, it has been estimated by the Consumers Association of Canada and other organizations that about 97 per cent of Canadians are telephone subscribers. The reason there is such a high rate of users is that the monthly rate has been kept low. What does the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) think the effect would be of sharp increases in monthly telephone rates, such as have been experienced in the United States as a result of the deregulation of the telephone industry and the competition which was created by the new companies to the American Bell system for long distance rates? That has led to very sharp increases in monthly rates and many more increases are predicted. What would be the effects of such increases on the users in his constituency, many of whom live in small, isolated communities?

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, the answer to that question must inevitably have something of conjecture about it. I do not think it takes any great amount of knowledge to realize that sharp increases in telephone rates are bound to have a detrimental effect. One of the difficulties with which my predecessors failed to deal in the Thunder Bay area with

respect to telephone use is that of the people who live 20 miles or more outside the city who are not serviced by the department of the City of Thunder Bay which operates the telephone system. It is another example of municipal socialism that appears in various Canadian cities in which the telephone system is operated within the city limits as a utility, just as hydroelectricity is operated by a commission.

My constituents who live outside the city are in an unfortunate situation. As Bell Canada subscribers, they must pay long distance rates to talk to people in the city, to communicate with doctors, drug stores, and to do business. Whether those people are in the lumber or dairy business, they have to communicate with business people in the city.

I was recently at a public meeting in the small community of Pass Lake and that problem was brought to my attention. Some people were paying telephone bills regularly in the range of $80 to $150 a month. I was astonished that people could carry those costs. Those people have no choice. The farther they live from the city, the more important the telephone lines are. The charge represents an inevitable tax, given the present problems in getting sensible tie-ins between Bell Canada and the telephone department of the City of Thunder Bay. It is one of the taxes which people have to pay because they live outside the city.

I do not think that people who are living on social assistance rates as set by the Province of Ontario could afford to pay the costs. Some people are trying to manage on a few hundred dollars a month. Single people who are unable to find work have no choice but to try to maintain an apartment and have a telephone line available to them. If the CRTC were to allow the increases which Bell Canada could impose on Canadians, people in those circumstances would lose their telephones. That might well happen to people who are living on unemployment insurance and seeking work. In fact, in the City of Thunder Bay there is an unemployed workers' association which has sought a reduction in the bus fare in order to assist unemployed people in finding work. People who are hunting for jobs may have to depend on public transit, which represents a very heavy drain on their resources. Similarly, to charge for telephone calls by the call, and to allow telephone rental rates to rise significantly, would represent an unbearable drain on the resources of people who are in economic difficulty. Those economic circumstances are no accident. Governments helped to create those circumstances. The people who are already driven to the edge of despair would find themselves loaded down with additional costs. That is the human reality with which this Bill deals.

Mr. Orlikow: Mr. Speaker, the Hon. Member has graphically described the problems of his constituents who live outside the city limits of Thunder Bay. I wonder, has he received representations from senior citizens' organization? I have received representations which are very direct in expressing the feeling that the telephone service is a necessity for senior citizens and that the sharp increases, such as those which are occurring in the United States owing to the competition for long distance service, would mean that many senior citizens would have to give up their telephones. Has the Hon. Member received that type of representation? If so, what has his response been?

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, I must say in all honesty that I have not received that kind of representation. However, I have had representations from senior citizens in the City of Thunder Bay who are concerned about rental increases. In many cases the rent increases strike me as being inordinate. The rent increases seem particularly outrageous as they relate to non-profit housing. Non-profit housing is supposed to be social housing, but it is controlled by the Canada Mortgage and Housing Corporation in such a way that rents are being driven upward significantly. Under those circumstances, I cannot imagine a senior citizen who is living on a pension being able to manage all of the costs. In the end, senior citizens may have to abandon their telephone service. I am an active member of the St. Paul's United Church Family Committee in Thunder Bay. The committee is concerned about the plight of senior members in the congregation. We recognized in that committee that the telephone service is one of the means of keeping in touch to ensure that people are in good health and have not suffered accidents.

● (1650)

Beyond the physical, of course, the regular telephone call is one way of ensuring that a good outlook on life is being maintained. It is necessary for mental health, if you will. We all realize, I am sure, although we forget the fact sometimes, that encouraging people to remain in their homes and carry on as long as possible is of enormous value to society. It saves the Government money. Again, this Bill is creating circumstances in which it is going to be more difficult for people to keep in touch and maintain a happy outlook on life. Telephones are essential to ensure that someone has not taken a fall and lain on the floor for two or three days before this person is missed at church on a Sunday which causes someone to go by his house to check whether he is all right or not. Again, those are dimensions which I appreciate my good friend from Winnipeg North drawing to my attention and thereby giving me the opportunity to lay them before the House.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I would like to spend a few minutes this afternoon looking at Bill C-19 which is an effort to reorganize Bell Canada. I have some questions for you which I will come to just before my time is up this afternoon, but initially I would like to comment on the content of this Bill. It seems to be following a process we have seen in Canada before.

Historically, only a few large monopolies have developed in this country. That applies whether we talk about the fur trade, our transportation system or the telephone system. As we know, the telephone is believed to have been invented in the Brantford area by Alexander Graham Bell, whose name this company still uses. The CPR's development in Canada came about through its railroad operations. Subsequently it moved into other areas like hotels, tourism, ocean shipping, trucking, accumulating a multitude of assets, including real estate, until

finally it got to the point where the railway part of the business was not the big money maker. Then CPR moved to split itself into many parts and pieces so that each one could be profitable, leaving the basis of the organization, namely the railway, which had as part of its mandate the provision of service to the public, somewhat short of assets because they were used to set up subsidiary companies. We contend that that is what Bell Canada is trying to do at this particular stage of its life.

Bell is doing a lot of research through a subsidiary and there are services it can offer which have the prospect of being more profitable than some aspects of the telephone business. Consequently, the company has proposed to divest itself of the responsibility for carrying through some services to the public, with the seeming acceptance of members of the Government and perhaps including members of the previous Government. The company has decided to hive off the telephone aspects of its operation, which are of a public service nature but which are beginning to lag behind the other technologies available for competing means of communications, and set that aside.

The company knows that because a lot of remote areas and less advantaged people require telephones there will be some public outcry if those people are not provided the service which is in some way subsidized by the Government. As a consequence we fear this Bill is an effort to follow in the steps of the Canadian Pacific Railway to set up small units of Bell Canada, particularly because, like CPR, Bell is subjected to scrutiny through a public body. So it can fall on its knees in front of the public body, insist it is losing money by only operating a telephone system, thereby creating the spectacle of the public body, in this case the CRTC, forcing it to raise the rates. People who are on pensions, welfare or people who live in remote communities will then have to pay higher rates for that service.

We fear this is an attempt to hive off the profitable aspects of the telephone business, namely long distance rates, as a separate entity so that each segment of the business can be forced to show a profit. If that is carried to its logical conclusion, people with a telephone will be charged for each call. If the charges remain on a monthly basis, they will end up being much higher because at the moment, if we can believe the representatives appearing before the CRTC, the telephone companies in Canada, including Bell Canada, use their very profitable long distance business to cross subsidize ordinary telephone service.

We have heard this argument for deregulation in the United States when it attempted to deregulate its airline business. It argued that the source of its business, the small towns and villages where feeder airlines were located, were not really very important. As a consequence, some of the airlines attempted to pull out of those feeder businesses and have people find their own way to the larger airports. A few of those companies found that they were in very great trouble after that. Once they took away the source of customers, there was not enough traffic left to generate profits. That is an argument that I think we should be aware of when we talk about deregulation of the telephone business. Without the widows and pensioners and the people on welfare and those in remote communities, the prospect of a profitable long distance operation becomes virtually negligible.

As my time is about to run out, Mr. Speaker, there is a point I want to raise with you. I notice in Clause 14 of this Bill that all of the previous Acts which have set up the powers that Bell Canada operates under now were set up on the basis of Private Members' Motions. I would ask if, during the time between now and the next session, you would seek the opinion of the Law Officer of the House of Commons as to the appropriateness of this Bill coming in as a public Bill under those circumstances. Perhaps you can tell us whether this Bill should not have been introduced as a Private Members' Bill and, as a consequence, our discussion should then have taken place under Private Members' Business.

• (1700)

Mr. Deputy Speaker: I will certainly do that and report to the House as soon as possible.

It being five o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Mr. Deputy Speaker: Is there unanimous consent of the House to proceed to Item No. 109?

Some Hon. Members: Agreed.

* * *

INCOME TAX ACT

SUGGESTED AMENDMENT TO DEDUCT CONTRIBUTIONS THAT REDUCE NATIONAL DEBT

Mr. Howard Crosby (Halifax West) moved:

That, in the opinion of this House, in order to reduce Canada's massive debt, the government should consider the advisability of amending the Income Tax Act to provide that any Canadian taxpayer who makes a financial contribution to the government for the sole purpose of reducing the national debt shall be entitled to deduct a like amount in computing the taxable income of the taxpayer for the taxation year in which the contribution is made.

He said: Mr. Speaker, I would like to begin by offering a more simple explanation of the motion which I have brought to the floor of the House of Commons. First and foremost, it focuses attention on the gigantic national debt which is a burden for all Canadians. Second, it would allow the taxpayers of Canada an opportunity to participate directly in the reduction of this financial burden by making contributions which would be applied to the national debt, thus reducing it. I would like to make it clear that I do not expect the House to enact

this provision. I think that is understandable. However, I do expect the House to recognize the need for focusing public attention on the national debt and to find some method, whether through the Income Tax Act or some other means, to take positive steps to reduce the national debt.

We have heard the Prime Minister (Mr. Mulroney) and members of the Cabinet indicate in the House day after day the necessity of concentrating our efforts and attention on the financial burden that is imposed on Canadians by the national debt and the annual deficit. The national debt is approaching $200 billion, now standing at $190 billion. The annual deficit may run as high as $36 billion for this fiscal year. There is some hope that that figure may be somewhat overestimated, but it would only be by approximately $1 billion. On a per capita basis, the national debt amounts to $7,500 for every Canadian man, woman and child. The per capita debt for the approximately 11 million taxpayers of Canada is $16,000. If all the taxpayers of Canada joined together to retire the national debt they would have to contribute approximately $16,000 each, which is an impossible burden.

It is relevant to note that in addition to that national debt burden on each taxpayer, we all live in provinces which in turn have debts as well. In my own case, in the Province of Nova Scotia the provincial debt amounts to $2.28 billion. The per capita share of that debt is $6,400. When the provincial debt burden, which must be shared by every taxpayer, is added to the national debt burden, in the case of the Province of Nova Scotia the total is in excess of $20,000. When Nova Scotians go home at night and look over their budget accounts and see what their car payment is, and what their mortgage payment is, and every other payment that is common to Canadian households is, they have to add that to the burden of paying off the national and provincial debt this year and in years to come. Through this motion I want to focus attention on this problem and to attempt to make people realize that if we go on with profligate spending we will simply increase the national debt and our annual budget deficit, carrying the problem into the future.

Let me talk about the provision specifically in the legal sense. I realize that there is now in the Canadian Income Tax Act a provision which permits taxpayers who make donations to the Government of Canada, specifically to Her Majesty the Queen in right of Canada, or to the Government of a province, specifically to Her Majesty the Queen in right of the province, to deduct that donation for income tax purposes.

One may ask how much this will cost taxpayers and whether it is any different from the provision which now permits donations to the Governments of Canada or the provinces to be deducted. I admit quite readily that that is difficult to answer. I have no idea what it would cost to implement a provision like this, but the statistics for the last taxation year indicate that Canadians in total contributed $1.360 billion to charities and deducted those donations for income tax purposes. I think that we can expect that the figure will not go beyond the amount given by all Canadians to all charities.

With regard to the current provision in Section 110 of the Income Tax Act which permits deductions in the case of gifts to the Crown, I can say that pressure is not enough. I would like to see a procedure whereby Canadians can make a contribution to reduce the national debt and know that the money is being applied for that purpose.

We have had public response to the so-called cuts that the Government has been forced to make in spending for this and subsequent years. I think every Member of Parliament has great sympathy for Canadians who are affected by budget reductions, even though we all recognize the necessity of those reductions. I do not want to focus particular attention on any particular group or person that is affected by budget cuts, except to say that they have my sympathy. However, I would like to deal with one particular area which receives a great deal of media attention. Those are the cuts which affect the arts and the cultural community. In that regard I would like to talk about the Canada Council in relation to the duties of Government.

It is a matter of history that the Canada Council was created in 1957 as a result of the Royal Commission on National Development in the Arts, Letters and Sciences which was chaired by Vincent Massey. When the Council was established it was funded to the extent of $50 million. That money came from the estates of two very well known Canadians, Sir James Dunn and Izaak Walton Killam. Both of those Canadians had a special connection with the Province of Nova Scotia. I am well aware of their history and the contribution that they made to Canada and the arts and cultural communities as a result of the contributions through their estates.

The original purpose of the Canada Council was to use the revenues from those funds for its statutory purpose. That was in 1957. However, in 1964 things changed. The Prime Minister of the day, Mr. Pearson, recognized that the activities of the Canada Council had broadened in their base and that the Canada Council was spending much more than it received from the endowments which were conferred by statute of the Parliament of Canada. In 1964-65, Mr. Pearson contributed an additional $10 million to assist the Canada Council in carrying out some of its purposes. For the first time public funds were contributed directly to the Canada Council for its purposes.

In the fiscal year 1984-85, Canada Council's budget, including its grant from the Parliament of Canada, was $72.6 million. Of course, the great portion of that was public funds. This is what happens when one sets out to establish an activity, which is funded basically with moneys that have come from two taxpayers, through the tax system, in this case the Succession Duty Act which was then in force. It grows, with the end result being that taxpayers are spending money on a project—the Canada Council—that was never intended to be the responsibility of the taxpayers of Canada.

• (1710)

Indeed, the Canada Council Act demonstrates quite clearly that the Canada Council was to expend only these endowment

funds which came from the estates of Sir James Dunn and Sir Izaak Walton Killam by way of taxation.

The suggestion to let taxpayers support public charities and then deduct the money will not solve the problem. I want to give the taxpayers the right to participate directly in the reduction of the national debt. I do not trust the Government to take the taxpayers' funds and use those funds to pay for other government services and at the end of that process reduce the national debt or the annual budget deficit. That may not happen, and I cite the Canada Council as an example of what happens when you set out to fund an activity separately. You end up spending over $50 million of taxpayers' money on the services provided.

Does this mean that I am not in favour of the work and activity of the Canada Council? Certainly not. My constituency, my province and my part of Canada benefit in great measure from the existence of the Canada Council, and I do not deny that at all. I just want to put the whole matter into focus. Once something gets started in government, it is not only hard to stop it, it is hard to bring it under any kind of sensible control.

Let me say in passing, however, that I find it rather annoying, as do other Members of Parliament, I suspect, that the Canada Council, through the arts and cultural community in Canada, has objected so strongly to the reasonable request of the Minister of Communications (Mr. Masse) to curb its budgetary requirements by $3.5 million, especially when the Canada Council is spending $15 million on its administration expenses and it could only reduce those by $1 million. In fact, as I understand it, the $3.5 million by which the budget was to be reduced has been watered down to approximately $2.5 million. The end result is that grants made by the Canada Council in the next fiscal year may be reduced by as little as $1.5 million. Yet, the hue and cry goes out.

I grant to any Canadian the right to make public whatever objection he can muster to Government about expenditure reductions that affect him in a direct way. However, as I said before, the whole matter must be put into context. On the one hand, we have a national debt approaching $200 billion, a budgetary deficit on an annual basis approaching $36 billion and, on the other hand, we have a group in Canada objecting to a cut of approximately $2.5 million in a budget that has grown, since its inception in 1957, to $72 million.

The Canada Council, in its inception, was never intended to expend taxpayers' money. This is what happens. You end up apologizing, as a representative of the people in Parliament, for something that should have been done years ago by a responsible government so that we would not have this situation today.

If I stand before Canadians and before the House of Commons asking for a change in the Income Tax Act that will allow Canadians to enter into the financial vaults of the Government, as it were, and put their money down to reduce the national debt, I do not apologize for that. I think that is giving Canadians an opportunity that they never had before. I suspect there are some Canadians who would like to take advantage of that.

Let me consider that point for a moment. While the Government is going through the process of establishing financial responsibility in Canada for the benefit of Canadians, we receive a certain amount of support from organizations like the Canadian Chamber of Commerce and others concerned with the status of the business community and the state of the Canadian economy. They recognize collectively and individually, as groups and taxpayers, that measures must be taken to reduce the Government's expenditures that have led to massive annual deficits and have resulted in the massive national debt. Everyone recognizes that, but when the chips are down and the steps are taken, when the budgets are cut and individuals are affected, they back off. They do not support these measures.

I simply want to say in that context, that it is easy to break the will of a politician and it is easy to break the will of government. Why should we, as individual Members of Parliament or collectively as the Government of Canada, take the measures that are necessary and at the same time incur the broad criticism of important sectors of the Canadian population? Why should we do that? Why don't we just borrow more money at current interest rates and pile up a bigger deficit and bigger national debt in order to please everyone in Canada and have ourselves elected in four years' time?

We do not want to do that because that is exactly what the Liberals have done for 16 years. That is why they were not elected by the people of Canada in September, 1984, and that is why the Progressive Conservative Party was elected as the Government of Canada. We pledged individually and as a group to take the kind of action that was essential to deal with this financial problem.

At the same time we recognize, as concerned persons, that if we take that action the result will be an improved economy that will, in turn, benefit Canadians, because the major problem in Canada is, has been, and will continue to be unemployment. The plight of Canadians who are unemployed does not go out of the mind of any Member of Parliament. We see it on a day to day basis, in the food line-up in larger cities and in the line-ups at the Manpower offices and unemployment insurance centres. We never want to lose sight of our mission to assist people who are unemployed in Canada, the over 1.5 million Canadians and hundreds of thousands of others who are no longer counted.

We are not reducing the national debt simply for the sake of a financial exercise. We are doing it to get the Canadian economy in shape so that the engine of growth will create the activity that creates jobs and, in that way, lead to the ultimate goal of the reduction of unemployment in Canada.

When you introduce a motion in the House of Commons that, in simple terms, amends the Income Tax Act to permit and to encourage taxpayers to participate directly in the process of reducing the national debt, you have a lot of things in mind. What I have in mind is a subject that we seldom hear spoken about by the Leader of the Opposition (Mr. Turner) in the House of Commons, that is, unemployment in Canada. It

still is and will continue to be until every Canadian is employed the major issue for all Canadians. All of our attention should be directed toward curing that problem and providing the opportunity for every Canadian to work in his or her community.

I know from talking to Canadians that while they are concerned with interest rates and inflation rates, they are of very certain mind that if they can become employed and maintain their employment they will have the opportunity at least to pay their bills, pay for their food, housing and clothing and pay interest rates, however high they are. It is a burden but one that most Canadians can live with.

As I said, and don't mind repeating, the purpose of the exercise is to generate employment and reduce unemployment in Canada. That can only be done by reducing the national debt and allowing the Canadian economy to produce what it cannot produce while it has this financial burden. If a provision in the Income Tax Act assists in any small way to encourage Canadians to consider the national debt and to work toward its reduction, then I think it has merit and I submit it to the House.

• (1720)

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in this debate on this motion. I listened very attentively to the Hon. Member. Like him I an concerned about the deficit and the state of the Canadian economy. I am sure we all share the view that we want to create jobs in this country. Obviously we want more and more of our people to have meaningful employment. I am sure that government Members, members of the Cabinet, wherever they are, if they somehow get to view this on their televisions, will see the opportunity themselves to be informed of these wishes of the Hon. Member for Halifax West (Mr. Crosby). If and when they ever come back to this House, members of the Cabinet will be aware that we are very concerned with this particular kind of issue.

I have a few deficit reducing views of my own. I think the Government should start by reducing the size of the Cabinet by roughly one-third. That would not do much for the Tory employment strategy as it affects Tory Members of this House because they are supposed to be kept busy. A bunch of Tories have just been sent to Russia for a few weeks to try to find something to do. They may come back not having done much, but the fact that this Cabinet is about one-third larger than it should be is very expensive. I see some government back-benchers nodding agreement. That is only because they were not chosen to be in Cabinet. If they were, they might have had a different view. I am glad for the time being that some Members agree with me that this Cabinet is way too large.

We see outside the west door of the House of Commons the used car lot. There are 40 very expensive limousines parked there every day.

An Hon. Member: Do you want one?

Mr. Boudria: These limousines are for members of the Cabinet. Each limousine has a chauffeur who sits in the car waiting for the Minister who may show up sometimes. Then we have the chiefs of staff. There are 40 chiefs of staff. Each Cabinet Minister has a chief of staff. We pay them about $80,000 each. These $80,000 chiefs of staff, or political commissars as they are known in a more friendly manner by some of us here, are very expensive to this country. A proposition that I would favour as a cost-cutting deficit reducing measure is that we eliminate those positions right away, Mr. Speaker.

Mr. Chartrand: What about Stornoway?

Mr. Boudria: I am glad somebody raised the issue of Stornoway. I hear the Hon. Member across the way heckling. He probably does not know what he is talking about. But let me tell him that it was the Leader of the Opposition (Mr. Turner) himself who canned the project on Stornoway because it was too expensive to the taxpayers. If some of the Tories had had that kind of initiative, things would be far better. Now that they know the facts, maybe they can check them out and apologize tomorrow in this House.

We were talking about deficit reduction. I was reading in today's business section of *The Toronto Star*—

Mr. Jepson: The Liberal Star.

Mr. Boudria: —an article which writes about the changes in the energy policy. The effect of this will be a reduction of $1 million to the Treasury over the next two years and another $1.4 billion increase in the deficit in another area. This is a massive increase in the deficit caused by the breaks that have been given to the multi-national oil industries by the present Government.

I have here a copy of the annual report of Imperial Oil Limited. I would like to read some of it for Members on the other side. Imperial Oil, of course, is in dire straights, Mr. Speaker. Maybe with the money Imperial Oil has, that company would contribute to the fund which the Member from Halifax West is suggesting. Let me read to you the summary statement from this annual report, Mr. Speaker. There are just a few lines and in part it reads:

—net income was $221 million or $1.38 per share compared with $57 million or $0.36 per share a year earlier.

As you can see, Mr. Speaker, the folks in Imperial Oil really needed the breaks given by the Minister of Energy (Miss Carney). I am sure the good voters of Ontario and Quebec and all the consumers in this country, when they pay the increased tax which the Minister of Finance (Mr. Wilson) is shortly to impose on them, as soon as the election in Ontario is out of the way, will realize what has been perpetrated on them by the Minister of Finance. It is no coincidence that the Budget will occur only a few days after the election in Ontario. If some of the Conservative back-benchers we see here today think that this Budget is pure and holy and everything else, why do they not convince the Minister of Finance to introduce the Budget in this House one week before the Ontario election? That is when we should have the Budget. That is when we should see

the fiscal policy of this Government. I am sure all Members on the other side would want that just as much as I do because we want to know what the policies of this Government are.

An Hon. Member: This is the House of Commons, not Queen's Park.

Mr. Boudria: The Member on the other side said that this is the House of Commons and not Queen's Park. That is quite true. Maybe the Government should also realize, when it presents its plans to bring forward its budgetary document, that this is in fact the House of Commons. Maybe the Government should have planned its Budget for the benefit of Canadians instead of for the benefit of the Ontario Conservative Party, which is what the Government did.

I have another suggestion for deficit reduction, Mr. Speaker.

Mr. Chartrand: What was your first one?

Mr. Boudria: Today I placed question No. 319 on the Order Paper. You may want to read question No. 319, Mr. Speaker. It takes up about a page and a half. It concerns the Shamrock Summit. The Irish eyes were smiling, but do you know at what cost, Mr. Speaker? If I had spent $320,000 in Quebec City, my Irish eyes would be smiling too, but the Irish eyes of the taxpayers will not be smiling when they foot the bill.

Some Hon. Members: Oh, oh!

Mr. Boudria: I say to them over there, do not think this is funny. I am sure the people of Quebec want meaningful employment.

[*Translation*]

My constituents of Glengarry-Prescott-Russell would like to get better jobs too. But the government will certainly not provide better jobs by squandering taxpayers' money on worthless programs to please our Prime Minister's boss, the President of the United States. Because you are quite objective and are not biased like PC members opposite, Mr. Speaker, you can understand that spending $320,000 over a weekend to entertain the President of the United States is a complete waste. All the while, of course, the Prime Minister of Canada claimed to be a head of state.

[*English*]

The Prime Minister, while he was in Quebec City, while he was spending all this money, increasing our deficit in doing it—this is so you don't bring me to order, Mr. Speaker, and so you are sure I speak to the Bill—was having delusions of grandeur pretending that he was a head of state. We could see the seal on the front of the podium. We could see him meeting the U.S. head of state at the airport. I do not mind the fellow having delusions of grandeur. All of us have them at one time or another. But sometimes he was referring to Cabinet Ministers as "my Ministers". Mr. Speaker, I think the man thinks he is the Queen. He is suffering from something which needs to be cured. He needs to be brought down to earth. This is just terrible. In any case, the cost of that particular weekend in Quebec City to Canadian taxpayers was $320,000.

• (1730)

Let us have a look at the promises which were made during the election campaign.

An Hon. Member: You can't say that with a straight face.

Mr. Boudria: I laugh at this, but actually some of those Tory promises are enough to make one cry. There were 338 of them. During the election campaign the Tories were going to reduce the deficit, and again we are talking about deficit reduction. Approximately 113 of those promises were to spend more money. How does one reduce the deficit by spending more money? There were five promises to spend less money. How does one reconcile those two points? Perhaps a Tory Member could tell us how Conservative mathematics work. In terms of raising money, they made two particular promises to increase the revenue of the country and 26 promises to reduce it. This is rather interesting in terms of deficit reduction and initiative on the part of the Government to reduce the deficit. It is symptomatic of the schizophrenic behaviour of the Government.

This particular Government may say that it wants to reduce the deficit. That is about the same amount of truth as when the President of the United States claimed that he wanted to reduce the deficit. Perhaps government Members want to change their spending priorities. They want to remove programs which have helped poor people and the needy. They clearly said that in their document entitled *Expenditure and Program Review*, also known as the blue book of cut-backs, introduced last November 8. On black Thursday, November 8, when this particular document was introduced, they said that they did not want to reduce the deficit but that they wanted to rearrange their spending priorities. They wanted to spend more on arms, on military uniforms, on limousines for Cabinet Ministers and on porkbarrelling, which brings me to another topic. They did not want to reduce the deficit. They wanted to spend money on things that were different. They wanted to spend money on the things which I have enumerated. They wanted to spend less on people who need it most. They wanted to spend less for farmers who saw many cut-backs in that particular document. They wanted to spend less on those who needed it and more on Tory friends.

Where is the deficit cutting measure when it comes to giving salary increases to Roy McMurtry and Lawrence Hannigan? We know how much money we should be paying these particular people. After all, Mr. Hannigan only had 20 strikes in 10 years where he used to work! They appointed that gentleman and gave him a raise which brought his salary to $135,000 per year. He was a defeated Conservative candidate, defeated by the Hon. Member for Laval-des-Rapides (Mr. Garneau). After being defeated, Mr. Hannigan got a big job at $135,000 per year. That is almost enough to make Tory back-benchers and the surfers on this side wish they had lost.

An Hon. Member: Who are the surfers?

Mr. Boudria: Those are the Members who were elected with the tide. That is why I call them that. Those Conservative Members must wish that they had lost the last election so that they could receive big rewards like the ones given to Lawrence Hannigan and Roy McMurtry, another loser at the provincial level for the Ontario leadership. He went on to a plum job in Britain. None of the voters in my constituency received plum jobs in Britain at $135,000 or $114,000 per year. Many of those people are still concerned about the deficit, but they are more concerned about unemployment in my area. They are more concerned with trying to obtain jobs and ensuring that they will continue to receive unemployment insurance benefits because jobs are not forthcoming. The farmers of my riding are not worried about calculating how to invest $135,000 pay cheques. They are worried about keeping their farms. Those are the worries of my constituents. When I see their concerns and when I see some of the waste of the Conservative Government, which pledged on one hand to spend more and on the other hand to spend less, I really wonder about the sincerity of its members during the last election campaign.

Of course the Hon. Member for Halifax West was very sincere when he brought in this motion, but he needs to do a lot of lobbying with Cabinet Ministers about their own personal way of spending government funds and about the way in which the Government is handing out patronage appointments right, left and centre, to everyone. Once they start setting that example in the House of Commons and in the Government of Canada, and once we see the Prime Minister (Mr. Mulroney) cut back that massive increase in the budget of his own office, that 57 per cent increase over the budget of the previous Prime Minister, we will believe that they are sincere. Only a few years ago Conservative Members criticized the previous Prime Minister because they claimed that his office was too large. This attitude of bourgeoisie on the part of the Government is totally unacceptable to my constituents and to other people of Canada. It is my hope that the Government will change its policies.

As much as I agree with the principle suggested by the Hon. Member for Halifax West, I think Conservative back-benchers on both sides of the House should be speaking with their Cabinet Ministers and telling them to reduce the size of the used car lot at the west door, their large fleet of limousines. They should tell them to stop spending money. They have spent almost $100,000 renovating the offices of Cabinet Ministers on the Hill. One particular Minister, the Minister of Mines, whoever that is, spent $18,000 putting new wallpaper in his office. The Government talks about reducing the deficit. It should take a mirror and look at itself and the kind of job it is doing. Government Members want to commit Canada to spending more on arms and in other such areas, to spend more on defence and military uniforms, to spend more on limousines and the lavish lifestyles of Cabinet Ministers and the Prime Minister, but they want to spend less on the poor. That is not deficit reduction; that is reorganization of priorities in such a way as to increase the deficit by taking away from the poor and giving to the rich. Those are the policies of the Government, and I do not agree with them.

Mr. Simon de Jong (Regina East): Mr. Speaker, I rise today to participate in the debate on the motion of the Hon. Member for Halifax West (Mr. Crosby) which essentially asks us to make the Government of Canada a charitable organization. If that were the real intention of the Hon. Member, perhaps he should suggest to the Minister of National Revenue (Mr. Beatty) that the Government of Canada be given a charitable donation number so that we could then solve the problems with which we are faced today. What a naive, foolish, simplistic approach the Hon. Member is introducing. Imagine making the Government of Canada a charitable organization!

Perhaps it is not all that far-fetched, given the track record of the present Government. It could very well run the country and the Government into a situation where the Government needs to become a charitable organization.

• (1740)

It is amazing to hear government Members talk, in their very simplistic way, about the causes of the deficit as well as the solutions that they propose. I suspect that the proposal in front of us today for reducing the deficit makes about as much sense as what we have heard so far in terms of serious economic policy which the Government has introduced.

When dealing with the deficit, you are really dealing with two questions: one, your expenditures, and two, your revenues. Unfortunately, government Members have been quite concerned with the expenditure side. All too often during the campaign, in the right wing rhetoric that we have heard in the last number of years, we have been told that the problem with the deficit is that we are living beyond our means, we have had too much government expenditure, essentially it is those people on welfare, those hangers-on who are sucking the system dry, it is time we put our house in order, cut those programs and lived "within our means". In that way economic recovery will occur, new wealth will be created, et cetera, et cetera. In all of the key words and phrases that one can use in this quite simplistic way their solution is to be found. Never do we hear from government Members and government spokesmen about the government revenue part of this equation. They never talk about the type of tax breaks that wealthy Canadians and large corporations have been receiving. There is never one peep out of them about that, just an attack on government expenditures.

A study of OECD countries has shown that as far as social expenditures are concerned, Canada is approximately at the bottom. Italy, Ireland, France, Germany, Holland, the Scandinavian countries, the United States, Great Britain, all spend more of their gross national product on social expenditures than we in Canada. To say that compared to other western civilized countries we are spending more or living beyond our means is absolute nonsense. Certainly compared to other western industrialized countries, we are not spending beyond our means. In fact, we have a pretty poor track record in this regard.

Witness the situation in which many Canadians live. Witness the food banks in every major Canadian city in this country. People are lining up for a bloody sandwich and a bowl of soup. Witness the conditions in which native people live on the reservations. Witness the shacks and the rooms that hundreds and thousands of Canadians are living in, yet we still hear from the Tories that we are living beyond our means. What a bunch of nonsense! How sad it is, how sad it is.

It is of interest to me when I read the statement issued by the Canadian Catholic Bishops on January 5, 1983. I hear a lot of the rhetoric that has come from the government benches and the solutions that they are proposing, much of what the bishops were warning against in the 1983 statement. Let me place on the record what the bishops were saying at that time. They said:

Indeed it is becoming more evident that an industrial future—

I'm sorry, I will come back to that section because the bishops had a lot of very important points to make. In fact, I would suggest that this is one of the most important social documents that has been produced in Canada in the 1980s. The bishops described the economic crisis as follows:

The present recession appears to be symptomatic of a much larger structural crisis in the international system of capitalism. Observers point out that profound changes are taking place in the structure of both capital and technology which are bound to have serious social impacts on labour.

They then talked about some of the solutions that are being proposed. I quote from the section "Present Strategies". They said:

There is a very real danger that these same structural and moral problems are present in Canada's strategies for economic recovery. As recent economic policy statements reveal, the primary objective is to restore profitability and competitiveness in certain Canadian industries and provide more favourable conditions for private investment in the country. The private sector is to be the "engine" for economic recovery. To achieve these goals, inflation—

The bishops talked about inflation in 1983. I will substitute the word "deficit". The rhetoric is still the same, except the word "inflation" has been taken out and the word "deficit" is now used.

To achieve these goals, (the deficit) is put forth as the number one problem. The causes of (the deficit) are seen as workers' wages, government spending and low productivity rather than monopoly control of prices. The means for curbing (the deficit) are such austerity measures as the federal 6 and 5 wage restraint program—

That was the Liberal solution. By the way, there is not much difference between what the Tories are doing now and what the Liberals did then. I continue with the quote:

—such austerity measures as the federal 6 and 5 wage restraint program and cut-backs in social spending (e.g., hospitals, medicare, public services, education and foreign aid), rather than controls on profits and prices. These measures, in turn, have been strengthened by a series of corporate tax reductions and direct investment incentives for such sectors as the petroleum industry. In effect, the survival of capital takes priority over labour in present strategies for economic recovery.

Let us look at the statistics. Indeed we find that it is so. All of these figures came when the Liberals were in power, but I do not see the Tories changing it. I now quote from the January 1985 issue of *Canadian Business*, certainly no flaming socialist magazine. It reads:

In 1977 large corporations paid an average effective tax rate (after all possible deductions and deferrals) of 18.2 per cent,—

In 1981, the most recent year for which figures are available, the effective big-business tax rate had dropped to 14.3 per cent,—

That is not all. The article continues to explore some of the other tax dodges that exist. For example, it talks about the deferral problem and gives some example. I quote:

Northern Telecom Ltd. chalked up $3.3 billion in sales in 1983, showed $325 million in profit and yet managed to end the fiscal year paying no taxes.

TransCanada Pipelines Ltd., with $4.7 billion in assets and 1982 pretax earnings of $182 million, paid just 7 per cent in effective taxes.

Shell Canada Ltd., with assets of $4.7 billion and pretax earnings of $302 million, paid no income taxes in 1982.

The list goes on. When we hear government Members talking about reducing the deficit, do they talk about collecting revenues from Shell Canada Ltd., TransCanada Pipelines or Northern Telecom? No. As the bishops state, it is the big business guys and their profitability that has been selected as the engine for economic growth. They are the ones whom we bow to and scrape to. We never touch any of their special dividends or special tax concessions, no way. We cannot do that. Who does get cut? It is the old people, our education system, the people on welfare and those on unemployment insurance. They have to tighten their belt. They have to make their sacrifices. When was the last time that Shell Oil, TransCanada Pipelines or Northern Telecom ever made a sacrifice for this country? Never, and never will they.

● (1750)

Then of course there is this extra little thing called deferred taxes. In 1980, deferred taxes amounted to some $24.2 billion. That was more than the entire federal deficit was at that time. If government Members were really serious about solving the problem of the deficit, they would collect the damned deferred taxes. There is some $24 billion to $26 billion sitting out there. Will they ever do that? No. Will they ever collect that money? No, because these taxes are essentially written off.

We return to the statement made by the bishops. The bishops asked a very good question. They said:

Yet, there are no clear reasons to believe that working people will ever really benefit from these and other sacrifices they are called to make. For even if companies recover and increase their profit margins, the additional revenues are likely to be reinvested in more labour-saving technology, exported to other countries, or spent on market speculation or luxury goods.

Are the bishops speaking through their hats or are they serious? Do they have some facts and figures behind them? I believe that they do have some facts and figures behind them.

Let us look again at some of the facts and figures regarding these tax breaks. We find that the studies that have been done show that the companies that received the most tax breaks are in fact the ones that have the worst record of creating employment. Many of these tax breaks are justified by the statement that they will create jobs. Government Members say that we must allow these companies to earn more profits so that they can plough this back into the economy through new investment, and then the new investment will create more jobs. This is called the trickle-down notion. Put in another way which the

Hon. Member for Bow River (Mr. Taylor) will well understand, if one feeds the horse a lot of oats, eventually the sparrow will get some. However, I am sure the Hon. Member for Bow River knows that he is not to step in it. I am afraid that the Government of this country has stepped in it and has it all over its shoes. The unfortunate part is that that is something with which we must all live.

The trickle-down notion has not worked. It has not created jobs. Let us look at some of the figures to back this up. Again, I am reading from the January 1985 issue of *Canadian Business*, a document which is not a flaming socialist document.

> Government figures show that companies that reap the most tax benefits give back the least in job creation. While the small-business sector is now creating 100 per cent of new jobs in Canada, the big-business sector (firms with taxable incomes of more than $5 million) has taken advantage of 77 per cent of the $26 billion in corporate tax breaks. Furthermore, while total corporate writeoffs grew an average of 84 per cent between 1975 and 1980, they escalated by 360 per cent for the top 1 per cent of corporations.

Again, we find that the guys who are getting all the breaks are not giving any breaks to the working people of the country. They are not creating the jobs. What gives? It is not the small-business sector that is getting the tax breaks. In fact, its real tax rate in 1977 was 22.6 per cent, while the tax rate of the big-business sector was only 18.2 per cent. In 1981, things had not changed that much. The effective tax rate of the small-business sector that year was 22.3 per cent. It is the small guys who are creating the jobs but it is the big guys who are getting all the tax breaks.

If government Members were really serious about creating some economic justice in this country and if they were really serious about reducing the deficit, they would attack the big guys. Why do they not go after the revenue that exists out there? These are the folks who made billions of dollars off the wealth of the country. Make them pay for it. Do those across the way dare to do so? I doubt it. I would suggest to you, Mr. Speaker, that whoever pays the piper calls the tune. Who made all their political contributions and donations during the last election campaign? Government Members would not for the life of you, Mr. Speaker, bite the hand that fed them. After all, they are beholden to the oil companies, the banks and the people who get these tax deferrals and fast write-offs and who end up paying only some 14.3 per cent in an effective corporate tax rate.

Mr. Reimer: That's nonsense.

Mr. de Jong: The Hon. Member says that that is nonsense. What other rationale is there?

Let me return to the statement made by the bishops. From what I have read into the record, the bishops are essentially saying that the rhetoric of the right that sees that increasing profitability is to be the engine for economic recovery and growth is something that will not work and that has not worked. I believe that we can back the bishops up in that assertion with the statistics and facts that I have outlined to the House.

The big guys who get all the tax breaks do not in fact create the jobs. The bishops say that big business does not put the extra wealth it gets from tax breaks into creating jobs and that much of it is invested abroad. Again, there are figures to back this up. In the last few years, the amounts of money invested abroad have increased. From 1979 to 1983, an average of $3,688,000,000 was invested outside the country, whereas between 1974 and 1978, an average of $675 million was invested outside the country. That is an increase of some 646 per cent. We are seeing where the money goes.

As well, we can see that a great deal of this extra money that is received from tax write-offs and tax breaks goes into mergers. Again in the last few years, there has been a tremendous increase in mergers. An average of $520 million per year was spent on mergers between 1979 and 1983. This can be compared to the earlier 1970s. From 1974 to 1978, an average of only $343 million per year was spent on mergers. This extra wealth is not creating jobs. It is being invested outside Canada or it is being put into mergers.

Again, let me return to the statement made by the bishops. They said:

> There is nothing "normal" or "natural" about present unemployment rates. Indeed, massive unemployment which deprives people of the dignity of human work and an adequate family income, constitutes a social evil. It is also a major economic problem since high unemployment rates are accompanied by lower productivity, lower consumption of products, reduced public revenues, and increasing social welfare costs. Thus, alternative strategies are required which place primary emphasis on the goals of combatting unemployment by stimulating production and permanent job creation in basic industries; developing a more balanced and equitable program for curbing inflation; and maintaining health care, social security, and special assistance programs.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but I sense that there is a point of order on the question of time.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, thank you for allowing me to speak briefly to this motion. I believe I have only two minutes left. I simply want to say that the level of the public debt is the aspect of the economic situation on which the motion is focused. In his motion, the Hon. Member for Halifax West (Mr. Crosby) quite properly describes it as a massive debt. The level of the debt is very high. It is a heavy burden on the Government, leaving it with precious little manoeuvering room for the soundest possible management of its financial operations. It does hamper all economic activities. Hopefully, the Hon. Member for Halifax West does not believe that his proposition differs considerably from the existing legislative provision. I hope to show, or I would have hoped to show—

[*English*]

Mr. de Jong: Mr. Speaker, is this a point of order?

Mr. Deputy Speaker: No, it is not a point of order. The point of order was the matter of time. The Hon. Member's time had expired. The Parliamentary Secretary is speaking on debate.

Mr. de Jong: I distinctly recall looking at the clock and I began speaking when it was 20 to six, Mr. Speaker.

• (1800)

Mr. Deputy Speaker: I am told by the Table that the Hon. Member started to speak at 5.39 o'clock.

Mr. de Jong: Mr. Speaker, I would like to request the unanimous consent of the House to finish my remarks.

Some Hon. Members: No.

Mr. de Jong: You guys are not very nice or polite.

Mr. Deputy Speaker: Order, please. That has taken care of the last minute. The hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

LABOUR CONDITIONS—UNEMPLOYMENT RATE LEVELS—REQUEST THAT BUDGET BE INTRODUCED. (B) CHALLENGE '85—WAGE SUBSIDY COMPONENT. (C) UNEMPLOYMENT IN EASTERN CANADA

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, on February 8, 1985, I asked the Minister of Finance (Mr. Wilson) a question concerning the unemployment situation in Canada, not only with respect to Canada as a whole, but with respect to unemployment in the different regions across Canada. It should be noted that in January, 1985, despite the rhetoric of the Minister of Finance and other senior Ministers, an additional 167,000 Canadians were added to the unemployment rolls. Certainly, that does not speak very well for the Government's policy with respect to reducing unemployment, and creating wealth and economic opportunities for Canadians.

The Minister of Finance said that he needed more time to introduce a Budget when I posed the question. I cannot understand why the Minister is waiting any longer. When I asked the question, the Minister of Finance stated, as reported at page 2144 of *Hansard*:

> The Budget will come after we have had the opportunity to discuss with the First Ministers, next week in Regina, the ideas which they have on economic policy and which they feel should be reflected in our Budget; and also after the national economic conference.

Well, both of those events have been completed and, indeed, some of the participants have alluded that they were successful both in Regina and Ottawa. I believe that the Minister of Finance, in a very deceitful way, is reluctant to place the Budget before the Parliament of Canada before the election takes place in the Province of Ontario. There must be serious consideration given to the motives of the Minister of Finance for not being forthcoming in putting a Budget before the Parliament of Canada.

The youth unemployment rate in Canada is in excess of 15 per cent. I believe that to be totally unacceptable. It is unacceptable to Her Majesty's Official Opposition, Canadians throughout Canada and those young Canadians in the various regions of Canada who want an opportunity to participate fully. Let me quote what the Prime Minister (Mr. Mulroney) said when he was Leader of the Opposition at an East Pictou high school in Nova Scotia, adding insult to injury. The Prime Minister was speaking about youth in Canada and he said:

> You are our most priceless possession—thoughtful and intelligent youth.

What has the Conservative Government done for young people in this country? I would suggest that it has done absolutely nothing to assist young Canadians, whether they live in Atlantic Canada, Quebec, Ontario, western Canada or, indeed, the North, in terms of improving employment opportunities.

The Minister of Employment and Immigration (Miss MacDonald) had the audacity to come before the House of Commons and suggest that wage subsidies were the answer for creating employment opportunities for young people. That is utter nonsense. As of today, the Minister of Employment and Immigration has studies on her desk which unequivocally show that wage subsidy programs do not assist the young Canadians who live in the poor regions of Canada. Second, 60 per cent of those jobs would be created anyway with or without wage subsidy programs being initiated by the Government of Canada.

We need a long-term, thoughtful and meaningful strategy to attack unemployment in Canada. There is no strategy. The Government has adopted the buzz-words and the rhetoric used by the President of the United States, that somehow the private sector will create all the jobs that are needed in this country.

• (1805)

We have heard the Minister of Employment and Immigration stand in her place and say that she had commitments from some major Canadian companies on summer employment. Only 24 hours later that was denied by the private sector. Yes, they want to create wealth and jobs but they cannot do it alone. But this Government is acting on the basis of Voodoo economics, just as the U.S. did.

I suggest the Government is being less than candid with the people of Canada. The Western Accord! What a sham. We are giving $1.3 billion to the multinational oil companies but the Government cannot provide $13.5 million to the Maritime Farmers Council who are in desperate need of emergency funding. Shame on this Government. It refuses to table in this House an impact study in relation to the statement by the Minister of Finance in November of 1984. The Government refuses to tell us whether or not it has done such a study

regarding changes in unemployment insurance. But then the Minister goes outside of the House of Commons and says to the press, "no, I think it's the responsibility of the Minister of Finance". He in turn says he thinks it is the responsibility of the Minister of Employment and Immigration. So much for the compassion and concern echoed during the federal election campaign regarding poor Canadians.

I say the Government of Brian Mulroney will come to its day of reckoning during the next federal election. It will be voted out of office because it is not coming forward with policies which will decrease unemployment in Canada. If anything, the Government has added substantially to the unemployment rolls in this country, whether it be because of the vicious cuts in the CBC, which the Parliamentary Secretary has aided and abetted, or whether it be the refusal to give money to Atlantic Canadians, or come clean regarding a gas tax. Shame on the Government.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the statement to the effect that 167,000 more Canadians are now unemployed as compared to the previous month is based on a comparison between non-seasonally adjusted figures of January 1985 and those for December 1984. As a rule, employment figures are inflated in December as a result of temporary jobs created to meet rising consumer demand during the Christmas season.

Adjusted figures taking such seasonal factors into account do reveal, unfortunately, that the number of unemployed increased from December 1984 to January 1985, but by only 44,000 or roughly 25 per cent of the alleged increase.

An overview of statistics on gainfully employed manpower shows that 84,000 permanent jobs have been created since this Government was elected.

In early November, the Government unveiled a new strategy, a program of economic recovery. The main thrust of that strategy was: (a) to tidy up public finance; (b) to redefine the role of Government which is to create a better environment for growth and job creation; (c) to enact policies conducive to increased investment, stimulated innovation and enhanced international competitivity, and to the development of a climate suitable for the establishment and growth of new businesses; (d) to implement such changes in a way that will be fair, open and in line with the basic spirit of compassion, tolerance and justice inherent to our Canadian society.

Over the last three months, that strategy has been followed by the Government. The Minister of Finance (Mr. Wilson) met with his counterparts in Montreal in January. The Prime Minister (Mr. Mulroney) met on February 14 and 15 with his counterparts in Regina. And ten days or so ago, the National Conference on the Economy was held. All that was aimed at giving Canadians an opportunity to put forward the ideas they have on economic policy and which they would like in fact to be reflected in the budget. The Government will introduce a budget only after open and complete discussion and consultation.

In the meantime, the Government has announced a number of initiatives for job creation. Firstly, there was "Challenge '85", an array of summer employment programs with a total funding of some $205 million, which stresses the private sector's role in providing summer employment related to the field of studies of the applicants. Secondly, the Prime Minister announced in Regina that, in addition to the $1.2 billion already announced for employment and manpower training programs, the Government will add: an extra $125 million to facilitate the integration of young people and women in the labour market; an extra $350 million to improve employment opportunities for the chronically unemployed, the greater part of these funds being earmarked for joint programs with the Provinces; an extra $80 million to allow workers, especially those affected by technological changes, to acquire the needed skills; an extra $40 million to create opportunities for workers in regressing communities; $100 million to promote innovation, pilot projects and new experiments.

Consultation with the Provinces and the private sector over the next few weeks will ensure an immediate and concerted implementation of the new 1985-86 initiatives.

• (1810)

CANADIAN BROADCASTING CORPORATION—BUDGETARY CUTBACKS—REQUEST FOR DETAILS. (B) NATURE OF CONSULTATIONS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, during the election campaign, the Progressive Conservative Party promised to consult with the cultural community on its cultural policy. The Government has now chosen to ignore this promise as it has ignored so many others. Instead of consulting, the Government has mercilessly and abruptly changed its cultural policy. It has cut $85 million from the CBC budget, $10 million for equipment and $75 million for programming.

The Government should not say the cutbacks will be at the discretion of CBC management, because that is just not possible. We hear rumours of funds being wasted by the CBC, but let us not exaggerate. The CBC is responsible for two television networks, the French and the English network, AM and FM radio in both official languages, the Northern Service, including native languages, and the International Service. It is a task vaster and more complex than that of other national services like the British Broadcasting Corporation.

As far as consultation goes, the Minister has failed utterly. He recently started to meet with groups from the arts community, but only after there had been a violent reaction to his new policy. And even then, he is explaining or defending his budgetary cutbacks instead of providing for genuine consultation.

[*English*]

The English speaking people of Canada feel even more threatened by the Minister's cut-backs and his failure to consult because English Canadians are more vulnerable to American cultural take-over. It is significant that it took an advertisement in *The Globe and Mail* for concerned Canadians to get a hearing from the Minister of Communications (Mr. Masse). It is appalling that Canadians have to take out an advertisement in a newspaper to communicate with the Minister of Communications. Still he lectures rather than listens. When the arts lobby came to Ottawa on March 20 the Prime Minister refused to meet with it.

I do not want to make an unqualified defence of the CBC. Defending the CBC is like hugging a porcupine. Not only is it difficult, but you sometimes wonder why you do it at all. The CBC itself fails to consult. It acts a lot like the Minister of Communications. It is very poor in its treatment of women; its own employees and women in news and public affairs. It spends a lot of time and money fighting its own employees. I think of the case of the—

[*Translation*]

—Syndicat des employés de production du Québec et de l'Acadie—

[*English*]

—to name only one. It is top heavy in management and there have not been cut-backs in vice-presidents. Unions which have proposed economy measures have been told to mind their own business.

The CBC's mandate does need reviewing. We should have an open inquiry. We should understand that there are a lot of people who have constructive proposals to make, and they should have an opportunity to make them. The CBC is wasteful, but a major audit of the CBC, the McKinsey report, concluded that in operating in two official languages covering widely dispersed geography, the CBC faced more difficult and costly broadcasting challenges than any other public broadcasters. Yet it is substantially more efficient than other public broadcasters, as measured by hours of programming per employee and per dollar expended. CBC funding has decreased in the last seven years in real terms, but it has produced 300 hours of new programming in that period. Seventy per cent of its budget goes into programming, compared with 40 per cent in private broadcasting. The CBC provides more prime time Canadian television than CTV and Global combined.

● (1815)

The CBC is doing its job. If we replace it with the private sector, we would have less Canadian programming at higher cost. Unfortunately, it does not do enough in prime time in drama and entertainment and needs more money to do so. The audiences are there, as shown when the CBC is able to do a good job and put money into programs. It receives audiences from one million to two million for Canadian shows.

If the Minister had consulted, he would see what the surveys are showing; that people do want more Canadian programming. Features like "Charlie Grants' War" and "Chautauqua Girl" will be less possible after these cut-backs. There will be less arts coverage and the arts community depends vitally on the CBC. For example, arts directors of theatres cannot travel to see new productions in other parts of the country. They depend on the CBC to be that means of communication. Less of that will happen as a result of the cut-backs.

There have been cuts in parliamentary coverage. Of course, the need to improve drama and increase children's programs will not be met. It is not just the loss of jobs for CBC employees, the independents are hurt as well because they contract with the CBC. Regional centers such as Gander, Labrador City, Moncton, Rimouski, Vancouver and Winnipeg have been badly hit by the cut-backs.

Despite this criticism of the CBC and the mistakes it has made, it produces many good shows and the best television and radio in the country. I am sorry that the equivalent praise cannot be given to the Minister of Communications. The Minister needs to consult the cultural community. He does not know how fortunate he is and how fortunate we are with the quality and dedication of the Canadian cultural community. I hope he will begin the real task of talking with them, meeting with them and reflecting on what they have to say so that he may come forward with a constructive, independent Canadian cultural policy.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I could spend the next 40 minutes both debating and applauding many of the points raised by the Hon. Member. I think we should note at the outset that the Minister has stated that the promises the Government has made and he has made will be met during our four-year mandate. We are only six or seven months into that mandate.

I share the concern that the Hon. Member for Broadview-Greenwood (Ms. McDonald) expresses when she raises the question of the budgetary reduction in relation to the people who have jobs at the CBC and are concerned about their future. It is for the sake of CBC employees that I deplore the rumours and erroneous reports about alleged decisions having been made which would affect their employment. Given the complexity of the task and the inevitable review as far back as June last year of different options by CBC, any decisions attributed to the CBC would, of course, not be official unless formally announced by the Corporation.

Following the Government's announcement of budget reductions for the CBC and other publicly funded organizations, the Minister expressed the hope that the Corporation could manage the reduction in funding so as to minimize the negative impact on programming. The President of the CBC subsequently announced on December 11, 1984, that the CBC will accomplish the greater part of this reduction through attrition, early retirement and lay-offs. In this regard, the Minister announced in the House his approval of the CBCs request for amendments to its pension plan. The amendments

will facilitate early retirement and should minimize the loss of jobs.

The Hon. Member for Broadview-Greenwood also knows that the Minister of Communications requested the CBC to attempt to make the reductions primarily in administrative areas. In this regard, the Minister requested that the Corporation attempt to manage the cuts so as to minimize the negative impact on Canadian producers, creators and artists whose development the Government intends to encourage. The objective is to ensure that the public resources now devoted to support of artistic and journalistic expression are employed in the most effective manner possible and that the budgetary restrictions do not jeopardize the federal Government's investment in the cultural development of the nation.

Regarding consultations, the Minister specified that they take place with due regard for the respective responsibilities of the Minister of Communications and the Canadian Broadcasting Corporation and possible infringement on their respective mandates. The Hon. Member may be interested to know that only this morning all four Windsor area Members of Parliament representing each of the three political parties—two from the New Democratic Party—met with my Minister and me on the unique effect of the cut-backs in Windsor. That consultation is indeed going on.

● (1820)

We hope the CBC will be as effective in its use of public funds as it is creative in its programming.

In closing, I hope the Hon. Member shares my confidence that the fiscal restraint program as it affects the CBC and its employees will be managed by the Corporation with due consideration for personnel and will encourage the utmost use of the employees' creative talents and skills.

THE ADMINISTRATION—GOVERNMENT APPOINTMENTS—REMUNERATION LEVELS. (B) EXTERNAL AID—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, in this House on March 26, 1985, I asked the Secretary of State for External Affairs (Mr. Clark) how he could rationalize a salary increase to two Conservative appointees while at the same time everyone else in this country was asked to tighten his or her belt.

[*Translation*]

Mr. Speaker, that day I asked the Right Hon. Secretary of State for External Affairs (Mr. Clark) why the salary of Mr. Roy McMurtry, our High Commissioner in London, had been increased and he was now receiving $105,000 per year, when his predecessor was getting only $75,000. I also asked how he could explain that Mr. Lawrence Hanigan, the defeated Conservative candidate in the riding of Laval-des-Rapides, who has now been appointed by the Prime Minister (Mr. Mulroney), or should I say rewarded for having played the sacrificial lamb in the election, running against my hon. friend from Laval-des-Rapides (Mr. Garneau), I therefore asked what justification there was for paying Mr. Hannigan a salary of $135,000 for being the head of VIA Rail.

Mr. Speaker, I asked these questions in the light of the budgetary cutbacks that were made in this country.

[*English*]

I want to remind you and the House, Mr. Speaker, that on November 8, 1984, many programs were cut that affect people in my constituency. Two in particular come to mind at this time and I would like to draw them to your attention, Sir.

There was a $6.2 million cut-back in dairy programs involving the subsidy going to dairy farmers in my riding and elsewhere. The farmers in my constituency could not, and still cannot afford this kind of cut-back. There were also increases of $32.3 million in what the Government has called cost recoveries in agriculture. These cost recoveries are nothing less than a tax on such things as agricultural inspection of farm products. The farmers in my riding cannot afford that. The people in my riding now have to do with less than what they had before this Government came to power.

Do defeated Tory candidates have to do with less? No, Mr. Speaker. It is almost enough, as I said previously today, for the elected backbenchers of the Conservative Party to make them wish they had been defeated so they too could earn $135,000, like their colleagues, Mr. Lawrence Hannigan and Mr. Roy McMurtry.

This is particularly hypocritical in view of the comments made by the Leader of the Conservative Party during the election campaign. Let me read you a few of the commitments he made to show just how much certain commitments detract from each other.

In *The Globe and Mail* for May 24, 1983, the Leader of the Conservative Party probably best expressed his views on political patronage when he was reported to have said, "There will be jobs for Liberals and NDPs too after I have been Prime Minister for 15 years and I can't find a living, breathing Tory in the country". On July 16, 1984, the new converted Leader of the Conservative Party called the Liberal appointments "a fraud, a deceit, and a sham". Also on July 16 he was quoted as having told the press that the Conservative Party would only make appointments of the highest quality of people. Where is this high quality?

● (1825)

The Government hired an individual to run VIA Rail at $135,000 per year who had been in charge of the Montreal Urban Transit Commission which had 20 strikes in 10 years, one of the worst records in labour-management relations. By coincidence, this person was a defeated Conservative candidate. He was given a large salary, larger than what most people in my riding make in a year, in order to run VIA Rail. Not only that, but the Secretary of State for External Affairs told us that Mr. Hannigan received a salary increase because he had increased responsibility. If his predecessor was in charge of running VIA Rail and this gentleman is now in

charge of running VIA Rail, how can his responsibility be increased? They were both in charge of VIA Rail.

The answers given in the House by the Secretary of State for External Affairs in terms of the running of VIA Rail by Mr. Hannigan and in terms of the salary increases given to him and Mr. McMurtry were totally unsatisfactory. I hope the Parliamentary Secretary can give us something resembling a satisfactory explanation for this extravagance on the part of the Government.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I am somewhat surprised the Hon. Member has again raised the question of remuneration levels for the positions and individuals in question. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) raised this question last week. The Right Hon. Secretary of State for External Affairs (Mr. Clark) noted that the level of remuneration for Canada's High Commissioner to Great Britain was the same as that of our Ambassador to France. I do not need to remind the Hon. Member of the tremendous importance this country places upon our relationship with Great Britain and the Comonwealth. I do not need to remind him that this is traditionally one of the most senior diplomatic appointments Canada makes.

The Secretary of State for External Affairs, as Acting Prime Minister, was equally clear in explaining the position of chairmanship of VIA Rail. There is a greater degree of responsibility within the corporation than was the case before. The Hon. Member might refer to the press release dated February 5 in which the Minister of Transport (Mr. Mazankowski) announced the appointment of the new VIA Rail chairman. At that time the Minister of Transport made clear that the responsibilities of the new chairman for the long-range planning of the corporation would be increased. He used the example of the Air Canada organization in which the chairman and the president share responsibility.

As a part of the Government's commitment to ensure better administration of Crown corporations, which was so badly needed, particularly in the transportation sector, we have undertaken various administrative changes. It is the greater responsiblity which will be carried by the new chairman of VIA Rail and no other aspect of this appointment that influenced the determination of his remuneration level.

I assure the Hon. Member that the Government will continue the commitment of the Prime Minister (Mr. Mulroney) to attract individuals of the highest calibre to positions of service both within Canada and abroad. I do not think I have to remind the Hon. Member again of people like Stephen Lewis, our Ambassador to the United Nations; Douglas Roche, our Disarmament Ambassador; Lloyd Francis in Portugal; and Sylvia Gold at the Status of Women. We have begun a new era of appointment and changes with respect to all regions and all Parties of Canada.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, April 3, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

THE ADMINISTRATION

GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, during the election campaign, last summer, the Prime Minister (Mr. Mulroney) was seeking a mandate for "jobs, jobs, jobs". He told Canadians that tens of thousands of jobs would be created as soon as his Cabinet was sworn in.

That was six months ago, and what do we have now? No subsidies, plants are closing down and thousands of jobs have been lost. The list of projects dropped by the Progressive Conservative Government is getting longer every day. In Quebec, the situation is disastrous. People are afraid to read the paper because another plant might be about to close its doors, leading to more unemployment, as was the case with Melchers, Domtar, Wabasso, Oxysynthèse, the Sherbrooke Mapping Institute and eleven plants in the Eastern Townships.

I wonder why Progressive Conservative Members, including those from Quebec, rise in the House to applaud the Prime Minister every time he smiles. From the back benches it sometimes looks like a Muppet Show.

* * *

[*English*]

THE LEADER OF THE OPPOSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it seems that nobody wants the Leader of the Opposition (Mr. Turner) any more. Liberals in Quebec do not want him. Just yesterday, Quebec Liberal Leader Robert Bourassa said, "Thanks, but no thanks" to his offer of active support in the next Quebec election. It would seem that the Leader of the Quebec Liberals would rather lunch with the Prime Minister (Mr. Mulroney) than with the Leader of the national Liberal Party.

Now it seems, Mr. Speaker, that even you are about to give the Liberal Leader the old heave ho. Today, Nicole Bosley was quoted in the press as saying that the right hon. gentleman has overstayed his welcome at Kingsmere, the official residence of the Speaker of the House of Commons. "It's a matter of being firm and putting your foot down", she said. She went on to say that she wants you to tell the Leader of the Opposition: "Please leave, Mr. Turner. We have been very patient".

But wait, Mr. Speaker. The Leader of the Opposition has said that he cannot move into Stornoway until yet another round of renovations is completed. The Department of Public Works yesterday released figures to show that these renovations ordered by the Leader of the Opposition and his wife are going to cost the Canadian taxpayers over $500,000; including $85,000 for a new kitchen, $31,750 for new wallpaper and paint, $112,210 for new woodwork, and $600 for a closet for their silver. Perhaps someone should tell the Right Hon. Member that he is moving into Stornoway and not Buckingham Palace.

Perhaps we could all take up a collection for the Leader of the Opposition so that he could afford to move into temporary lodgings—maybe the Holiday Inn. If he cannot afford that, perhaps we would consider buying a tent and setting it up on the front lawn of the Parliament Buildings. Then he might at least learn some humility.

I can only hope that all those people who are unemployed across Canada are watching today and can see how the Leader of the Liberal Party is spending their money.

* * *

EXTERNAL AFFAIRS

FORTIETH ANNIVERSARY OF YALTA AGREEMENT

Mr. Alex Kindy (Calgary East): Mr. Speaker, on March 24 an American officer, Major Arthur Nicholson, was shot in East Germany by a Soviet soldier. With this in mind, we must reflect on the Yalta Agreement made 40 years ago. This agreement resulted in the division of Europe into two hostile blocs. It set the stage for the cold war and marked the beginning of mounting tension in Europe.

The only thing this agreement achieved was a spread of communism world-wide, and 40 years of military threat. As this House is aware, we still have no security in Europe; great armies still face one another; Germany remains divided, and 125 million Eastern Europeans still face a life of Soviet domination.

As a free nation, we must recognize and encourage the Soviet Union to cease the continued denial of self determination and sovereign independence to so many historic European nations. That is a basic right laid down by the United Nations.

S.O. 21

We must also encourage the participants in the Yalta Agreement to recognize and repudiate that agreement and then, can the 40 years of unjustice cease? At that time we might begin to see the beginning of a new era, an era of true peace in the world, without tension, where nations are truly free.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—APPOINTMENT OF FORMER ONTARIO PREMIER AS CANADIAN ENVOY

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, the appointment last month of the Hon. William Davis as special envoy for acid rain abatement is welcome news for the people of Canada. I believe the Prime Minister (Mr. Mulroney) has demonstrated environmental concern and wisdom by naming the former Premier of Ontario to this important position. Mr. Davis has the high profile and sterling reputation needed to confer with officials in the United States.

As the Chairman of the new Subcommittee on Acid Rain, I hope Mr. Davis will meet with us in Ottawa in the near future to create a unified front. Acid rain negotiations with the United States require a great deal of diplomacy and tact, and our country now has the ideal vehicle for that purpose.

The appointment of Bill Davis as envoy is further proof that the Government is waging war against acid precipitation. In fact this Government has done more for our environment in the past two months than others accomplished in their entire terms. Never in the history of Canada has so much been done to achieve acid rain abatement. We welcome Bill Davis as an integral part of our contemporary program to save the environment.

The priorities before the Government are clear cut. The future will not control us; we will control the future.

* * *

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS—TIMING OF ANNOUNCEMENT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Government has been appointing a Tory every three hours since it came to power on September 4. The Prime Minister (Mr. Mulroney) keeps telling Canadians that he is proud of his appointments.

Some Hon. Members: Hear, hear!

Mr. Boudria: I can see that Conservative Members of the House seem to be equally as proud. If the Prime Minister is so proud, why does he always wait to make his deluge of appointments on the last hour, late on Friday afternoon, when there is no one left in Parliament Buildings except the person who is issuing the press releases?

Can we expect the Prime Minister to announce another deluge of appointments tomorrow afternoon, that the Easter Bunny will lay yet another golden egg, and that Tory faithful who have been patiently waiting in line to get to the trough will be able to "oink" with joy after getting their promised appointments?

* * *

COMMUNICATIONS

BROADCASTING POLICY REVIEW

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, before returning to our ridings some of us will have the opportunity to attend the ACTRA Awards tonight, the only cultural awards in the world named after the creative people themselves, through their union, ACTRA.

Yet, with the Government's cut-back approach to cultural expenditure, especially for the CBC, we must wonder how many excellent programs will be produced next year.

The Minister of Communications (Mr. Masse) will be announcing his broadcasting policy review next week when the House is not sitting.

As arts and culture critic for the NDP caucus, I share the concern of the arts community, and indeed of a considerable cross-section of the Canadian public, that this review be genuinely open to public participation; include men and women of vision and knowledgeable of broadcasting, from all political Parties and regions, in both official languages; and invite the participation of the creative community, individually and through their unions and professional associations. This review should consider ways to stimulate and require more quality Canadian programming in the private networks and stations, address the real funding needs of the CBC, especially for long term planning, and consider the desirability of moving to commercial-free public broadcasting.

Excellence in broadcasting requires excellence in funding; our artists have had too excellent an acquaintance with poverty for too long. The Government must realize that the arts community will be judging the Government's performance, its excellence or otherwise, in May when it brings down its first Budget.

* * *

● (1410)

TERRORISM

ARMENIAN COMMUNITY'S CONDEMNATION OF TORONTO BOMBING THREAT

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I wish to speak out in support of the Armenian community of Canada. They are 50,000 strong, and are making a real contribution to the growth of our country.

The abhorrent bomb threat in Toronto earlier this week deeply disturbed and outraged the Armenian community. They joined their fellow Canadians in condemning such cowardly and inhumane threats. As the Deputy Prime Minister (Mr. Nielsen) reminded Members of this House on Monday of this week, the leaders of the Armenian community have offered a $25,000 reward for information leading to the arrest and conviction of the individuals responsible.

I have had the opportunity to get to know many men, women, and children in the Armenian community. They are Canadians first, because they have chosen to live in this great country, but they also have a rich cultural heritage and are justifiably proud of their roots. So I know, Mr. Speaker, Canadians will want to join me in prayerfully supporting members of this fine community of Canada during this their critical period of need.

* * *

ENERGY

WESTERN ACCORD—ANTICIPATED BENEFITS IN ONTARIO

Mr. Alan Redway (York East): Mr. Speaker, our Government's agreement with the western oil producing provinces, the Western Accord, is good for Canada, good for the Province of Ontario, and good for my riding of York East.

The Western Accord has two key elements. First, by eliminating a number of federal oil and gas taxes, including the Petroleum Gas Revenue Tax, the Petroleum Compensation Charge, and the Canadian Ownership Special Charge, the cost of gasoline at the fuel pumps should fall and consumers should reap the benefit of lower prices. Second, it is designed to stimulate investment and create jobs, hopefully some 225,000 jobs by 1990. Many of those jobs will be created right in my own riding of York East because there are some 63 companies in my riding that supply the petroleum industry.

The main concern of Canadians is jobs. The best way to stimulate investment and create jobs is by cutting taxes, and that is exactly what the Western Accord does.

* * *

[*Translation*]

TOURISM

GOVERNMENT'S ROLE

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, only a few days ago, the Quebec Minister of Tourism criticized the attitude taken by the federal Minister of Tourism (Mr. McMillan).

According to the Quebec Minister, "Mr. McMillan's visit to Quebec is inappropriate and constitutes an intrusion in our tourism milieu." He also said that the report *Tourism Tomorrow* is based on incorrect data and fails to consider Quebec's unique characteristics as far as tourism is concerned. This

implies that the federal Minister, who for weeks has been talking about consultation and nothing else, forgot to consult the provincial Ministers before publishing his controversial report on tomorrow's tourism.

In addition to telling the provinces and the tourist industry that they had been doing it all wrong in recent years, in addition to giving an extremely negative picture of the present situation in the tourist industry in Canada, and ignoring the agreements concluded at the Moncton meeting which provided that federal strategies on tourism were to complement measures taken by the provinces, in addition to all that, the Minister has started unilateral consultations.

Mr. Speaker, the Federal Government's role is not to destroy what has been built up but to give the tourist industry the means to develop its potential.

* * *

FEDERAL-PROVINCIAL RELATIONS

GOVERNMENT POSITION—ECONOMIC BENEFITS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I should like to mention an historic event highlighting relations between the Governments of Canada and Quebec, the first agreement ever between the two Governments specifically concerning the development of cultural facilities.

Canada's Minister of Communications (Mr. Masse) has announced a $20 million contribution to cultural endeavours, namely the expansion of the Museum of Fine Arts, and the establishment of a cinema and television international city. This agreement stems from the Progressive Conservative Government's consultation and concertation process, and is a concrete measure inspired by confidence and reconciliation.

Agreements with the provinces will henceforth be possible because our Government does not act unilaterally. The proposed expansion of Montreal's Museum of Fine Arts will make it a world-wide attraction, therefore the most important institution of its kind in Canada.

The development of those two cultural institutions is very likely to have significant economic benefits.

* * *

● (1415)

[*English*]

CANADA POST CORPORATION

FUTURE OF NATIONAL POSTAL MUSEUM

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, since February 4 I have been very involved with a broadly-based community group trying to reverse the arbitrary decision by Canada Post to close the National Postal Museum. I regret that for two months our efforts to gain Canada Post's co-oper-

ation have been rebuffed. Today, however, we held a constructive meeting with Judge Rene Marin, Chairman of Canada Post. Our group included Mayor Marion Dewar and Alderman Holmes of the City of Ottawa, Shirley Carr and Ron Lang of the Canadian Labour Congress, the President of the Royal Philatelic Society of Canada, and Mr. Ian Kimmerley, a well-known stamp dealer and journalist.

A number of positive decisions have come from this meeting, although Canada Post was not prepared to reconsider its decision concerning the 14 museum employees whose lay-off notices expire May 2.

The City, Canada Post, the NCC and the Department of Public Works will meet to talk about potential sites for the National Postal Museum. Our group, hopefully with the participation of Canada Post, will seek to meet with you, Mr. Speaker, and the Prime Minister (Mr. Mulroney), to try to continue the National Postal Museum in its present location until permanent quarters are found. We will meet again with Judge Marin in a month.

The attendance at this meeting is a sign of the broad public support which is developing for the National Postal Museum. I urge the Government and Canada Post to respond to that display of public support. I hope my fellow Members of Parliament and you, Mr. Speaker, will co-operate to see whether we can keep the National Postal Museum on Wellington Street just long enough until it can move into new, permanent quarters.

ORAL QUESTION PERIOD

[*Translation*]

ENERGY

WESTERN ACCORD—IMPACT ON CANADIAN OIL COMPANIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister.

The oil agreement does not set a target date for bringing Canadian ownership up to 50 per cent. Why are the interests of foreign-controlled companies more important than those of companies controlled by Canadians? Why have specific benefits previously available to Canadian oil companies disappeared from the new oil accord?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first let me point out a distortion in the House yesterday. Since then, Duncan Allan, the Deputy Minister of Energy of Ontario, says that his position was distorted, that the position is that the Accord offers great potential for Ontario, indeed for all of Canada, not only in lower oil and gas prices for the consumers in this province—

Some Hon. Members: Answer the question.

Mr. Wilson (Etobicoke Centre): —but in the investment and industrial activity that will subsequently flow. There is nothing in that agreement—

Mr. Gray (Windsor West): Mr. Speaker, on a point of order, the Minister is not answering the question.

Mr. Wilson (Etobicoke Centre): —that can be said to be adverse to Ontario's interest.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): In specific response to the—

Mr. Boudria: What is he going to be appointed to over the weekend?

Mr. Wilson (Etobicoke Centre): Give us a chance. In response to the specific question of the Leader of the Opposition, he will note that there is a provision whereby Canadian exploration and Canadian development expenses of companies can be applied against the PGRT in the event that they do not have taxable income. As the Hon. Leader of the Opposition knows, Canadian companies are the ones which do not normally have taxable income, so they will benefit very clearly by this provision in the energy agreement.

CANADIAN OWNERSHIP ISSUE

Right Hon. John N. Turner (Leader of the Opposition): Your Honour will note that the Minister bootlegged in a statement which he wanted to make that had nothing to do with the question. I have known Duncan Allan a long time, and I am sure he must have had his arm twisted right out of his socket this morning to get that particular answer for the Minister. I take the initial reaction of the Deputy Minister of Energy for Ontario when he spoke spontaneously in reaction to this oil deal.

Let me pursue the matter further. Article 7 of the oil deal gives no preference at all to the Canadianization elements of the former National Energy Program, nor does it move toward 50 per cent ownership of the oil and gas industry. Why is it that this particular deal sacrifices the primary interest of the independent Canadian oil industry to the multinationals?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first might I ask whether the Right Hon. Leader of the Opposition is saying that Duncan Allan is not an honourable man, that he is—

Mr. Turner (Vancouver Quadra): Oh, no.

Mr. Wilson (Etobicoke Centre): —being forced to say things that he doesn't agree with? He was misquoted, and now he has stated very clearly the position that he was going to take.

In response to the question of the Hon. Leader of the Opposition, this Party needs no lessons in Canadianization. It was in 1977 that the Conservative Opposition stated as a specific objective of its energy policy that it wanted to see 50 per cent of the industry owned by Canadian companies. That is a policy that we stand by. This energy accord fully supports that. As my colleague, the Minister of Energy, Mines and Resources, has said on many occasions, we are committed to achieving that.

● (1420)

Some Hon. Members: Hear, hear!

CREATION OF JOBS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, on a reading of that oil deal, that is not what it says. I can understand Mr. Allan having one isolated quote misinterpreted, but not a whole column of a story in *The Toronto Star*.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Not a whole column.

Perhaps the Minister of Finance, in his bootlegging mood, would like to explain to the House where the Minister of Energy, Mines and Resources got that alleged list of jobs that were going to flow from this agreement. She cited from it spontaneously. Is that list going to be tabled in the House? Will the Minister table that, or has that list mysteriously disappeared to save the credibility of the Minister of Energy, Mines and Resources? More than that, have the studies that his own Department is making on how consumer taxes ought to be placed on gasoline at the pump in order to make up the difference lost by the Treasury as a result of this oil deal to the multinational companies mysteriously disappeared, to preserve the honour of the Government of Ontario?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, surely the Right Hon. Member is not reading just *The Toronto Star* for this type of information. Surely he understands that there are other objective sources of information than one column in *The Toronto Star*. Let me read to him from the Economic Council, surely a very objective observer:

> The impact of deregulating oil and natural gas prices without other changes in taxation or royalties was simulated. Based on this assessment, we concluded that as many as 100,000 jobs might be created. The Council also simulated various possible tax changes.

It goes on to say:

> It is difficult to make precise comparisons, but it is well known that tax cuts usually have a stimulative effect.

In other words, it is saying that there are more than 100,000 jobs that were referred to in the previous work.

Mr. Turner (Vancouver Quadra): How about the 300 and 225?

Mr. Wilson (Etobicoke Centre): Maybe the 300 and 225 will be there as a result of the agreement. This did not take account of the agreement that was signed last week. This only called for 100,000 jobs. If the Right Hon. Member is patient, maybe we will serve him up the 100,000 or 200,000 jobs more than this.

* * *

NATIONAL DEFENCE

LITTON SYSTEMS ADVERTISEMENT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a question for the Deputy Prime Minister and sometimes Minister of Defence. Today in the daily newspapers around Canada, the Prime Minister is sharing top billing with a major defence contractor, extolling the vitues of increased defence expenditures for job creation. Furthermore, this defence contractor is presently in the bidding for a major defence contract. We would all understand and agree that not only is it improper for the Prime Minister to be lending his support to a company that is presently bidding for a contract, but it is a terribly insensitive act at a time when many Canadians are concerned about the proposed involvement of the Government in research in the star wars program of the United States.

Did the Prime Minister know about this ad? Did he or anybody in his office give approval for this ad to appear? In fact, is this ad part of a government program to get the defence industry to promote its interest in getting more heavily involved in defence contract work with the United States?

Mr. Hnatyshyn: Did you ask that kind of question in the State Legislature in Florida?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I would first like to say how happy I am to see the Hon. Member back in the House.

Mr. Hnatyshyn: Tanned and fit.

Mr. Nielsen: Tanned at least. He looks a great deal healthier than I am.

● (1425)

In direct response to the Hon. Member's question, let me read to him a telegram from Ronald R. Keating, President of Litton Systems Canada Limited, which I received late this morning.

Mr. Turner (Vancouver Quadra): You have been busy this morning.

Mr. Nielsen: Yes, indeed I have. The telegram reads:

> This is to confirm that the advertisement placed by Litton in today's *Globe and Mail* and Ottawa *Citizen* was done without the permission or consent of the Prime Minister's Office or any of his staff.
>
> Yours truly, Ronald R. Keating.

BIDDING ON CONTRACT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, in response to the Hon. Minister I would say that I hope that he will take advantage of the next few days to acquire the same healthy point of view that I have been able to acquire in the last week or so.

Let me return to the point, because it is a serious matter. I think it reflects what is happening in the country as the Government moves toward its so-called economic stimulus through defence expenditure. Under this contract there is still a short list of some two to four bidders. Because this points toward a very clear conflict of interest and puts into jeopardy the whole process by which bidding on this contract would be decided, I ask the Deputy Prime Minister if the Government now intends to put on hold or freeze that contract until this can be examined by a parliamentary committee to determine the full facts of the case and the involvement of Litton Industries in this particular matter, a matter which creates a very serious conflict of interest.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member is all wet. There has been no decision made with respect to the selection of the suppliers of the low-level air defence system. That decision will hopefully be made soon. Whenever it is made, it will be announced in the House of Commons.

* * *

ENERGY

WESTERN ACCORD—ECONOMIC COUNCIL'S JOB-CREATION ESTIMATE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. In the last few days the Minister of Energy has been busy trying to persuade the people of Canada that the energy Accord will create some 100,000 jobs.

Mr. Turner (Vancouver Quadra): Three hundred thousand.

Mr. Broadbent: At one point it was 100,000, and at another point it was 300,000. She is rather casual with her figures. The point is that the Minister cited the Economic Council of Canada as the source for the statement that 100,000 new jobs will be created. The director of that institution has taken the unusual step today of issuing a clarification of the Council's position. He points out that their job-creation estimate was based on deregulation of oil and gas. Since the Government has done nothing about deregulating gas, will the Minister of Finance rise and admit that the figure of 100,000 new jobs the Minister provided the House actually misled the House, based on the source of her own information?

Mr. Hnatyshyn: John Rodriguez for Leader.

Some Hon. Members: Oh, oh!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Minister has stated, as is contained within the Accord, that the intention of the federal Government, working with the consuming and producing provinces, is to work very quickly toward the deregulation of natural gas. I do not know why the Hon. Member would not include that in the estimate made by the Minister. If the Hon. Leader of the New Democratic Party will read the same press release to which he has just referred, he will see that the work done by the Economic Council only refers to deregulating oil and natural gas prices without referring to other changes in taxation that have been called for by the energy agreement, changes in taxation which the Council goes on to say will clearly have a stimulative effect. If I can translate that for the Hon. Member, that means creating jobs. That is where we expect to see 100,000 to 300,000 jobs created—

Mr. Speaker: Order.

FORECAST INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Director of the Economic Council of Canada covered himself nicely by including that hypothetical tax change that the Government might make. The entire country knows, but the Government will not admit, that we are going to have major tax increases after the Ontario election. That is what the Minister of Finance has not denied.

● (1430)

Since one of Canada's distinguished economists from the West Coast, Mr. John Helliwell, has estimated that the removal of the PGRT would produce a mere 15,000 jobs, on what does the Government actually base its job estimates? One time we hear the 100,000 figure, and another time we hear the 300,000 figure. Will the Minister of Finance, whose Department ought to have done an assessment, produce figures, show us on what those figures are based and, in short, come clean with the people of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member wants an objective source of information I can only refer him to the Economic Council of Canada which has established a base of 100,000 jobs. I would remind him that taxes were cut as a result of the agreement, the PGRT is going down and other taxes are being removed. The whole mess of regulatory morass which was put in place by the previous Government has been removed to give the industry the incentives to create jobs, reduce the level of unemployment in Alberta which is currently about 15 per cent, and spread the wealth right across Canada.

Some Hon. Members: Hear, hear!

STUDY OF JOB CREATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister has still not answered the question. He knows that the

estimate of the Economic Council of Canada was based on the deregulation of gas, which is not yet in effect. It was not in effect yesterday when the Minister of Energy, Mines and Resources gave us her figures. Because the people of Canada are interested in fair prices on the one hand, and job creation on the other hand, I ask the Minister has his Department done a study on the job effects of the energy accord? If so, will he produce the figures? If not, will he quit making up fanciful figures to mislead the people of the country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not making up fanciful figures; I am relating the words of the Economic Council of Canada which reports to Parliament. If the Hon. Member wishes to press the Economic Council, maybe he should go across the street and get the Economic Council to produce its figures. From a range of studies which have been done by the industry and by objective observers—

Mr. Riis: Who are they?

Mr. Wilson (Etobicoke Centre): —it is very clear that the jobs will be created. I would tell the Hon. Member that if he has a little patience he will see them created very soon.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM THE CALIFORNIA STATE ASSEMBLY

Mr. Speaker: May I indicate to Hon. Members the presence in our gallery today of a delegation from the State Assembly of California, led by that State's Lieutenant Governor, the Hon. Leo McCarthy.

Some Hon. Members: Hear, hear!

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ENERGY

WESTERN ACCORD—JOB-CREATION PREDICTION

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I would like to direct a supplementary question to the Minister of Finance. The Minister of Energy, Mines and Resources first adopted the figure of the Canadian Petroleum Association which said that up to 300,000 jobs could be created in the energy sector. Then she adopted the figure of the Economic Council of Canada which indicated that as many as 100,000 jobs might be created. The Economic Council is now saying that it did not carry out simulations on the new oil and gas agreement. On what basis is the Government predicting the creation of even 100,000 jobs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will take the Hon. Member through it very carefully. First, the Economic Council said in its statement:

> —the impact of deregulating oil and natural gas prices, without other changes in taxation or royalties, was simulated. Based on this assessment, we concluded that as many as 100,000 jobs might be created.

The Economic Council further stated:

> —it is well known that tax cuts usually have a stimulative effect.

A number of tax reductions were made as a result of the energy agreement, plus a wide range of deadening regulations was removed. The combination of the 100,000 jobs which have been identified, plus the simulations which have been made, certainly put us in the ballpark figure. I make no apologies for doing something which creates 100,000 jobs.

Some Hon. Members: Hear, hear!

JOB STUDIES

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, one would think that before the Government gave billions of dollars to the multinational oil companies it would at least do some studies on how many jobs would be created.

I asked the Minister of Energy, Mines and Resources in December for the studies which were done by her Department, and I have not received anything. I do not feel that any studies were done. I ask the Minister of Finance were studies done? If those studies were done, will he table them in the House?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have got a study here, I have got another study here, and all sorts of studies have been done by the industry as well as objective observers. Surely the Hon. Member can accept the range of 100,000 to 300,000 jobs. That's pretty good for a country which is suffering with 1,343,000 unemployed, primarily as a result of the legacy of the previous Government.

DEPARTMENTAL STUDY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to direct a question to the Minister of Finance. I have obtained one of those studies from the Department of Energy, Mines and Resources, which is dated February, 1985. It was done by the macroeconomic division of the Department and is entitled *Comments on Recent Macroeconomic Studies on the Impact of Oil and Gas Price and Tax Changes on Employment*. In that study it states:

> Decontrol leads to higher employment in the ECC case but it is only temporary and most additional jobs appear to be in the non-energy sector. Moreover, the increase in jobs in the ECC simulation is mostly explained by a fall in energy prices.

Does the Minister of Finance have a copy of that study? Does he not agree that the study shows that there is some real doubt as to whether 100,000 jobs will be created? Does he think that the Economic Council of Canada is correct?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has identified one way of creating jobs, and that is by the drop which is expected in moving to world price, because there will be a downtrend in price. Surely the Hon. Member will agree that, if taxes are dropped, activity will be

stimulated in the energy sector. As that activity is stimulated in western Canada, people will buy steel from Algoma, and Stelco in Hamilton, and the instrument companies in Kitchener and Orillia, and jobs will be created. It is the reverse of what has happened over the last few years, since 1980 when the National Energy Program came in and we saw a drop in energy activity.

REINVESTMENT BY OIL COMPANIES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, the Minister is a straight shooter. He knows that John Helliwell is saying that if the Minister adds on taxes to make up for the deficit we will have a net job loss, not a net job increase.

Will the Minister come clean with Canadians? He has given a windfall to the oil companies, he has abandoned Canadianization, and he is trying to con the rest of us into believing that we will benefit from this. Has the Minister done any studies, or can he assure the House that giving $1.4 billion to the oil industry will mean that it will be reinvested in jobs, that no additional taxes will be placed on consumers, and the oil companies will not just take the money and run out of the country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has rolled a number of questions into one, all of which have been answered during the past two days. There is no question that we have not abandoned Canadianization. I responded to that specific question which was asked by the Leader of the Opposition. I responded very specifically last week to the impact which the energy accord would have on deregulation, the reduction of taxation, and the stimulation of economic activity in western Canada. It will affect all of Canada, including downtown Vancouver.

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TRUST COMPANIES

WESTERN CAPITAL TRUST

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. On March 29 the Minister of State for Finance said in the House that the situation of the Canadian Commercial Bank was an isolated incident. At that time she said: "There are no other financial institutions in the country at the moment that are appearing to be insolvent in any way. On the same day, Western Capital Trust collapsed. Will the Minister explain why the House was given information that was not accurate?

● (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, for some months now the Government had been working with Western Capital Trust to try to assist it in merging with another, stronger trust company. At the time the Minister made that statement it was expected that those merger negotiations would be completed successfully. That is the basis for her comments.

MINISTER'S STATEMENTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, on February 12, in responding to a question about another trust company, the Minister of State for Finance said: "I would like to reassure the House with respect to other western trust companies that I'm not aware of any which are on the brink of collapse". The same Minister said yesterday, as the Minister of Finance has just said now, that her officials met continually over the winter months with the people from Capital Trust. Will the Minister make a statement under Motions today to clarify these conflicting statements?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I don't think they are conflicting statements in the context of the answer I have just given the Hon. Member.

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CANADA POST CORPORATION

SATURDAY MAIL BOX COLLECTIONS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the Minister responsible for the post office. Canada Post has moved to cut back on Saturday collections from mail boxes. This is a move which reduces working hours and, therefore, requires some 30 days notice to the union involved. Canada Post failed to give that basic notice under the collective agreement. That failure, on the back of 18 policy grievances by the union since last October, has provoked a wildcat walkout. Will the Minister call upon Canada Post to rescind that provocative action, to respect the collective agreement, and to meet with the workers of Canada Post?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, as the Hon. Member will know, Canada Post and the union are going before the Canada Labour Relations Board this afternoon precisely to look at the legality of the walkout, which I believe is illegal, and to look at the procedures followed under the contract as well. Let me put it to the Hon. Member this way. Will the Hon. Member call upon members of the union to go back to work and do their job of providing a decent mail service which is being paid for by the customers of the Canada Post Corporation, in view of the fact that the people of Canada are entitled to have some assurance that their mail is going to be delivered?

MINISTER'S DISCUSSION WITH CORPORATION PRESIDENT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the Minister well knows that reliable mail service in this country requires good labour relations. If the post office had simply waited another 17 days, had given proper notice, it would have respected the collective agreement and could have talked to its workers.

Mr. Broadbent: Why didn't you ask them?

Mr. Keeper: Would the Minister consider speaking to the President of Canada Post and asking him to understand that he must have co-operative relations with his workers if he is going to be able to deliver the mail, and to rescind the provocative action?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I have already talked to the President of Canada Post and I have indicated to him, as I indicate to the Hon. Member, that I expect both sides to obey the law. There is no question about that. The Corporation and the union are before the Canada Labour Relations Board which will look at the whole issue of whether the contract has been met.

The Hon. Member may automatically take the side of the union in a case where service is being denied to the people of Canada. I am on the side of the people of Canada. I say they are paying for the service, and I say they are entitled to receive it.

Some Hon. Members: Hear, hear!

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AGRICULTURE

MARITIME FARMERS' COUNCIL—REQUEST FOR FEED FREIGHT ASSISTANCE

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I am awfully glad you recognized me today since I married a Californian, and in honour of our visiting Californians I am happy to have the floor. I would like to go now from the California coast to the East Coast and direct my question to the Minister of Agriculture or, perhaps more important, to the Minister of Finance. When will one of those Ministers get off their duff and give an answer to the Maritime Farmers' Council on its legitimate, constructive, and positive request for funds for feed freight assistance in an emergency situation?

Some Hon. Members: Hear, hear!

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that was an excellent question—

Some Hon. Members: Oh, oh!

Mr. Wise: —and it was put in an excellent way. There is no question about that. It is a serious question, and I want to respond to it seriously. The Hon. Member knows that I am looking at the request made to us by the Maritime Farmers' Council. I have received representations previously from the Hon. Member. I have also received representations from Cabinet colleagues and other caucus colleagues. I want to indicate to the Hon. Member that my colleague in charge of the Canadian Wheat Board is presently carrying on a review of feed grain policy. It is an integral part of that study. Indeed, the first group my colleague met with regarding the study was the Maritime Farmers' Council.

[*Translation*]

FINANCE

EQUALIZATION PAYMENTS—INQUIRY WHY GOVERNMENT REFUSED QUEBEC SETTLEMENT OFFER

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Finance.

The Minister is aware that his decision to grant only $110 million in supplementary equalization payments to Quebec was a great disappointment to the Premier of Quebec, while the Quebec Minister of Finance, Mr. Duhaime, declared in the National Assembly yesterday that he thought this unilateral and politically motivated decision to grant only $110 million to Quebec was most unfair.

Could the Minister inform the House why he refused the settlement offer made by the Government of Quebec which, since it was expecting a shortfall of $750 million over the next two years, suggested a settlement of $450 million, in other words, $300 million this year and $150 million next year?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first let me remind the Hon. Member that the $700 million referred to by the Finance Minister of Quebec is the $700 million that Quebec would have received had not the previous Government put in place the 1982 formula, which is clearly hurting the Province of Quebec as well as the Provinces of Manitoba and Nova Scotia.

I suggest the Hon. Member speak to the previous Minister of Finance.

Mr. Gauthier: Who is in power?

Mr. Wilson (Etobicoke Centre): I will tell the Hon. Member about the present arrangement we have put forward. This is in negotiation. I do not think that Mr. Duhaime or Mr. Levesque expected to get everything they asked for, nor, in view of our own financial position, are we in a position to do that. So we have gone half-way. We had no legal obligation to do anything, but we have gone half-way to recognize its position, and we say, please recognize our position. We have a $35 billion deficit.

[*Translation*]

QUEBEC FINANCE MINISTER'S OFFER TO MEET FEDERAL MINISTER

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, Quebecers are starting to wonder why the deficit is mentioned when Quebec needs something, but is conveniently forgotten in the case of multinational oil companies.

I would like to know whether the Minister is willing to accept the offer made by the Quebec Minister of Finance to meet with the Minister before he brings down his Budget, in order to renegotiate this agreement and ensure that Quebec gets its fair share.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it very clear that under the basis on which we established this supplementary payment there was a very, very strong attempt made to be equitable as it related to all six provinces which receive the benefits of this agreement. I would say to the Hon. Member that Quebec has just been the beneficiary of an important ERDA agreement, the first Economic and Regional Development Agreement which has been signed with the Province of Quebec since 1974, which is for $1 billion. That recognizes the economic situation of the Province of Quebec. I think that if the Hon. Member spoke to Mr. Duhaime and Mr. Levesque, he would find that they are pretty pleased with that agreement.

* * *

MINES AND MINING

EXPANSION OF FALCONBRIDGE REFINERY IN NORWAY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of State for Mines. Last Saturday, Falconbridge Nickel Mines Limited announced that it is going to spend $41 million on expanding its nickel refinery in Kristiansand, Norway. Furthermore, it will be purchasing nickel copper matte from Botswana to be refined in that refinery in Norway. In view of the fact that Falconbridge Nickel Mines Limited reduced its work-force over the last two years in the Sudbury basin by 900 workers, will the Minister intervene personally with Falconbridge to ensure that since the company has $41 million to spend on expanding its refinery offshore to refine Botswana nickel, it will spend the $41 million to build a nickel refinery in the Sudbury basin so we can refine Canadian nickel at the source where we mine it?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, I will take the Hon. Member's announcement under advisement. I will discuss it with the industry the Hon. Member has named. I would like to point out that Falconbridge Nickel Mines Limited, which has been brought to our attention, is one of those corporations which continue to be major investors in Canada on behalf of shareholders.

● (1450)

GRANTING OF EXPORT LICENCES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it is absolutely outrageous that the Minister of State for Mines did not know about this particular investment of Falconbridge offshore. Any self-respecting country does not allow its resources to be shipped out and refined elsewhere.

While the Minister is taking this under advisement, and as he contacts Falconbridge, will he ensure that Falconbridge is aware that the Government holds export licences? Will he inform Falconbridge that unless it is prepared to put that $41 million investment in the Sudbury basin it will not get the export licences to send nickel matte out from the Sudbury basin?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, the Sudbury basin has been one of the longest living sources of Canada's mining industry. Currently productivity in the Sudbury basin is being improved in spectacular ways. With regard to the specific question, it will be a part of the review which I will conduct.

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EXTERNAL AFFAIRS

CANADA-UNITED STATES TRANSFER OF OFFENDERS TREATY—MICHIGAN CASE

Mr. Tom Hockin (London West): Mr. Speaker, my question is directed to the Acting Minister of Justice. It does not refer to the State of California, but to the State of Michigan. What are the Minister of Justice and officials in the Department of Justice doing about a State of Michigan policy directive which prevents the transfer of mandatory life prisoners to serve their terms in their native lands?

This directive affects a former constituent of mine, Sandy Harrington, who appears to be prevented from serving his term in Canada by this directive. In my opinion this is a violation of the treaty between our two countries on this matter.

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, in the absence of the distinguished Minister of Justice I will attempt to respond to my colleague's question. As he indicates, this appears to be a policy of the State of Michigan. While it could be in violation of the Transfer of Offenders Treaty between our two countries, I will convey the situation to the Minister of Justice. I can assure the Hon. Member that departmental officials are looking into this to discover whether in fact this is policy or something that can be worked out within the ambit of the Treaty.

* * *

CITIZENSHIP COURTS

HELGA PAIDE

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is directed to the Hon. Secretary of State. Last summer the Prime Minister said that his Government would be determined to reduce partisan political appointments. He said: "We are going to reform this instrument in our national life". How can the Secretary of State possibly square this with the appointment as a citizen court judge, at a salary of $46,000 a year, of still another Tory, Helga Paide, who for years has been the chief financial officer of the Conservative Party in Ontario?

Mr. Boudria: Helga was paid.

Hon. Walter McLean (Secretary of State): Mr. Speaker, I am interested to hear from the Hon. Member that this appointment has in fact been made. To my knowledge the nomination was proposed, but it was not completed. If the Hon. Member wishes to check with my officials he will find that that appointment has in fact not been made.

Mr. Boudria: Helga was not paid.

Mr. Broadbent: What happened? Who goofed? Has she a Liberal cousin or something?

Mr. Speaker: Order. Question please.

Mr. de Corneille: The good Tory shepherd knows his good Tory sheep and is owned by them.

APPOINTMENT OF JUDGE HELEN GILLIS

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, last summer the Prime Minister, referring to federal appointments, stated that the overriding criteria would be "competence and a willingness to serve Canada". Therefore, why did the Secretary of State appoint still another Tory citizen court judge, Helen Gillis, a past president of the provincial Tory Party and a Tory candidate in the last provincial election? Does he think that serving Canada means serving the Tory Party first?

Hon. Walter McLean (Secretary of State): Mr. Speaker, if leadership in the United Appeal of Halifax, leadership in the Pan American Wheelchair Games, leadership in the St. Agnes Parish Council, and leadership in the industrial and trade development of Halifax are to be held against a person, I do not then know what is the dimension of citizenship.

Some Hon. Members: Hear, hear!

* * *

EMPLOYMENT

CHALLENGE '85—PRIVATE SECTOR JOB CREATION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Challenge '85 was announced as a program which would focus primarily on private enterprise for the creation of career-oriented summer jobs. However, our research indicates that most career-oriented jobs were created, not by business, but by non profit organizations. Will the Minister table a report in the House on the number of jobs created by private industry, and the proportion of these which were career oriented as compared to those in government and non profit employment?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I will be delighted to give all the details on this program when the applications have been finally processed. The Member has been attacking the program from the outset, so I know that he will be disappointed to hear that over 100,000 job offers have now been received for young people for this summer.

Some Hon. Members: Hear, hear!

Miss MacDonald: Some 30,000 of those, Mr. Speaker, have been filed by the private sector. That brings an additional $50 million to the program.

CAREER RELATED JOBS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, the Minister insists on denying the fact that a half-baked program was announced late. After disparaging such jobs when they were funded by Summer Canada, can the Minister explain what kind of assessment of career orientation has led jobs such as lawn cutting and ice cream cone making to typify private enterprise jobs more than they do non profit jobs?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, 55 per cent of the job offers this summer are career related. This did not happen last year. That did not give young people an opportunity to gain a learning experience which will contribute to their development as they return to school. The balance of the jobs are indeed work experiences in other fields. The training component refers to 55 per cent of the job offers. That is a big improvement.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PUBLIC WORKS

OFFICIAL RESIDENCE OF LEADER OF THE OPPOSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Public Works. Keeping budgetary constraints in mind, can the Minister tell the House how much money Canadians will have to spend for renovating the residence of the Leader of the Official Opposition, not to mention the fact that he now lives in the residence of the Speaker of the House of Commons, which is an additional financial burden on Canadians?

Hon. Roch La Salle (Minister of Public Works): According to our information, Mr. Speaker, $500,000 have been spent on the residence of Leaders of the Opposition since 1976. I have also been advised that the committee responsible for official residences has completed its report. In light of that report on the future of our official residences—a report I have yet to see—I may be in a position to provide more figures.

● (1500)

TOURISM

GAS PRICE INCREASE—EFFECTS ON AMERICAN TOURISTS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, my question is directed to the Minister of State for Tourism.

The Canadian Automobile Association maintains that increasing the price of gas considerably reduces the number of American tourists coming to Canada. The Tourist Industry Association of Canada has pointed out that a 1 per cent increase in the tax on gas means 200,000 fewer American tourists. Mr. Speaker, could the Minister give the House the assurance that after the oil pact, the tourist industry will not be hit by another increase in the price of gas, which would have a disastrous effect on the industry?

Hon. Tom McMillan (Minister of State (Tourism)): Mr. Speaker, I want to thank the Hon. Member for his question.

[*English*]

In reply to that question I would simply say that we in the Government do not believe that factors like gasoline prices, taxes on alcohol, and taxes on accommodation should be looked at separately. Instead, they should be reviewed in the context of an over-all strategy or plan for the industry. We are approaching these individual questions in that manner. For example, as the Hon. Member will know, we recently released a major consultative strategy paper to consult with the industry, with our colleagues in the provinces and the public at large, so that each individual question, such as taxes of the sort he referred to, can be viewed in the context of the whole industry.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Tuesday, April 2, 1985 meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Victoria-Haliburton (Mr. Scott) does not meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader what business we can expect for the House of Commons when we return after the Easter break.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, it is my intention to continue with the business we have been considering prior to today, at least for Monday, when we return on April 15. I suggest that we consider Bill C-19 relating to the reorganization of Bell Canada, and if we make progress on that legislation we would move on to the Bill dealing with the Meat Inspection Act which will be the next item on the legislative timetable.

There will be other legislation introduced today relating to the equalization payments being made to provinces. Accordingly, I want to have an opportunity to discuss House business with the Opposition Parties to see what progress we can make in terms of expediting these important items of legislation, such as the one that will be introduced later today by the Minister of Finance (Mr. Wilson).

Subject to further consultation, that will be the business at least for April 15. I will be contacting Opposition House Leaders about business for the rest of that week so that we will be fully occupied.

Mr. Speaker: The Hon. Member for Calgary West (Mr. Hawkes) on a question of House business?

Mr. Jim Hawkes (Calgary West): Mr. Speaker, the House Leader has mentioned future consultations. I think the House Leader will know that on Monday of this week there was an article in *The Toronto Star* which was based on a parliamentary committee report which has not yet been presented to the House. There is an implication in that report that a Liberal Member of Parliament provided it to the journalists. The House Leader would properly appreciate that that brings many of the processes of the House into question—

Some Hon. Members: Order.

Mr. Speaker: With great respect, would the Hon. Member relate this to the question of House business?

Mr. Hawkes: The House Leader mentioned that he was having consultations. In those consultations, would he bring up that matter with the House Leaders of the other two Parties?

Mr. Speaker: Order. If the Member has a question of privilege which he wishes to raise, he should raise it as a question of privilege.

Mr. Gauthier: You cannot bootleg like that.

Mr. Speaker: Bootlegging has come up as an issue again today. The Hon. Member may have a question of privilege and he may wish to raise it as a question of privilege, but such a claim is not a matter for discussion about House business, I suggest with respect.

ROUTINE PROCEEDINGS

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

FIRST REPORT OF STANDING COMMITTEE

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, I have the honour of tabling, in both official languages, the first report of the Standing Committee on Health, Welfare and Social Affairs.

[*English*]

I might say that the reports are somewhat different from those carried in this morning's edition of *The Toronto Star*.

Mr. Speaker: Order.

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

* * *

PRIVILEGE

NOTICE OF QUESTION TO BE RAISED

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I thought we might be able to resolve this through the normal consultation process, but since you have indicated that you think I have a question of privilege, I want to give notice that I will be rising immediately after the Easter break with a properly presented case based on a question of privilege.

Mr. Speaker: I accept the Hon. Member's notice. He knows that he has a right to give the Speaker notice of his intention, if he wishes to do so. I only rise to say that the Hon. Member indicated that I had suggested that he had a question of privilege. I made no such suggestion. I said that if a Member believes that another Member has done something wrong, the Member has a course of action to follow. The use of the House business question is not the appropriate means to discuss the matter.

* * *

CORRECTIONAL INVESTIGATOR

TABLING OF 1983-84 ANNUAL REPORT

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I would like to table the Annual Report of the Correctional Investigator which covers the period of June 1, 1983 to May 31, 1984, and I ask that it be referred to the Standing Committee on Justice and Legal Affairs.

[*Translation*]

PETITIONS

RESEARCH AND DEVELOPMENT

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I have the honour to present to the House a petition by a group of students at Laval University, asking this House to adopt measures that will help the development of small- and medium-sized businesses, especially in the field of research and development. Such measures would, among other things, help Canada improve its position in international economic relations, in addition to increasing the GNP and creating employment.

[*English*]

OFFICE OF GOVERNOR GENERAL

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I have a petition from electors from the Province of Alberta requesting the Government of Canada to respect the office of Governor General in all future visits of heads of state to this country.

CLOSURE OF NATIONAL POSTAL MUSEUM

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a petition signed by some 240 Canadian citizens from Brantford, Ottawa, Hamilton, Washington—not a Canadian citizen—and the Province of Quebec. They are petitioning the House to maintain the National Postal Museum and are asking the Minister responsible to intervene and ensure that the Postal Museum be retained, find a new location near Parliament if it must move from 180 Wellington, and that its staff continue to serve the public in their present capacities.

CHANGES TO UNEMPLOYMENT INSURANCE ACT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a petition signed by a number of residents of the city of Windsor and surrounding regions, petitioning Parliament that all laid-off employees keep their severance pay and receive their unemployment insurance benefits without deduction of severance pay, as now being implemented by the Government.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, you will not be surprised to know that I am presenting a similar petition which protests yet again the unjust and mean-spirited changes which have taken place in the UIC system under the Minister.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition from a number of Canadians calling upon Parliament to reinstate severance pay and that it not be deducted from unemployment insurance benefits.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition representing the view of thousands of Canadians, specifically a number of Canadians

from the community of Windsor. They are reminding us that the Minister of Employment and Immigration (Miss MacDonald) has announced that workers who are laid off after March 31 of this year will have their severance pay deducted from their unemployment insurance benefits, thus effectively eliminating the benefit of the severance package to the worker.

Mr. Dan Heap (Spadina): Mr. Speaker, I have a petition from a number of residents of Canada who are asking Parliament to address the situation in which employees who are now laid off will lose part of their unemployment insurance pay if they had earned severance pay during their past employment.

Mr. Simon de Jong (Regina East): Mr. Speaker, I have a similar petition from a number of Canadians who are protesting the mean-spirited changes in the Unemployment Insurance Act. They humbly pray that Parliament will address their concerns and are presenting this petition despite the mean spirit of the Minister of Finance (Mr. Wilson) and his colleagues.

● (1510)

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have the honour to present the point of view of several Canadians on the matter of the very damaging changes being made in the UIC. Clearly a lot of Canadians are very concerned about this. I am presenting to the Government their petition, namely that all laid-off employees keep their severance pay and receive their unemployment insurance benefits without deduction of severance pay.

[*Translation*]

UNIVERSITY OF SHERBROOKE SCHOOL OF MEDICINE

Mr. François Gérin (Mégantic-Compton-Stanstead): Mr. Speaker, 960 residents of Fleurimont, in my riding, wish to avail themselves of their ancient and undoubted right to present this petition to the House and to ask the Minister of National Health and Welfare (Mr. Epp), acting through the Medical Research Council of Canada, to grant the School of Medicine at the University of Sherbrooke the financial assistance it needs to maintain its level of research and rate of development.

PRICE INCREASE OF GASOLINE AND HEATING OIL

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, I have the honour of presenting a genuine petition with 2,836 names of residents of the Province of Quebec. This petition was signed by people who, through the program *Bonjour Montréal* broadcast on CJMS, are protesting the excessive and unnecessary increase in the price of gas at the pump and the price of home heating oil.

Your petitioners humble pray that Parliament ask the Minister of Consumer and Corporate Affairs (Mr. Côté) to intervene and settle this matter as soon as possible.

I herewith present this petition and urge the Government to respond to the request therein.

* * *

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I rise on a point of order. I would like to point out that the Hon. Member for Kamloops-Shuswap (Mr. Riis) said he was presenting a petition on behalf of thousands. He handed in one piece of paper. The names of eight people were on the paper.

Mr. Speaker: Order, please. The combination of Wednesday and the end of the session is deadly.

Mr. Langdon: Mr. Speaker, I rise on a point of order. I would suggest that the Minister table the similar petition that came from his National Economic Conference.

* * *

IMMIGRATION ACT, 1976

MEASURE TO AMEND

Mr. Dan Heap (Spadina) moved for leave to introduce Bill C-232, an Act to amend the Immigration Act, 1976 (determination of refugee status).

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

Some Hon. Members: Agreed.

Mr. Heap: This Bill formerly known as C-219, requires that all refugee applicants in Canada should have the opportunity, if they wish it, of an oral hearing before the Refugee Status Advisory Committee. At present the law does not provide for that. That is one of the reasons we have many thousands who are waiting to have their status determined. This Bill will not only provide fairer opportunity for judgment by the Refugee Status Advisory Committee but will also shorten the time of waiting to the benefit of both the refugee claimants and the staff of the Department.

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

* * *

SUPPLEMENTARY FISCAL EQUALIZATION PAYMENTS 1982-87 ACT

MEASURE TO ENACT

Hon. Michael Wilson (Minister of Finance) moved for leave to introduce Bill C-39, an Act to provide for the making of supplementary fiscal equalization payments to certain provinces for the period April 1, 1982 to March 31, 1987.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 104, 123, 225, 242 and 248.

[*Text*]

IRDP—APPLICATIONS RECEIVED FROM NEWFOUNDLAND

Question No. 104—**Mr. Rompkey:**

In the past calendar year, under the Industrial Regional Development Program, were applications received from Newfoundland and, if so (a) how many (b) how many were eligible for assistance and how many were approved (c) what was the average percentage of assistance to those applications that were approved (d) how many were in the tourism sector and how many were approved (e) what percentage of the total approved applications were in the tourism sector (f) what percentage of the applications were from the (i) fisheries (ii) manufacturing (iii) high-tech sector (g) what sectors were other applications from?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): From July 1, 1983, date of inception of the Industrial Regional Development Program (IRDP), to November 30, 1984, the reply is as follows: Yes. (a) 313 applications were received; (b) 259 were eligible; 86 were approved; (c) 27.0 per cent of the estimated eligible costs; (d) 95 were received; 14 were approved; (e) 16.3 per cent; (f) (i) 7.3 per cent (23 applications), (ii) 43.1 per cent (135 applications), (iii) 5.1 per cent (16 applications); (g) Agricultural industries, service industries incidental to agriculture, logging, mining, quarrying and oil wells, quarry and sand pits, service industries incidental to mineral extraction, trade contracting, other products industries, wholesale, business service industries, local government service, education service industries, accommodation service industries, membership organization industries.

ASSISTANCE TO TOURISM UNDER IRDP

Question No. 123—**Mr. Robichaud:**

1. Was the IRDP program for tourism cancelled and was a study carried out by the Government before cancelling and, if so (a) by whom (b) how long did it take (c) what were the principal questions of the study?

2. How many businesses benefited from the IRDP in 1984?

3. How much did the Government invest under this program in 1984?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): 1. No study was carried out before cancelling the tourism element under the Industrial Regional Development Program (IRDP). This change to the IRDP is the direct result of some 16 months of program experience which indicated that tourism was better assisted through sub-agreements with the provinces, as in the past, before the IRDP. (a), (b) and (c) Not applicable.

2. During the calendar year 1984, 1,351 offers were accepted.

3. During the calendar year 1984, an estimated amount of $336.6 million of Crown assistance was committed.

DEPARTMENTAL ADVERTISING EXPENDITURES

Question No. 225—**Mr. Howie:**

For the fiscal year ending March 31, 1984, by department, how much money was spent on advertising by the Government to promote its various programs.

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services):

Departmental Advertising Expenditures
Fiscal Year 1983/84

Department	($000) Value of Expenditures
Agriculture Canada	$ 63.2
Department of Communications	71.2
Consumer and Corporate Affairs	544.4
Employment and Immigration	8,031.7
Energy, Mines and Resources	3,541.9
Environment Canada	286.9
External Affairs	922.9
Finance Canada	5,328.2
Fisheries and Oceans	2,711.7
Fitness and Amateur Sport	55.4
Health and Welfare	2,893.9
Indian and Northern Affairs	24.3
Justice Department	10,486.4
Labour Canada	197.9
National Defence	2,535.9
National Library	13.1
National Museums	26.8
National Research Council	50.1
Privy Council Office	94.5
Public Works Canada	5.0
Regional Industrial Expansion	24,749.1
Revenue Canada, Taxation	374.9
Science and Technology	39.2
Secretary of State	1,299.3
Statistics Canada	18.7
Supply and Services Canada	242.9
Transport Canada	2,235.0
Veterans Affairs Canada	58.0
83/84 Total	$ 66,902.5

WABASSO TEXTILE COMPANY

Question No. 242—**Mr. Rodriguez:**

1. From 1980 to date, which departments made grants, loans or other financial concessions to the Wabasso Textile Company?

2. What was the (a) amount (b) purpose of each grant, loan or other financial concession, in each case?

Order Paper Questions

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed as follows:

1. From 1980 to date, the Canada Employment and Immigration Commission, the former Department of Regional Economic Expansion (DREE) and the Canadian Industrial Renewal Board (CIRB) have provided financial assistance in the form of contributions to the Wabasso Textile Company.

2. See below.

Contributions from the Canada Employment & Immigration Commission
April 1, 1980 to January 31, 1985

Program	Amount	Fiscal Year	Purpose
Industrial Adjustment Service	$ 10,500	1983-84	A contribution towards the costs of a labour-management committee established to investigate the cause of financial difficulties at Wabasso's Trois-Rivières plant and develop appropriate solutions.
Critical Trade Skills Training	$ 4,984	1983-84	A contribution towards the costs incurred by Wabasso for the training of one employee.
General Industrial Training	$180,110	1980-81	Contribution towards the costs incurred by Wabasso for the training of 104 employees.
	$ 63,375	1981-82	Contribution towards the costs incurred by Wabasso for the training of 33 employees.
	$ 15,407	1982-83	Contribution towards the costs incurred by Wabasso for the training of 8 employees.
	$ 43,393	1983-84	Contribution towards the costs incurred by Wabasso for the training of 20 employees.

Contributions by
the former Department of Regional
Economic Expansion and the
Canadian Industrial Renewal Board

Financial Assistance
Wabasso Textile
From 1980 to May 5, 1984

Fiscal Year	Plant	Contribution Offered	Expenditures Made	Purpose	Department/ Program
1980-81	Trois-Rivières	$ 330,000	$ 330,108	Modernization	DREE Regional Development Incentives Program
1980-81	Shawinigan	$ 591,600	$ 548,123	Expansion	"
1981-82	Trois-Rivières	$1,273,000	$1,428,733	Expansion	"
1981-82	Montreal (Headquarters)	$ 7,500	$ 7,500	Consulting fees (Comprehensive analysis)	CIRB/Sector Firms Program
1982-83	Montreal (Headquarters)	$ 35,250	$ 26,152	Consulting fees (Development of a restructuring plan)	"
1983-84	Montreal (Headquarters)	$ 71,500	$ 35,947	Consulting fees (Implementation of restructuring plan)	"
1983-84	Trois-Rivières	$2,680,000	$1,243,249	Modernization/ Restructuring	"
1983-84	Shawinigan	$ 260,000	$ 21,126	Modernization/ Restructuring	"
1983-84	Welland	$1,600,000	$ 670,711	Modernization/ Restructuring	"
1983-84	Dunnville	$ 860,000	$ 353,626	Modernization/ Restructuring	"

SECURITY FOR 1988 OLYMPIC GAMES

Question No. 248—**Mr. Nunziata:**

What is the projected cost to the Government of providing security for athletes, officials, dignitaries and competition venues for the 1988 Winter Olympic Games in Calgary?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Planning for the 1988 Olympic Winter Games is in the early stages. Further specific details on venues, visiting dignitaries, and participating countries are required before projected cost estimates for providing federal security can be developed.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 228 could be made an order for return, this return would be tabled immediately.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House that question No. 228 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

GOVERNMENT EMPLOYMENT OF PHYSICALLY AND MENTALLY HANDICAPPED

Question No. 228—**Mr. Howie:**

1. In the year 1984, by department, how many (a) physically handicapped (b) mentally handicapped persons were employed by the Government?

2. How many of these persons were hired under affirmative action programs?

Return tabled.

[*Translation*]

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

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

Some Hon. Members: Agreed.

[*English*]

MOTIONS FOR PAPERS

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

Mr. Speaker: Shall all Notices of Motions for the Production of Papers stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—JOB CREATION

Mr. David Dingwall (Cape Breton-East Richmond) moved:

That this House condemns the government for its failure to create the jobs required to substantially reduce the excessively high levels of unemployment, either through its general economic policies or through its recently announced energy agreement, the job creation potential of which has made the Ontario Deputy Minister of Energy skeptical to the point where he has said that, in signing it, the Government "gave away the store".

He said: Mr. Speaker, I put forward this motion with great sincerity but also with great regret. I would have hoped as a Member of Parliament, notwithstanding the fact that I am in opposition, I would have an opportunity to debate in a meaningful way some of the positive things that this Government is alleged to have done.

The record, however, is quite clear, indeed. The accomplishments or lack of accomplishments of this Government have been very evident over the last six months, so much so that the Leader of our Party has characterized them, I think, in a very, very good fashion. He said: "This is a Prime Minister of what I call cosmetic politics where appearance takes precedence over reality, style over substance and package over policy. It is an approach to government that seems directed more by desire to placate a need to please, an urge to be loved, than the ability to order priorities and a willingness to make choices."

That submission characterizes the Tory Government. The Minister of Finance (Mr. Wilson) today stood in his place and questioned the integrity of the Deputy Minister in Ontario. Let me quote for the record, Mr. Speaker, what the Deputy Minister said. Before I do that, let me quote what Mr. Mercier said, the President of Universal Exploration.

Mr. Dick: Lots of style and no substance.

Mr. Dingwall: What did he say, Mr. Speaker? He said: "But from the point of view of a Canadian, I am really concerned we are giving away more than we have to". Of what is he speaking? He speaks of the agreement consummated by the Minister of Energy, Mines and Resources (Miss Carney)

and the producing provinces. It is an agreement that is a bail-out of the multinational oil companies. It is a lavishing decree against the consumers of this country. It is against the small producers in western Canada. It is simply a bail-out of the multinational oil companies.

What did the Deputy Minister say? This is what the Deputy Minister in Ontario, Duncan Allan, said about this so-called agreement, which is really an agreement to buttress the multinational oil companies: "I don't know whether they will simply use the cash flow to buy other companies. If that happens, all we will see out of this is an orgy of mergers or oil companies getting into other forms of business". Mr. Allan said that he was skeptical about whether the industry could create 225,000 jobs, and "if Ottawa imposes a gasoline tax to help pay for the energy deal, it will throw Canadians out of work", he added.

● (1520)

Mr. Dick: Mr. Speaker, I rise on a point of order. I wonder whether the Hon. Member is quoting from the exact transcript or whether he is quoting from a newspaper article. Could he please tell us from what he is quoting?

Mr. Deputy Speaker: I regret to inform the Hon. Member that that is not a point of order.

Mr. Dingwall: Thank you, Mr. Speaker. Perhaps the Hon. Member will learn something about parliamentary procedure before he rises again.

Mr. Dick: What are you quoting from, *The Toronto Star.*

Mr. Dingwall: Yes, *The Toronto Star.* I suppose anyone who disagrees with the Conservative Government or with the Minister of Finance is either paranoid or is trying to make an unjustified attack against the Government. When Members say anything about the Government, that Hon. Member rises in his place and castigates them for making remarks which he knows to be true.

Mr. Dick: We don't believe *The Toronto Star.*

Mr. Dingwall: I suggest that this agreement does not provide benefits for consumers in all parts of Canada. What about the primary industry levy offset program? That program was part of the fuel tax rebate program for those in the primary industries—farmers in southwestern Ontario, fishermen in Atlantic Canada and those involved in logging, mining, hunting and trapping in northern Ontario. They were entitled to it.

Mr. Speaker: I regret to interrupt the Hon. Member at this point in his speech.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this

Point of Order

House that the Senate has passed Bill C-38, an Act to amend the Customs Tariff, without amendment.

THE ROYAL ASSENT

[*English*]

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

Government House
Ottawa

April 3, 1985

Sir:

I have the honour to inform you that the Honourable Bertha Wilson, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, will proceed to the Senate chamber today, the 3rd day of April, 1985, at 3.15 p.m., for the purpose of giving the Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière,
Administrative Secretary to the
Governor General.

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

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

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

● (1530)

And being returned:

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

Bill C-38, an Act to amend the Customs Tariff—Chapter No. 12.

* * *

POINT OF ORDER

PRACTICE RESPECTING TIMING OF ROYAL ASSENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise on a point of order. I am informed that it is very unusual, if not unheard of, to have a Royal Assent during an Opposition Day, especially at a time that would interrupt the opening speech of the Opposition on the motion in question. In fact, I am also informed that it is very unusual to schedule a Royal Assent in a way that would interrupt any business of the House. In the past it was generally scheduled so that it would happen right at six o'clock in a way that the business of the House would not be interfered with.

While it may be technically correct to have the Royal Assent take place when it did just a few moments ago, I respectfully submit that it is contrary to the past practices and traditions of this House. In addition, it is a grave discourtesy to the Official Opposition, on this occasion, when it has a very important motion to present to the House.

I should add that I am informed that the Government House Leader is in a position to set the time for Royal Assent. I would say that he should be carrying out his duties in a more competent manner, especially in a way that recognizes the practices and traditions of the House when it comes to the importance of Opposition Days and the motions presented in them.

Some Hon. Members: Hear, hear!

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I rise on the same point of order. The Opposition House Leader has expressed a desire for the Government House Leader to carry out his duties, I think I can phrase it, "in a more competent manner", which implies some degree of incompetence. The Government House Leader is not present in the Chamber. I find that opportunity to attack the House Leader in his absence and in that fashion to be totally reprehensible.

Mr. Speaker: I appreciate the sentiments that I think in honour lie behind the comments of the Hon. Member for Windsor West (Mr. Gray). I think he will understand that the Speaker is put in a position by the rules of having to respond to the knock at the door. The Hon. Member may have a matter he wishes to raise with the reform committee. I can sense that he feels he has a grievance. I think he knows what he should do about that. He has taken the first opportunity to advise the House of his concern and I accept the reason he has chosen to do it at this time. I understand his concern.

Resuming debate.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—JOB CREATION

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

That this House condemns the Government for its failure to create the jobs required to substantially reduce the excessively high levels of unemployment, either through its general economic policies or through its recently announced energy agreement, the job creation potential of which has made the Ontario Deputy Minister of Energy skeptical to the point where he has said that, in signing it, the Government "gave away the store".

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I wish to continue my remarks, particularly the comments directed toward the agreement which was consummated by the Government of Canada and the three producing provinces. I suggest, as I did before you interrupted the proceedings, that this was an agreement for the benefit of the multinational oil companies without due regard or due respect for the consumers of this country or the small western Canadian oil and gas companies. This is a terrible benefit to the multinational oil companies. I will read some figures to substantiate my point.

I wish to make it perfectly clear that in no way does Her Majesty's Official Opposition accept the statement of the Minister of Energy, Mines and Resources (Miss Carney) that prices will not increase for the consumers. As I was saying before I was interrupted by your predecessor in the Chair, the primary industry levy offset program, which is a benefit of 1.8 cents per litre, the equivalent of eight cents a gallon, will be dropped as a result of the agreement to be consummated between the producing provinces and the Government of Canada. It will affect in a very real way the farmers of southwestern Ontario, the fishermen of Atlantic Canada, the loggers, miners, hunters and trappers in northern Ontario. It will have devastating effects.

The Minister went on to say that the agreement provides harmony, if you will. Where is the harmony? She referred to the compensation granted for the cost of moving domestic crude to refineries east of Montreal. Prior to this agreement, this domestic transfer compensation program provided a benefit. It was designed to create a market for western Canada shut-in crude, $2 a barrel subsidy on transportation by tanker from Montreal to the Maritime refiners. In 1984, this provided a supplement of approximately $44 million or 22 million barrels. This has now disappeared and it will be at a commercial rate. The subsidy will continue no longer. That is certainly very harmful and devastating to those of us who live in Atlantic Canada.

● (1540)

What about the Minister's claim that there will be lots of reinvestment? Where are the guarantees from the multinational oil companies? What guarantees have been solicited from them? Absolutely none. In fact, Gulf Oil's profits in 1984 went up by 41 per cent. Imperial Oil's profits went up by 60 per cent. Shell's profits went up by 59 per cent, Texaco's by 23 per cent and Suncor's by 8 per cent. With this agreement in place, not only will it not create the jobs that we all want but it will in fact add in excess of $1.7 million to the multinationals' revenues beginning in June, 1985.

There will be additional revenues for the multinational oil companies but nothing in the way of a continuation of the subsidies to those individuals in the Maritime provinces and nothing for those individuals who may be engaged in farming, logging or mining. I say shame on the Government for those policies.

The Ministry of Energy, Mines and Resources did not stop there with its policies. It went on. We have seen the abolition of the Canadian Oil Substitution Program. We have seen the cuts in the Canadian Home Insulation Program. We have seen Canertech abolished by the Minister and we have also seen the cancellation of Q & M Pipe Lines. What about the natural gas laterals program for the Province of Quebec? It is out by $85 million.

Let us talk about another agreement that was reached several weeks ago. That agreement was referred to by the Prime Minister (Mr. Mulroney) as being a milestone in a new Canadian era. However, Clause 54 of that agreement says: "Similarly, feedstock available shall be insured on commercial terms for new industrial facilities in Newfoundland and Labrador provided such feedstock is in excess to feedstock required to meet the demand of presently existing industrial capacity in eastern Canada." That means that Newfoundlanders will not have an opportunity to play meaningful roles in the oil and gas industry, particularly with respect to refinery capacity, until such time as other areas of the region have that opportunity. That certainly cannot be applauded by Government Members of Parliament and particularly by those from Atlantic Canada. That is certainly not in the best interests of the Atlantic economy. In fact, I think it is outright discrimination against the people of Newfoundland, and Liberal Members of Parliament who are from the Province of Newfoundland have said so.

I shall return to this other recent deal made with the multinational oil companies for just a moment. What about the Canadianization program? Under questioning by those of us in the Official Opposition, the Minister has refused to give us a firm date as to when she would like to have 50 per cent ownership of the oil and gas industry in Canada. There is no fixed date. The Government has abandoned the Canadianization program that we put in place. It has abandoned it so much so that section 7 of that agreement provides no incentive whatsoever to the small Canadian oil and gas companies in western Canada. In fact, they are to be treated equally with the multinational corporations that have had profits in excess of $200 million. Is that fair to the Canadian consumer who is facing an increase? Is that fair to the small Canadian oil and gas company? Certainly not, but it runs in line with the policies of the Minister of Finance (Mr. Wilson). He is the spokesperson for those individuals who reside outside of Canada, whether they reside in Philadelphia, Ohio or Washington, and he is the spokesperson for the select few from Bay Street in Toronto.

That is the elitism of the Conservative Party. There is nothing for the regions and nothing for the consumers, and the small-businessman in this country be damned. Government Members will pay the ultimate price when Canadians have an opportunity to vote against them in the next federal election.

The motion I have put forward not only touches on energy but on other Government Departments as well. Let us look for a moment at some of those who sit on the front benches. Most

of those individuals are not here, probably for good reason. Let us look at their performances.

The Minister of Communications (Mr. Masse) takes his orders from the Deputy Prime Minister (Mr. Nielsen). He is a Minister who brought in three political commissars to slash regional programming at the CBC. He is a Minister who was called "patronizing" and "smug" by representatives of the Canadian Conference of the Arts. What did he do to increase employment opportunities here in Canada? He cancelled money for the National Arts Centre, he cancelled money for the Canada Council and the National Film Board and he cancelled $7 million under the Capital Assistance Program. Unlike the Minister of Finance who can treat his big friends in the multinational oil companies well, this Minister has refused and is unable to provide needed assistance to the arts and cultural industry here in Canada. I say shame on the Conservative Government for abandoning that industry.

What about the Minister of State for Forestry (Mr. Merrithew)? The only thing he will be known for is serving in Dick Hatfield's cabinet. He has done absolutely nothing as a Minister of State for Forestry. As a Minister from the Atlantic region, he has not even spoken out on any of the issues concerning Atlantic Canada.

What about the Minister of Fisheries and Oceans (Mr. Fraser)? He goes around telling everyone that he wants to help them and that he is there to assist the fishermen. I will tell you how he has assisted the fishermen, Mr. Speaker. I will tell you how he has put more people on the unemployment rolls. There was an increase in licensing fees of $6.3 million. There was a reduction in fisheries development of $11.7 million. That Minister has a great claim to fame. He is the only Minister who has signed a treaty without even showing it to Parliament. Shame!

What about the Minister of Agriculture (Mr. Wise)? He is another paragon of virtue when it comes to helping the working class in this country. What has he done? The Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) questioned him on one particular program today. This is the Government that gave the farmers in western Canada, under the stabilization program and through the transportation assistance program, approximately $1.2 billion. We in this Party do not object to that but we do object to the Minister of Agriculture not being able to provide $13.5 million in emergency assistance to the farmers of the Maritimes so that we can continue with our job-creation programs. That is abandoning his responsibilities as Minister of Agriculture.

What about inspection fees? The Minister of Agriculture has done nothing about that. The Prime Minister gets a 54 per cent increase in his expense while the farmers of the Maritime Provinces have to pay a higher amount in inspection fees. I say shame on the Government.

● (1550)

Of course, I do not want to say anything about the Solicitor General (Mr. MacKay), because I think he has done it all for himself. Not only has he caused embarrassment to his Party, he has caused embarrassment to Parliament as a whole. That is what that Minister has done.

The Minister of Transport (Mr. Mazankowski) is a lovely man and a great guy. What has he done with regard to employment opportunities in Canada? Nothing. If anything, he has added to the rolls of unemployment. He received an order about a week ago from the Deputy Prime Minister to fire different individuals in Air Canada and VIA Rail. That is all he has done. There has been no action and there have been no progressive, positive programs coming from the Minister of Transport. In fact, the only thing he was able to do was to provide cut-backs to the very important sectors of the Canadian economy. Those cut-backs do not affect the multinational oil companies, they affect the working men and women of the country. I say shame to the Minsiter of Transport.

Let us now move to the Minister of Employment and Immigration (Miss MacDonald). There is the "flora". She is going to create all the jobs which Canadians need. The only thing that can be said of that particular Minister which is accurate, is what was printed in *Chatelaine*. That is the only thing. That Minister has lost every battle and every war in Cabinet to the Minister of Finance, who, by the way, is not really the Minister of Finance. He is the junior Minister to the real Minister of Finance, who is the Minister of Regional Industrial Expansion (Mr. Stevens). The Minister of Employment and Immigration has lost her battles to him and to the Minister of Finance. But she has cut back. She said to the unemployed people of Canada: "Well, we don't really need you. We don't care. We are going to take your severance pay away. We don't care if that provides you with hardship." Yet she is the Minister who stood in her place when she was a member of the Opposition and practically cried before Canadians because not enough was being done. But at the first opportunity, what did she do? She slammed them. I say shame to the Conservative Government.

What about the Minister of Justice (Mr. Crosbie)? He is incapable of understanding the rules which are applied to an Attorney General. He refuses to appeal a case without first seeing a transcript. He thinks that the Criminal Code should be used as a source for one-liners. Of course, he is always a friend to the provincial Premiers. We have seen what he has done in his capacity as Attorney General. He has added nothing to providing jobs for this country, other than bailing out some of his friends.

Now let us turn to the Secretary of State for External Affairs (Mr. Clark). There is a paragon of tourism! He was performing so badly that they had to send him to the Soviet Union. He might stay there.

What about the Minister of State for Tourism (Mr. McMillan)? That Minister is from P.E.I. He is the only Minister of all the Ministers in the Tory Government who had the audacity to send his picture to all Members of Parliament. I do not know what he is looking for, and I do not know what he is up to, but I do not want any part of it.

What about the Minister of Finance? Well, we should not be too hard on the Minister of Finance because in June of

1985 he will be leaving us. He will be leaving us because the Prime Minister will hang him out to dry when he brings down the next Budget. That is what will happen to the Minister of Finance.

Finally, let us talk about one issue which is of great concern to me—regional economic development. When the Government gave $1.3 billion to the multionational oil companies, the Minister of Regional Industrial Expansion refused to provide one cent for Domtar in the Province of Quebec. Shame on him. That Minister took $200 million out of the ERDA program. What did he do, after the Prime Minister assured me in Question Period that serious consideration would be given to new economic proposals in Cape Breton Island, which has the highest unemployment rate in the country? What did the Prime Minister and that Minister do? They set up a task force. It is a complete repudiation, a complete denunciation of the provincial Premier and the MLAs who live in that part of Canada. It is a complete denial of the suggestions which have been put on previous occasions.

I suggest that this Government, based on its performance to date, has failed to provide the jobs which it promised. It has failed, by the recent energy agreements, to provide consumers and small business with the tax relief which they ought to have. It has provided only one thing. It has provided untold millions of dollars for the multinational oil companies. I say shame on the Government. It will certainly pay the price in the next federal election.

Mr. McDermid: Mr. Speaker, it was most enjoyable to sit here and listen to Allan MacEachen's clone. Certainly he reminds me of the Hon. Senator in his style, his tone of voice and the reasoning which he presents. We all heard it in 1981 when the then Minister of Finance presented his Budget.

Can the Hon. Member tell the House and Canadians why the energy industry should be treated and taxes differently from all the other industries in Canada, such as his Government did under the National Energy Program? Can he explain that to the Canadian people?

Mr. Dingwall: Mr. Speaker, it is always nice to receive a question from a former Minister of the Clark Government.

Mr. McDermid: I just got promoted!

Mr. Dingwall: I am happy that he has taken this occasion to ask a question with respect to energy. Perhaps he knows nothing about energy. That might be the reason he has been appointed Parliamentary Secretary, in keeping with the Prime Minister's guidelines.

He asked about the tax benefits which are being bestowed upon multinational oil companies and why they should be taxed differently. If one believes, as we do on this side, that Canadianization is a goal to which all Canadians subscribe, then I think it would be in the best interests of Canada—unlike the Hon. Member—to provide an incentive for the small companies in western Canada which want to make a meaningful contribution to that sector of our economy. The Government should provide an incentive for the small companies in western Canada so that they can hire the individuals which we want them to hire and get Canadians off the unemployment rolls. But the Conservative Government is bent on bending over backwards to multinational oil companies to ensure that they are looked after handsomely. I would suggest to the Hon. Member that the consumers and the small-business sector of the country deserve an incentive as well. They too deserve a tax holiday, not just the multinational oil companies.

Mr. Andre: Mr. Speaker, when the Hon. Member's Leader was in the private sector, he participated in a newsletter which was written by his law firm. As an author of that newsletter, he was roundly and severely critical of the National Energy Program. He accurately pointed out that it would cost Canada billions of dollars and hundreds of thousands of jobs.

In addition, when the Leader of the Liberal Party was running for the leadership, he made a number of speeches before Liberal delegates across Canada in which he roundly condemned the National Energy Program as an example of the historical Liberal programs and policies which have caused great damage to the country. That was something he was going to change when he became Leader. We find that he hasn't changed a thing. In fact, apparently he has been changed. I wonder if the Hon. Member can tell the House whether he agrees with what his Leader is saying today or what his Leader said when he was running for the leadership of the Party and was still in the private sector? Does the Hon. Member concur with those views that the National Energy Program has been an absolute disaster for Canada. If he does, would he not agree that undoing the National Energy Program, which was the effect of the Accord last week, should in fact restore some of the vigour and health which was previously there in a sector which provided so many jobs for so many Canadians from coast to coast?

● (1600)

Mr. Dingwall: Mr. Speaker, it is so nice to receive questions from Ministers of the Crown, particularly the minister of paper clips, pens and notebooks. I want to say to him that I take serious objection to some of the things he as well as some other Hon. Members of Parliament on the Tory side, have tried to promote in this House. I would point out that the distinguished Leader of the Liberal Party, the next Prime Minister of Canada, did not sign such a document.

However, I want to say to the Hon. Member who is responsible for paper clips and pens that he ought to be careful. Who said in 1981, what premier of this country, that the oil bonanza was not going to last and we as Canadians ought not to expect that it will continue as it was in late 1981? What Premier said that? The "premier ministre" of Alberta, Mr. Lougheed. Of course, the Minister of Supply and Services (Mr. Andre) does not like to hear that. He does not like to hear that even some of his colleagues in western Canada who consummated agreements with the Government of Canada did

so honestly and intelligently, based and predicated on information that the world price of oil would continue to increase.

What that Minister fails to recognize, Mr. Speaker, is that there were two signers of those agreements. At every opportunity, as on previous occasions, which is characteristic of himself and his Party, that Minister will take every opportunity to try to get a political advantage, I suggest with all respect, which is to pit western Canadians against eastern Canadians. That is a proposition which we think is thoroughly disgusting, Mr. Speaker.

Mr. Gagnon: Mr. Speaker, the Economic Council of Canada report *Connections* stated the goals of the national energy policy, and I quote:

> First, the megaprojects were supposed to provide the federal Government with substantial revenues—
>
> Second, these projects were to provide substantial economic spinoffs, thereby helping to further alleviate the problems of regional economic disparity. Quebec, Nova Scotia and New Brunswick, for example, were to get jobs—
>
> Third, all the capital inflows needed to finance this activity were expected to make the Canadian dollar buoyant.

It goes on further to say:

> The agreement had a major flaw: it assumed that the real world price of oil would continue to rise substantially over the next few years.

The result of the national energy policy was two megaprojects which were cancelled, Alsands and Cold Lake, worth $25 billion. I asked the Hon. Member how many jobs in Windsor, in Orillia and in Hamilton were lost because his Party stuck this national energy policy down our throats?

Mr. Dingwall: Mr. Speaker, I say to the very verbose Member of Parliament who has taken this opportunity to stand in his place and ask a question that no one put a gun to the heads of the western producing provinces to sign agreements. Nobody did.

Mr. Hawkes: Oh yes, they did.

Mr. Dingwall: And to suggest that we in the Province of Nova Scotia did not benefit from the National Energy Program is a total repudiation of the provincial Premier. There is no question but that benefits, as expected and wanted by western producing provinces and by the national Government, were not forthcoming. But that was because, as the Hon. Member, if he is candid enough, will admit, the western producing provinces signed that Accord—

Mr. Taylor: Baloney.

Mr. Dingwall: —because they believed, as the Government of Canada did at the time, that the world price of oil would continue to increase. The truth hurts when Hon. Members hear it.

Mr. Taylor: That is baloney and you know it.

Mr. Dingwall: But those Hon. Members are quite prepared to sell out the consumers, the small western Canadian producers, and to give money to the multinational oil companies.

Mr. Taylor: That's wishful thinking. That's what the Liberals think.

Mr. Dingwall: Shame on the Alberta Members of Parliament.

Mr. Deputy Speaker: Resuming debate.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am very pleased to participate in this debate on the motion put forward by the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall). It is a motion which distorts what has been going on in this country over the past seven months, and it distorts what was in the energy Accord. I say that choosing my words very carefully, and I am sorry that the Hon. Member is leaving the House—

Mr. Dingwall: Point of order.

Mr. Deputy Speaker: The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) on a point of order.

Mr. Dingwall: Mr. Speaker, I would hope that the Minister of Finance (Mr. Wilson), who at one point in his career was noted for some form of integrity, would not impute motive to myself, or indeed any other Member of Parliament. I do not find anything frightfully wrong in going to the lobby to have a cup of coffee and watch his dismal performance on television, as thousands of Canadians—

Mr. Deputy Speaker: I think the point is made.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I listened to the word "integrity" just used by the Hon. Member. If there is one person who has degraded the word "integrity" in this House today, it is that Hon. Member. I would invite him to come back and listen to these words directly because it is a serious matter to call into question the integrity of people outside this House.

I listened to the Hon. Member distort the words of the Deputy Minister of Energy in the Province of Ontario. He used a distorted press report yesterday as the basis for his speech and, indeed, it is the basis for the motion today. He knows that the Deputy Minister of Energy withdrew that statement. He said that it was a distortion, that it was taken out of context, and I am going to read the telex. I was absolutely disgusted when I heard the Hon. Member, in light of the fact that he knew that the Deputy Minister of Energy had withdrawn that statement, had stated that it was distorted, and persisted in repeating that statement to this House. That is the sort of action by Members of Parliament which degrades the reputation of this whole House. I say to the Hon. Member that he should stand in his place after I have finished my remarks and apologize to the Deputy Minister of Energy for calling into question the words which he said.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I would like to quote from a telex which has been made public. It was sent to my col-

league, the Minister of Energy, Mines and Resources (Miss Carney). The telex is from Duncan Allan, Deputy Minister of Energy of the Government of Ontario. He stated that comments that were attributed to him were:

—used selectively in the article and it has distorted the position of the Government of Ontario, which position I fully endorse. That position is that the Accord offers great potential for Ontario and indeed all of Canada, not only for lower oil and gas prices for the consumers of this province but for the investment and industrial activity which will subsequently flow.

There is certainly nothing in that agreement that can be said to be adverse to Ontario's interests.

● (1610)

Mr. Speaker, I should not call the Hon. Member "honourable" because his statement is not an honourable statement. In face of that the Member persists in distorting the truth of statements made by someone outside this House who cannot defend himself in the House.

I would also like to quote the Economic Council because Hon. Members have today attempted to exploit the good name of the Council. I would like to read from a news release issued by the Economic Council this morning:

The Council has looked at a variety of scenarios ... Among these scenarios, the impact of deregulating oil and natural gas prices, without other changes in taxation or royalties, was simulated. Based on this assessment, we concluded that as many as 100,000 jobs might be created. The Council also simulated various possible tax changes in addition to the deregulation of oil and gas, resulting in larger or smaller stimulus depending on the package.

They go on to say that they have not estimated the results of the Accord that was announced last week. They conclude by saying:

It is difficult to make precise comparisons ... but it is well known that tax cuts usually have a stimulative effect.

That, Mr. Speaker, is the basis on which we have said that the energy Accord in Western Canada will result in between 100,000 and 300,000 jobs. That does not take into account the Atlantic Accord which is going to be so beneficial to Newfoundland as well as creating spin-off benefits in the other Atlantic provinces.

In Question Period this afernoon the Hon. Member for Vancouver-Kingsway (Mr. Waddell) made reference to a report which was prepared by the Ministry of Energy. I would like to bring to the attention of the House the substance of the comments made in that report. I am sure the Hon. Member can read this later on if he wishes to. It makes the key assumption that the jobs that will be created will be based on the degree of reinvestment.

Hon. Members know that the rate of reinvestment in the first half of this year was around 65 or 70 per cent. During the years prior to 1980 and the introduction of the National Energy Program, the rate of reinvestment was about 110 per cent. We are convinced that the increased revenues which the industry is going to receive as a result of deregulation will receive very favourable treatment by the energy industry. They will be reinvested in the economy to find the oil and gas in eastern and western Canada and to create jobs right across the country.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The Western Accord speaks directly to the question of reinvestment. The Minister has said that we will be monitoring this very closely. Due to discussions that the Minister, myself and other Ministers have had, the industry knows that we feel very strongly about the question of reinvestment. We will be monitoring it because it is a key element to the success that the industry will generate as a result of this Accord. We are convinced that there will be a substantial amount of reinvestment. The result of that will not be felt only in western Canada. Studies have been done which indicate that 35 or 40 per cent of the impact of that investment is felt in central Canada.

I wanted to get these three issues on the record to deal with the distortion and innuendo that has been floating around this Chamber this afternoon. I wanted to get them on the record to enable us all to understand the basis on which we are operating.

I will now turn to other parts of the motion that we are debating today. Last November I set out in the economic statement three elements of an economic strategy that we have been following closely. The first was that we would put our fiscal house in order by dealing with the tremendous problem of the accumulated debt in the country which has been growing two or three times faster than the rate of growth of the economy for 10 years now. Second, we said that we would redefine the role of government. Third, we said that we would create a positive environment for investment, innovation and international competitiveness.

I would like to read from a part of the economic agenda that I tabled last November. It is very clear that in relation to the energy industry we have done exactly what we said we would do. It is all laid out on page 65 where we noted:

The energy sector faces many rules, regulations and demands originating from federal and provincial energy legislation and regulatory bodies. There is little doubt that these, taken together, discourage activity in the energy sector. The federal Government will put its own house in order and begin discussions with the provinces on means of streamlining these regulatory requirements through such devices as the "single-window" approach.

We went on to say that we attach great priority to renegotiating energy agreements with Alberta, B.C. and Saskatchewan, and to pursuing accords with the East Coast with regard to the offshore. We set it out there, Mr. Speaker, and we have done what we said we would do. That will create jobs right across the country.

The last two months have clearly demonstrated that performance in that we have signed the Atlantic Accord and the Western Accord. They are an integral part of our strategy toward energy development. I would like to remind Hon. Members that energy investment accounts for 30 per cent of business investment in the country. There is a very direct correlation between business investment and job creation. That is why we have felt so strongly about this element of our economic program.

I would like to discuss what happened in the lead-up to these energy agreements. From September, 1984 to February, 1985 well completions in western Canada increased by 11 per cent

over the same period 12 months earlier. Seventy-one per cent of these were development wells and exploration activity has climbed 26 per cent. That demonstrates very clearly that the industry is responding, partly in anticipation to what we have just done, but also in response to things that we said in the economic statement. We increased the small producers PGRT credit, changed initiatives taken to ameliorate the shut-in oil problem, and provided for a more flexible export policy to generate a greater degree of cash flow in the industry. It is very clear that things are happening in the country because industry is responding to the incentives, enthusiasm and encouragement provided by the Government.

I have said on a number of occasions that Members in the Opposition walk around with a little black cloud over their heads. Let us look at some of the good news that we have had over the past few months. In the fourth quarter we had an improvement over what we had expected in the Gross National Product which allowed the year to finish on an up beat note, much higher than I had anticipated just a few months earlier. Eighty-four thousand jobs have been created. Manufacturing companies are going to increase investment this year by 26 per cent. The merchandise trade balance continues at the high level of $23 billion in the last quarter. Retail sales increased 12 per cent over the past two or three months. We have had an inflation rate below that of the U.S. for the past six months. All of these matters, Mr. Speaker, indicate to me that consumers and companies, large and small, are responding to the change in government and the change in atmosphere that we have in the country. That is what we are trying to generate.

I will now return to the energy agreements. Earlier in the House I said that they would generate jobs in other parts of the country. Chase Econometrics has done a study which indicates that, next to Alberta, Ontario draws the greatest benefit from petroleum activity. Those industries which will benefit are metal fabricators of pipe, equipment, autos and trucks, electric and electronic manufacturers, wholesalers and retailers, consulting companies and mining industries, because there will be increased demands for metal products. Some specific companies in Quebec which will benefit are AES Data, Canada Cement Lafarge, Canadian Marconi, Crane Canada, Dominion Bridge, Foxboro, Marine Industries, Ingersoll-Rand and Pratt & Whitney. That is a wide range of companies.

I see the Hon. Member from Quebec has just come in. He recognizes those companies. He has a smile on his face because he knows that jobs will be created in the Province of Quebec as a result of the energy agreement. He says "Bien".

● (1620)

[*Translation*]

Mr. Malépart: Who is going to pay for that? The people of Quebec.

Mr. Wilson (Etobicoke Centre): That is quite clear. That is the best agreement for all of Canada.

[*English*]

Let us look at some of the immediate reactions. Imperial Oil plans an investment program for 1985 of $1 billion, compared with $700 million in the last two years. That company alone will create 30,000 person-years of employment. That is action which demonstrates that we are on the right track.

I am confident that that is only the beginning as a result of conversations I have had with a number of other people in the energy industry. Let there be no doubt that a stronger energy industry means a stronger Canadian economy. The whole country will benefit from it.

Let me quote from the Canadian Energy Research Institute in Calgary. It states that projects such as the Wolf Lake oil sands project now under way by BP and Petro-Canada will create 22,000 person-years of employment activity across Canada. It goes on to point out that industry in Ontario and Quebec is providing essential supplies to this project and accounts for 35 per cent of the jobs. The Hon. Member should be smiling again.

I listened to the Right Hon. Leader of the Opposition (Mr. Turner) when he talked about a five-cent to ten-cent a litre increase in taxes. If he was in the House, I would challenge him to establish the basis for those scare tactics. If he can't provide me with the basis for those figures, perhaps I could respond; but I suggest that he is trying to scare the consumers and split the country in the same way the Liberals did under their previous leader. The present Leader has not learned anything more about what makes Canada tick than the previous leader who was kicked out.

We have accomplished a lot in the last six months. Let me outline some of those accomplishments. I heard the Hon. Member talk about job creation. We will not simply provide a three-month or six-month job creation program for Canadians. Our policy is to meld direct job creation with career development so that Canadians can have some confidence that when they take a job in one of these programs they are learning something that will help develop their career.

My colleague the Minister of Agriculture (Mr. Wise) said that his Department has taken 42 initiatives to support the agriculture industry. For instance, the Farm Credit Corporation has dropped interest rates by 2.5 percentage points, I believe. The farm fuel tax rebate is one of the most significant parts of the economic statement of last November.

The Hon. Member for Quebec should realize that we signed the first Economic Regional Development Agreement with the Province of Quebec since 1974. That is an indication to Quebec that it can work with the rest of Canada so we can develop a strong Canada by working together rather than pushing the people of Quebec out of Canada.

Interest rates have gone down from approximately 12.5 per cent to the current level today. Hon. Members did not ask me a question about the fact that there was another drop in interest rates, down to approximately 10.5 per cent.

Consumer confidence and business confidence today is at the highest level we have seen in a number of years. The

reason for this is that they are responding to the programs, policies and the attitude of the Government.

Let me talk about small business and the impact upon it of the energy Accord. A spokesman for the Canadian Federation of Independent Business has said that he foresees between 30,000 and 40,000 small-business jobs in companies that support the oil and gas industry. That energy services industry was absolutely decimated by the National Energy Program. I know that is the case because I visited those companies in the foothills of Alberta and saw the impact of the National Energy Program upon them. It is those small companies which will come back in a strong way as a result of this Accord. I can see that recovery taking place across the country.

The Canadian Association of Oil Well Drilling Contractors predicts that this industry will create about 20,000 jobs directly as a result of an increased energy industry.

Let me repeat the position of the Government of Ontario. The Government of Ontario represents consumers and very little oil and gas production in that province. The Government states that the Western Accord offers great potential for Ontario and indeed all of Canada, not only for lower oil and gas prices for the consumers of this province but for the investment in industrial activity that will subsequently flow. It says that there is certainly nothing in that agreement that can be said to be adverse to Ontario's interests.

So much for the Liberal tactic of division. Liberals, under their new Leader, are persisting in following its previous energy policies. They are still trying to divide the country. Surely Hon. Members understand the damage that was done to the country during the years 1980 to 1983 which saw the rise of the western separatist movement when the Liberals ignored the impact of their policy on the interests of western Canada. I urge Hon. Members to think very carefully about how they present their views in the House because they are falling into the same trap as the previous Government by ignoring the impact of their policies. We must avoid such an impact if we are going to keep this country together. Our Government has worked hard at bringing the country together and convincing Canadians that by working together we will build a stronger economy.

When Prime Minister Hawke spoke to the National Economic Conference here a couple of weeks ago, he said that the very important consideration we must always remember is that working together and understanding the points of view of all parts of the country is the way we create economic development. That is the way we create jobs and learn to pull together, rather than push apart. With the co-operation of the Opposition Parties, I am sure that we can continue this process and build a much stronger Canada.

● (1630)

[*Translation*]

Mr. Deputy Speaker: Questions, comments. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, I would like to put on record some facts about Quebec which the Minister seems to forget. Concerning the energy agreement, he refuses like the Minister responsible for Energy to assure this House that this energy agreement will not be implemented at the expense of the consumers. When Quebec members suggest that we are concerned about that agreement, it is not because of the people out West; the Minister knows very well it is because of the multinational corporations. If he wants information about that, let him have a word with the Hon. Member sitting behind him, a Progressive Conservative member. In case he does not know him, the Hon. Member for Duvernay (Mr. Della Noce) remembers very well that when the then Quebec Minister of Finance, Mr. Parizeau, partly reduced his elevator tax, the ones who immediately, the next day, took advantage of that reduction were not the consumers but the oil multinationals with whom the Minister is now cosily in bed. They absorbed that tax.

We, of the Liberal Party, support job creation, but what we want to know, and what the Minister will not say, is this: Who is going to pay for that? It is a disguised tax increase in his budget, if he cannot give that assurance today. And the Minister wants us to trust him. But, as he will recall, he himself admitted in a press report that, during the elections, he would not reveal his true intentions with respect to terminating social program universality, something he wanted to do afterwards. What guarantee do we have that he is not now cooking up something of that kind?

With respect to job creation, since the Minister hands out over $1 billion to the big oil companies, I would like to know why he should not set $250 million aside for needy senior citizens, for single, separated and divorced people. They too would have created jobs. Thanks to higher income provided through the amendment to Bill C-26, those people would have been regular consumers in need of food and clothing, and they would have created jobs. The oil multinationals do not hold a monopoly on job creation.

Concerning the agreement with Quebec, I might recall that the Canadian and Quebec Governments had signed the NEED agreement but, unfortunately, that agreement was broken by the Government of Quebec.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I said to the Liberal Member that nothing in that agreement will boost the price of gasoline.

An Hon. Member: It is crystal clear.

Mr. Wilson (Etobicoke Centre): It is crystal clear.

[*English*]

I say to the Hon. Member that there was some criticism in his province when the change was made in the petroleum compensation charge back in November which resulted in a price rise in gasoline. Did the Hon. Member ever explain to his constituents why the price of gasoline had to go up? Let me

tell him why. The change that took place in November resulted from the fact that the previous Government, the Government of which the Hon. Member was a part, did not change the petroleum compensation charge. The result was a deficit running at $140 million a month. The Hon. Member shakes his head. He is displaying his total ignorance when he shakes his head. It was $140 million a month—

An Hon. Member: How do you know?

Mr. Wilson (Etobicoke Centre): I know, Mr. Speaker, what was going on. I will take the Hon. Member through the figures. The price of gasoline went up because we had to respond to the lack of action by the previous Government because it did not have the guts to change the price of gasoline when it knew it should have. The Liberals knew they were going to face the people in a couple of months and they could not face the music. Instead, the people knew. The people beat them. They beat them and they kept the Liberals out because of all the dissatisfaction that had developed over the years because of lack of governing, lack of understanding and the lack of being straightforward with the Canadian people.

Let me make one other point, Mr. Speaker. The Hon. Member referred in his question to our ignoring the interests of the people who are not well off in this country. Let me remind him that one of the key initiatives in the November statement was the $400 million spousal allowance that we brought in. The Hon. Member is shaking his head. He does not even know about that. I ask the Hon. Member for Montreal-Saint-Marie (Mr. Malépart) whether he has read the statement of last November. If he had, he would not be saying such stupid things.

Mr. Waddell: Mr. Speaker, I have two short questions. First, there is a deficit in the petroleum compensation account of somewhere between $1.4 billion and $1.7 billion. Could the Minister tell me what the figure is? What is happening to that amount? Has it been swallowed into the general deficit or will the Government try to collect it at a future date?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Hon. Members' figure is a little high. I believe the most recent figure is $1.2 billion, which is a large amount. The purpose of this account is to protect consumers across the country from the excessive prices in gasoline.

We have said that we are committed to reducing that deficit, and at this point I would have to say to the Hon. Member for Vancouver-Kingsway (Mr. Waddell) that that is something I will have to deal with in the Budget.

Mr. Waddell: Mr. Speaker, the Prime Minister (Mr. Mulroney) is quoted as saying, when asked about the oil Accord, that we have a $35 billion deficit and we have to start from there. The Minister of Energy, Mines and Resources (Miss Carney) has suggested that the industry got something like $500 million a year over two years, which is about a billion dollars, in addition to which there is this deficit in the petroleum compensation account. Could the Minister give us a figure? Would he agree with the Minister's figure that at least a billion dollars has been transferred over the next two years? Would he indicate to the House how he proposes to collect that, or does he propose just to let the deficit increase to correspond with that figure?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me point out to the Hon. Member that one of the results of the Accord is that excessive taxes on the industry have been reduced. That is clear and it has been pointed out by a number of people, including himself. Let me also point out that a number of expenses are reduced as well. For example, the petroleum incentive payments will be reduced. There are other things which the Minister of Energy, Mines and Resources has reduced in energy expenditures relating to the off-oil program. One cannot isolate one element of a program and say that for this reason the deficit will go up. There are many elements that are taken into account in the broad government finances. That is the purpose of a Budget. I will be setting out how we deal not just with energy matters but with a wide range of matters including the spousal allowance, how we are going to finance it, how we will finance the farm fuel tax rebate, the veterans pension increases and a wide range of other things that I am sure the Hon. Member has applauded as he has watched us over the last few months.

[*Translation*]

Mr. Malépart: Mr. Speaker, I think the Minister's reply had to do with the spouse's allowance for widows and widowers. He did not quite get the gist of my question. I agree on that point. But is the Minister aware of the fact that, by restricting eligibility for this program only to widows and widowers, he is penalizing 80,000 Canadians, mostly women whose needs are the same as those of widows and widowers? Those are the people I was talking about when I suggested he might have invested $250 million more. The Minister knows full well that he recoups in social assistance any money allotted to the elderly. I was referring to single, separated and divorced people.

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me point out to the Hon. Member that we cannot rebuild Rome overnight. It takes time to undo the damage that has been done. We have taken the first steps in dealing with the spouse's allowance. There are other people in the country whom we would also like to help, but we have to deal with things as they come. They will not all be done at the same time.

I would ask the Hon. Member to recognize that while we can do certain things on the social side, we also have to generate income to pay for the programs. To generate that income we have chosen the energy industry as the industry which has demonstrated very clearly the capacity for a quick fix, if there is anything close to such a thing. I will just remind the Hon. Member of some of the figures. There is 65 per cent or 70 per cent reinvestment now. That percentage is growing fast and it will create jobs. If the industry can get back to the

110 per cent reinvestment that was there prior to the National Energy Program, that is where we will demonstrate clearly that anywhere from 100,000 to 300,000 jobs we have been talking about earlier in the House today will be created and that is how we will pay for those programs.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I am glad to hear that last answer of the Minister of Finance (Mr. Wilson). That is my point. I want to deal with a couple of matters about which the Minister of Finance spoke and then I want to deal with the remarks of the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall).

First let me deal with the Minister of Financ. I took notes when he was speaking. He said: "During the years leading up to 1980, to the National Energy Program, the rate of reinvestment of the industry was 110 per cent". The Minister just repeated that a moment ago. That is simply not true, Mr. Speaker. Perhaps unintentionally, he has distorted the facts. I want to give him the facts.

● (1640)

I made a point of asking the Petroleum Monitoring Agency, the Government's own agency, for the investment ratios of the petroleum industry in Canada. The agency replied by indicating that petroleum-related investment in Canada, as a percentage of internal cash flow from petroleum operations, that is capital expenditures upstream and downstream, in the years from 1971 to 1975 was 70.7 per cent for the total industry. As I deal with these ratios, I will note the Canadian part as well as the foreign part. The Canadian part was 93.1 per cent and the foreign part was 66.7 per cent. From 1976 to 1980, it was 75.3 per cent for the total industry, 84.7 per cent was Canadian and 72.7 per cent was foreign. For the years from 1971 to 1980, the golden pre-National Energy Program era about which the Conservatives like to speak, for the total industry it was 73.9 per cent, not 110 per cent. It was 86.6 per cent for the Canadian part and 70.8 per cent for the foreign.

Now I will deal with specific years. In 1978, it was 93 per cent for the total industry; in 1979, it was 82 per cent; and in 1980, it was 88 per cent. It is simply not true that they were investing 110 per cent before the NEP. As a matter of fact, the year in which they invested 110 per cent was 1981. It was 106 per cent in 1982 when the hated National Energy Program was in full swing. Let us not distort the figures. I say to Conservative Members from Alberta that we should not deal in myths. Let us try to deal in realities. I know the Minister unintentionally distorted the figures, but the fact is that his figures were wrong and I will give him a chance to correct them.

Referring to the figures of the Petroleum Monitoring Agency, in the first six months of 1984, the percentage of the total reinvestment was 68 per cent, as the Minister said. Of that, 76 per cent was Canadian and 63 per cent was foreign. This indicates that the industry reinvestment is lower than it used to be. Also it shows that Canadian firms reinvest more of their cash flow than do American firms, the large foreign multi-nationals.

Later in my speech I will show that the new Western Accord was a bonanza or windfall basically for the large American oil companies—Shell, Texaco, Imperial, Gulf and so on. I will send these figures to the Hon. Minister of Finance. I know he is a straight shooter. He should have the correct figures.

Mr. Wilson (Etobicoke Centre): I have to go.

Mr. Waddell: I know the Minister may have to go; I understand that, as he is a busy man.

Mr. Wilson (Etobicoke Centre): I have to prepare my Budget.

Mr. Waddell: Yes, he has to prepare his Budget. Before he leaves, I should like to make the following point. I think he is basically—and he knows it too—proceeding on a hope and a prayer that the industry will suddenly reinvest a heck of a lot of money in jobs to make him look good, to save his bacon. If they do not do it, he is the one who will carry the can.

Mr. Siddon: Let him take that chance.

Mr. Waddell: He has to take that chance. He is the Minister. The Hon. Member is a government Minister; he is taking a chance too. This is a tremendous gamble. We simply do not have any studies to show how many jobs will be created. The figures vary widely, from 100,000 to 300,000 and so on. We simply do not have studies. In fact, the Department of Finance does not have particular studies to show that.

I will deal later with some of the remarks made by the Hon. Member for Cape Breton-East Richmond. However, I remind Hon. Members that through no fault of my own I had the benefit of sitting through all the committee meetings and debates on the Liberal National Energy Program. In fact, I saw all the Bills. Everyone else has been promoted. I sat at those meetings with the Minister of Finance, but I am still in my same position; I do not know what that indicates, but perhaps I know a little about the program. There are some things to remember about the NEP. Let us not deal with myths, let us deal with reality. The downturn in Alberta at that time was a result of many different things. One was that the economy generally was down. There was a recession. While the rigs were down in Alberta, so too were they down in the United States. They were down in that period as well. It was not entirely the fault of the National Energy Program.

Mr. Siddon: They went to the United States.

Mr. Waddell: If my friend looks at the realities and not at the myths, he will see what happened. The National Energy Program had some effect. It had a downturn. Some of those taxes were unfair and wrong. Let us be objective when we look at that program.

I ask Hon. Members opposite to be objective when they deal with the NDP position on the National Energy Program. The Minister of Finance, who is an honest man, is very careful when he deals with it. We in the NDP did not support that

program. I am tired of hearing Conservative Members during Question Period and at other times saying that we supported it. We voted against that program more than did the Conservatives; it was a broad program and it had many parts.

I should like to give the House a couple of reasons for not liking the NEP. I thought it was taking the exploration and action out of the western sedimentary basin and putting it in the Canada Lands. The Trudeau Government wanted to control the Canada Lands. It was a power play with the Government of Alberta. The national Government controlled the North and the offshore. Only the Liberals could invent a program in which 80 per cent was given in PIP grants and there was a 25 per cent back-in. I understand oil companies want to drill for oil. They do not want to fill out forms. That is part of the bureaucracy and is one of the problems in the National Energy Program. The NEP was effective in that it emphasized Canadianization as a goal and worked toward it. Also it was effective in that it emphasized conservation. Those two notions have been abandoned by this Government—Canadianization and conservation. This Government has a bad record on conservation and no record on Canadianization. We have to be fair when we deal with the NEP.

Also I point out to Hon. Members from Alberta that Premier Lougheed had a glass of champagne with Prime Minister Trudeau to celebrate the Accord of 1981. The NDP did not sign that Accord. I would tell that to the editors of *The Calgary Herald* if they were listening. That Accord went sour, basically because world prices went down instead of up. It was a gamble and it did not pay off.

I should like to repeat the motion before us today. It reads:

> That this House condemns the Government for its failure to create the jobs required to substantially reduce the excessively high levels of unemployment, either through its general economic policies or through its recently announced energy agreement, the job creation potential of which has made the Ontario Deputy Minister of Energy skeptical to the point where he has said that, in signing it, the Government "gave away the store".

The phrase "gave away the store" sounds familiar. It was my phrase. I used it in the House on March 28. I still believe it. I think the Government was a patsy for the industry. It literally gave away something like $2.5 billion. Today I asked the Minister of Finance where he will find that revenue. I thnk it will be taken out of further taxes. We will have to wait until the Budget comes down to find out. I think the consumer will be hosed in that particular Budget.

Another point which we have to note with respect to the deficit and the windfall for oil companies is the fact that there is a double standard. As a result of the November 8 economic statement, we had a cut-back on environmental matters. We had to cut back the entire alternative energy division, the high-tech division of the National Research Council. We had to cut back on national parks, the wildlife service, the arts, all in the name of the deficit. We even had to cut back the 500 bucks that the average person gets to help insulate his house or the 800 bucks to convert his furnace from oil to another energy source. Why? Because of the deficit.

• (1650)

When it comes to the Western Accord, what happens? We can give the money to the oil companies with no strings attached. This is what the Minister of Finance was telling us this afternoon. He said he met with them and told them that we would need a better performance than that in the old days when they only invested 68 per cent of their cash flow. He said they have to reinvest, but there is nothing to require that. I think this was well put in an article by Jeffrey Simpson in today's *The Globe and Mail*. He said this:

> The theory presumes that the $1.3 billion in foregone taxes will be translated into reinvestment in exploration, drilling and ultimately job creation.

He then asks what will require the companies to do that. They have not done that in the past. What is to require them to do it in the present?

I want to give some idea of the windfall that we are talking about. Let me explain it very briefly so that people can understand. Old oil, that is oil found before 1974, was found at a cost of about $3 a barrel. It is moving up. It is now about $26 or $28 a barrel. It is moving up to the world price. The holders of that oil will make a windfall profit. They won the "Lotto". The holders of new oil, which is oil found after 1974, which is a little bit above world price, will come down to the world price. The holders of new oil will lose some money.

Who holds the old oil? Who won "Lotto Carney"? Gulf, with 73 per cent old oil and 27 per cent new oil, will have a windfall of $59.8 million. Imperial, with 62 per cent old oil and 38 per cent new oil, will have a windfall of $50.9 million. Shell has 88 per cent old oil and 12 per cent new oil. It will have a windfall of $43.7 million. Taxaco is the big winner. With 75 per cent old oil and 25 per cent new oil, it will have a windfall of about $76.8 million.

If you are going to have a rational energy policy and you are going to reward someone in the oil patch, the last company you would award would be Texaco. It is a large American multinational company with a very conservative record of reinvesting its profits. It is the most conservative company in the oil patch. Why give it the biggest benefit? That does not make sense.

I see a Member from Quebec. I do not know whether he was present at the energy committee. The Canadian Federation of Independent Petroleum Marketers, a very admirable group of small Canadian oil companies in the downstream, said that it got 15 per cent of the share of the downstream. That is the marketing, the selling, the gas stations and so on. I quote the following from its brief:

> Independents are generally cost efficient and provide the only true, effective competition in the market-place.

I say to the Conservative Members opposite that they should insist, as a corollary to this Western Accord, that the Government enter into a profit competition policy. You cannot give $75 million to Texaco and let it continue with its sort of restraint on competition that we have in the downstream market. If you want to have a free market, let's have a free

market. That is what Conservative Members should be pushing for, and I hope they will do just that.

In Question Period today, there was reference to the studies of the Economic Council of Canada with regard to what is happening. I notice a pattern here. The Deputy Minister of Energy for Ontario complained about the deal. He said that the figures were inflated. He said:

> Energy Minister Pat Carney may be grossly exaggerating how many jobs will be created—

That was the gist of his remarks. I'm sorry, that was said by the director, the fellow who did the study for the Economic Council of Canada. The Minister of Finance stood up and said that we have a clarification. We had a statement by the Deputy Minister of Energy for Ontario and then we had a clarification. We had a statement by the head of IPAC a while ago and then we had a clarification. We had a statement from some official on defence and then we had a clarification. It is almost too much to be coincidental. When we do have an honest statement, the Government hammers on it and suddenly there is a clarification. That is the pattern here.

Mr. John Helliwell, a distinguished economist from British Columbia, says that you have to look at the effect of giving this big windfall to the industry. He said that if you do away with the petroleum gas revenue tax, it will create 15,000 jobs. However, he says that if you collect that amount in taxation to deal with the deficit to get it back, you will lose 40,000 jobs. Therefore, there is a net loss of 25,000 jobs.

Mr. Siddon: Let's look at his assumption.

Mr. Waddell: The Minister says we should look at his assumption. I say to the Minister that the Government has been unable to produce any models or studies on what it has done. It is a hope and a prayer. That is shocking. I raised today the matter of a document that I received from the Government. That is all the Government has. It analysed the Economic Council model, the model of the oil industry, and the Ontario model, all of which were widely divergent. I quote the following from the Energy, Mines and Resources statement:

> One should not attach too much importance to the numbers given because they are based on outdated and possibly unrealistic assumptions. Second, a conclusion is that given the variety of approaches followed and assumptions made, it is not surprising that different studies lead to different conclusions.

It says that there is no way you can tell. That is what the Minister of Finance, who is a straightforward fellow, got up and said in this House today, unlike the Minister of Energy, Mines and Resources (Miss Carney), who throws around figures of 100,000 or 300,000 jobs. Don't do a con job on the Canadian people. The Canadian people are not that stupid. The Canadian people know that if you are going to give $2.5 billion to the oil industry, you will have to get the money back somehow. They know where the money will come from. It will come right out of their hides.

I have about a minute remaining. I want to draw the attention of the Government to the fact that it should do some things. It will have to take another look at the Atlantic Accord. With the PIP grants gone and the world price dropping, that puts it in jeopardy. It should look at the downstream competition policy. It should upgrade the Petroleum Monitoring Agency so that we know exactly what will be done with the money.

My prediction is that the oil companies will take the money and run. That is what they have done historically. They will repatriate it to the foreign shareholders. I regret that this Government has given up the better thrust of the NEP. That was Canadianization, conservation and an attempt to really get the energy industry to be Canadian-owned and working in an equitable way for all Canadians.

Mr. Hawkes: Mr. Speaker, the Hon. Member has been the critic for the New Democratic Party for quite some time. We can see some progress. We see that he knows more than he used to know. However, we sometimes wonder what he really does know. I would like to challenge the Member. He indicated that the biggest windfall for any of the multinationals will be $76 million. Yesterday, a number of newspapers carried, in a very tiny box, the story that one company operating in this country indicated that because of the National Energy Program's demise, its investment in the year ahead would go up from $700 million to $1 billion, a $300-million increase in investment, to create jobs. That is a 43 per cent increase. Can the Hon. Member tell us which company that was? If he is monitoring the situation, he would know which company made that announcement. Does he agree with the announcement? Does he like its flavour?

• (1700)

Second, if the Hon. Member has done his homework, he could probably tell us how much money the consumers of the country were saved when the Minister negotiated no price increase on natural gas not only once but twice. How much money were the consumers of the country saved by that step and which company increased its investment plans for one year by $300 million as reported in the newspapers yesterday?

Mr. Waddell: Mr. Speaker, first, I am not going to play Trivial Pursuit with the Hon. Member. If he wants to come over to my house tonight, we will play Trivial Pursuit over a cup of coffee or a beer.

The Hon. Member might be interested in knowing that the companies have been reinvesting since the beginning of this year. Most of the reinvestment had already been made in anticipation of a great many things. This was just an additional windfall.

Mr. Hawkes: The change in the energy program.

Mr. Waddell: No, most of it was already made. We are not going to see a heck of a big increase. The industry was already beginning to be on its way up. If the Hon. Member were honest, he would admit that.

As far as natural gas is concerned, one of the glaring things about the agreement, as I predicted, is that the agreement does not deregulate natural gas.

Mr. Hawkes: What about no price increase?

Mr. Waddell: The Hon. Member is yelling about price increases. There is no way, given the natural gas market, that there could have been any increase in price. We have a surplus in natural gas and we are selling out.

Mr. Hawkes: How much was saved?

Mr. Waddell: If the Hon. Member wants to listen to me, he can comment after.

The Hon. Member must know that we are selling out our natural gas at fire sale prices. We are exporting it to the United States.

Mr. Hawkes: Four hundred years' supply.

Mr. Waddell: Yes, 400-years' supply. A Minister of Energy rose in the House and said that we had a 300-year supply of oil, and that was when we were selling oil at $3 a barrel. That is why we are in this pickle today. We exported a lot of our cheap oil and we are still doing so. Now we are exporting natural gas. He must know that the oil industry in Canada, for its own purposes, wants to export. It wants more and more money and more cash flow. That is the pattern. However, that is not in the national interests of this country when looking at a long-term energy policy. The Hon. Member should face that fact and rise above being completely xenophobic. He should try to look at the entire nature of this country.

Mr. McDermid: Mr. Speaker, I will answer the question. It was Imperial Oil, and I congratulate that company. In the last two years, it has invested about $700 million and this year, after the announcement was made, it decided to invest $1 billion, a $300-million increase. The industry, of course, was starting to rise with the election of a Progressive Conservative Government because it liked the tone, attitude and style of this Government. It liked the fact that we wanted the private sector to create the meaningful jobs. Naturally it began to invest in the last quarter. Today the Minister of Finance (Mr. Wilson) said that things improved in the last quarter and will continue to improve with the Atlantic Accord and the Western Accord.

The Hon. Member is a westerner. Why, despite the devastation of western Canada because of the National Energy Program, does his Party continue to support this piece of socialist nonsense that was perpetrated on the Canadian people? He does continue to support it. He speaks out of both sides of his mouth at the same time.

Why does he condemn the Government for doing something that will not only improve the lot of western Canada but will improve the lot of my riding? In Brampton-Georgetown, there are 52 companies, each one of which I am personally aware, that directly supply the oil patch. It will mean jobs for them. There are 350 such companies in Mississauga and it will mean jobs for them. There are 2,500 companies in the Province of Ontario that directly supply the oil patch. Why is the Hon. Member attacking this so-called windfall to the multi-nationals when in fact that money will mean jobs right across the country?

Mr. Waddell: Mr. Speaker, the Hon. Member for Brampton-Georgetown (Mr. McDermid) is deservedly acquiring a reputation for being one of the thickest and dumbest Members of the House of Commons. He literally did not listen to my speech. I would invite him to read it. If he had listened to my speech, he would have heard that we do not support the National Energy Program. I gave an analysis of the good points and the bad points of that program. Why does he not listen? I will do him the favour of listening to what he has to say when he has something to say.

I have already said that job-creation is a hope and a prayer. He can say over and over again that jobs will be created, but the fact is that the studies do not show that. It is a capital-intensive industry. Of course some jobs will be created, but we do not know that 100,000 or 300,000 jobs will be created. It may be better to invest that money directly in the Hon. Member's constituency than to invest it in the oil industry.

Mr. Siddon: That's socialist.

Mr. Waddell: They can yell socialist at me or they can yell whatever they like. They may not agree with me but I suggest that they look at the facts.

Imperial Oil is a better company than Texaco in terms of reinvesting. Texaco is one of the worst companies in that respect. However, there is still a problem with Imperial Oil. The latest FIRA communique indicates that Imperial Oil Limited of Don Mills, Ontario, which is controlled by Exxon Corporation of New York, New York, has applied to acquire control of the business carried on by Super-Park-It Limited, Toronto, Ontario. Imperial Oil keeps on expanding. We are giving it more money and it is going to expand and expand. Some of that money is diverted. It is not simply put back into the oil patch. It controls the downstream and all the small Canadian producers get squeezed out.

I would suggest that the Hon. Member read what I said about the National Energy Program. He should not talk to me about being a westerner. I am a westerner. The West is made up not only of a few multi-national oil companies at the Petroleum Club in Calgary, it is made up also of ordinary Canadians in Vancouver, Lethbridge, Edmonton and Calgary.

Mr. McDermid: Who want jobs.

Mr. Waddell: Of course they want jobs, but we will not create very many jobs in Vancouver Centre by giving $75 million to Texaco. There are better ways of creating jobs, and the Hon. Member should look at them. He should realize why the Government was defeated in 1979. It was defeated because of that kind of head-in-the-sand attitude.

Mr. Gagnon: Mr. Speaker, I would like to ask the Hon. Member for Vancouver-Kingsway (Mr. Waddell) a few questions, but first I would like to make a couple of points for the sake of clarity. If the Hon. Member were to look at the drilling

record for the United States for the years 1980 to 1983, he would see that the decrease in drilling was 7.2 per cent. If he were to look at the same figures for Canada for the same years, he would notice that the decrease was 33 per cent. That is point one.

Point two, he says that there is no increase called for in the price of natural gas. If he were to read the Western Accord, he would find that the price of natural gas has been frozen. If he wishes to follow me, this is in Article 2, paragraph (i). The price was to go up by 25 cents. The addendum to the Memorandum of Intent dated June 30, 1983, in Article C, paragraph (iv), indicates that the price of natural gas was to go to 65 per cent of the TRAC price, and it is currently at 60.4 cents. It would have gone up 25 cents. The Hon. Member would know that because it is frozen, $450 million is coming from the producers and the people of western Canada to the consumers in order to create jobs. The Hon. Member would also know that there is to be a further $150 million decrease in the price of natural gas when the two taxes come off.

Having said that, I would like to ask a question of the Hon. Member. He keeps talking about doing something different regarding the Atlantic Accord because we are to lose PIP. Two months ago, he said that PIP was a giveaway. Now he is saying that we have to do something about it. He should make up his mind. Is PIP a giveaway or should we do something about it? What is his solution?

• (1710)

Mr. Waddell: Mr. Speaker, I would like to make three points. One, I accept the Hon. Member's figures on the decrease in drilling in the United States and Canada. He said that it was minus 7.2 per cent in the United States and minus 33 per cent in Canada. That is the point which I was making. I said that part of the reason for that general decrease in drilling, which was reflected in the United States but made worse in Canada, was the National Energy Program. I said that in my speech, and I accept his figures.

Second, with respect to gas, the price has not increased for some time. Basically, the Accord puts off the issue of gas. That issue is still to be negotiated. It is the big problem between Alberta and Ontario. It will be negotiated after the Ontario election, in the fall. It is a hard issue with which to deal. But gas has not yet been deregulated. If gas were deregulated, the price would fall. That would be a big windfall for consumers. But we will have to wait for that deregulation.

Third, he asked about my position with respect to PIP. I believe that my position is perfectly consistent. I argued from the beginning that PIP was wasteful and that it was not the proper way in which to go about Canadianization. But, PIP is going from the East Coast. If we read what the Atlantic Energy Ministers and other people are saying, it provided encouragement. It is the only way in which Canadian companies have been involved. It will now be dropped, so something will have to replace it. An incentive to explore is required. The world market price is too low for Hibernia or the oil sands. The companies will have to be provided with some sort of incentive to drill. If it is not PIP, it will have to be something else.

Mr. Siddon: How about profit?

Mr. Waddell: Well, if the Member wants to go with no incentives at all, the companies will not do it because the world oil price is too low.

I have a couple of suggestions which I have made in the past. One is a tax-based system. The problem with that is that it can be abused just as the super depletion allowances were abused—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. Is the House willing to give him an extra two minutes so that he can complete his remarks?

Some Hon. Members: No.

Mr. Deputy Speaker: There being no unanimous consent, I will recognize the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

[*Translation*]

Resuming debate with the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, it is with a feeling of sadness that I rise in the House today to speak to the motion moved by my Liberal colleague. The purpose of the motion is to condemn the Progressive Conservative Government for its lack of interest in fighting unemployment and its incompetence in concluding the energy agreement.

Mr. Speaker, let us recall the first action taken by this Government, or rather by the Minister of Finance (Mr. Wilson) on November 8. First of all, job creation projects worth $4 billion were cut. Of these $4 billion, $1 billion would have been spent in Quebec. However, this measure was applauded by all Progressive Conservative Members.

If we look at a list of projects cut by this Government, we see first of all the $6.2 million cut from the dairy program, including $2.48 million in Quebec. At the CBC: $75 million cut, $18 million in Quebec. The purpose: to create unemployment. Research and development in the energy field: $60.8 million in Canada, $15.2 million in Quebec. Fisheries and Oceans: $11.7 million in Canada, $2.34 million in Quebec. In housing, and this is intolerable, in an area that is essential and very important to all Canadians, subsidized housing: $9.6 million, $2.4 million in Quebec. In the Residential Rehabilitation Assistance Program, and I intend to give a few more details later on: $29.4 million, $7.3 million in Quebec. Regional industrial expansion, which is very important to Quebec's regions and to regions across Canada: $200 million, $50 million less for Quebec. At VIA Rail: $93 million and $23.25 million in Quebec. The VIA Rail maintenance centre that was

supposed to be built in Montreal has been postponed, and not a word from the Quebec Members about this.

As far as student loan programs are concerned, during the election campaign they said they were going to be very open and generous. That was the word used by the present Prime Minister (Mr. Mulroney). Today, Canadians realize it was a lot of rhetoric, because when it is time to give Canadians living on modest and low incomes what they need, he is not as "generous".

The student loans program: $5 million cut, $1.25 million in Quebec. Canagrex: $6.6 million, $1.65 million in Quebec. The manpower industrial traning program, a program that helps re-train workers on the job and introduce technological change in a humane manner: $40 million in Canada and $10 million in Quebec. The Canadian Home Insulation Program: $84 million, $21 million in Quebec. Cutbacks with a specific impact on certain regions in Quebec included $4.9 million that would have been spent on pharmaceutical laboratories in Trois-Rivières and research laboratories in Victoriaville. The Quebec Members are applauding. At least I can congratulate the Hon. Member for Lotbinière (Mr. Tremblay) who is fighting these cutbacks. I must say that Members who are doing so in the caucus over there are few and far between, and I think it is important to acknowledge the Progressive Conservative Members from Quebec who do have the courage to defend these interests. Hi-tech equipment at the CBC: $10 million, $2.5 million in Quebec. Natural gas lateral connections, and this is strictly in Quebec: an energy-related cutback of $85 million. Parks Canada: $19.5 million in Canada and $4.86 million in Quebec. Capital expenditures at Fisheries and Oceans: $18.1 million in Canada and $4.52 million in Quebec. The "Vieux Port" in Montreal and renovation of the marina in Chicoutimi: $3.5 million. The electrochemical institute in Shawinigan and the research institute in Edmonton: $3.6 million in Canada and $1.8 million in Quebec.

Mr. Speaker, if we consider the total number of cuts in all these programs . . . When the Minister of Finance announced the cutbacks, he insisted at the time that there would be more job creation and that interest rates would go down. That is not the case, Mr. Speaker. What happened? The unemployment rate went up, and not just the statistics. In the newspapers we read that the real unemployment rate is 4 per cent higher, because in Canada we have 500,000 workers who are discouraged and have not been looking for work since September 4. All of this was accomplished by the Progressive Conservatives.

The Prime Minister has been asking Canadians to live within their means, Mr. Speaker. Was the Prime Minister living whithin his means when he received the President of the United States in Quebec? When he had this big party, this big show just for the Conservative Members, paid for with taxpayers' money?

Another newspaper article: When we need help, Ottawa does not show up. (Roger Dagenais, from the riding of Verdun); *Le Devoir*: Research spending—Quebec is falling behind Ontario. Via Rail is Montreal's loss and Toronto's gain. That is the result.

Mr. Speaker, I see the Hon. Member for Lac-Saint-Jean (Mr. Côté) who cannot even rise from his seat to speak to the House. All he does is shout, and the people of Lac-Saint-Jean say he is not looking after his riding.

Mr. Speaker, what was the Prime Minister's priority? The first priority of the Conservatives was typical of this Prime Minister: to go out and buy new uniforms for our Canadian Forces. I say typical, because the Prime Minister's philosophy is that appearances count above all else. As far as the rest is concerned, nothing has changed. And this wasteful exercise ignored the results of a survey in which 60 per cent of Canadians were opposed to this silly decision.

Mr. Côté (Lac-Saint-Jean): I am so glad.

Mr. Malépart: I see the Hon. Member for Lac-Saint-Jean (Mr. Côté) who says he is so glad about all this.

And now for the next big decision of this Progressive Conservative Government. Regardless of all the promises they made across this country, when the Prime Minister saw that Star Trek's Captain Spock, a fellow Canadian, was more popular than he was, he decided to get into "Star Wars". Mr. Speaker, that is incredible! We do not need Star Wars. What this Government should be doing is fighting unemployment.

In an article by Lise Bissonnette in *Le Devoir*, we read: Tricky spinoffs—Are Canadians ready to agree to the militarisation of space for the sake of jobs? These are the questions the people of Quebec and Canadians in general are worried about today, Mr. Speaker, because of a Party that conducted its election campaign under false pretences. The Minister of Finance himself said in an interview that during the election campaign they did not tell the truth because they knew they were going to do the exact opposite of what they were saying. In the housing sector, there are Members in the House—and I am not referring to the new Members—who do not even know what social housing is all about. But the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) knows very well that social housing is an important issue in Canada. He is aware of the importance of low-cost housing, co-operative housing, and facilities for retired and prematurely retired people, for low and average income families. Mr. Speaker, the Government is spending $9 million for social housing, talk about the multinationals, nobody listens to the citizens.

Through rehabilitation and renovation programs, the former Canadian Government did much to improve the quality of housing and make sure that Canadians would have suitable housing at prices they could afford. This program was widely

used throughout Canada, in each and every riding, but it has been cut back to the tune of $29 million. Quebec was hit harder than any other province by that cut-back—35.74 per cent less for Quebec, only 9.5 per cent less for Ontario. One of these days some Members—and the Prime Minister first—will have to face the music. He will have to stop showing off and find answers to hard questions.

Here are some newspaper headlines: "Social Housing an Urgent Priority", "Federal Rehabilitation Aid Must Be Maintained". There are thousands of people throughout Canada—particularly in the Montreal and Quebec City areas—who are waiting for the Minister responsible for the CMHC to decide whether the RRAP program will be funded to build co-operative housing. Hundreds of projects are still on the drawing board, but they will never see the light of day if they decide to cancel this co-operative housing program. As a result of such a decision, co-operative housing will disappear in Canada, especially in Quebec where it is very popular. In addition, any social housing project carried out as cooperative housing will no longer be within the means of low and average income families, so they will be built strictly for richer people.

Mr. Speaker, I would hope that with respect to this matter all Hon. Members in this House will urge the Minister in charge of CMHC to maintain the RRSP program in connection with co-operative housing.

Mr. Speaker, I came here prepared for a 20-minute speech, and I hope to get questions from Members opposite. This may be the only way to get them to rise so that people may come to know them a little. But I will conclude my remarks and let my colleague make his speech. I would simply say that on another important matter, there is still time to do something for all those Canadians, the 80,000 single, separated or divorced Canadians. This will not pass in committee—

Mr. Bernier: Oh! Oh!

Mr. Malépart: The Hon. Member for Beauce (Mr. Bernier) does not know a thing about anything, he sounds silly when he says that. He does not even know how that works. He should enquire, and put pressure on his Minister in order that an amendment be introduced in committee, in May, to prevent discrimination. I am sure that even though the Hon. Member for Beauce likes to pitch insults through his hat, he himself agrees on that. But if he does not, I will send him the names of senior citizens who will be penalized by his decision. In the future, he will get to know what he is voting for.

• (1720)

[*English*]

Mr. McDermid: Mr. Speaker, I always enjoy hearing my hon. rotund friend speak in the House. He always adds a little colour to the goings on here. I do not think there is any question in this House that Quebec in fact has and is playing its part and, I might say, contributing its fair share, in getting Canada's fiscal house in order. But if all of these wonderful programs that the Hon. Member time and again stands up and talks about were so great, would he tell us why the people of Quebec so thoroughly repudiated the Liberal Government in the last election?

[*Translation*]

Mr. Malépart: Mr. Speaker, usually the Hon. Member does a much better job with his questions. I am afraid this one shows some lack of judgment. The programs were in place before the elections. Tory members from Quebec, and the Prime Minister himself promised to do more. But those members would not be here if the Prime Minister had told the people the truth, if he had told them that those programs would be cut. That was the result of the last elections.

[*English*]

Mr. McDermid: Mr. Speaker, the Hon. Member talks about truth. He was around in 1981, as I was, when his Party stood up and thoroughly condemned the then Government of the day for daring to suggest that it put a three-cents a litre tax on gasoline, and then when that Party was in government it proceeded to put 45 cents a gallon tax on gasoline in the next three years. If that Party is talking about telling the truth to the Canadian people, I wish my hon. rotund friend would level with them.

[*Translation*]

Mr. Malépart: Mr. Speaker, I therefore withdraw what I said. I thought he was a bright member, but he does not recall any difference between the tax and the oil price. The problem with the then Minister of Finance is not just the 18 cents a litre, increase, but what the Liberals opposed . . . I see the Hon. Member for Montreal-Mercier (Ms. Jacques). Congratulations on returning from your trip. The people in your constituency are looking for you.

What I am telling the Hon. Member has to do with the 18 cents tax which we fought against. Never did the Liberals force any 18 cents tax on gas upon Quebecers and other Canadians. The Hon. Member recalls that Premier Bill Davis, a Conservative, if I am not mistaken, was against such a measure introduced by the then Progressive Conservative Government, and Quebec's Premier, René Lévesque, who certainly is no Liberal but has a chance of becoming one if you insist on doing him in with your transfer payments, also disagreed with your decision at that time.

[*English*]

Mr. McDermid: The Hon. Member is exactly right, Mr. Speaker. The Premier of Ontario was opposed to that tax, but I can tell him as well that the Premier of Ontario was opposed to the 46-cents a gallon taxes—not price increase—that was placed by the Liberal Government on the price of gasoline at the pumps over the next three years. I might add that on June 1, a great number of those taxes, I am pleased to say, will be coming off and this will be reflected at the pumps.

[*Translation*]

Mr. Malépart: Mr. Speaker, I appreciate the Hon. Member allowing me to refer to the energy agreement that is prejudicial to Quebecers. He is saying to himself: Taxes are removed. However they are not removed for the benefit of the consumers, but for the benefit of the wealthiest multinationals, to let them make still more money. His Minister told us... The Minister of Finance earlier, the Minister of Energy, Mines and Resources (Miss Carney) his Minister, nobody can assure us... The Minister would not assure us that in the agreement which he signed, no price control provision has been included. Even the Hon. Member for Duvernay (Mr. Della Noce), who sits behind you and is still a Progressive Conservative, says so. Ask the Quebec Retailers' Association. They will tell you they do not support that, as long as there is no mechanism to ensure that there will be no coalition, and no oil price increase to harm consumers.

[*English*]

Mr. Taylor: Mr. Speaker, I continually hear from the Liberals and the New Democratic Party that we are giving something away. Don't they realize that this money belongs to the oil companies? They have earned it. The Liberals took so much of it away that the companies could not even invest any. That is why we had a lack of jobs from the national energy policy. The producers earned the money. We are not giving them anything. We are only taking a reasonable amount from them as taxes rather than taking it all away so that there is no incentive. Look at what happened in Alberta with regard to incentive. This is how we differ from the socialists. They do not want to provide an incentive. They think everyone will work for the good of the state. It does not work that way. People need an incentive. They need to make something. That is why they are going to reinvest this money, because they can see the opportunity to make more money. They are not going to be robbed by the Government of every cent they make.

• (1730)

The oil companies came into Alberta in the ealry 1940s without 1 cent of government money. They invested millions of dollars and found scores, perhaps hundreds, of dry holes before they hit oil at Leduc. The incentive was there. They knew that once they struck oil they would make a profit and be allowed to keep most of it. They knew it would not all be confiscated from them as the socialists and Liberals are advocating.

[*Translation*]

Mr. Malépart: Mr. Speaker, I am happy to hear the Honourable Member say that the Government did not take away all the money and that it should provide incentives for Canadians, but while I agree with that, the difference is that you want to give this money to the multinationals, to the wealthiest in our society, while I want to give it to middle and low income Canadians. That is the difference. I also recall what the Hon. Member did in the past. Did he rise to protect the 80,000 people who will be discriminated against because of Bill C-26? I recall that when you, who have just spoken, sat on the side of the Opposition, you were against our making a change in the 6 and 5 program to help the recipients of old age security. What the Liberals did was to take money from the multinationals and redistribute it amongst those who needed it the most.

Mr. Deputy Speaker: Is the Hon. Member for Mercier (Ms. Jacques) rising on a question or a comment?

Ms. Jacques: Mr. Speaker, I would like to point out to the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) that the statement he made earlier to the effect that I was always on holidays and that I was never in my constituency was inaccurate, because I do work in my constituency and I also attend the sittings of this House. I also have comment about what the Hon. Member for Montreal-Sainte-Marie said earlier to the effect that we were having parties with the taxpayers' money. I would like to ask what proof he has of this, because we have not thrown a party yet while you have been partying for 20 years.

Mr. Malépart: Mr. Speaker, I congratulate the Hon. Member on her second intervention in this House. The first had been written by the Office of the Prime Minister, but she made the second by herself and I am happy that I was the one to wake her up and to challenge the Progressive Conservatives. However, the Hon. Member for Montreal-Mercier certainly does not know politics. She is wondering which parties I am talking about. The last one held in Quebec City for the President of the United States was hosted by the Prime Minister of Canada (Mr. Mulroney).

An Hon. Member: $300,000!

Mr. Malépart: That party was only for Conservatives. How many people in your constituency were there? You were able to invite four or five people as a reward for their campaign work. The trip to Russia organized by the Minister of External Affairs was another big party, also some sort of a reward for Conservative Members! The Minister refused to be accompanied by Members of the Opposition, while there had already been another trip organized with representatives of the other parties. Mr. Speaker, there was a big bash for the Queen's visit, and there was another one for Christmas. Everyone remembers all the Christmas trees. There have been a lot of parties.

Mr. Côté (Lac-Saint-Jean): Mr. Speaker, it is difficult to reply to the Hon. Member for Montreal-Ville-Marie—

An Hon. Member: Sainte-Marie!

Mr. Côté (Lac-Saint-Jean): —because what he does in this House is not to make speeches, but to give us a deluge of words while being totally bankrupt of ideas. We have the impression of hearing a juke box. It is always the same song and the same old story. A while ago, he said: The people of

Lac-Saint-Jean do not see you in the House. The people of Lac-Saint-Jean are not interested in seeing me hold forth in the House as he does. If I dared speak in this House as he has just done, the people of Lac-Saint-Jean and of all Canada would be embarrassed.

Mr. Rossi: Fine, hide behind the curtains!

Mr. Côté (Lac-Saint-Jean): Two weeks ago, Mr. Speaker, I had lunch with some people from the Canadian Forum—

Mr. Rossi: That is not at all relevant, Mr. Speaker. He wants to tell us about his lunch.

Mr. Deputy Speaker: The Hon. Member for Bourassa (Mr. Rossi) rises on a point of order.

Mr. Rossi: I suggest that the Hon. Member for Lac-Saint-Jean (Mr. Côté) should focus his attention on the current issue and avoid making constant digressions.

Mr. Côté (Lac-Saint-Jean): As I indicated earlier in my comments, Mr. Speaker, I find it difficult to deal with the remarks made by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) because he constantly moved from one point to the next. He never referred to the settlement . . . you know, the agreement. About the tax on gas, for instance, he failed to mention that they had defeated a Progressive Conservative government in 1980 by—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member, but the time allocated to questions and comments has now expired. Nevertheless, I am willing to grant 30 seconds to the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) to reply but very briefly.

Mr. Malépart: Mr. Speaker, I will be quite brief. One member said that my comments are inconsistent. I will point out to him that I was re-elected in a much more difficult period than when he was elected. I was re-elected to defend the interests of 80,000 senior citizens. If the Hon. Member for Lac-Saint-Jean (Mr. Côté) wants to ridicule them, that is his business. I am here to protect the citizens in need of public housing. If the Hon. Member for Saint-Jean does not give a damn, that is his problem, but I was re-elected to defend their interests.

Mr. Deputy Speaker: Order. The Hon. Member for Lac-Saint-Jean (Mr. Côté) on a point of order.

Mr. Côté (Lac-Saint-Jean): Mr. Speaker, I have never ridiculed the 85,000 persons mentioned by the Hon. Member.

[*English*]

Mr. Deputy Speaker: We will resume debate with the Hon. Minister of State for Mines (Mr. Layton).

Supply

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, I am pleased to speak on the motion under discussion this afternoon, and particularly to represent my dynamic and forthright colleague, the Minister of Energy, Mines and Resources (Miss Carney), who is today in western Canada continuing her discussions with industry leaders and investors.

Major changes to Canadian energy policy have been announced by the Government in the past few weeks. First, the Atlantic Accord was reached between the Governments of Newfoundland and Canada just six weeks ago. Then the Western Accord was concluded by the Minister just last week with the provinces of British Columbia, Alberta and Saskatchewan. These accords mark a clean break with the energy policies of previous Governments. Such a change was clearly required. The previous Government's NEP was, first and foremost, unfair to the Canadian oil industry. It represented an unwanted intrusion into provincial jurisdiction. It embarrassed Canadians internationally through blatant policies of discrimination and exploitation. It cost many Canadians their jobs and resulted in forgone economic prosperity. The economy as a whole was smothered.

These policies of the past have been replaced and now all Canadians will benefit. Of course, energy policy changes must fit within the Government's broad over-all policy approach.

● (1740)

As noted by the Prime Minister (Mr. Mulroney) at the Regina Conference of First Ministers, this Government has two fundamental objectives: economic renewal and national reconciliation.

Further, as I have noted, previous energy policies and the policy development process itself conflicted with the foregoing objectives. They deprived the provinces of any strong say in energy management and crippled an industry that could have been a source of strength to the Canadian economy.

The new policies have already begun to work in turning this situation around. Key new intitiatives flow from both the Western and Atlantic Accords. For example, I have learned that my colleague, Miss Cavey, at a meeting in Calgary yesterday, was approached by one of the drilling organizations and told that it has already added two new drilling rigs, even without knowing the details of the Western Accord.

The Atlantic Accord establishes a co-operative regime for offshore resource management that will achieve a number of objectives, including increased energy security and economic prosperity for all Canadians but especially for Newfoundlanders. It will also provide for revenue sharing on the same basis as if these resources were on land. It will further provide a stable and fair regime for Newfoundland, rigorous protection of the environment and fishing industries, and will also improve safety for offshore work, all the while ensuring that the Government of Canada has the ability to achieve the national objective of energy self-sufficiency.

I recently had the pleasure of visiting Newfoundland to discuss the mining issues with the Hon. Gerry Din, the Minister of Mines and Resources of Newfoundland. While there as

his guest, we visited the Confederation Building and I met the Premier of Newfoundland, Brian Peckford. Of course, yesterday he celebrated his third victory in Newfoundland.

Some Hon. Members: Hear, hear!

Mr. Layton: What pleased me was that I had observed a Canadian leader in Brian Peckford in the past who seemed to be bitter and unhappy with the relationship between Newfoundland and the rest of Canada. The man I met two or three weeks ago has become proud as a partner in Canada.

The Western Accord outlines three major areas of change. The first is deregulation of crude oil pricing in Canada. The current administered pricing system is inefficient and provides no benefit to consumers. Major energy analysts have noted that they expect prices to fall under this new regime. It therefore puzzles me why anyone would defend the old regime.

The new system will remove unnecessary regulation to free market forces with established provisions to protect consumers in the event of serious changes in world markets.

[*Translation*]

The second element deals with a complete review of the system in Canada as far as prices and marketing of natural gas are concerned. First the market price will be frozen as a step toward a market based system.

Quebec is very important for us. The price of gas will be 25 per cent lower than the level planned under the previous system. The opposition parties seem to be the only ones ready to defend it.

[*English*]

The final element of the Western Accord deals with the fiscal regime applicable to the petroleum industry. The changes have removed the discriminatory elements so evident and destructive previously. As well, powerful new investment incentives have been introduced. For example, the elimination of the PGRT on new production will create the atmosphere for reinvestment on a large scale in Canada. As was noted by the Hon. Minister of Finance (Mr. Wilson) this afternoon, there has been a track record of reinvestment in Canada of over 100 per cent of annual profits, but during the past four years of the National Energy Program application, that rate of reinvestment plunged to one-half.

Elimination of the PGRT will increase industry cash flow and provide a strong incentive to explore and develop new oil and gas resources. It will mean that the major projects, such as Venture and Hibernia, the Alberta oil sands, the Beaufort Sea and the Vancouver Island projects of this country, will be able to attract the necessary capital to be commercially viable. Over-all, these energy Accords represent a major achievement in terms of the Government's objectives of national reconciliation and economic renewal.

It took the previous Government nearly two years of bitterness to strong-arm a pricing and fiscal regime, but we have established a common policy framework within six months, and it is not a forced agreement. It was one which different levels of Governments supported.

Of course, the previous Government totally repudiated the basic aspirations of the people of Newfoundland and was never able to reach an accord with that province. During my visit, Premier Peckford assured me that the benefits to Newfoundland would be very sound and long-lasting. I met recently with the western provinces' Ministers, Paul Schoenhals of Saskatchewan, John Zaozirny of Alberta and Steven Rogers of British Columbia, all of whom negotiated with our Energy Minister. I am aware that they respect the good will which surrounded my colleague, the Minister of Energy, Mines and Resources, as she presented, with characteristic firmness, the federal Government's position. It is no longer a contestation but a co-operative consultation which governs our country.

The Atlantic Accord gave Newfoundland and Labrador equality within our Confederation by allowing the offshore resources to be treated as if they were on land, in the interest of a strong, united Canada. The Western Accord maintains this spirit of Confederation by ending discrimination against the western provinces—discrimination imposed in a cruel and arbitrary fashion by the Liberal Government's National Energy Program.

Both accords are aimed at ensuring energy security for all Canadians by encouraging and developing our vital energy resources. These two Accords have settled many of the outstanding national energy issues. They are examples of a new process of national consultation and reconciliation.

The age of discord is over. I hope that the Atlantic Accord and the Western Accord will be remembered as symbols of the determination of federal and provincial Governments to work together for the benefit of all Canadians. While each of these Accords has a strong regional emphasis, the benefits are truly national.

I believe, with others, that these two energy Accords constitute the most dramatic achievement to date of the new Conservative Government. There is considerable professional analysis on the record of the immense employment impacts from a renewed energy industry. The industry has already begun to announce investments and revive and enhance investment programs. Potential energy investments are spread across the country, as we heard earlier in the debate, from the Vancouver Island pipeline, to Hibernia oil; Venture gas developments off the East Coast, to northern energy developments, and conventional gas drilling and oil sands development in Western Canada.

A renewed energy industry will mean increased investment across Canada. I remind Hon. Members that about one-third of the new jobs from a renewed industry will be created in the industrial centres of Ontario and Quebec. Thus, a healthy oil industry means renewed prosperity across Canada.

The original natives who made Canada their home brought their energy with them. The early settlers and the *couriers des bois* were energetic and resourceful. We have been blessed

with a storehouse of energy in all its forms. Let us put this to work together.

I would like to take this opportunity to advise the House that in my capacity as Minister of State for Mines I recently released a discussion paper to industry, labour and the provinces which outlines and develops the state of the mining industry in Canada. It raises the questions which must be faced in order to develop the potential that our natural resources have always had. With 20 per cent of our foreign exchange and 4 per cent of our Gross National Product, the mining sector represents one of Canada's strong resource-based industries.

I am pleased that we are already getting feedback from the provinces, from the industry and from labour representatives on how this industry can be structured and reinforced for the future. Our consultation process in the mining sector includes contacts with each of the Mines Ministers. It will be followed up with a second round of review here in Ottawa, shortly after the Budget. We will also be holding a Minerals Outlook Conference. This year's theme is structural change and economic renewal. For the first time this is a joint effort with the Mining Association of Canada. After the Minerals Outlook Conference, I intend to face a number of issues of concern arising from our consultations, to follow up the many private meetings that I have already held with the industry.

• (1750)

The Canadian mining industry needs investment. I think the slow nature of the world market for minerals plus the uncertainties of the regime and the policies of the previous Government have resulted in uncertainty in the mining sector. I am happy to advise the House that in those conversations across the country I have found a sense of a positive future for the mining industry. I am proud to be part of this Government to assist in that development.

As a first step we wish to foster the kind of investment climate that we so badly need. One of the first acts of this Government was to change the Foreign Review Agency and to create Investment Canada.

Mr. Boudria: Sell out Canada.

Mr. Layton: We will continue to work toward making Canada a place where investment once more is welcome.

Because it is a first occasion for me as a Member to speak in this House, I thought I might express a special appreciation to all of those in my home, the lakeshore of Montreal, specifically in the riding of Lachine, for giving me the opportunity to serve in this Parliament.

Some Hon. Members: Hear, hear!

Mr. Layton: I know I will be expressing the feelings of everyone ever elected to Parliament when I say that I have a sense of responsibility and, to a certain degree, a sense of awe that I am here as a trustee in this place. I assure my constituents, I assure Members and I assure you, Mr. Speaker, that with those experiences I have had in my life, I will be happy to work in this Parliament toward making Canada a place for business, a place for oil accords, and a place for the mining industry.

Some Hon. Members: Hear, hear!

Mr. Angus: Mr. Speaker, I listened with interest to the Minister's comments about consultation on his discussion paper. I would like to report briefly on a tour I took two weeks ago in northwestern Ontario. It was called past, present and future of one-industry mining communities. We started in Atikokan, a community that lost its main employer, an iron ore mine about five or six years ago. We went up to the Red Lake Ear Falls area which, as the Minister is aware, is undergoing the shut-down of one of its major employers, the Griffith Mine. We went on to Marathon to take a look at how that community and the community of Manitouwadge are dealing with the boom cycle of Hemlo. We found that as a society we have not yet learned to put in place the mechanisms that we need to protect those communities for the day when their resources, whether of the mineral type, the wood fibre type or even the fishing type run out. I invite the Minister to travel that route with me sometime during his process of consultation, to hear first hand from the men of Atikokan in the age group of 55 to 60 to 62 who cannot get a job in a community that has 40 per cent unemployment. I would like him to come to Ear Falls to talk to the families who are worried about the equity they have built up in their homes and who want to stay there. These people do not want to be relocated. Then I would like the Minister to come to Hemlo to see what we could do to protect that community for a time 10 or 20 years down the road when its resources run out. I would be very pleased if the Minister would consider making the tour with me.

Mr. Layton: Mr. Speaker, I am happy to respond to the Hon. Member for Thunder Bay-Atikokan (Mr. Angus). The conditions he described relating to certain mining communities, particularly across the remote North of Canada are serious. There are two cycles at work, as the Hon. Member knows. The mining cycle is very real. Ore is not an infinite source. Coupled with this is the economic cycle which is often completely beyond the control of the industry of which it is a part. It is often beyond the control even of our own Canadian authorities.

I acknowledge and welcome the opportunity to visit such communities with him. I have already had the privilege of visiting in the northern part of Ontario. I have been to Timmins, and to Kirkland Lake. I know there are serious problems also in the Eastern Townships of Quebec. We are addressing them as quickly and as effectively as we can. I know the area on the north shore of Quebec and what has happened to the iron ore industry there. I know that also is a particular concern. These communities, towns, their people and their families are all affected. Together with the other Departments of Governments that have a responsibility in these economic cycles, it is my hope we will develop a policy

that will address and respond to those very real concerns of people who live in a one-industry town, many of which are mining towns.

Mr. McDermid: Mr. Speaker, I want to congratulate the Minister of State for Mines (Mr. Layton) on his first speech in the House. It was very enlightening.

Some Hon. Members: Hear, hear!

Mr. McDermid: I have a couple of comments on the energy agreement. Some figures as to job creation have been thrown around. The figure has been mentioned somewhere of from 100,000 to 300,000 jobs. All of these estimates have come from the private sector, from groups other than within Government which have taken a look at the impact on the National Energy Program and said that somewhere in this range job creation will happen. The Minister of Energy, Mines and Resources (Miss Carney) has been quoting those figures. I think the impact of the agreement will be very significant.

There is one other area of both energy agreements which has not had the attention paid to it that it should have. I am speaking of the unifying force which these agreements have had for everyone across Canada. Over the last 15 years we know that the Prime Minister of this country has loved a good fight. He was an antagonist. He was a pugilist. We have seen Newfoundland argue and disagree with the previous administration. We have seen the West argue, and we have seen Ontario disagree with everybody. We have seen Quebec upset about various agreements. It is interesting to note that the agreements which have been signed have had a unifying force from coast to coast.

I know the Hon. Member is very interested in this subject because it is something about which he has talked over the many, many years he has served in private and public life. I would like him to comment on the unifying side of these agreements and what is going on in Canada today.

Mr. Layton: Mr. Speaker, I am happy to respond to my colleague, the Hon. Member for Brampton-Georgetown (Mr. McDermid). Certainly in all of the discussions in which I have been privileged to share during the past months as Minister of State for Mines there is a sense of renewed goodwill. Confidence in Canada extends from one coast to the other. I made my very first visit to Newfoundland and I was pleased with the warmth that came from that province. This feeling applies right across the country to the West Coast. My colleague, the Minister of Energy, Mines and Resources, is also very much at home there.

I would like to conclude and to wish all my colleagues a happy Easter.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: It being six o'clock, it is my duty to inform the House that, pursuant to Standing Order 62(11), proceedings on the motion have expired.

Pursuant to Standing Order 3, this House stands adjourned until Monday, April 15, 1985 at eleven o'clock pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, April 15, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BELL CANADA ACT

MEASURE TO ENACT

The House resumed, from Tuesday, April 2, consideration of the motion of Mr. Masse that Bill C-19, an Act respecting the reorganization of Bell Canada, be read the second time and referred to the Standing Committee on Communications and Culture.

Mr. Speaker: Before I recognize the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) for debate, may I indicate to him and to the House that there is a ruling I will be delivering later this morning. Unfortunately, it is not ready at this moment. I suggest therefore that the Hon. Member resume debate and I will be back later with the ruling requested by the Hon. Member.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have almost completed my remarks, but I was interested in the ruling which the Chair has indicated will be given later today concerning the appropriateness of this Bill since it was introduced as a Government Bill. It attempts to amend a series of what were Private Members' Bills. In light of that I wonder whether the Bill itself should not have been introduced as a Private Member's Bill and argued as a consequence under Private Members' Business instead of taking up the regular time of the House.

The Bill itself is seen by us on this side at least as an effort by Bell Canada to reorganize itself in a manner, as I was saying on April 2 when the debate began, so as to change the structure of the Corporation to make it possible for Bell Canada to omit the cross-subsidization that now occurs between ordinary users of telephones and those heavy users who are in business in the large metropolitan areas.

As you will know, Mr. Speaker, and as many people in my riding are very much aware, there is a move being contemplated by CN-CP. We think perhaps there is a move by CN-CP to get a hold of the very lucrative long distance, big business part of the communications network. Bell Canada would like to be able to supply services between the very large centres and very large businesses. Bell would be prepared to grant reduced rates for high volumes which are evident in the very large metropolitan areas and Bell could offer a lower per unit rate.

What we think Bell is attempting to do by reorganizing itself is to set itself up into a structure that would permit Bell to put its ordinary household telephone service into a separate corporation which would not have the benefit of cross-subsidization available from the very lucrative long distance business rate. It would mean in the end that users of telephones—and this is of great concern to people in my area because they tend to be by Canadian standards in rather remote communities, small communities—would be left in the position of having to pay two, three or four times more for the use of a telephone and some of them will find they will not be able to afford to keep their telephones. It is a question even in very large urban areas as to whether people who are currently on welfare, or on pensions eroded by inflation, will be able to keep telephones. It is extremely important for those people to be as close as the end of the telephone to their neighbours and to services for their medical, social, or commercial needs.

We think the move by Bell Canada to break itself into very small units is not something in the public interest. As I said in my remarks on April 2, we have seen this kind of thing happen with the CPR which gradually divested itself of all its very profitable business and left itself essentially with just the railway part of the business which is perceived as a public service. As a result the public purse is subjected to calls upon it to provide subsidies to keep a very necessary public service going. We fear that is a project Bell Canada has in mind; that Bell is attempting, through the use of telephones in homes, something Bell realizes the public will not forgo, to put itself in a good position to raid the public treasury through the CRTC, which for political reasons would obviously require that the service continue to be supplied.

We think Bell Canada should continue to stay in the organizational structure it now has, to use some of its very profitable subsections of its business to subsidize the over-all community. This is not just because we are stubborn and want to hold things up; it is because we think it makes good economic sense to have sources of long distance business located in every household, whether that household is made up of old age pensioners, welfare recipients, or people living in remote communities.

We urge this House to defeat this Bill. We urge the Government to withdraw it and permit those remote communities and the people on lower incomes to have complete access to the full service available to them now.

The Acting Speaker (Mr. Charest): Are there any questions or comments? Debate.

• (1110)

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I do not plan to take a lot of time discussing Bill C-19 today, but I have a few thoughts which I would like to put on the record. Obviously this specific legislation is extremely important in terms of the Government's legislative timetable. However, I believe there is a great deal more associated with the points of this Bill than perhaps meets the eye at first glance.

The way I see it, Bell Canada has been operating in a monopolistic situation for some time. It is highly regulated by Government. Government hears representations on a regular and frequent basis by which Bell makes the case that a certain profit is necessary for the continuation of its service. We appreciate that. We understand the need for that general approach. However, when Bell Canada indicates that it must have a return of 15 per cent, 18 per cent or 20 per cent on its investment, then we begin to have some concerns. During these difficult economic times, many sectors of the economy do not have such returns on their investments. Perhaps they are fortunate if they have any return at all in certain sectors. But that is not the issue.

Over the years Bell Canada has operated within a highly regulated environment and has been guaranteed a profit. After years and years of that particular approach, we see quite a radical and substantial departure from that process. While Bell Canada expects to receive its profits in terms of the telephone system and the service it provides, it now wants to take those substantial profits and invest them into other enterprises.

I ask the House to give some thought to this notion. On the one hand we are saying to Canadians that we will permit this corporation to be guaranteed a profit from its provision of telephone services, a substantial and decent profit at that. On the other hand, rather than seeing that profit reinvested into new telecommunications research and development programs, into better ways to provide service to Canadians, or seeing those profits returned to its shareholders, we are saying that Bell can take the profit and put it into some other venture at its discretion or choosing.

I remember another corporation which went through a similar process over the years, and that is our friend, Canadian Pacific.

Mr. Blackburn (Brant): Friend?

Mr. Riis: I use that term loosely. Canadian Pacific, again a highly regulated corporation providing in a sense a monopoly service in vast parts of the land and guaranteed profits, has been allowed over the years to take the profits from that monopolistic situation and reinvest them in a variety of economic pursuits.

The people of Canada are providing those profits. Is it unrealistic to expect at least a certain portion of those profits to be either reinvested in research and development in the telephone service or to provide a lowering of rates? We are here as parliamentarians not to find ways and means for Bell Canada to make more profits. That is not our role. Our role involves a multitude of purposes, one of which is to ensure that the people receiving a service from Bell Canada and paying a particular rate for that service are getting a reasonable deal.

• (1115)

When I hear a request from the new Government to allow those profits which accumulate year after year not to be reinvested for improved service or be used for decreasing rates, but to be used for Bell Canada to get involved in a number of economic pursuits, I wonder if we are doing our job. I wonder if the taxpayers of Canada are requiring us to support this kind of legislation which is here for no other purpose than to allow Bell Canada to invest in a variety of other areas.

This is taking place because we as a country have no over-all telecommunications policy. One area in which we take some pride is in fact the telecommunications area. We say that Canada is on the leading edge of a number of technologies in the telecommunications area, yet we are absolutely vacant of any over-all telecommunications policy. We are the second largest country in the world with people strung out along the southern boundary. There are hundreds of thousands of kilometres across this country. To have no telecommunications policy seems to be a real shortcoming.

To be introducing legislation like Bill C-19 in the absence of this over-all, blanket, long-term telecommunications policy seems to really be a case of the cart before the horse. In what context are we to make our decision? What is it we are attempting to do with this Bill? When it was introduced, this Bill simply said that all of the changes had been made and now they have to be legalized. The Government has made all of the changes. Bell Canada came to it with a number of requests and it has now met every request that it raised before it. The Government then said: "Oh my gosh, there were other requests, other groups making comments. The CRTC, the Restrictive Trade Practices Commission, the Bureau of Competition Policy and many other intervenors were concerned". The Government ignored all of those folks and all of those groups as well as all of the representations they made and listened carefully to what Bell Canada wanted. It has given Bell everything it requested.

I ask Hon. Members who are assembled here today on our first day back from the short recess whether we are doing our job if we simply put into practice all of the requests made by a corporation in Canada and ignore the representations made by so many individuals, groups and agencies. If we pass this Bill, that is essentially what we are doing. One could raise the point as to whether we are doing our job if we allow this legislation to pass with very little discussion and debate as it moves to committee stage.

I appreciate that this is simply a discussion of the principle of the Bill. We will have an opportunity as soon as it leaves this House and goes to committee to look at some of the particulars. However, this is the time when the particulars at least have to be flagged. We want to hear from Hon. Members on the Government side that they are concerned about A, B, C

and D and that they want to examine them with witnesses in committee. However, that is not what we are hearing. We are hearing no debate, just a muteness rising from the benches of the Government. This is a serious oversight.

Mr. Scott (Hamilton-Wentworth): We just want to hear what you fellows have to say.

Mr. Riis: I appreciate the point that the Hon. Member makes, that they want to hear what the various Opposition Members have to say. That is a fair comment. We do want to say that we are particularly concerned about the lack of research and development in the telecommunications industry, something this Bill fails to come to grips with. As parliamentarians, we have all had over our desks numerous articles and reports about the fact that research and development in the telecommunications field is moving southward, whether it is Northern Telecom or any other corporation that may be involved. More and more of our research and development is being moved southward. It is something that we as Canadians ought to become very concerned about.

This Bill is an opportunity to recognize that particular, apparent process and to require Bell Canada to take some initiative, to take some aggressive steps in terms of guaranteeing that research and development in this critical telecommunications field will in fact continue in Canada. Let us recognize what is going on. More and more often we are seeing corporations moving from regulated areas into non-regulated areas. We are seeing them using profits that they have accumulated in the regulated areas to reinvest into other areas. While this diversification has some good points, and there is no question about that, there are also some very insidious concerns that are being raised by this process.

• (1120)

Earlier today the Government announced regulations to change the financial institutions of Canada quite substantially. For example, a trust company that was unable to get involved with major loans of a commercial nature will now perhaps have the opportunity to open up a bank and call it a trust company bank. There will be another entire set of banks called Schedule C banks in the system. Again, this allows diversification of interest.

With that kind of movement in the market-place arises a certain concentration of power. There are few western industrialized countries that allow for the concentration of economic and financial power as we do here in Canada. The Bill before us and the announcements made by the Government today have indicated that there will be a concentration of power. Trans-national, multinational and national corporations will move into a variety of other economic interests.

We as parliamentarians have a responsibility to the people of Canada. We must ask ourselves if this Bill is in the best interest of the people of Canada. We must ask ourselves if this Bill will provide for better phone service for the people of Canada. The speakers to whom I have listened and the reports which I have read would indicate that it is not clear whether or not this is necessarily the case. As a matter of fact, it looks as though this is part of the process that will result in higher rates for local phone calls.

I would like to conclude my remarks by saying that this Bill gives Bell Canada virtually everything it wants. Bell Canada officials could probably have written this Bill themselves.

Mr. Orlikow: They probably did.

Mr. Riis: My friend, the Hon. Member for Winnipeg North (Mr. Orlikow), says that they probably did. Nevertheless, they laid out a list of requirements that they would like to see put into legislation. This legislation gives them virtually everything they asked for.

This legislation is being enacted in the absence of any over-all telecommunications policy, and that is really a failure in the development of public policy, particularly in the critical area of telecommunications where there is a great deal of change and where Canada plays a significant role in the international community. This area is very critical in a country as large as ours. Again, I am afraid I must cast some aspersions not only on the present Government but also on my Liberal colleagues. When they were in power for such a long period of time, this critical piece of public legislation was either overlooked or simply never dealt with.

My other concern is that the profits of Bell Canada as they relate to its telephone system do not necessarily go back to the subscribers in any way. The subscribers pay more and more to guarantee a return to the corporation. Do subscribers receive improved service? Do they receive any of the benefits from more efficient systems? Indirectly they do, but financially, they certainly do not. Do subscribers benefit from new and additional research and development? Not necessarily. As a matter of fact, this legislation just may provide the opening for which corporations of this nature are looking that will enable them to drain more and more of their research and development opportunities into another country.

We have many concerns. Previous speakers have specifically identified some of them. We will certainly be raising these concerns in committee as soon as possible. I do ask members of the Government opposite to consider seriously our amendments when they are brought forward. Too often Government Members feel that they have an obligation not to listen very carefully to the points which are made by Government backbenchers or members of the Opposition in committee. However, many of us feel very strongly about this Bill. Members on all sides of the House have spent a considerable amount of time studying it and communicating with individuals and groups who are deeply concerned about the far-reaching implications of Bill C-19. I ask Members on all sides of the House to give fair consideration to the amendments which will be proposed.

• (1125)

Hopefully, by doing that, we will ensure that Bill C-19 will not only provide better services to telephone subscribers, but will also assist in promoting research and development in

Canada. I hope it will also raise the appropriate flags in terms of additional corporate concentration and providing certain corporations with an overwhelming powerful mandate when overseeing economic activities in a variety of spheres. We are seeing that in the proposed legislation which was introduced earlier today concerning financial institutions, and it is a similar situation in the telecommunications industry.

Finally, I would ask the Minister responsible to take the matter of the lack of a telecommunications policy in Canada very seriously and place it as a high priority in terms of the legislation which is to be brought forward. It is a matter of critical concern for the reasons which I have outlined. With the introduction of a telecommunications policy, I believe the Government would find that the Opposition Parties would support it with some enthusiasm. A telecommunications policy is badly needed. It is absolutely critical. If we look at other countries of a similar size, we see that they all have a telecommunications policy which is more advanced than ours. It is time for us to update the policy at least to the 1960s, and we should strive to update it to the 1990s.

The Acting Speaker (Mr. Charest): Are there questions or comments? If not, we will resume debate with the Hon. Member for Prince Albert (Mr. Hovdebo).

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I can only stand and say: "Here we go again". What we are doing in this legislation has been witnessed throughout the history of the corporate structure in Canada. We are being faced with a situation which has been repeated over and over again.

Many of the services which have been provided to Canadians began as services which were assisted by the Government and continued by the Government. Our Party feels strongly that these services should continue to be services and not profit-making operations. Consequently, we are very dismayed that the Government has recognized and accepted this corporate power, and is throwing in the additional factor of deregulation. By putting those two factors together in this legislation, the Government is giving Bell Canada an opportunity to make its money-making operations profitable to itself and not to the country.

We can foresee in future years that Bell Canada will tell the Government that it cannot provide telephone service because it is not profitable. Bell Canada will tell the Government that if it wants to continue the service it will have to pay for it. We can look back at the history of Canada and see that this process has gone on before. As the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) and the previous speaker just indicated, the Canadian Pacific Railway is probably as good an example as we have of this particular approach. What this Bill does, Mr. Speaker, is legalize the reorganization of Bell Canada and it is a perfect example of how corporations, which for many years had a monopoly and a guaranteed profit, are permitted to spin off into different fields than their original objectives and to use the profits made in the regulated fields to make huge capital gains and unlimited profits.

• (1130)

I suggest that what this Bill really does is allow Bell Canada to do in the 1980s what the CPR did earlier. Our Party is very disturbed that the Government does not recognize that it has a responsibility to provide the kinds of services which the people of Canada have had at a fairly reasonable rate for a long time. The previous Government regulated those services so that the population was able to receive that reasonable rate. When 20 per cent to 30 per cent of the population using telephones across the country are at the poverty line or below, any increase in telephone rates is likely to make it impossible for them to keep telephones in their homes. If the industry is deregulated, as suggested in this Bill, we will allow the telephone companies by this Bill and the partner Bill, Bill C-20, to charge more for their telephone service and eventually eliminate the opportunity for some people to have telephones at all.

The CRTC was supposed to be a government agency which regulated communications in the country. The present Minister of Communications (Mr. Masse) just last week was very articulate in stating that the CRTC would be doing exactly that and would not only provide the service that the people of Canada want but would listen to them. These two Bills indicate that the people of Canada cannot speak as loudly as the corporations because this Bill is exactly what Bell Canada wants. This Bill is not what the CRTC wants, it is not what the consumers want and it is not even what the Government wants. What we have here is a Bill which gives Bell Canada what it wants.

I suppose there is no better example of corporate control of the Government opposite than this Bill, which is a real testament of the kind of corporate power we have in Canada. Instead of the CRTC regulating communications as it was supposed to do, what we have is Bell Canada taking on the CRTC, the Restrictive Trade Practices Commission, the Bureau of Competition Policy and all manner of people who have intervened in the public hearings. It has seemingly fought them all off and got exactly what it wanted in the area of communications. The Government has backed off and produced a Bill which only legislates what is actually already in place. It allows the Bell Canada Corporation to join Canadian Pacific and the other major companies which prospered heavily while they had a government monopoly. When they had established themselves as one of the corporate giants in the country, they then decided they would take their assets and use those assets to control other areas of industry. They now say: "Well, the service that we were intended to provide is now too expensive and you will have to help us pay for it". I would challenge any Hon. Member of the Government to give us any proof that two years or five years down the road Bell Canada will not come to the Government and say it cannot afford to provide telecommunication services at the price the Government wants it to charge and, therefore, it must have some subsidies to keep its operation going, just as the CPR operates a huge corporation which is very profitable and asks us to subsidize the movement of every train it operates.

In this Bill as well we have the Conservative "baby", I suppose, of deregulation which we face in almost every industry across the country. The regulation which has served us well for many years is now being tossed out and what we are receiving instead is the kind of approach taken by corporations like Bell Canada which is that of take the money and run. Bell Canada is almost entirely free in this situation to do as it pleases in the market-place with assets which were acquired from the people of Canada when that corporation had a monopoly. Existing Bell telephone service still remains under the CRTC regulations but without the important financial support which provided the kind of cross-subsidization which made it possible to hold down telephone rates all across Canada. What we will have is increased costs now and increasing costs looming in the future, so that some time down the road the idea of a telephone being available to every household in Canada will cease to exist because the costs will become too great for that 25 per cent to 30 per cent of the population which is already at the poverty line or below.

What we have in this Bill, Mr. Speaker, can best be described, I suppose, as a genuine failure on the part of Government to develop a public policy for the good of the people of Canada. We in this Party fully expect that the analogy which we have presented of the Canadian Pacific Railway is going to happen. In fact, it has already happened to a certain extent as far as Bell Canada is concerned. Bell Canada Enterprise will become rich in just the way that Canadian Pacific Investments has prospered at the expense of the users of CP Rail. This need not have happened as far as the CPR is concerned, and it need not happen here.

• (1140)

When this Bill goes to committee, Mr. Speaker, we need to make sure that we separate the two ideas of service and profit. Like the railways used to be operated, communications in Canada is operated as a service to the people of Canada. But the railways are now being operated for profit and that is what is going to happen to communications; it will be operated for profit in the future.

Mr. Lewis: What is the matter with profits?

Mr. Hovdebo: Profits are okay if you put them in the right spot. Profits are not okay when you make them the be-all and end-all for areas of service such as medicare or telecommunications. These services should not be carried on for profit but as a service to the people of Canada. When we allow services to be carried on so as to make excess profits, we as Members of Parliament are failing in our duty to provide the best kind of service possible for the people of Canada.

I have one more point that I want to make, Mr. Speaker, and that is that we feel that this Bill is simply a good example of how much the previous Liberal Government and the present Conservative Government defer to corporate power. This Government says it has a mandate for change. It has had every opportunity to examine and change this Bill. Bell Canada has given us reason to take a look at its operations with the provocative action of Bell Canada International in acquiring as a subsidiary the Cable and Wireless Company of Great Britain. But this Government did not take the opportunity. So we believe that major changes should be made in this Bill and we should wait for a national telecommunications policy before we pass this Bill into law.

Mr. Speaker: May I interrupt to advise Hon. Members of the decision I have reached pursuant to the request of the Hon. Member for Humboldt-Lake Centre (Mr. Althouse).

On Tuesday, April 2, the Minister of Communications (Mr. Masse) moved the second reading of Bill C-19, an Act respecting the reorganization of Bell Canada, and the question was proposed to the House. The Minister gave a very detailed explanation of the history and purposes of the Bill. This was added to by the Hon. Members for Saint-Jacques (Mr. Guilbault) and Winnipeg North (Mr. Orlikow). Later in the debate the Hon. Member for Humboldt-Lake Centre asked the Chair to examine the Bill to see if it was proceeding properly through the House and specifically he requested the Chair to examine the Bill to see if it should not be classed as a private Bill.

Private Bills are defined on page 891 of Erskine May's Twentieth Edition in the following terms:

> Private bills are bills for the particular interest or benefit of any person or persons. Whether they be for the interest of an individual, of a public company or corporation, or of a county, district or other locality, they are equally distinguished from measures of public policy; and this distinction is marked in the very manner of their introduction.

This definition is confirmed in Citation 700 from Beauchesne's Fifth Edition which states:

> A public bill relates to matters of public policy while a private bill relates to matters of a particular interest or benefit to a person or persons.

The same citation indicates that the British hybrid Bill—that is, a public Bill affecting private interests—is not recognized in Canadian practice. It also indicates that a Bill containing provisions which are essentially a feature of a private Bill cannot be introduced as a public Bill.

Citation 836 of Beauchesne's Fifth Edition states:

> Private legislation is legislation of a special kind for conferring particular powers or benefits on any person or body of persons, including individuals and private corporations, in excess of or in conflict with the general law.

Citation 838 sets out four principles which have been followed in determining whether a private Bill should not be allowed to proceed as such, but should be introduced as a public Bill. The first of these principles is the essential one, namely that public policy is affected.

Given these definitions and principles the determination as to whether a Bill is a private Bill or a public Bill should be fairly straightforward. However, the Canadian practice, both in the federal Parliament and the provincial Legislatures, has not always been consistent. I do not propose to go into any detail with regard to these inconsistencies, because the immediate duty of the Chair is to make a determination in respect of Bill C-19, an Act respecting the reorganization of Bell Canada.

This Bill deals with a company incorporated under the Canada Business Corporations Act in 1982 but it is a company which was first incorporated by private legislation in 1880. The present Bill makes provision for duties and obligations which the company must follow but it goes on to place restrictions on the company obviously not found elsewhere. Thus the Bill at once provides for exceptions to the general law and at the same time it imposes obligations on the company. The Bill also goes on to give the Canadian Radio-Television and Telecommunications Commission authority over the company, and the right to make certain orders towards it, as well as to demand certain information from it.

The first 10 clauses of this Bill, including the declaration that the works of the company are works for the general advantage of Canada, are, in effect, a reformulation of the provisions of the private Bills or statutes under which Bell was established and continued since 1880. These statutes are listed in Clause 14 of the Bill. While the question whether a Bill is properly characterized as private or public does not arise frequently, there are precedents that are of assistance to the Chair. After examining them the Chair feels that it must rely on the February 22, 1971 ruling of then Speaker Lamoureux.

In that case Bill C-219, an Act to establish the Canada Development Corporation, was before the House and Messrs. Baldwin and Lambert, then the Members for Peace River and Edmonton West, argued long and hard about the regularity of that Bill. Experienced as they were, their arguments did not convince the Chair. In that case, Speaker Lamoureux mentioned a third class or category of Bills, that is "hybrid Bills", a class of Bills that he ruled does not exist in Canadian practice.

Speaker Lamoureux was clear in 1971 that:

—in order that a bill be designated as private it should not and cannot include any feature of public policy because such characterization will transcend any private nature it may have.

He went on to find that where a Bill was not purely private but also affected the public interest, it must be treated as a public Bill.

It is clear to me that while this Bill affects private interests, it also clearly affects public policy concerning, as it does, a multiplicity of public interests.

The conclusive argument, in my view, is to be found in Clause 3 of the Bill, which states:

In the event of any inconsistency between the provisions of this Act and any other Act of Parliament or anything issued, made or established under that other Act, the provisions of this Act prevail.

In the opinion of the Chair such a provision could only be included in a public Bill since a private Act, being an exception to the general law, could not prevail over any other Act of Parliament. It is therefore the view of the Chair that Bill C-19 is properly before the House as a public Bill.

● (1150)

Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: The question is as follows. Mr. Masse, seconded by Mr. Hnatyshyn, moves that Bill C-19, an Act respecting the reorganization of Bell Canada, be read the second time and referred to the Standing Committee on Communications and Culture.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Communications and Culture.

* * *

[*Translation*]

MEAT INSPECTION ACT

MEASURE TO ENACT

Hon. Flora MacDonald (for the Minister of Agriculture) moved that Bill C-33, an Act respecting the import and export of and interprovincial trade in meat products, the registration of establishments, the inspection of animals and meat products in registered establishments and the standards for those establishments and for animals slaughtered and meat products prepared in those establishments, be read the second time and referred to the Standing Committee on Agriculture.

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

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the Minister of Agriculture (Mr. Wise) has already had occasion to discuss the main points of Bill C-33 in this House. The Minister explained very aptly our reasons for amalgamating in a single Act the present legislation on federal meat inspection and the humane slaughter of animals. With the passage of the new legislation, it will be necessary to repeal the current Meat and Canned Foods Act which has become obsolete. Mr. Speaker, I shall, if I may, elaborate on several points that will, I am sure, help to clarify this debate.

The proposed legislation will make it possible to further modernize and enhance the credibility of our Canadian meat inspection system which already enjoys an excellent reputation, both on our domestic markets and outside Canada. When we consider that the new legislation will replace an Act that goes back to 1907, it is not exactly a luxury. At the time, Canada had only 27 federally inspected abattoirs, and to ensure quality control, there was a grand total of 39 veterinarians, all of whom were, at that time, trained in the United States. Today, we have over 500 abattoirs and meat processing plants licensed by Agriculture Canada, and a team consisting of more than 500 veterinarians and inspectors who monitor the

use of the meat inspection legend on between 85 or 90 per cent of meat products marketed in Canada and elsewhere.

Mr. Speaker, our emphasis on the proper handling of the meat we consume in this country goes back even further. In fact, 200 years earlier, in 1707 to be exact, the French Government in Canada had adopted a ruling that controlled the slaughter of animals, both from the point of view of production and animal health. It is therefore clear that the Canadian Government and the authorities that preceded it before 1867 have had an ongoing concern for both meat production and animal health.

Mr. Speaker, today, in 1985, we are not going to criticize our present meat inspection system. It has already passed the test of time, and I do not think anyone will deny that. However, it is also clear that Agriculture Canada should continue to increase and upgrade the protection Canadian consumers need.

Mr. Speaker, Bill C-33 will also put us in a better position to meet the very strict standards set by our various trading partners across the world. This is a very important point when we consider that annually, export sales of meat produced in Canada generate more than three quarters of a billion dollars. Since competition in this sector is often fierce, it is imperative to maintain the highest possible standards for quality and quality control.

Mr. Speaker, it is not enough to introduce regulations to ensure high health standards. The legislator must also close several legal loopholes so that our courts can deal with businesses and individuals, small though their number may be as we have seen in the past, who would otherwise be able to take advantage of such situations with almost complete impunity.

Stricter controls will not only provide a higher standard of hygiene for our domestic products but, as far as foreign imports are concerned, will also make it possible to deny entry of or to destroy, meat and meat products that are tainted or do not meet Canadian standards. Bill C-33 would also provide for charging a fee for the inspection of imported meat and meat products upon entry into this country and if necessary, for re-inspection once the products have reached registered establishments. Protection of the federal meat inspection legend will discourage misuse of this guarantee of fitness for human consumption. It will help reinforce the credibility of the inspection system and further protect the consumer, which is one of the principal aims of this legislation.

Other provisions have been made in accordance with the Canadian Charter of Rights and Freedoms. From now on, a search warrant will be required to inspect residential premises, and the police must be present if force must be used. The Bill provides that the requirements for humane slaughter of animals will apply to all establishments that are federally licensed. Mr. Speaker, at the present time, standards for humane slaughter must be met only when the meat or meat products are to be sold on international or interprovincial markets. One of the provisions of Bill C-33 will make it possible to withhold from slaughter animals affected by chemical, antibiotic or other substances that could make the meat and meat products unfit for human consumption. Finally, Mr. Speaker, the proposed legislation does not provide for any increase in our present inspection services and will therefore not involve additional expenditures.

If we consider the body of legislation being proposed, Mr. Speaker, it is clear that it is mainly a matter of updating legislation that has been on the books for nearly 80 years and is extremely important. Usually, consumers are not often, and probably rarely, concerned about this kind of legislation. The general public depends on the Government and its legislators or the executive authority to monitor the fitness for human consumption of meat and meat inspection and sales both inside and outside the country. People are rarely concerned about this kind of legislation. Nevertheless, Mr. Speaker, the Government I represent thinks it is important, from time to time, to revise and update legislation that has been on the books for a number of years. This particular legislation, and I think we can rely on the opposition to help us, tends to be more technical. While doing away with a number of legal provisions, we want to update a piece of legislation that is important and continue to provide the assurance—and that is probably the most important aspect of this Bill—that Canadian consumers can continue to rely on existing services. Other types of legislation and other announcements made in this Parliament since last November have reflected the Government's will to reduce its spending and to ensure that the Government can also, to a certain extent, recover the costs—

• (1200)

Mr. Boudria: By charging exorbitant fees!

Mr. Blais: Yes . . . When my hon. friend, the Member for Glengarry-Prescott-Russell (Mr. Boudria) refers to exorbitant, he must be referring to the deficit we were left by the previous administration, and I agree wholeheartedly. Indeed, to reduce the exorbitant deficit we now have to cope with, we must take very stringent measures to control the deficit and Government spending.

Mr. Speaker, I said a few minutes ago that this legislation will certainly not increase Government spending, and that we must give the Canadian public and Canadian consumers the assurance that meat inspection in Canada, both for the domestic and the foreign market, will be carried out, without having to increase costs. I think this is a very important guarantee. I see that my hon. friend from Glengarry-Prescott-Russell is dying to intervene. He will have a chance to do so in a few minutes. Mr. Speaker, because of the foregoing considerations, I urgently recommend that the second reading stage of the Meat Inspection Bill be adopted as quickly as possible.

Mr. Don Boudria (Glengarry-Prescott-Russell): On behalf of my Party, Mr. Speaker, I am pleased to participate in the debate on Bill C-33. I listened attentively to the remarks of the Parliamentary Secretary to the Minister of Agriculture (Mr. Blais) in which he referred to the outstanding reputation of Canada's meat inspection system. That is true. In my opinion, no one will question the fact that Canada's excellent meat inspection system is world famous.

As I was listening to the Hon. Member's remarks, Mr. Speaker, I had the impression that he was actually taking issue with the budget cut-back program of the Minister of Finance (Mr. Wilson) in which he raised the possibility of higher rates for inspecting meat and many other foodstuffs, which would have the effect of jeopardizing the meat inspection system that the Hon. Member so eloquently praised. I must say that I share his concern about the Minister of Finance's intention to go ahead with budget cut-backs and slash Government spending at the expense of Canadian farmers. I am glad to see that the Hon. Member for Bellechasse agrees with me that we cannot stand still, that we must protest vigorously to the Minister of Finance against these unacceptable increases which I mentioned earlier and about which the Hon. Member for Bellechasse is trying to convey the message that he does not quite understand what I am saying.

In any case, I agree with him that our meat inspection system is second to none and that we must keep it at any cost.

One of the obvious reasons for introducing this Bill in the House is that legislation concerning meat inspection must be made consistent with the Canadian Charter of Rights and Freedoms, particularly with respect to inspectors who, until now, could enter a private dwelling without a warrant or a court order on the pretext that meat had to be inspected. In my opinion, all Hon. Members will be glad to know that henceforth we will be in full compliance with the new Canadian Charter of Rights and Freedoms. We are proud indeed to see that this new Bill is in keeping with the provisions of the Canadian Charter of Rights and Freedoms.

[*English*]

The provisions of Bill C-33 are such that they will prescribe by regulation certain inspection fees which the Minister will be able to levy on meat products and certain carcasses of meat products. While of course Members will be agreeable that there are certain inspection fees which should be levied on meat products that are imported into Canada, I have some difficulty with some of the proposals from the Government over the last few months, particularly as they apply to adding inspection fees of various kinds on different agricultural products.

We know that the Ontario Pork Council has severely objected to the proposal to have a 26-cent carcass inspection fee for hogs. The Ontario Cattlemen's Association has also protested, as have several other groups from across the country. These protests have come not only from meat products areas but from several other areas. The Horticultural Council, for instance, has objected to fees being charged on agricultural products. The Feed Growers' Association has said that it will now have fees in the order of $1,000 per grower.

I think we should seize this opportunity to remind the Government that if it is going to reduce the deficit, the last person who should be affected is the farmer. Farmers are very ill-equipped at the present time and generally are not in good financial situations. Farming is a capital-intensive industry with low profits. Especially at this time farmers are in very difficult positions and definitely cannot afford any increase in inspection fees. However, if the Government wants to levy fees on meat being imported into Canada, I must say I will not have too much difficulty with that proposition. We know that several meat products entering Canada do so at rates subsidized by foreign governments. This puts some of our farmers in difficulty, and perhaps it will serve as a lever to bring the prices slightly back up to where they should be, and therefore not continue the unfair competition we have.

I have a few issues relating to specific clauses of the Bill that I would like to raise with the Parliamentary Secretary. First, in terms of application, I would like to ask the Parliamentary Secretary about Section 20(b) of the Act. Perhaps he could indicate to us how the provisions concerning the suitability of persons operating registered establishments are to be put in practice. I have read the Bill. There is not too much mentioned in the Bill itself as to Section 20(b) and that particular aspect. The Minister referred to the suitability of individuals in his briefing notes.

What is deemed to be a suitable versus an unsuitable applicant? Are we referring to persons who may have—

An Hon. Member: No Liberals.

Mr. Boudria: I am glad the Hon. Member brought that up. He was just saying no Liberals. I was going to ask if this could perhaps lend itself to patronage. I was somewhat reluctant to bring it up in those terms but a Conservative Member in this House has brought it up. Perhaps the Member for Simcoe North (Mr. Lewis) does bring up an interesting point to which the Parliamentary Secretary could refer.

Are we referring here to people who have had a bad record in terms of being meat processing plant operators, individuals who could have been charged several times and who generally have failed to respect the law?

As much as we could be in agreement with that clause, Mr. Speaker, I am a bit at a loss to determine how we could reconcile that clause with the Charter of Rights. If someone were charged 20 years ago with a contravention of preceding legislation, would that individual be deemed unsuitable because of his past? If that is the case, are we again offending the Charter of Rights by suggesting that what someone may have done a number of years ago could be used against him or her in a future application? Perhaps the Parliamentary Secretary could comment upon that particular clause of the Bill.

• (1210)

I also have a question concerning Clause 22(1) of the Bill. As it is presently drafted, the Bill is organized in such a way that if a person convicted of certain offences under subsection 21(3) and subject to a fine is in default of that fine, no prison punishment will be imposed. Why is that? From a cursory reading of the Bill, it seems to suggest that if the individual does not pay his fine, nothing else will be done to him or he will not be put in jail. I am wondering why it is explained in those particular terms. It is almost an open invitation to someone not to pay a fine levied against him, knowing that nothing else will happen. Perhaps there is a reasonable explanation which the Parliamentary Secretary could share with the House. However, I must say that I am a little concerned about the way in which it is presently drafted, that if someone does not pay a fine levied against him, he will not be imprisoned.

Mr. Hovdebo: They are trying to be humane.

Mr. Boudria: Perhaps the Government is trying to be humane but, all puns aside, I must say that we are dealing with an important issue—the preservation of the meat inspection system. The Parliamentary Secretary said that all Canadians are very proud of the system and that it is second to none in the world. We would want to ensure that the system remains as good and as strong as it is now. Surely an indication that a default in payment of a fine would not be further prosecuted would not enhance the chances of the legislation being observed by individuals in that particular line of business.

In closing, of course our Party is in agreement with the provisions of the Bill relating to the Charter of Rights. We want our laws to adhere to and respect the Charter of Rights. Of course we are in agreement with that part of the Bill and with the general principle of consolidation. However, we are concerned with the general trend of the Government to increase inspection fees. We feel that inspection fees, be they on meat products or any other agricultural product, are for the benefit of consumers generally and therefore should not be paid for by farmers. If ever there was a time when implementing inspection fees for Canadian farmers would be appropriate—and I am not sure there will ever be such a time—surely that time is not now with the very difficult economic conditions with which Canadian farmers have to live. The $32.3 million which will be generated by the Government in recovering inspection fees will not be a saving, if it causes a similar amount of financial default, bankruptcy or otherwise on the part of Canadian farmers.

I reiterate that position on behalf of our Party to the Parliamentary Secretary, in the hope that he will be able to convince his colleague and friend, the Minister of Finance (Mr. Wilson), not to levy those exorbitant charges on Canadian farmers.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I listened with interest to the presentation of the Parliamentary Secretary to the Minister of Agriculture (Mr. Blais). The Bill itself purports to tie together some old meat inspection laws. It is an attempt to consolidate the old Humane Slaughter of Food Animals Act, the Meat and Canned Foods Act and the Meat Inspection Act and replace them with this Bill which is before us at the moment and is known as Bill C-33.

When I listened to the Hon. Member for Bellechasse, I was left with the impression that the only reason for introducing the Bill was because the old ones were 70 years or 80 years old. I guess they wanted it on new paper. I am not sure that the humane slaughter of animals will be extended to some provincial jurisdiction under the provisions of the Bill, but that is what I understood the Parliamentary Secretary to say.

The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) saw this as an attempt to bring the Act up to the provisions required by the Charter of Rights, since that is about to come into play. I really question why the whole Bill was necessary if it was only to increase humane slaughter provisions and provide for adherence to the Charter. One of the all-encompassing Bills which occur from time when minor amendments are made to bring laws up to current practice or requirements of the Charter could have been used in this case.

As I look at this Bill and discuss its subject matter, I realize a number of questions were not answered in the dissertation of the Hon. Member for Bellechasse. I hope we will be able to get answers from the Minister of Agriculture (Mr. Wise) when the Bill goes before committee. I have some suspicion that it is a necessity to go along with the cost recovery program announced by the Minister of Finance (Mr. Wilson) last November.

Some of the requirements listed in the mid section of the Bill seem to look forward to that and provide some startling power or lack of power in terms of the frequency of inspection levels program initiated under the previous Minister of Agriculture. It seems that it is being pursued with even more haste by the current Minister. In addition, the frequency of inspection levels program was an effort by the Department of Agriculture to pull back from the financing of the inspection of meat products and some canned products in plants and leave inspections up to the jurisdiction of the plants themselves. In other words, the plants would be responsible for keeping the public's interest at heart and for their own monitoring. They would provide their own inspectors, but the rules would continue to be set by the federal Government. Plant employees would be hired to look after the regulations and to make certain that their employers adhered to the rules. If that is not a conflict of interest, I do not know what is. This Government has proposed to spread that even further so that inspections would be conducted at many more places. The responsibility for hiring and training inspectors and looking after inspections, again in the public interest, would fall with the corporation hiring the inspector.

There are some strange things in the Act. My hon. friend in the Liberal Party alluded to some of them. He indicated that Clause 22 pointed out that if fines imposed as punishment were not paid, they would just rest. He failed to explain that there is a subsection indicating that the federal Government

can have a judgment rendered against the person in the next court by way of civil proceedings. In the very unlikely event that the meat packing plant went out of business, there would be a mechanics' lien against it, I suppose. That virtually never happens because these corporations have an almost unending life. From the point of view of the very large corporate meat packing plants, the big three or four, the effect would be almost non-existent.

● (1220)

What worries me even more is when you go down the list to the next clauses. You find, and I quote:

—it is sufficient proof of the offence to establish that it was committed by an employee or agent of the accused—

The accused is the corporation.

—whether or not the employee or agent is identified or has been prosecuted for the offence, unless the accused establishes that the offence was committed without his knowledge or consent and that he exercised all due diligence to prevent its commission.

Management can always opt out of any responsibility by saying they did not know what the inspector was doing. Management hires the inspectors and provides them with the method of operation and tells them how to operate. However, if there is any subsequent problem from the spot checks that will continue to occur by federal officials, management can say they cannot help it, the guy or the gal doing the job was not doing the proper job and it is not their problem. The Bill goes on to point out in Clause 24:

Where a corporation commits an offence under this Act,—

In the unlikely event that the federal spot checker finds that the corporation has been negligent and the court finds it as well, and I continue to quote:

—any officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is a party to and guilty of the offence and is liable on conviction to the punishment provided for the offence whether or not the corporation has been prosecuted or convicted.

The way that is worded and knowing how the meat packing industry operates, probably 99 times out of 100 that would result in the inspector being fined or sent to jail, if that is the punishment, rather than his manager or the leadership of the corporation. This puts the inspector in an invidious position. He or she is required to carry out on one hand the laws of Canada and on the other hand the requirements of his or her employer. The law as we are about to pass it provides that the employer is pretty well hands off. He sets the rules. He pays the employee and he fires the employee. Therefore, the employee is very much under the thumb of the employer, if the employer is not in any way responsible for the actions of that employee. As long as a directive is given verbally, it is very difficult to introduce that evidence into court. The employee has no way to go except to be fired and take the punishment that is meted out under this Act. The employer simply continues on his merry way, breaking the intention of the laws of Canada. He runs through a lot of employees, making them the scapegoats for the company's actions.

There are some loose ends in this proposal that will have to be checked in committee. I am truly sorry that the Minister was not here to explain why this Bill has to be brought in at this time. The explanation given by the Parliamentary Secretary only focused on humane slaughter, to which no one objects. It was in the old Act. It provided adequate safeguards whereby animals going into slaughter would be treated humanely and slaughtered humanely. That is not an adequate excuse for introducing a new Bill. The argument that this brings the search and seizure provisions in line with the Charter is not a legitimate excuse for bringing in the Bill. I suspect that this is very much one and the same as a necessary contribution to a carrying out of the cost recovery process that was initiated on November 8 last.

The Parliamentary Secretary to the Minister of Agriculture did not deal with that. I hope we will be given ample opportunity to discuss this with the Minister when the Bill goes to committee. It is extremely important because, under the proposed extra charges, in some cases the small processors will be forced out of business. That will be as a result of the fees they will be charged. They are not in a category where current regulations permit them to do their own inspection. They must have a federal inspector, both ante-mortem and post-mortem. A veterinary inspector has to make certain the animals were healthy and free from residue, antibiotics, before going into the slaughterhouse. They have to do a post-mortem inspection to make certain there are no anomalies that may make the meat unfit for use.

In those provinces which make use of federal inspectors, there will be a minimum charge of $125 per plant. A lot of these plants only slaughter or process a few dozen head per day. This will run their costs close to an extra $10 per head compared with their counterparts in the larger centres. It will much reduce their competitive ability. It continues a process that has to be slowed down of concentrating economic activity in very large centres to the disadvantage of the very small.

There are vast spaces in this country between the metropolitan centres. The economy of this country cannot survive if those centres are reduced to the point where they cannot supply basic goods and services. The populations of those areas will ultimately be forced out of the hinterland and into the metropolitan areas if this kind of policy continues. Frankly, I do not see how Canada can continue to make way for an economic recovery when vast regions of the country upon which that recovery is based are put at such a disadvantage that there can be no economic activity taking place there. It is discriminatory to small businesses, the producers as well as the consumers who would prefer to use local products, slaughtered and processed in the small communities.

The questions raised by this Bill, while not raised by the Minister, are questions that must and will be raised in committees. Canada's farm community, Canada's food processing and meat processing industry require the answers. It is not in the best interests of Canadians to come in with a program as the Minister of Finance (Mr. Wilson) did last November 8 which discriminates against small businesses and small communities

to the advantage of the very large centres and the very large processing plants.

We have some difficulty with this Bill since it leaves far more questions than were answered by the Hon. Member who introduced it for the Government. We hope that when we get to committee the Minister of Agriculture (Mr. Wise) and his officials will have clear and straightforward answers and will not try to hide and stonewall as sometimes has been the wont of Ministers of Agriculture, both past and present, when appearing before the committee.

• (1230)

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, it is a pleasure to take part in the discussion on Bill C-33. The Bill is not as ominous as the two previous speakers have tried to make it out to be. As the Bill states, it is simply an Act respecting the import and export of and interprovincial trade in meat products, the registration of establishments, the inspection of animals in registered establishments, the standards for these establisments and the standards for animals slaughtered and meat products prepared in these establishments. As the Member who spoke previously said, this Bill has been introduced to update some of the other Acts and to put everything under one cover. These Acts include the Meat Inspection Act, the Humane Slaughter of Food Animals Act and the Meat and Canned Foods Act. Most of these regulations have now been brought up to date.

I had the pleasure of working under the old Health of Animals Act and the Meat Inspection Act for several years after graduating from the Ontario Veterinary College. As other Members have said, our meat inspection system is the best in the world and I can certainly attest to that. We can rest assured that anything that has the "Canada Approved" stamp on it is respected all over the world.

As you know, Mr. Speaker, there are two inspection systems in Canada, the federal inspection system and the provincial inspection system. Anything that is exported or goes from one province to another has to have the federal stamp on it. Anything that is used within the province of origin pretty well falls under the meat inspection system of that particular province although there is nothing to prevent a federal meat inspector from also acting in that capacity.

Ante-mortem inspections are carried on by veterinarians at all plants in order to determine whether or not anything peculiar is evident at that time. This prevents the wrong animal from going to slaughter. Quite often, very little is done at ante-mortem inspections and the key role is played when the animals are slaughtered on the killing floors. I can say from the outset that there is a great deal of co-operation received from every person who works in a slaughterhouse or abattoir. All inspectors receive the utmost of co-operation for the simple reason that most of a plant's employees buy their own meat at that plant and they would not want to sell anything that they would not want to eat themselves. Some of those people have worked in abattoirs for 25, 30 or 35 years and they have very keen eyesight, to say the least. They were certainly of great help to us when we were inspecting in those plants.

There is nothing in the Act that has anything to do with inspection charges. I read every one of these clauses very thoroughly and none of them deals with that. I do not think that it is quite right to read something like that into Bill C-33. As well, the issue of spot checks was raised. There are no spot checks that take place at the time of the actual slaughter of the animal. Those inspections are done very, very thoroughly under the jurisdiction of a veterinarian with the assistance of primary products inspectors who actually do the knife work. The primary products inspectors are supervised by the veterinarians and they certainly do a very excellent job. They are quite qualified to do what they are doing. It is up to the veterinarian to look at carcasses that have been railed out for some reason or other by the primary products inspectors.

The number of veterinarians employed by the federal Department of Agriculture is in the vicinity of 273 at the last count. They carry an extensive responsibility in assuring that we do have the best inspection system in the world and that our products are very well received. Of course, there are instances when inspectors from other countries will come to Canada just as inspectors from Canada have the right to go to the plants in other countries. Other inspectors come here to make sure that our plants are adequate and we go there to make sure that their plants are adequate before we actually allow the importation of their products into our country.

As I read them, the regulations do nothing more than update the old regulations that have been in existence since almost the turn of the century and, as I mentioned earlier, bring them under one cover so that they can be more easily scrutinized and followed by the professionals in the inspection system under Agriculture Canada.

There is not much more I wish to say except that I welcome these regulations. Certainly they will go a long way toward updating the whole process of the meat inspection system and giving the authority necessary to keep our inspection system on the high level it is at present.

Right now we are short of veterinarians in the public sector both provincially and federally. This is due primarily to the fact that there are not enough graduates from the three veterinary colleges in Canada. Many of those who graduate go into private practice and this makes it very difficult for the Governments to employ them. The new veterinary college that will be opening in Prince Edward Island in the very near future will hopefully alleviate the problem and enable us to fill these more than 100 positions in the federal public sector that are vacant. Thank you, Mr. Speaker, for allowing me these few moments to comment on Bill C-33.

Mr. Althouse: Mr. Speaker, I understood the Hon. Member to say that he thought that this Bill had nothing to do with the implementation of fees and that it was not necessary as a part of the package to implement the cost recovery program. I wonder if he would care to comment on Clause 20, Subclause (g), in which it is indicated quite clearly that some of the

powers that will be provided under this Act will include provisions for the inspection of establishments and registered establishments and the animals and meat products in registered establishments and—this is the point at issue—prescribing the fees payable therefor. Subclause (h) provides for the re-inspection of meat products and also prescribes the fees payable therefor. If it is not the Government's intention to use this Act as a means of providing for fees, is the Government prepared to exclude those particular words when we get into committee?

Mr. Mitges: Mr. Speaker, nothing has been decided regarding whether or not fees will be charged. There are ongoing discussions between the Minister of Agriculture (Mr. Wise) and this sector as well as other sectors of the agricultural industry.

Fees could also apply to the fact that the establishments always paid for overtime. If the inspector had to be on overtime, it was the duty and responsibility of the plant to pay that overtime. Those subclauses could very well apply to any overtime that may be charged, as was the case on many, many occasions when I was with the Department in that capacity.

Mr. Althouse: Mr. Speaker, I would like it made clear that the Hon. Member is apparently now telling us that this does give the power by regulation to impose those fees and that he does now recognize that there is such a power in this Act.

Mr. Mitges: Mr. Speaker, I said no such thing. I said that fees could mean overtime as well. As I said earlier, nothing has been decided about whether or not there will be extra charges as far as inspections are concerned. These discussions are still ongoing and nothing has yet been determined.

• (1240)

Mr. Althouse: Mr. Speaker, it is somewhat confusing that an economic statement was presented to the House on November 8 and, when it pleases them, Government Members say that all of the items which were proposed in that statement are not the intention or the policy of the Government. If it was not the intention of the Government, why did it bring forward those items? If it was the intention of the Government to create discussion, why were those items not presented in the form of a study or discussion paper? The practice over the last 100 years has been, when an economic statement is presented, that it becomes the policy of the Government. I cannot understand why Members are deluding themselves into thinking that the economic statement and the position of the Government is somehow not now the policy of the Government. There has been no indication that the Minister of Finance (Mr. Wilson) is willing to forgo the money which he is intending to collect, or the money which the Minister of Agriculture (Mr. Wise) will collect for him. The Minister of Agriculture has not indicated that he is willing to forgo that amount of money. Therefore, why do Government Members insist on telling us that these are matters which are still being considered when it is quite clearly the policy of the Government, and the Minister of Finance who needs the extra $65 million and who will cut $33 million from the Department's estimates?

Mr. Mitges: Mr. Speaker, if the Hon. Member would take the trouble to look at former Acts covering the health of animals and the Meat Inspection Act, he would see that the legislation was very similar and that the overtime period which inspectors were required to work was described as fees. I would suggest that the Hon. Member take a look at those Acts, which have been in effect since the turn of the century. If I am not mistaken, the Hon. Member will discover that those Acts are the same as this legislation.

Mr. Althouse: Mr. Speaker, I have great difficulty understanding why the time of the House is being taken up with the regurgitation of Acts and powers which have existed since the turn of the century if this new legislation will not do anything differently. Why are we wasting our time if it is exactly the same?

Mr. Mitges: Mr. Speaker, I do not think we are wasting time. We are attempting to put everything under one cover. If the Hon. Member has any idea of the difficulty in working with several Acts, he would realize that a lot of time was wasted in that respect. Now that everything is under one cover, it is much easier.

The Acting Speaker (Mr. Charest): I will now recognize the Hon. Member for Lambton-Middlesex (Mr. Fraleigh) on debate.

Mr. Sid Fraleigh (Lambton-Middlesex): Mr. Speaker, I am pleased to take part in this debate and to set the record straight with respect to statements which were made by previous speakers.

Our meat inspection system is recognized world-wide as the best in the world. For people to cast aspersions on the system does not serve agriculture or the meat packing industry well.

The system has not only protected consumers, it has allowed them the luxury of having the full confidence that all foods that they buy that bear the "Canada Approved" stamp will be wholesome and free from bacteria or germs. There has been no thought of reducing the inspection or increasing the costs under the cost recovery program. It has simply been a matter of redistributing the costs in order that the people who benefit from the inspection will pay a share.

The Minister promised from the very outset that he was prepared to negotiate with all the commodities and that inspection fees would not be imposed until an agreement was reached with the commodities on a fee structure.

As I previously pointed out, our major plants have a world-wide reputation. I want to assure Hon. Members opposite that those plants will do nothing to harm that reputation. Our meat packers export a tremendous volume of products. The only way in which they can maintain the ability to export those products is through maintaining their high standards.

It was mentioned that the plants were involved in the hiring of inspectors. I would suggest that that is not correct. Federal inspectors are hired by the federal Government, and therefore they come under the jurisdiction of the federal Government.

The allegation that this Bill was introduced simply to facilitate the implementation of cost recovery in inspection services is erroneous. The Minister of Agriculture (Mr. Wise) has had that authority all along and this Bill will not change that authority.

Thank you, Mr. Speaker, for allowing me the opportunity to set the record straight. I look forward to questions from the Opposition on the points which I have raised.

The Acting Speaker (Mr. Charest): Are there questions or comments?

Mr. Althouse: Mr. Speaker, quite rightly the Hon. Member pointed out that we have a good inspection service in Canada which is recognized world-wide. We are prone to say that we have the best, but in some cases we still must take second place to the United States. The United States does not always recognize our standards as being equal to their standards. The United States sends their inspectors to Canada, and occasionally they have been known to turn down some of the plants with standards which we considered adequate for the export of meats. In some cases the United States considered the standards to be inadequate and our plants had to change their standards to suit the Americans in order to continue with the shipments. While our standards may be the highest in the world, they are not always perceived to be so by some of our major customers.

The Member pointed out that the system was in place and that there were no changes proposed in this legislation. I must return to my previous question: If there are no changes proposed in this legislation, and as the legislation has existed for 70 or 80 years and is well understood by everyone involved, why is the Government introducing it?

Mr. Fraleigh: Mr. Speaker, for the benefit of the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), I will tell him that I did not indicate that there were no changes in the Bill. There are changes in the Bill. Those changes mainly deal with streamlining the legislation and addressing the sections which pertain to the Charter of Rights and Freedoms. He also indicated that the Americans do not necessarily accept our inspection system and that they send their own inspectors. I agree with him. That is absolutely correct. However, we also send our inspectors to their meat plants. It is a reciprocal agreement which allows the plants to ship products back and forth across the border with limited interference.

Mr. Boudria: Mr. Speaker, the Hon. Member for Lambton-Middlesex (Mr. Fraleigh) said in his preamble that he would set the record straight and correct those who had cast aspersions on the meat inspection system. As I remember from the debate which took place, the Parliamentary Secretary began his remarks by indicating that Canada has the greatest meat inspection system in the world. I said the same thing, and if I remember correctly, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) also began his remarks in a similar manner. I am wondering, was the Hon. Member referring to debates which happened in this House or elsewhere?

● (1250)

Mr. Fraleigh: Mr. Speaker, I would have to agree with the Hon. Member that he did start his preamble by saying that we had one of the best systems in the world, but he then started to cast doubts about certain Sections within the Act.

Mr. Boudria: What has that got to do with it?

Mr. Fraleigh: It has a lot to do with it.

Mr. Boudria: Mr. Speaker, I just want to add very briefly that recognizing we have a good system does not mean that I approve of everything the Government does. For this Government to think that it is always on the side of righteousness and that anyone who even questions its legislation is somehow on the wrong side of the fence just goes to explain to you, Mr. Speaker, that very arrogant attitude which is developing in the minds of Hon. Members of this Government. After only a few months in office, the attitude that we in this House cannot even stand up and question sections of this Bill because if we question this Bill we must have something against the agricultural industry is preposterous, and the Hon. Member for Lambton-Middlesex (Mr. Fraleigh), who knows a lot more about agriculture than most Hon. Members of this House, should know better. He should not make ridiculous statements like that.

Mr. Fraleigh: Mr. Speaker, I look forward to this Bill being referred to committee and the Hon. Member coming to committee on a regular basis to debate it. The only times I have seen him show up at meetings of the agricultural committee have been when he simply wanted to score political marks rather than be constructive. I look forward to seeing him participate in the debate in committee.

Mr. Boudria: You show up too.

Mr. Fraleigh: I will be there.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, there have been some very valid questions raised with regard to some of the sections in the Bill which I will attempt to answer, hopefully, to the satisfaction of Hon. Members opposite. If I have any time left I will make a few general comments on the Bill.

First, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) raised a couple of good questions. One question had to do with Section 20(b) of the Bill which proposes to separate the registration and licensing of a meat packing establishment. Our concern is that presently an establishment is licensed and if there is a problem associated with the continuation of that facility, the Government has no choice but to simply delicense the operation and it ceases to function. What is proposed in this Bill is to register an operator and

license the plant. That is very similar to what is done with an automobile on the highway. We license the vehicle and license the operator to drive it. If there are troubles with the operator, we simply take away his operator's licence. The vehicle itself can still operate.

In the case of the meat packing establishment, there is presently no provision for separation. Therefore, if there is a problem we simply have to shut the plant down, which I do not believe serves anyone very well. What we are proposing in the Bill is to separate the operator from the establishment so that if there is a problem with the operator, we can stop the operator. The establishment itself will still be licensed and can be operated by someone else which will provide, hopefully, the opportunity for some continuity of service to the producers in that area. I think that makes reasonable sense. If there are some concerns with the way that procedure is to be carried out, those issues can be raised at committee and if there is a problem we can certainly look at it. I hope that clarifies that section.

With regard to Section 22(1) which was raised by the Hon. Member, it is my understanding that Section 21(3) ahead of it has no provision for a jail sentence. It is simply a fine. The legal opinion is that we cannot then come down to a subsequent section of the Act and by the back door make provision for a jail sentence. That section, as it was explained to me—I am not a lawyer but it makes sense to me—is put there to be consistent with the Act. I hope that answers the Hon. Member's question with regard to Section 22(1). We are just being consistent throughout the Bill.

The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) expressed concern with Section 24. Frankly, I do not understand the concern he raises because, as I read the section, it is very clear that the section is designed to make the officers and people associated with the operations of the company financially liable so that they will do exactly the opposite to the concern the Hon. Member raised in his question. Again, if there is some possibility of another interpretation, then I think that is something which should certainly be raised at committee. As I understand it, it is not the intention of the amendment in this Bill to shift the responsibility for any problems which may come about to the inspectors. As I read the section in the Act, it does exactly the opposite. And if my interpretation is correct, then I think that should satisfy the concern of the Hon. Member for Humboldt-Lake Centre.

With regard to the question he raised about Section 20(g) and 20(h) of the Bill, I can tell him that this is nothing new. The provisions to provide for fees are in the present legislation. There really is nothing new. So to say that what is being done by the Minister of Agriculture (Mr. Wise) with respect to cost recovery in Section 20(g) and Section 20(h) in this Bill is something new is not correct, because there are provisions in the present legislation for fees to be prescribed.

With respect to the comments made by the Hon. Member for Lambton-Middlesex (Mr. Fraleigh) that we have the best meat inspection service in the world, I think that is certainly the case. If we wanted to be a little more modest about it, we might say that there are no meat inspection services around that are any better—which is another way of saying we have the best. I have been in some of the plants mentioned by the Hon. Member but have not worked under the Act, as has the distinguished Hon. Member for Grey-Simcoe (Mr. Mitges) who is probably as good an authority in this House as we are going to have. I believe we should pay attention to him when he says it is a lot better to work under one Act than to have three or four separate Acts where sometimes there can be mixed signals. Essentially, that is the intention of this Bill.

Going back to the question of how Canada's meat inspection service works, I agree that we do have a very good meat inspection service and the consumer in this country is very well served by it. But that does not mean we cannot improve it even more, especially when we realize what goes on back and forth across the border. Sometimes it gets to be a contest between the different inspectors on each side of the border as to who can be the most picky about the conditions, and I want to suggest that in terms of having some of our plants delicensed, that is more of the reason than our falling down on our side of the border with respect to having a well qualified meat inspection service.

Very briefly, Mr. Speaker, this is a Bill which I think the Government should take responsibility for. It is something which is going to consolidate various Acts and make the whole system work a little better. Hopefully we will find the process a little easier to administer and better understood by the people to whom it applies. It will also be a little more economical to administer. It does provide some additional protection to consumers in the sense that there is provision to reinspect meat products coming in from other countries, which was not there before. It also provides additional protection for the humane slaughter of animals. As I understand it, the present humane slaughter requirements apply only for shipment outside of the province. If the product was not going to move out of the province and there was some question about it, it was previously difficult to make the humane slaughter of animal provisions work. This Bill eliminates that problem because it applies to all products regardless of whether they travel outside of our borders or not. It further protects against the misuse of seals for grading and inspection. I think this is a Bill which should go to committee and if there are some legitimate concerns, and there have been some good questions raised here this morning, I am sure the Minister will be more than happy to take them into consideration in looking at amendments to the Bill.

It is getting very close to one o'clock, Mr. Speaker, and I will conclude.

Mr. Hovdebo: Mr. Speaker, I understand that the Bill—

Mr. Althouse: Call it one o'clock.

Mr. Hovdebo: Perhaps I can ask that question after lunch.

The Acting Speaker (Mr. Charest): It being one o'clock p.m., I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

TRANSPORTATION OF DANGEROUS CHEMICALS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, yesterday a leak of the highly toxic chemical PCB occurred between Kenora and Vermilion Bay from a tractor trailer carrying this chemical from Montreal to Edmonton for disposal. As you know, this substance has two effects which we are all concerned with damage to the environment, because PCBs in a liquid state persist in the environment and do not break down, and, of course, the harm to human health. Will the Minister of the Environment (Mrs. Blais-Grenier) give leadership, initiate talks with her provincial colleagues, and put pressure on them to have this problem tackled through technological disposal within each province rather than having waste hauled thousands of kilometres across the country to disposal sites?

This matter falls under provincial jurisdiction, but the Minister of the Environment should show leadership by calling a meeting in Ottawa with her provincial colleagues to discuss better management of waste and resolve the problem of transprovincial shipments of hazardous chemicals.

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[*Translation*]

WOMEN

SEARCH FOR EQUALITY

Mrs. Lucie Pépin (Outremont): Mr. Speaker, on Wednesday, April 17, women will take a very important step in their search for equality, for on that day, Section 15 of the Canadian Charter of Rights and Freedoms will come into force.

This section prohibits any discrimination based on sex, among other things, and that is a significant victory for women since it will now be possible to take legal action to uphold their rights.

The Legal Education and Action Fund has been established for that purpose. In a way, this non-profit organization will be used as a means to defend women's rights. It will use the Canadian Charter of Rights and Freedoms to help women bring before the courts any case of discrimination against them.

Mr. Speaker, allow me to urge all Hon. Members of the House to wear the "A Date With Equality" button. Wednesday will be a memorable day for all Canadians, women and men alike. After all, the best deals are made in an ambience of equality.

* * *

[*English*]

CANADIAN WHEAT BOARD

GROWING OF SEMI-DWARF WHEAT

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, if one were to set in motion a process to study the merits of legalizing the use of marijuana, you would not expect the process to be carried out by someone who had just planted 100 acres of the crop. That would not be logical nor acceptable. So what can we say about a very real and similar case before us regarding the use of unprescribed semi-dwarf wheats? They are not now licensed in Canada because they are of lower quality than current spring wheat varieties. Their being undistinguishable leads inevitably to mixing and the consequent downgrading of Canada's current pre-eminent world position as a most reliable supplier of top quality wheat, wheat which can be blended with domestic wheats of importing countries everywhere.

It is no accident that Canadian granaries are nearly empty at the end of each crop year at a time when American and European stocks have been building. We have consistently offered superior quality, and that quality has been beyond question.

The Government has decided to review the admissibility of the undistinguishable and therefore currently unlicensed varieties, which is its prerogative, but should the job be handled by a man who admitted in this House to growing such varieties? How can the report be deemed to be objective? These varieties cannot now be licensed in Canada or legally imported into Canada. Since the Minister of State for the Wheat Board (Mr. Mayer) has admitted that he is guilty as charged, I urge him to turn over the responsibility for reviewing this matter to someone in a less compromising position, in the interest of maintaining the credibility of this multibillion dollar industry in the eyes of our customers abroad.

* * *

HUMAN RIGHTS

SOVIET UNION—MINISTER'S REPRESENTATIONS ON BEHALF OF POLITICAL PRISONERS

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, the Secretary of State for External Affairs (Mr. Clark) displayed great courage during his recent trip to the Soviet Union when he raised the matter of political prisoners languishing in Soviet labour camps, and in particular the case of Danylo Shumuk, one of many unjustly imprisoned Ukrainians whose families in Canada have been waiting many years to be reunited with them. On behalf of all freedom-loving Canadians concerned with human rights, I convey to the Minister their support, admiration, and pride that the Government of Canada has the

fortitude and compassion to come to the defence of persecuted human rights activists incarcerated for exercising the right to live peaceably in the global community.

As a signatory of the 1975 Helsinki Accord, the Soviet Union is responsible for upholding the provisions of family reunification, freedom of conscience, freedom of travel, freedom of thought, and freedom of religion or belief. It must be held accountable for flagrant violations of that agreement. Future agreements with the Soviets hinge on their willingness to honour past agreements.

After many years of silence by the previous Liberal Government, we are happy to announce to Canadians that the Progressive Conservative Government actively defends, and will continue to defend, the rights of all persons who are exiled, persecuted, or unjustly imprisoned.

* * *

WESTERN GRAIN STABILIZATION ACT

ANNOUNCEMENT OF INTERIM PAYMENT

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, many of us from Saskatchewan have welcomed this crop year's interim payment under the Western Grain Stabilization Act. It comes as good news that the Minister responsible for the Wheat Board (Mr. Mayer) has announced the interim payment at $450 million. This is the largest single pay-out under this program, and for Saskatchewan farmers it will mean $254.6 million. Farmers rightly claim that the grain stabilization program involves a large amount of their own money. They are correct, but in the past they suffered under a Liberal Government which never managed the program effectively and neglected western Canada. This pay-out now means a significant amount of money will be in the hands of producers before seeding.

Prior to the election our Party promised a fair and flexible grain stabilization program. The farmers wanted this, and they wanted our Government. Another promise made, another promise kept.

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VOLUNTARY ORGANIZATIONS

TAX CREDIT PROPOSAL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, volunteers, more than two million of them, work in thousands of organizations in fields as diverse as amateur sports, dramatics, health and welfare. If paid, their work would cost Governments billions of dollars. In this time of recession they are finding it increasingly difficult to finance their activities.

For a number of years the voluntary organizations called on the Government to eliminate the automatic $100 deduction for charitable purposes permitted to all income tax payers, which the former Government did, and replace it by a give and take option whereby every taxpayer would be given a 50 per cent tax credit for any contribution to a recognized charity. Such a method would eliminate the present unfair situation whereby people with high incomes, who pay income tax at a higher rate than people with low or middle incomes, can get a bigger deduction.

This proposal was endorsed by the NDP, and by the Progressive Conservative Party when it was in the opposition. I urge the Minister of Finance (Mr. Wilson) to incorporate this principle in the Income Tax Act when he brings forth his next Budget.

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[*Translation*]

VOLUNTARY ORGANIZATIONS

CONTRIBUTION MADE BY VOLUNTARY SECTOR

Mrs. Lise Bourgault (Argenteuil-Papineau): Today, Mr. Speaker, I want to pay homage to society's most innovating sector, the voluntary sector, which accounts for about 1.7 per cent of our GNP, employs nearly 200,000 people, and constitutes a network through which close to 25 per cent of Canadians generously give their time and energy.

This being the National Week of the Voluntary Sector, I would urge Hon. Members to consider the contribution made by that sector. It has proved able to find new and moderately-priced solutions to a wide variety of individual and collective needs. This spirit of community initiative has to be acknowledged as having a significant economic impact. There are many good reasons to keep a closer contact with the voluntary sector. First, it is the most efficient means to promote the active participation of citizens and to make Canadians prouder of themselves, while at the same time being a boon to society as a whole. Participation in community or cultural organizations and working together to meet the needs of the community create a confident and resourceful society.

In addition, the voluntary sector has shown leadership in job training. Youths, native women and the handicapped alike have all found promising training prospects and, in many instances, full time jobs.

I want to take this opportunity—

Mr. Speaker: I regret to inform the Hon. Member that her allotted time has expired.

* * *

• (1410)

[*English*]

AGRICULTURE

IMPORTANCE OF SUGAR-BEET INDUSTRY

Mr. Bob Porter (Medicine Hat): Mr. Speaker, I rise to inform Parliament of the urgent need to act on behalf of our

Canadian sugar-beet producers. In Ottawa today we have over 100 representatives of the 1,500 Canadian sugar-beet producers, from Alberta, Manitoba, and Quebec. Those people also represent approximately 1,200 industrial jobs in the three provinces, plus over 5,000 indirect jobs in machinery, fertilizer, chemical, and services industries.

Canada is the only western nation of some 41 which does not protect its domestic sugar industry. Eighty-five per cent of world sugar trades at prices set by the Governments of producing countries. Canada's price is determined by the 15 per cent which is world surplus. While this is good for consumers at the present price of four cents a pound, we should be reminded of what can happen if the price returns to its 1975 level of 83 cents a pound U.S. We need a policy which protects consumers during times of high prices and still maintains our industry during temporarily depressed world markets.

Our current domestic production of 12 per cent of consumption acts as our only real measure of protection. If we lose this, we will be 100 per cent dependent on large multinational companies and foreign Governments to supply this major staple in Canadian diets. Once this industry is gone it will be lost forever, as the start-up costs are high.

Time is of the essence. The 1985 crop must be planted now, and the growers need assistance to produce this year's crop, as well as consideration by the Government of a national sugar policy.

Mr. Speaker: I regret to inform the Hon. Member that his time has expired.

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NUCLEAR ARMAMENTS

PLEA FROM CHILDREN OF PARSONS POND, NFLD.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, recently I received correspondence from the children of the community of Parsons Pond in my riding of Humber-Port au Port-St. Barbe.

Parsons Pond is a small rural community situated on the Great Northern Peninsula of Newfoundland. Like other communities situated on the Northern Peninsula, it lacks many of the facilities that are taken for granted in cities such as Ottawa. I refer to decent water, sewers, paved community roads, adequate recreational facilities for young people and, of course, enough job opportunities for the citizens of Parsons Pond.

These problems are constant irritants to the people of Parsons Pond, but they are not what the 10 children of Parsons Pond wrote me about. Let me quote directly from one of their letters:

Dear Mr. Tobin:

As a student in the community of Parsons Pond, nuclear destruction seems a long ways away. However, the incident is possible. Would you please do all in your power to make sure that the Canadian Government does everything in its power to prevent a Global War? We want to live to be adults in the future.

Thank you
Brent Caines

We are the bows from which our children are sent forth as living arrows. If their flight through life is to be long and fulfilling, then let us turn away from participation in the deadly nuclear game. Let Canada say absolutely not, instead of maybe, to the American invitation to participate in star wars development.

* * *

WESTERN GRAIN STABILIZATION ACT

PAY-OUT ANNOUNCEMENT

Mr. Arnold Malone (Crowfoot): Mr. Speaker, on April 7 the Minister of State for the Canadian Wheat Board (Mr. Mayer) announced the largest pay-out in the history of the Western Grain Stabilization Fund. Prairie Canada was jubilant. The hard pressed agricultural economy was about to receive a respectable return from its own investment.

It was disappointing, however, that this announcement received barely a breath of comment from the major media. Those persons who sit above and behind you, Mr. Speaker, and whose duty it is to keep us pure, need to be informed and reminded of the importance of reporting on the world's most important industry, agriculture.

An Alberta observation is that the media are virtually never in the Legislature during an agricultural debate.

On the Continent of Africa, where malnutrition and starvation are rampant, not one Government gives even a moderate priority to agriculture. Sadly, it is a world fact that no national Government anywhere gives a top priority to agriculture. The peoples of the world have come to believe that agriculture lacks excitement. Yet every day 40,000 children under the age of five die of starvation.

The science and business of food production is an exciting and demanding challenge. Surely Doug Fisher could stand taller in the interest of agriculture. And I ask, rhetorically, of course, where is Mike Duffy when it comes to defending food? I tell those big reporters that there is a lot of the world that would like to "Eat Too, Brute".

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

LEVEL OF UNEMPLOYMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Last September 4, when the Prime Minister won the election, there were 1.385 million Canadians out of work. Seven months and

11 days later, there are 1.450 million Canadians out of work. Why are there more Canadians looking for a job now than on the day he won the election?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in excess of 100,000 new jobs have been created. There are new and strong indications of investment and recovery.

My hon. friend, having been a Minister of Finance, knows of some of the time it takes. We have put in place an energy agreement with Newfoundland—Labrador, as well as another important energy agreement with western Canada, that will throw off many employment opportunities. We have begun a new relationship of civility and co-operation with the provinces to launch new job creation projects.

I believe that the stage has been set for a rebirth of confidence and new job-creation possibilities that involve the entire country, and that will do honour to this Parliament throughout its life.

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[*Translation*]

EMPLOYMENT

SITUATION OF YOUNG UNEMPLOYED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Right Hon. Prime Minister has mentioned a number of programs that, although they were announced some time ago, have yet to be implemented. In September, the Prime Minister and his Government cancelled a special program called First Chance, a billion-dollar program that would have given 100,000 young Canadians an opportunity to acquire experience on the job. Today, 505,000 young Canadians under 25 are looking for work, far more than on election day.

My question to the Prime Minister is this: Is he going to stop making promises to Canadian youth and start doing something for young Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as the Leader of the Opposition is aware, in Regina the Minister of Employment and Immigration announced a job creation program of historic dimensions and of particular interest to Canadian youth, and I think we are already seeing the results of this program. I certainly agree that the unemployment rate is too high in Canada. It is too high today, it will certainly be too high tomorrow as it was too high a year and a half ago. It is a major problem for all governments and for all levels of government. I can give my honourable colleague the assurance that we are loyally and, I trust, honourably, all the Members of this House, working with all governments to wipe out unemployment. As I said before, I agree unemployment is too high, and we are going to make an effort unique in our history to bring unemployment down in Canada, because our young people truly need jobs.

[*English*]

REQUEST FOR CREATION OF JOBS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister will understand if I remind the House of his promise during the course of the summer and before, of jobs, jobs, jobs.

Mr. Deans: Tens of thousands.

Mr. Turner (Vancouver Quadra): Tens of thousands of jobs, overnight, once his Government took power. The Prime Minister has been in power for over seven months. Today he did not blame the past, as he is sometimes inclined to do, and I am glad to see that. However, would he give the House the assurance that he will start fulfilling those promises that he made to Canadians when he was in opposition and during the election campaign? Will he produce more jobs because that is the underlying reason for any economy in any country?

● (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Right Hon. Leader of the Opposition will readily acknowledge, as sustained by any subjective data, that indeed, as he indicated, there are tens and tens of thousands of new jobs that have been created since September 4. That is an absolute fact.

Mr. Deans: That has always been true.

Mr. Broadbent: That has been true since 1933.

Mr. Mulroney: There is the voice of 17 per cent.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: He was at 17 per cent in 1933, and he is still there today.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Deans: Pretty soon the unemployment will match our percentage.

Mr. Mulroney: We have been creating jobs. Interest rates have been declining. There is a strong rebirth of confidence in the private sector in job creation.

Mr. Broadbent: Where?

Mr. Mulroney: There are tremendous new possibilities emerging out of complex and, I think, very effective energy sector negotiations that took place. There are new prospects in Atlantic Canada. All of this is coming on stream in a new sense of harmony which a Budget will reinforce, and we believe that Canada can do infinitely better than the 1.6 million jobless which the Liberals left on snow banks. We can

do a lot better and we guarantee that we will improve. That is for sure.

Some Hon. Members: Hear, hear!

* * *

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is for the Prime Minister. In view of the fact that a consultative group on disarmament and an arms adviser to the Prime Minister's Government disagreed with his policy on star wars, and in view of the fact that in the universities of this land and in many places all across the country there is more and more opposition to star wars will the Prime Minister answer the following question? The Ambassador of Disarmament to the United Nations, an appointee of the Government, told 2,500 members of the Physicians for Social Responsibility in Toronto on Saturday that they should go out into the streets of Canada to show their opposition to the star wars madness. Will the Prime Minister tell us whether this is the new policy of the Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that was a rather liberal interpretation of what was said by the relevant Ambassador.

An Hon. Member: Is he still employed?

Mr. Clark (Yellowhead): The proposal that was made by the Ambassador on Disarmament was that Canadians should, as they had in the past, take advantage of those values which we are defending here, the values of freedom, to express their views, even when they disagree with the Government. That is a position and a value which this Government actively supports.

With regard to the consultative group, it is true that there was a report by the consultative group. It is true that that report does take issue with some of the positions of the Government. It is also true that when the hon. gentleman was Secretary of State for External Affairs he would not appoint a consultative group on arms control and disarmament because he was not interested in the opinions of anyone outside his Government.

[*Translation*]

UNITED STATES INVITATION—CONSULTATION WITH CANADIAN PEOPLE—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, since the Prime Minister does not want to answer that question, I will direct a supplementary to the Secretary of State for External Affairs.

We set up the Institute for International Peace, and we tabled a Bill in Parliament to which the Right Hon. Secretary of State for External Affairs objected, and today he is trying to use it and it is now one of this Government's initiatives. In any case, considering this Government's commitment to consulting Canadians and the fact that opposition to Star Wars is growing daily in this country, is this Government going to live up to its commitment to consulting Canadians and let the arbitrary 60-day deadline imposed by President Reagan on Star Wars pass, and ask Canadians for their opinion before involving this country in a policy that will be disastrous to world peace?

Right Hon. Joe Clark (Secretary of State for External Affairs): First of all, Mr. Speaker, as far as the Institute is concerned, I can inform the Hon. Member that the Institute was supported and, in fact, improved by Members of this Party, and today, the independence of the Institute is being actively supported by the present Government of Canada.

Regarding the invitation extended by the United States, I would like to point out that it is being considered. As far as consulting the Canadian public is concerned, the Canadian people were consulted on September 4 of last year.

* * *

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR REDUCTION TARGET

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. The Prime Minister, of course, has an abiding concern with the truth, and he will know the reality is that the rate of job creation for the last six months is lower than for the previous six months, and that unemployment has increased in three of the last four months when figures were produced.

Since the Parliament of Canada in the past has set targets for reducing the rate of inflation that ultimately became effective, will the Government commit itself to the same kind of target principle when it comes to unemployment, and will the Prime Minister commit his Government to bring down unemployment, say by a minimum of 2.5 per cent, during the next 12 months?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I suppose if the Hon. Member had a formula, or the Leader of the Opposition, or anyone else, that he could give me, whereby we can bring down unemployment by 2.5 per cent in the next month or two, I would grab it and say thank you, and I know the country would too.

In point of fact what we are trying to do, and I think with some success, is to lower interest rates, to get government spending under control, and to create a climate favourable for investment for job creation. There have been indications of lower interest rates, greater foreign investment, and national investment. There have been instruments of growth and economic prosperity in place in western Canada, for example, which in job creation will be of remarkable proportions, and in

eastern Canada and elsewhere. I think with all of this coming together, with a genuine desire by the Government of Canada to create a climate that rewards risk and entrepreneurship, that the small business sector, the people who take the risks who create the jobs, the farmers, the fishermen, the small businessmen, will get a break, and in getting a break they will create jobs for Canadians.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the Prime Minister asked for suggestions. We have given him many from this side of the House. I remind him that it was in the election campaign in the summer of 1984 that he promised the people of Canada he would produce tens of thousands of jobs overnight. We want to see where those jobs are.

TAX REDUCTION PROPOSAL

Hon. Edward Broadbent (Oshawa): I have a supplementary question for the Prime Minister, Mr. Speaker. Considering the Cabinet that he happens to lead has been remarkably bereft of positive ideas about job creation, at least one of his backbenchers in the last week or so, the Member for York East, has joined with others in making a positive suggestion about stimulating the economy and, therefore, the creation of more jobs, by giving Canadians a tax break. There is something positive and constructive. Will the Prime Minister assure the House that he will act on this constructive idea when the Budget is brought down next month?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in the absence of any constructive suggestion from the Leader of the New Democratic Party, I acknowledge that we have been getting tremendous ideas from a tremendous caucus, not only from the Member for York East, whom I salute, but from all of the other Members of the Conservative caucus who have contributed some magnificent ideas which are being considered by the Minister of Finance.

Some Hon. Members: Hear, hear!

Mr. Mulroney: With regard to the New Democratic Party, that Party sent a task force across the country. The NDP copied the Minister of Employment and Immigration's ideas. The New Democrats announced their new policy after the Minister of Employment and Immigration had brought in the greatest program of job creation heard in this country in decades.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I see, Mr. Speaker, that the Easter break has not changed the theatre. I shall try the Minister of Finance to see if we can get some commitment to action from him.

BUDGET INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, let me now put a question to the Minister of Finance. The only action which the Government has taken so far is to announce a number of cut-backs in a whole variety of programs which have led to the reduction of jobs, just as it did in Great Britain, West Germany, British Columbia, and a lot of other places that took the same approach. Will the Minister of Finance assure us and, more important, the people of Canada, that when he brings in his Budget the old cut-back approach will be abandoned and that he will bring in some stimulative measures which will create more jobs and give Canadians some good reason to be optimistic about their future?

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am amused that the Hon. Member should take this approach. I believe it was the Hon. Member for Essex—Windsor who was expressing a great deal of concern about the level of the federal government deficit, and now his Leader is ambivalent and does not know which way he should be going. I suggest that he wait until the week of May 20 when we will be bringing down a Budget which will give a clear signal to the people of Canada that there is a new environment, an environment wherein small-businessmen, people who have demonstrated a clear ability to create jobs, will be given the opportunity to do just that and solve our unemployment problems.

* * *

AGRICULTURE

SUGAR-BEET INDUSTRY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. It is on the same topic of how we go about creating jobs and also preserving them. As he probably knows, within a matter of days the major sugar beet industry in Alberta, Manitoba, and Quebec will be put out of business because of lack of action by the Government. The Minister of State for the Canadian Wheat Board has failed to obtain any form of agreement from Cabinet on remedial measures to deal with a problem which will put some 1,500 growers into the ground and result in the loss of some 600 to 800 production jobs.

Will the Prime Minister, as he has sometimes in the past, particularly in the Domtar case, personally intervene to ensure that Cabinet this week will deal with the sugar-beet problem and provide direct assistance to the growers so that they will not be put out of business?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, that is precisely what the Government is doing. We are coming to a decision as quickly as we can. There are sugar-beet growers in town this week; many of them are in the gallery. It was 75 degrees yesterday in southern Manitoba. The planting season is upon us in southern Alberta, and they are very quick to plant in Quebec. We know all that.

The reason we are in this mess is the previous Government, of which that Member was a part, did absolutely nothing about it. We are not doing that. We are accepting our responsibility, and are intending to do something about it.

REQUEST FOR ASSISTANCE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Minister can no longer get away with that kind of excuse. The sugar-beet growers who are in town today expected action two months ago from the Government and did not get it. Will there be action this week? Will it be positive action? Will the Government provide direct, immediate assistance to sugar-beet growers before they go out of business because of government inaction?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member referred to an excuse. If there ever was anyone to ask for an excuse on behalf of agriculture, it is that Member. He has been in the House since last November, and this is the second time he has asked a question on agriculture.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Just take some action on it.

Mr. Mayer: We will have a decision this week and we hope that it will be favourable—

Some Hon. Members: Hope!

Mr. Mayer: —because we are interested in agriculture. When that Member was responsible for the Canadian Wheat Board, he did not even know enough to sign papers to get the cash advances out, so western farmers had to wait an extra month. Let's not talk about action; we'll get some.

TIMING OF ANNOUNCEMENT

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the same Minister. On March 11 the Minister of Agriculture, in reply to a question of mine concerning the future of the sugar-beet industry in Manitoba, Alberta, and Quebec, replied that he hoped to have an announcement to make within the next week. The Minister, speaking for the Government today, said perhaps this week. What happened to the last three weeks when the Minister promised that there would be a clear-cut policy from the Government? What will the policy be? Instead of just hopes, could we have a guarantee of what the announcement will be, and when?

An Hon. Member: Sweeten it up, Charlie.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, for the first time the federal Government is taking the sugar-beet industry seriously.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mayer: I know as well as anyone that ideally we would have liked to have a decision sooner. We know that. That is why the growers are here today. However, the point is that we are still in the process of deciding, and we will have a decision this week.

GOVERNMENT POSITION

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, since the process of deciding is still ongoing, and since the Minister of Agriculture indicated that he would have a decision within a week, more than four weeks ago, could the Minister tell us what are the problems? What is holding up the decision? What new information has made the promise of the Minister of Agriculture non-existent?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, again, for the first time we are looking at the prospects of developing a long-range sugar policy. One certainly does not do those kinds of things overnight, as I quickly found out. If the Hon. Member looked into it, he would find that out as well. I went into it with every intention of having something done as quickly as we possibly could, certainly sooner than this. Ideally we would have liked an answer sooner than this, but the point is that we are looking at a long-range policy and those kinds of things are not developed overnight.

As I said, we must have a decision this week because the season for planting sugar-beets is upon us. If we do not plant sugar-beets this year, we will lose a very important industry.

* * *

APARTHEID

SOUTH AFRICA—REQUEST FOR ECONOMIC SANCTIONS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Considering the serious escalation in South Africa—every day we have more reports of killings, riots, and human rights violations, a very real threat to peace internationally—is the Government now ready to re-examine its policy, to implement economic sanctions against South Africa, and to implement a mandatory program with respect to Canadians doing business in South Africa, all this to help in the battle against apartheid and to bring justice to the black African citizens of South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I have reported on previous occasions in the House, indeed the Government is undertaking a very thorough review of the appropriate Canadian policy toward South Africa. That review is under way now. Its purpose is to do everything effective that we can to reduce the sin and crime of apartheid.

Oral Questions

REQUEST FOR IMMEDIATE ACTION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, we appreciate the review which is going on. However, considering the growing escalation in South Africa, would the Minister not agree that something should be done immediately with respect to this matter? So that we could have the support of the entire House, would he do this review in consultation with the opposition Parties? Then Parliament could speak with one voice against this horrible crime against humanity.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think all Hon. Members of the House would agree that what we most need is to take action that would be effective, and that that means a co-ordination of action with other countries. That is one of the factors which has to be considered by the Government of Canada and by the Parliament of Canada.

With regard to the question of consultation, I would be pleased to engage in consultation either with official spokesmen of the two other Parties in the House or with persons they might designate, with an eye to seeing whether there might be unanimous agreement in the House of Commons on any statement, or position which might be taken.

* * *

INDUSTRY

WHITE FARM EQUIPMENT COMPANY

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. In view of the attempt being made to save some 600 jobs at White Farm Equipment in Brantford, Ontario, would the Minister meet with the company president, Mr. William Sinclair, as soon as possible?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member for Brant, that meeting has been scheduled for midweek.

FINANCIAL GUARANTEE PROPOSAL

Mr. Derek Blackburn (Brant): Mr. Speaker, the provincial Minister for Youth, who is also the provincial Member for Brantford accused the federal Government by asking: "Where was the action in Ottawa which might have helped us pull something off?" Would the Minister assure the House that he would at least look into the possibility of extending financial guarantees to the company during its troubled period?

• (1440)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, I know that he must be aware of the fact that the Hon. Member for Cambridge brought this to our attention. We have, through our officials, met with Mr. Sinclair. We heard his approximately $50 million refinancing plan and where he felt the Government could be of some help. We have been in touch with the provincial authorities. In short, we have it in hand. We will be meeting with Mr. Sinclair in midweek, but we have nothing further to confirm or otherwise at the present time.

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CANADIAN ARMED FORCES

TRANSFER OF EDMONTON BASE COMMANDER

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is for the Minister of National Defence. Will the Minister indicate why the Department of National Defence has transferred Commanding Officer Colonel de Tracey to an Ottawa desk job, even though the results of the inquiry into the crash of the two C-130 Hercules at Canadian Forces Base Edmonton have not yet been released? Will the Minister also give the assurance that this outstanding individual will be allowed to continue in advancement in the Armed Forces?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, base commander Colonel de Tracey is being transferred to responsibilities here in Ottawa for which there was an outstanding vacancy and which, I am sure, he will fill in an outstanding way. With respect to the accident itself, if the inquiry is complete, it is not yet in my hands, but I can assure the Hon. Member that the posting for Colonel de Tracey was intended as a matter of course, notwithstanding the events that took place.

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ENVIRONMENTAL AFFAIRS

TRANSPORTATION OF DANGEROUS CHEMICALS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I draw the attention of the Minister of the Environment to the scary experience of people in northern Ontario, and, for that matter, all people along the route from Montreal to Edmonton, following the spill which occurred over the weekend on the Trans-Canada Highway. Considering the danger that PCBs pose to human health as well as to the environment, I would like to ask the Minister what action she intends to take in order to prevent this occurrence from happening again.

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): In my opinion, Mr. Speaker, it is difficult to predict all hazardous situations that may occur, such as the spilling of PCBs, among others. Although this incident falls under provincial responsibility, I immediately got in touch with my colleague Minister Kells who gave me the following information. If Hon. Members are interested in knowing what immedi-

ate steps he took . . . if you are not interested I can simply not say anything more.

[*English*]

MINISTER'S POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, obviously the Minister does not realize that the trailer was travelling from Quebec all the way to Alberta and, therefore, there is a responsibility which goes well beyond the responsibility of one single provincial Minister of the Environment. What action, if any, does the Minister intend to take? Is she going to take any more interest in this matter of toxic substances than in acid rain? She failed to attend an international, high level meeting last weekend in Quebec City. Neither she nor the envoy on acid rain took the trouble to attend. What action is she going to take with regard to toxic substances?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I will reply to both questions, including the one which was an accusation. I could not possibly attend the Quebec City meeting on acid rain since I was in Sweden to meet with my counterparts and getting information on the way they protect their environment.

As to the measures taken, it is a matter of co-operation between the federal Government and the province, and as a former Minister, the Hon. Member knows very well that the first steps must be taken by the province. The provincial Department has kept me informed about what has been done so far, and today I was in touch with the office of Minister Kells.

* * *

[*English*]

INDUSTRY

PORT CARTIER PULP AND PAPER MILL

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion. I believe the Minister knows that a report came out last week that strongly stressed the need to expand our economy to get people back to work through community initiatives, and to get greater corporate accountability in our country. I want to ask the Minister about a specific case which demonstrates vividly the problems that come up when corporate accountability is not there. What is the Minister prepared to do about the case of ITT Rayonier in Port Cartier which, despite the strong claims from that community, is dismantling the pulp and paper mill within that community? Would he intervene personally and see to it that a different direction is taken which meets the needs of that community?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, that case is of course being reviewed by our Department, but at this time we have no statement to make.

SINGLE INDUSTRY COMMUNITIES—DIVERSIFICATION FUND RECOMMENDATION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, no statement, when 2,000 jobs and $130 million worth of Canadian Government or federal-provincial investment are involved in a project, is surely inexcusable. Does the Minister not believe that this case demonstrates clearly one of the points we made in our action group this past week that single industry communities need a diversification fund to give them a chance to develop other kinds of industrial activities so that they are not so dependent upon a single industry?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, inasmuch as the question relates to my constituency—

[*Translation*]

—I can tell the Hon. Member that I worked earnestly with a group of private investors to attract . . . Yes, but what can you expect! I see Hon. Members of the Liberal Party are smiling. It was under the Liberal Government that the Port Cartier mill went under, the Liberals were in office when that happened. They find that funny. The people of Quebec will see that the Liberals find that funny today. Well, I certainly do not find that funny, nor does the NDP Member, and I thank him for his assistance. I went to my riding last week and told the people: either we attract private investors who were turned down when the Liberals were in office, or we will put federal facilities in the city of Port Cartier to make sure that Port Cartier and the riding of Manicouagan pull through.

* * *

[*English*]

REFUGEES

COMPOSITION OF REFUGEE ADVISORY COMMITTEE

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Last week all Canadians were saddened to learn that one of the country's most outstanding citizens, the former Chairman of the Royal Commission on the Status of Women, Florence Bird, had been denied re-appointment on the refugee advisory committee in a "Dear Flo" letter that she received from the Minister. Can the Minister tell this House what possible reason she had to refuse this reappointment, recognizing the proven skills, competence, and experience of the individual in question?

Some Hon. Members: Hear, hear!

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can assure the Hon. Member that the communication that was sent to Mrs. Bird indeed conveyed my deepest regard for the contribution that she has

made over many years to this country. I can also tell the Hon. Member that no one recognizes the emerging new areas of refugee concern in this country better than Mrs. Bird and what has happened in response to those changes. There are many new fields of expertise that are developing. It is important that we draw on these new fields of expertise from across the country. I would say that, in conjunction and in consultation with the refugee communities of this country, we will be able to do so.

MINISTER'S POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, will the Minister now come clear with this House and tell us whether or not she is merely apologizing for the Prime Minister, who is obviously attempting to replace competence with another Tory hack?

● (1450)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I gather that the Hon. Member is not very well informed about the committee. It is a Ministerial Advisory Committee. I would like to assure the Hon. Member that the persons who will be appointed to this committee are persons who have humanitarian concerns at heart, who are dealing with refugee problems; people who know the situation, not only in this country but in other countries around the world where we must address the refugee question in deeper terms than it was addressed by the past Governments.

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CANADIAN ARMED FORCES

TRANSFER OF EDMONTON BASE COMMANDER

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is directed to the Minister of National Defence end is supplementary to the question put by my colleague, the Hon. Member for Pembina. The posting of Colonel De Tracey to a dead and desk job in Ottawa was, as the Minister said, a matter of course notwithstanding the crash event that preceded his posting. Colonel De Tracey was scheduled to attend the National Defence College in Ottawa in preparation for promotion. Will the Minister guarantee that Colonel De Tracey will be allowed to attend the National Defence College, or will the upper echelon of DND in Ottawa be allowed to tie a can to this very highly regarded career officer of the Armed Forces?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sure the Hon. Member will appreciate that with the 83,000 service personnel that comprise the Canadian Armed Forces, there is a routine of postings from time to time which take officers and men to different parts of the country for different jobs, and indeed to international postings. In this case Colonel De Tracey was due for posting. He is now going to be occupying a position in the Department relating to the Director of the Establishment of Requirements, a significant posting for him. If I took the Hon. Member's question correctly, this should not be regarded as casting the kind of inference that was suggested. He is going to an important posting with an important responsibility. With respect to the staff college, I have not seen the recent list of attendees at the staff college, but I will make inquiries in that respect.

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FINANCIAL INSTITUTIONS

DISCUSSION PAPER CONTENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance who referred earlier to the creation of a new environment. In that same spirit, today he and the Government released a discussion paper on financial institutions which, by and large, does nothing less than create a financial in-breeding system between the financial and commercial institutions. Considering that the proposed discussion paper will now allow a single individual to own a bank in Canada, will the Minister explain how the creation of a "Rosenberg Bank of Canada" will actually help Canadian consumers and borrowers?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the paper that my colleague, the Minister of State for Finance, tabled today is very clear in its attempts to introduce a new degree of competition into the financial system. It also takes very much into account the importance of the protection of the depositor and in that regard has recommended some very clear and tough conflict-of-interest and self-dealing rules, as well as an increase in the degree of regulation that the financial community would have.

INDIVIDUAL OWNERSHIP OF BANKS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I will return to the same question. I would like the Minister of Finance to explain, in terms of providing services to Canadians, how legislation flowing from this discussion paper, which would enable a single individual to be the sole owner of a Canadian bank, will assist the Canadian financial system by providing more competition and a higher level of safe service to the borrower?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure the Hon. Member has not had a chance to read the paper through. If he does, he will see that there are some very, very tough conflict-of-interest rules, or self-dealing rules, that will not allow people to take advantage of ownership positions when dealing with the use of the depositor's funds. That, in connection with the tougher and more comprehensive regulatory environment that will be introduced as well, will protect the depositor from the abuses to which the Hon. Member has alluded.

[*Translation*]

AIR CANADA

BILINGUALISM PRINCIPLES—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of State for Transport, who, in speaking to the Association des gens de l'air, apparently promised to keep the pilot training centre in Montreal and also ensure that Air Canada personnel would always reflect Canada's linguistic reality. Mr. Speaker, my question is as follows: Has the Minister given Air Canada specific instructions, in writing? If so, does he intend to table them in the House? If the answer is no, how does the Minister intend to make sure that his promise materializes?

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, Saturday evening we announced in Quebec City that we expected Air Canada to act in accordance with the principles that apply with respect to bilingualism within the corporation in terms of reflecting the percentage of Francophones in this country. We have also asked the corporation to take the principle of bilingualism into account in training pilots and personnel at the Montreal centre. To date we have given no instructions, and it is not up to us to give Air Canada written instructions in this respect. I believe the corporation has taken note of the comments and observations of the Department of Transport. Eventually, we intend to take steps that will prove to be at least as useful as those taken by the former government to apply the same kind of policy.

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AIR TRANSPORT

QUEBEC—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, the Minister of State for Transport is supposed to have a special mandate for dealing with issues that concern Quebec. I would like to know what he has done and exactly what he intends to do to ensure that Montreal becomes once again a major centre for international transportation.

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, first of all, I would like to point out to the Hon. Member that I have no specific mandate for Quebec issues. The Minister of Transport and myself share the various issues that concern the Department.

As for the Hon. Member's question, it is not up to the Government of Canada to determine whether Montreal or Toronto or any other city should be what he refers to as the major transportation centre. The present focus of Canada's economy has put the majority of the corporation's operations in Toronto, and it is with this in mind that the corporation is managing its operations. Should the economic situation change, the company's policy will change with it. However, I would like to repeat that it is not up to the Government of Canada to determine whether Montreal, or Toronto, for that matter, should be the transportation capital.

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[*English*]

AGRICULTURE

SUGAR-BEET INDUSTRY—GOVERNMENT DECISION

Mr. Blaine A. Thacker (Lethbridge): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board. As the Minister knows, there are over 1,500 sugar beet growers in the country, and for the first time in over 15 years producers from Quebec, Manitoba, and Alberta are working together, in contrast to what happened under the previous Government which used to split those growers apart.

Mr. Speaker: Order. Is there a question?

Mr. Thacker: Will the Minister assure those growers that the Cabinet will take a decision this week?

Some Hon. Members: Oh, oh!

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we have the answer. We have had questions from all sides of the House. This morning I had a chance to meet with the representatives and I realized that since growers, Members of provincial Legislatures, and members of Chambers of Commerce are involved, this sector represents a broad spectrum of the economy. There are people representing labour who are interested as well. I would like to assure the Hon. Member that we will take everyone's point of view into account when we arrive at a decision, and we will do it as quickly as we possibly can.

* * *

• (1500)

MULTICULTURALISM

FUNDING OF ORGANIZATIONS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism. The Intercultural Communications Program is recognized by his Department as providing support for multicultural organizations that undertake activities which are designed to increase intercultural understanding, especially in the smaller cities of Canada.

Funding in the Ontario region has been tight for some time, but officials of the Department have assured organizations that the level would not be cut back this year. However, suddenly, in the last several days it seems clear that there has been a reduction. During this week when the Constitution's equality provisions are coming into effect, will the Minister

explain the reason for this sudden change in plans and the reduction in funding for multicultural organizations?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, the reduction in funding, in terms of the Department of Multiculturalism, is in line with the over-all reductions which have been taken by all government Departments. I can assure the Hon. Member that there will be no reductions which will directly affect any of the work to which he has alluded in his question. I do not anticipate that, and my Department does not anticipate that, because that type of work, especially as we move into a whole new area in terms of the Charter and the questions relating to it, is far too important to the country to have any major reduction.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Wednesday, April 3, meet the requirements of the Standing Orders as to form.

OFFICE OF GOVERNOR GENERAL

Mr. Speaker: The petition presented by the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) does not meet the requirements of the Standing Orders as to form.

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PRIVILEGE

PUBLICATION OF PARLIAMENTARY COMMITTEE REPORT PRIOR TO PRESENTATION IN HOUSE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, Members will recall that on April 3 I rose in my place and indicated that it was my intention, at the first sitting of the House after the Easter break, to raise a question of privilege related to the publication by *The Toronto Star* and *The Citizen* of Ottawa of the second report of the Standing Committee on Labour, Employment and Immigration prior to the presentation of the report in the House of Commons.

With respect to the question of privilege, we must establish in this Chamber that a prima facie case of privilege does exist and that the subject matter should therefore be referred to the Standing Committee on Privileges and Elections.

I would like to present to the Table, and for your information, Mr. Speaker, copies of the two articles. One was written by Joe O'Donnell of *The Toronto Star* and was published on April 1, 1985, prior to three o'clock of that day when the standing committee report was presented to the House of Commons. The other article was written by Jim Robb of *The Citizen* of Ottawa and was published on Monday, April 1, prior to the presentation in the House of the committee report at three o'clock. I would like to make these articles available to the Table Officers because I would like to quote from them later on, and, Mr. Speaker, you may wish to have the Table Officers read them.

I would like to refer to two or three references—

Some Hon. Members: Order.

Mr. Speaker: I can hear the objection. In fact, the Hon. Member has the capacity to submit those matters to myself as part of the submission. However, he does not have the capacity to have them tabled. I appreciate the distinction which is being raised by Members opposite, and that distinction will be honoured.

Mr. Hawkes: Mr. Speaker, I would like to draw to your attention Citation 606 of Beauchesne's at page 196. The citation comes from Chapter 15 of Beauchesne's which deals with standing, special and joint committees, and reads as follows:

(1) Disobedience to the orders of a committee, provided those orders are within the scope of the committee's authority, is a contempt of the House by which the committee was appointed.

I would like to turn to page 199 of Beauchesne's, Citation 628, which refers to *in camera* sittings of committees. It reads as follows:

(1) A committee, having the right to exclude strangers at any time, it may be inferred, has the right to sit in private and have its proceedings protected by privilege. The publication of its proceedings in that case would be an offence which the House could deal with upon receiving a report from the committee.

I would like to remind you, Mr. Speaker, that the committee did, indeed, submit its report. The citation continues:

(2) The purpose of in camera sittings is to allow Members to feel free to negotiate, discuss, deliberate and, sometimes, compromise without the glare of publicity, which might add to the difficulties of agreeing to reports when it is desirable that these proceedings be treated in confidence. The final decision of whether to sit in camera, however, rests with the Members themselves.

In other words, the members of any given committee of the House have the power to order themselves to sit *in camera* or to sit in public. They have been given that power by the whole House in the belief that it is a necessary power to the proper performance of their public responsibility.

I would like to refer to Citation 647 of Beauchesne's, which is found on page 203. The citation reads:

(1) No act done at any committee should be divulged before it has been reported to the House. Upon this principle the House of Commons of the United Kingdom, on April 21, 1937, resolved "That the evidence taken by any select committee of this House and the documents presented to such committee and which have not been reported to the House, ought not to be published by any member of such committee or by any other person". The publication of proceedings of committees conducted with closed doors or of reports of committees before they are available to Members, will, however, constitute a breach of privilege. May, p. 146.

There is a subsequent paragraph which refers to the Canadian situation. I believe that I must quote from it as I believe that the current situation deviates from that and it is important to point that out. It reads as follows:

(2) In Canada, when a question of privilege was raised concerning the publication of a committee report before it was presented to the House, the Speaker ruled that the matter could not be resolved as in the British practice

because the motion appeared to attack the press for publishing the confidential document but did not attack Members of the House for their attitude in respect of their own confidential documents, and in missing this point, it missed something most important with respect to the privileges of the House.

That precedent was established on June 23, 1977, but it is not the only precedent. I was able to discover two other precedents. All three cases dealt with draft reports which were under consideration by standing committees or special committees of the House of Commons. The difference, I would suggest to you, Mr. Speaker, is that we are dealing with a committee report in its final form, which was published by the two newspapers in question prior to its presentation in the House of Commons. Indeed, that report is currently before the House of Commons and is, therefore, out of the hands of the committee and in the hands of the total House.

There is a well known and well established understanding among Members of the House of Commons, and I believe the understanding extends to the press, that reports are to be treated as confidential prior to their presentation in the House. If there is any doubt about that, Beauchesne's makes it clear. That is the general case.

The specific case of this particular standing committee, and the way in which it approached its task, I believe has to be identified for all Members. Indeed, this may be the first committee of the House of Commons that has utilized the new rules in terms of deciding what it wished to investigate and the way in which it wished to investigate. The committee went through the investigation procedure and actually made a report to the House, which brings us to the last step, which requires the Government to respond within 120 days. If it is not the first, it is certainly one of the first to take advantage of the new power.

The committee wrestled in the beginning with a lot of issues about how best to do it.

Mr. Speaker: The Hon. Member, I suspect, is now entering into what is very clearly becoming the argument which he wishes to put on the floor should the matter be found to be a prima facie case. I suggest that the Hon. Member has probably by now put forward the precedents he wishes the Chair to consider. The Chair is prepared to hear any further precedents on that matter, but I believe the Hon. Member knows that he should restrict himself to arguments with regard to the prima facie case and not make a speech about the importance of the matter should the matter be placed before the House for debate.

● (1510)

Mr. Hawkes: Mr. Speaker, I may indeed be straying—I had hoped I was not—but in the minutes of the committee, which are before the House, the Speaker will find a deliberate set of orders, if you like, ways in which the committee ordered itself to behave. That includes a series of *in camera* meetings to deal with the subject matter of the report, and an *in camera* meeting to decide to make the report to the House of Commons. Therefore, the committee has ordered the confidentiality. I think that is perhaps an important point to make in terms of establishing—

Mr. Speaker: I repeat my comments: does the Hon. Member have anything further to say with regard to a prima facie case as opposed to the case he wishes to make should a prima facie case be found? Otherwise, I would have to suggest that the Hon. Member has finished.

Mr. Hawkes: Thank you very much for your advice, Mr. Speaker. Can I draw to your attention the two newspaper articles which I have presented to you and quote from the second paragraph of each of these quite different articles? *The Toronto Star* states, "In a report to be presented today in the House of Commons and obtained by the *Star* yesterday". In *The Citizen*, the second paragraph of the article states, "To be tabled in the Commons today". That particular wording, I suggest to you, Mr. Speaker, tells all readers and tells Hon. Members of the House that the newspapers in question, the reporters and their editors, did indeed know that the report had not yet been presented to the House. Therefore, they did a deliberate act in terms of publishing it and, in committing that deliberate act, they showed contempt for this Chamber and contempt for the privileges of Hon. Members.

Mr. Speaker: With great respect, the Hon. Member is still making the speech he wishes to make should the matter be ruled appropriate for debate. Does the Hon. Member have any further matters with regard to—well, I take it the Hon. Member does not.

Hon. Herb Gray (Windsor West): Mr. Speaker, the Hon. Member, in attempting to prove a prima facie case of breach of privilege, has made reference to a number of sections of Beauchesne. He first quoted Citation 606 which reads as follows:

Disobedience to the orders of a committee, provided those orders are within the scope of the committee's authority, is a contempt of the House by which the committee was appointed.

However, I submit he did not bring before the House specifically, first, what orders were formally and properly adopted by the committee, second, how they were breached and, third, exactly by whom they were breached. The Hon. Member went on to refer to Citation 628 of Beauchesne's Fifth Edition, which reads as follows:

A committee, having the right to exclude strangers at any time, it may be inferred, has the right to sit in private and have its proceedings protected by privilege. The publication of its proceedings in that case would be an offence which the House could deal with upon receiving a report from the committee.

I submit, Mr. Speaker, that the report referred to in this citation is a report that any of its proceedings were improperly disclosed prior to the proceedings being tabled in the House. Ordinarily, the House deals with matters in committee on receipt of a report from that committee about them. This citation does not deal with the submission of a report by a committee on the substance of its deliberations but rather a report about what the committee feels has been a breach of its orders or of its proper rules of good conduct. Therefore, I

submit that the precedent in Citation 628, strictly speaking, does not apply to the circumstances in question.

The Hon. Member went on to quote at length from Citation 647 of Beauchesne's Fifth Edition, which reads in part as follows:

> No act done at any committee should be divulged before it has been reported to the House.

Then the Hon. Member went on to quote what the citation says about a resolution of the House of Commons of the United Kingdom on April 21, 1937. I submit, Mr. Speaker, that a closer reading of the current edition of *May's Parliamentary Practice*—because the citation read by my hon. friend is based on a quotation from May's—will show that this resolution has been superseded by an amendment of the Standing Orders of the United Kingdom House of Commons which allows a greater latitude in disclosing in a number of ways proceedings and reports of committees before they are fully disclosed to the House of Commons. Therefore, I respectfully submit, Mr. Speaker, that the citation in question, Citation 647, based as it is on a reference to May's at page 146, which in turn quotes a resolution of the United Kingdom House of Commons on April 21, 1937, has been superseded by a later and more up to date change in the Standing Orders of the United Kingdom as put forward in the more up to date edition of May's and, therefore, does not apply.

Finally, Mr. Speaker, I want to say that ordinarily an Hon. Member, in seeking to establish a prima facie case of privilege, has to indicate his or her willingness to submit a motion in the proper form calling for the matter in question to be referred to the Standing Committee on Elections and Privileges, or for some other appropriate action to be taken. All the Hon. Member has done so far is to present to the House a number of interesting citations which, I respectfully submit, I have distinguished and shown not to apply. Therefore, Mr. Speaker, in the absence of any clear indication by the Hon. Member that, if you find a prima facie case of privilege, the Hon. Member will submit a motion in the proper form which clearly defines the nature of the breach of privilege, by whom the breach was made and when and what action he proposes should be taken; the Hon. Member, for this and all the reasons I have given, has not made a case for a prima facie finding of a breach of privilege. Therefore, the matter should not be accepted as a prima facie case of privilege, contrary to the submission of the Hon. Member.

Mr. Hawkes: Mr. Speaker, just to make one point of clarification, I have a written motion which I believe to be in appropriate form and I will be quite pleased to move it if you find, Mr. Speaker, that a prima facie case does exist.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have some sympathy for the position being put forward by the Hon. Member. I can well understand why he would want to have the confidentiality of the report maintained until such time as the House of Commons received it. I can understand as well that Hon. Members of the House might feel aggrieved that the report, or certain contents thereof, were divulged through a press statement in advance of the House itself having received the document. However, having said that, I am a little concerned that we are going on a wild goose chase or witch hunt which, in fact, may well be the case. Citation 647(2) of Beauchesne's Fifth Edition states:

> In Canada, when a question of privilege was raised concerning the publication of a committee report before it was presented to the House, the Speaker ruled that the matter could not be resolved as in the British practice because the motion appeared to attack the press for publishing the confidential document but did not attack Members of the House for their attitude in respect of their own confidential documents,—

It goes on to say that that in fact, therefore, probably did not constitute a breach of privilege. I want to suggest, Mr. Speaker, that there is a risk to be taken by the press in publishing information—

Mr. Speaker: With great respect, could the Hon. Member please bring himself to the prima facie question of privilege, not to the argument he may want to make should the House be debating the matter?

Mr. Deans: Mr. Speaker, I thought in fact I was addressing whether or not there was a prima facie case. The case to be made has to fall within the context of the practice of the House of Commons and the practice of the House of Commons, as defined by Citation 647(2) of *Beauchesne's* Fifth Edition would appear to speak directly to the matter raised by the Hon. Member inasmuch as what the Hon. Member is suggesting is that the press is out of line in publishing information given to it in advance of the report being tabled in the House of Commons. That matter has been dealt with previously and, as I understand the ruling, the suggestion that it was out of order, although gaining sympathy, was not upheld.

● (1520)

Mr. Speaker: As Members would expect, I take seriously the arguments which have been made. I am particularly grateful to Members on all sides who have chosen to present their arguments by way of citations and references which will be helpful. Since it is significant and since there have been different rulings on matters of this type in the Canadian practice, it would only be appropriate for me to reserve judgment, study the matter and come back to the House.

I have two further questions of privilege, or is the Hon. Member rising on a point of order?

Mr. McDermid: On a point of order, Mr. Speaker.

Mr. Speaker: Then I have one remaining question of privilege, which I must hear because it is put to me that way, and then I will come to points of order.

This question of privilege apparently arises out of Question Period.

MR. RIIS—ALLEGED IMPROPER REMARK OF MR. THACKER

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, during Question Period I referred to a trust company which

had been owned by Mr. Rosenberg, and suggested that now an individual is able singly to own a trust company. As a result of the report made public by the Government today, and if the report were to result in legislation, it would allow that same individual to be the sole owner of a chartered bank of Canada. I called that into question and referred to it as the Rosenberg bank because that was the individual who had some difficulties as head of a trust company in the Province of Ontario some months back. I could have referred to the Thacker bank or given it just about any other name. However, the Hon. Member for Lethbridge-Foothills (Mr. Thacker) called out during Question Period that I was making a racist comment. The point, I suppose, was my referring to an individual, and if that is a racist comment, then I suppose we cannot refer to any individual. However, Mr. Rosenberg was chosen for that reason; it could just as easily have been, as I say, the Thacker bank of Canada or the Smith bank of Canada.

Mr. Speaker: We have a difficulty. That is not a question of privilege. The Member is raising a point of order with regard to the use of proper language.

Mr. Thacker: Mr. Speaker, I did not realize that the *Hansard* reporter would have picked it up, but to the extent the Hon. Member has explained the point he raised, and I know him personally, and he has no intention of making those types of comments, then if it is on the *Hansard* record I would withdraw it unconditionally.

Mr. Speaker: I take it that will deal with the matter. On a point of order, the Hon. Member for Brampton-Georgetown (Mr. McDermid).

* * *

POINT OF ORDER

MR. McDERMID—ALLEGED PARLIAMENTARY COMMENT OF MR. WADDELL

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I found out that I gave you incorrectly notice of a question of privilege when it is a point of order. In the debate on Wednesday, April 3, 1985, as we were concluding the sitting for the day, the Hon. Member for Vancouver-Kingsway (Mr. Waddell) said, and I quote:

> Mr. Speaker, the Hon. Member for Brampton-Georgetown (Mr. McDermid) is deservedly acquiring a reputation for being one of the thickest and dumbest Members of the House of Commons.

Some Hon. Members: Oh, oh!

Mr. McDermid: I know opposition Members will applaud that. Although I have been called a lot worse by a lot better, I am asking that the Hon. Member for Vancouver-Kingsway withdraw those remarks as they are unparliamentary.

Mr. Speaker: The Hon. Member for Brampton-Georgetown gave me notice of his intention to raise this matter which he thought in the beginning was a question of privilege. He is complaining that certain language used by the Hon. Member for Vancouver-Kingsway was unparliamentary. The language in question was used on Wednesday, April 3, 1985, the last sitting day prior to the Easter recess. The Hon. Member for Brampton-Georgetown was in the House at the time. In the view of the Chair, the point of order should have been raised at the time the language complained of was used. The Chair is of the opinion that complaints of unparliamentary language or alleged unparliamentary language should not be pursued unless they are raised at the time the offending words are used. If I may take one moment to explain the reason for that, it is because it is only at the time the disorder results, which is why it is called a point of order, that the question of whether disorder has been created can be determined. I refer specifically to the point of order just raised by the Hon. Member for Kamloops-Shuswap (Mr. Riis).

However, I should like to add in general terms that the Chair deplores the use of the kind of language complained of. Hon. Members should observe the normal courtesies in the course of debate. Offensive language, whether or not it is particularly unparliamentary, should always be avoided in the interests of good taste and the preservation of the dignity of our proceedings.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise to indicate that we are making progress today. I had understood that Bill C-19 might take some time. I had an indication from the NDP it was going to take a long time, so we are very pleased that we were able to deal with it this morning.

As Your Honour will know, we therefore move to consideration of Bill C-33. I wanted to advise the House that if we are able to conclude that Bill today, and I am hoping we will, we will then move to Bill C-36 relating to the Aeronautics Act.

I would also like to advise the House at this time that I would like to designate tomorrow as the second allotted day in the Supply period in this trimester, and, therefore, the business for tomorrow will be debate on a motion from the Opposition.

Mr. Gray (Windsor West): Mr. Speaker, even though technically the Government House Leader can designate tomorrow as the second allotted day, generally there is more notice given of this type of thing so that the opposition Parties can consult among themselves as to whose day it should be and have sufficient time to prepare the debate on the Opposition Day. I just wanted to signal to you, Sir, and to the House, my concern as to the manner in which the Government House Leader has designated tomorrow as an Opposition Day. I regret that in doing it in this way he is not showing due respect for the importance our rules have given to the concept of Opposition Days, and I hope he will do better in future. If he does not, then the next report card he gets from the press will be a lot worse than the one he got last weekend.

Mr. Deans: Mr. Speaker, what are we going to do about the Opposition Day is quite a legitimate question because the fact is that one of us has to be prepared to put down a motion for debate within the next hour and a half. That does pose somewhat of a problem. However, I do want to apologize to the Government House Leader for allowing his legislation to get past second reading. I thought the Government wanted the legislation to go to committee, and I want to assure him that the Bill will take a long time to pass. It has only just been referred to committee.

Mr. Hnatyshyn: Mr. Speaker, I appreciate the comments made by members of the Opposition. I tried to consult with them concerning the disposition of business, as I always do. The fact is we did make progress and so the government Party is always in the position, and we are quite prepared to do so, to receive notice before six o'clock of any opposition motion. We do not require a long time to defend our record because it is a very defendable and wonderful record. On the other hand, if the opposition Parties cannot find anything to debate, they should let me know and I will try maybe to give them some help on how to operate as an Opposition.

• (1530)

ROUTINE PROCEEDINGS

[*English*]

JUSTICE AND LEGAL AFFAIRS

PRESENTATION OF THIRD REPORT OF STANDING COMMITTEE

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I have the honour to present the third report of the Standing Committee on Justice and Legal Affairs in both official languages. As this relates to Bill C-18, the Criminal Law Amendment Bill, I am sure that Members will be interested in directing their attention to this Bill.

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

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PETITIONS

ASSISTANCE FOR SUGAR BEET INDUSTRY

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a petition signed by 225 residents, mostly from the Province of Alberta, requesting assistance for the sugar beet industry in that province.

Mr. Speaker, I have another petition signed by a number of residents from the Province of Manitoba requesting assistance for the sugar beet industry.

[*Translation*]

SITUATION OF QUEBEC SUGAR PRODUCERS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I have a petition signed by the Quebec sugar producers, drawing the attention of the House to the worst crisis ever experienced in the history of sugar production in Quebec.

* * *

[*English*]

RAOUL WALLENBERG HONORARY CITIZENSHIP ACT

MEASURE TO ENACT

Mr. Roland de Corneille (Eglinton-Lawrence) moved for leave to introduce Bill C-233 to proclaim Raoul Wallenberg an honorary citizen of Canada, and requesting his return to freedom.

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

Some Hon. Members: Agreed.

Mr. de Corneille: Today I have the honour and privilege to introduce a Bill to make Raoul Wallenberg an honorary citizen of Canada. It is a Bill which doubtless is of special interest to the Speaker himself. This Bill is intended as a one-time unique response and is not intended to set a precedent.

During World War II in Budapest, Hungary, this Swedish diplomat, at great risk to his life, saved tens of thousands of Jews who otherwise would have gone to the gas chambers of Auschwitz, by making these people honorary citizens of Sweden.

In a non-partisan and unified effort, we can do for him what he did for others and try to save his life by making him an honorary citizen of Canada. This will give him the opportunity to impress upon his—

Mr. Speaker: Order, please. The Hon. Member knows that this time is allowed for a very short summary of the purpose of the Bill. I take it that the Hon. Member is concluding his remarks.

Mr. de Corneille: I just want to add one thing. This will give us the opportunity to impress upon his Soviet captors for 40 years that this man is revered enough by Canadians to make him one of us and thereby justify our right to speak on his behalf.

Mr. Speaker: The Hon. Member will know that the Speaker must officially disapprove of all bootlegging. I refer specifically to the Hon. Member's earlier comment in his remarks.

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

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 168, 180, 232, 249, 250, 275 and 284.

[*Text*]

DEFENCE INDUSTRY PRODUCTIVITY PROGRAM

Question No. 168—**Mr. Stackhouse:**

In 1983, what were the total expenditures of the Defence Industry Productivity Program including salaries, publicity and grants?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): The defence Industry Productivity Program (DIPP) expenditures for the fiscal year 1983-84 were as follows:

Contributions:	$144,231,855
Loans:	$ 534,389

The related expenses for DIPP for the fiscal year 1983-84 totalled approximately $2.5 million. This figure is made up of salaries for personnel evaluating and processing projects, contract costs, assets management and audit costs. There are no publicity costs for DIPP. However, a press release is prepared to inform the public of commitments made by the Government and the salaries related to this activity are included in the above figure.

EXPERT ADVISORY COMMITTEE ON THE MANAGEMENT OF SEVERE PAIN

Question No. 180—**Mr. Stackhouse:**

In 1983-84, how often did the Expert Advisory Committee on the Management of Severe Pain meet and what reports or recommendations did it publish?

Hon. Jake Epp (Minister of National Health and Welfare):

1. Six times.

2. (i) Cancer Pain—Report of the Expert Advisory Committee on the Management of Severe Pain in Cancer Patients.

(ii) Cancer Pain—A Monograph on the Management of Cancer Pain.

CMHC—SURVEY OF VACANCY RATES

Question No. 232—**Mr. Howie:**

Has the Canada Mortgage and Housing Corporation conducted a survey of rental accommodation vacancy rates in Saint John, Moncton and Fredericton, New Brunswick since January 1, 1984 and, if so, on what date was the most recent survey completed and what were the rates disclosed in each case?

Hon. Bill McKnight (Minister of Labour): I am informed by Canada Mortgage and Housing Corporation as follows:

Order Paper Questions

Since January 1, 1984, CMHC has conducted two apartment-vacancy surveys in Saint John, Moncton and Fredericton: one in April and another in October, 1984. The results of the most recent survey (October, 1984) where as follows:

Saint John	4.5 per cent
Moncton	0.8 per cent
Fredericton	0.5 per cent

The survey in these centres covers all private apartment structures containing six units and over.

RESEARCH AND DEVELOPMENT

Question No. 249—**Mr. Nunziata:**

What percentage of the budgets of the (a) Solicitor General Secretariat (b) RCMP (c) Correctional Services (d) National Parole Board is devoted to research and development?

Hon. Elmer M. MacKay (Solicitor General of Canada):

	1985-86 Budget
(a) Ministry Secretariat	5 per cent of the total budget
	27.9 per cent of the budget after deduction of transfer payments to the provinces (young offenders)
(b) Royal Canadian Mounted Police	.05 per cent
(c) Correctional Service of Canada	.08 per cent
(d) National Parole Board	Nil

STAFFS OF SOLICITOR GENERAL

Question No. 250—**Mr. Nunziata:**

What are the names, titles and salary ranges of the (a) exempt staff (b) office staff in the House of Commons (c) constituency staff of the Hon. Elmer MacKay, Solicitor General?

Hon. Elmer M. MacKay (Solicitor General of Canada):

(a) Exempt staff

Names	Titles	Salary ranges
Peter Meerburg	Chief of Staff	up to $80,970
Vicki Huntington	Executive Assistant	" " 51,591
Eunice Nicolle	Private Secretary	" " 26,563
Patricia Egan	Special Assistant	" " 43,931
Robert Kawecki	Special Assistant	" " 43,931
Bernard Bujold	Special Assistant	" " 43,931
Richard Labelle	Special Assistant	" " 43,931
Mary Clarke	Special Assistant	" " 43,931
Myles Kirvan	Special Assistant	" " 43,931
Jo Cleall	Administrative Assistant	" " 43,931

(b) Office staff in the House of Commons

Names	Titles	Salary ranges
Lynne Groulx-deLeyva	Member's Assistant	$11,177—$27,550
Richard Borden	Member's Assistant	$11,177—$27,550

Order Paper Questions

(c) Constituency staff

Names	Titles	Salary ranges
Olive Bowen	Special Assistant	$18,644—$29,850
Melody Goodwin	Member's Assistant	$11,177—$27,550
Leonard Reid	Member's Assistant	$11,177—$27,550

NATIONAL FILM BOARD

Question No. 275—**Mr. de Corneille:**

Is the Department of Communications presently re-organizing the offices of the National Film Board throughout Canada and, if so (a) which offices will (i) be closed (ii) remain open (b) at what date in each case (c) how many persons will lose their jobs?

Hon. Marcel Masse (Minister of Communications): The NFB's new mandate calls for several changes in its production and distribution activities and the reallocation of internal resources. This includes the gradual consolidation of its library-distribution system into larger regional centres and an increased emphasis on having its productions delivered via new distribution and exhibition modes.

Greater reliance on the new delivery technologies, as well as gains in efficiency and quality of service resulting from consolidation will mean better service to users and a more vital contribution, by the NFB, to Canadian cultural and social life.

The NFB's finalized five-year operational plan outlining how the Board plans to implement these, and other changes has not been completed.

RESEARCH INTO USE OF BACILLUS THURINGIENSIS

Question No. 284—**Mr. Caccia:**

Is the research on the use of Bacillus Thuringiensis as an alternative to chemical product spraying to destroy the spruce budworm, being transferred from the Laurentian Forest Research Centre in Sainte-Foy, Quebec to the Forest Pest Management Institute in Sault Ste. Marie, Ontario and, if so, for what reason?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): No.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

MEAT INSPECTION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald (for the Minister of Agriculture) that Bill C-33, an Act respecting the import and export of and interprovincial trade in meat products, the registration of establishments, the inspection of animals and meat products in registered establishments and the standards for those establishments and for animals slaughtered and meat products prepared in those establishments, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Speaker: I should indicate to the House that there are nine minutes remaining in the question and comment period following the speech by the Hon. Minister of State for the Canadian Wheat Board (Mr. Mayer). Therefore, I will recognize Members for further questions and comments.

Mr. Hovdebo: Mr. Speaker, first I want to apologize to the Minister for keeping him here because I am sure that he has other things to do.

Since this is a Bill which will establish a new Act, there will be new regulations which may affect the long established regulations concerning the procedures for hiring veterinarians as for the pre-inspection as well as the post-inspection of slaughters. Are there any guarantees that those procedures will be maintained in the new regulations, because this Bill provides an opportunity to change the whole structure of the inspection process?

Mr. Mayer: Mr. Speaker, essentially, I can answer the question in the affirmative. My understanding of the legislation is that there is no intent to change hiring practices.

If the Hon. Member wants to compare Section 6 of the old Bill with Clause 12 of this Bill, he will see that they are essentially the same except for one difference. Clause 12(3) states that the Minister may designate any person as an analyst for the purposes of this Act. That is the only real difference.

I am told that the reason for Clause 12(3) is that in the past, when issues affecting this subject went to court, it would have been useful if the Minister could have designated someone as an analyst to act on behalf of the Crown as far as court proceedings are concerned.

In answer to the Hon. Member, there will be no changes, as I understand, to the hiring practices that are presently in place, with the exception that the Bill provides for someone to be designated as an analyst when there is deemed to be a need for an analyst.

The Acting Speaker (Mr. Charest): Questions or comments? Resuming debate.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I wish to speak briefly on this Bill because I feel its intent is in contradiction to what the Government and its Members have expressed as its policy.

The purpose of this Bill is, hopefully, to improve the Act by combining several other Acts that are already in effect. Therefore, the contradiction is that while this legislation may improve the already excellent inspection services, the Government, in its cut-backs during the last several months, has taken steps to reduce the number of inspectors, reduce the need for inspections and eliminate the requirement to have inspectors at the plants at all times.

The Government has strongly defended this action in the committee and the House. This Bill is intended to improve the structure, yet, according to meat inspectors, the Government has moved to decrease the amount of inspection taking place in the abattoirs. Therefore, one must question why the Government is putting this Bill before the House.

● (1540)

First, it has been suggested that the possibility of collecting fees was already in the old Bill and therefore it was not necessary to pass this Bill for the new fee structure to be put in place. However, because of the suggestion by the Department in the last little while that it is going to reduce the number of inspectors and will start charging fees for the inspection of meat, it looks as though this Bill is a requirement to make it possible to carry this out smoothly.

I mentioned earlier that we had hoped there would be some improvement in this Bill as far as inspection was concerned. If you read the Bill carefully, Mr. Speaker, you will find that a lot of the meat inspection is left to regulation. That is why I asked the question of the Minister a few moments ago. For instance, there is nothing in the Bill which gives us any indication of the qualifications of inspectors. That is left to regulations, I assume. All the Bill says is, "The Minister may designate any person as an inspector for the purposes of this Act." It is not necessarily a veterinarian in the case of post-inspection, or any inspection as far as that goes.

Also, at the present time federal inspectors work for the Government. There is no indication in this Bill that they will continue to work for the Government. Again I refer to what has been going on in committee and in the House regarding meat inspection. There has been at least an assumption on the part of government Members that a certain amount of inspection in the future will be left to the plant and will be controlled by the plant. There is no indication in the Bill that from now on, as in the past, federal inspectors will be employees of the Department of Agriculture. All it says is that "the Minister may designate any person as an inspector for the purposes of this Act."

As I said before, there has been an indication that possibly there will be a move to leave the responsibility of inspection to the processor himself. Again, by whom will the inspectors be employed? That is something we want to clarify in committee. Second, we are already well into discussion—indeed I think it has gone further than that. We are well into the establishment of a cost recovery program that will reduce the budget of the Department of Agriculture by $33 million. That $33 million, as the Minister of Finance (Mr. Wilson) and as the Minister of Agriculture (Mr. Wise) have indicated, will be recovered from inspection fees. Those inspection fees will be paid by the processing industry, although we know from experience that most likely they will be paid by the producer, that is, taken from the price paid for the slaughtered animal. We have a cost recovery program being established or already in place and the Bill being put before the House allows the changing of regulations so that this cost recovery program can be put into effect. You must recognize, Mr. Speaker, that we have to suspect that the two are related.

If, as we have been told in committee and also in the House, these cost recovery fees are going to be put in place and there is the possibility that the inspector will be hired by the corporation rather than the Government, then we will have a situation where, as my colleague, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), said, a large corporation which kills a large number of animals can easily put somebody on staff in place and pay for the inspection done, thus keeping inspection costs very low. The alternative for a small operation with a small number of carcasses to have a member of its staff appointed as an inspector is unlikely. The cost for that small operation will be much greater because the fees will be established directly by the Minister of Agriculture in his cost recovery program. Consequently, there is an almost built-in discrimination against the small abattoir that wants to provide the best quality of inspected meats to its neighbourhood or to its neighbouring communities. The small operator will be forced to pay much more for his inspection than the large corporation.

Prescribing how the inspection will be done is part of this Bill. I think we also have a concern that because we are passing this Bill and are able to establish a new set of regulations without necessarily following past and well established regulations or procedures of the past—and this is something we would like to find out in committee—we must be sure that the new regulations do not allow a kind of loose relationship between the large corporation and the government inspection process. Again I have to suggest that we suspect the relationship between large corporations and this Government are such that the large corporation is likely to get the easiest end of this operation.

Mr. Mazankowski: Prove it.

Mr. Hovdebo: There are a number of questions which come out of this Bill which need to be looked at and which need to be part of the discussion in committee. We and the people of Canada need to know that the structure which is being put in place by this new Bill will be as adequate as that which we have had in the past and that the regulations to be drafted after this Bill is passed will guarantee the same kind of structure which may not or will not discriminate against the

small producer or processor. This seems to be indicated in the Bill as it is presently written.

● (1550)

Mr. Mayer: Mr. Speaker, I should like very briefly to allay three of the concerns of the Hon. Member. First, the frequency of inspection level has nothing to do with this Bill at all. In fact, if the Hon. Member wants to check, we have 38 more inspectors in operation now than was the case before we assumed power. However, let me say again that it really has nothing to do with this Bill.

With regard to his concern about subclauses 12(1) and 12(2), the reason that the regulations need to be flexible is that when we export out of the country, the EEC particularly requires that veterinarians do the inspections. However, in the United States, for instance, that is not the case. We are trying to allow for some flexibility in the Bill so that we do not bind ourselves totally to having veterinarians at additional cost doing inspections which can be done presently by inspectors. We do not see a concern there, and I hope I have answered the Hon. Member's point.

With regard to having companies hire inspectors, there is no provision in the Bill for that. In fact, it is up to the Minister to designate who the inspector shall be.

Finally, the Hon. Member indicated that the Bill seemed to favour larger operators over smaller ones. That is certainly not its intent nor is that the case, as I read the Bill. If he has those concerns, I hope he raises them in committee and gets them clarified or satisfied because that is not the case.

Mr. Hovdebo: Mr. Speaker, I appreciate the Minister's answer very much. The three concerns to which he referred are taken care of by the present regulations, but they are not taken care of in the new Bill. I am concerned about some kind of guarantee or at least a concern on the part of the Government that care will be taken when the regulations are written.

Mr. Mayer: I think all of us on all sides of the House approached the revisions to the three Bills and combining them into one with the noblest of motives. Obviously that would have to apply to the regulations if in fact we are to achieve some of the things we want to achieve in the Bill. That is the intent of the Bill.

As I said, the Hon. Member should raise those issues in committee and make sure he is satisfied there. Some of the regulations should be flexible to allow us to make the best use of the people we have. I hope he is satisfied that the regulations will be drafted with those kinds of motives in mind, to maintain the inspection service we have had in the past and to give us as good a chance to export with as little problem in terms of health standards as possible.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): Mr. Wise, seconded by Mr. Crosbie, moves that Bill C-33, an Act respecting the import and export of an interprovincial trade in meat products, the registration of establishments, the inspection of animals and meat products in registered establishments and the standards for those establishments and for animals slaughtered and meat products prepared in those establishments, be read the second time and referred to the Standing Committee on Agriculture. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Agriculture.

* * *

AERONAUTICS ACT

MEASURE TO AMEND

Hon. Don Mazankowski (Minister of Transport) moved that Bill C-36, an Act to amend the Aeronautics Act, be read the second time and referred to the Standing Committee on Transport.

He said: Mr. Speaker, I am very pleased this afternoon to have an opportunity to introduce Bill C-36 for second reading. It is a very important Bill. It is part of the complete reorganization of Canadian aeronautics legislation. Essentially the purpose of the Act is to provide for a framework to allow a safe national transportation system to be instituted to serve all parts of Canada. We are looking at legislation covering all parts of Canada, including areas in the far North which cannot practically be served by any means of transportation other than air.

At the outset I should say that the work in drafting the Bill and pulling it all together was the culmination of tremendous effort on the part of officials in Transport Canada and previous Ministers. While the legislation is very complex and technical in nature, by and large it will serve as a very satisfactory framework for the continued growth of the aviation sector in Canada.

Also I remind the House that there has been a tremendous amount of consultation with the industry, with special interest groups and indeed with the public at large with regard to the provisions of the Bill.

I think all of us recall the establishment of the Dubin inquiry, appointed by the previous Conservative Government in 1979. It was charged with the task of investigating and reporting on, among other matters, the investigation of accidents and reporting systems, investigation of incidents involving aircraft, and the formulation of the laws, regulations and rules necessary for the safe and proper navigation of aircraft. As a result of this very intensive and comprehensive inquiry on aviation safety, the Dubin Commission presented three volumes of recommendations in its report. They were unveiled to the public between May, 1981 and February, 1982.

The major recommendations were in the areas of airworthiness, accident and incident investigation reporting, enforcement of laws and regulations, navigational aids, uncontrolled airports and personnel. The Dubin recommendations on accident and incident investigations in Volume 1 resulted in the passage of the Canadian Aviation Safety Board Act. It was introduced in the House by the former Minister of Transport, the Hon. Jean-Luc Pepin, and was passed. The Canadian Aviation Safety Board is now operational.

The Aeronautics Act amendment Bill with which we are now dealing implements the legislative recommendations of Volumes 2 and 3 of the Dubin Commission and represents the first attempt at a comprehensive scheme of amendments for the Aeronautics Act since the Act was passed in 1919. I believe there were some minor modifications in 1921. Essentially, the legislation which has been on the books heretofore was the product of the 1919 variety, and I think we all recognize that there have been some tremendous changes in the aviation business between 1919 and 1985.

The proposed amendments will strengthen the Department's enforcement program with stronger enforcement powers and increased penalties. These should prevent a recurrence of the situations described by Mr. Justice Dubin such as unlicensed air carriers which operate in an unsafe manner and undercut legitimate competitors and which are not deterred by the currently available penalties; operators who fail to comply with safety standards and continue to operate unsafe aircraft; and individuals who ignore the rules of the air or the instructions of air traffic controllers while operating aircraft.

In his findings Mr. Justice Dubin cited many examples of these situations. The proposed amendments will give the Department the necessary tools for more vigorous enforcement. In order to enhance the enforcement of the Act, the offences will be reorganized so that some may be prosecuted by indictment, fines will be increased, and there will be new penalties for operating an illegal commercial air service including the possible forfeiture of the aircraft.

● (1600)

The amendments also increase the administrative powers of enforcement as well as suspending or cancelling a licence. The Department will be able to assess monetary penalties varying up to maximum of $1,000 for certain regulatory offences. This is a relatively new concept in Canada, but it is used by the Federal Aviation Authority in the United States and has been advocated by the aviation community in Canada.

The proposals for more vigorous enforcement, however, will be balanced by a method of review of administrative enforcement decisions. The establishment of an independent civil aviation tribunal, as recommended by Mr. Justice Dubin, will provide a vehicle for such a review. This body will hear and determine appeals from administrative penalties in an expeditious and fairly informal fashion. It will provide two opportunities for challenging the Department's decision, first by an application to a single member of the tribunal and then to a panel of the three members.

In most cases the tribunal can substitute its own decision for that of the Department, but where the matter would involve medical qualifications or professional incompetence, the tribunal will be limited to affirming the departmental decision or referring the matter back to the Department on the basis that the Department has a responsibility to the public to ensure the competence of those involved in aviation. The tribunal will be composed of people representing expertise in the various areas of aeronautics. Most will serve on a part-time basis and members will be drawn from all parts of Canada. The aim of the tribunal is to provide a system whereby these matters can be decided in an expeditious and informal manner by persons who have the technical knowledge of all factors involved.

The amendments to the Bill also permit the consolidation of the aeronautical regulations system by expanding existing regulatory powers and introducing new regulatory powers so that all requirements necessary for aviation safety can be mandatory. Heretofore some of these matters could only be dealt with by administrative recommendations.

Some of the new areas of regulatory activity will include: airworthiness of aeronautical products such as aircraft engines and propellers; the location of aerodromes so that they will be sited in a manner that will lessen the risk of mid-air collision; air navigation facilities so that the increasing number of private aids will operate to the same standard as those provided by the Department of Transport; regulations with respect to the handling of aviation fuel to ensure that proper fuels are used and that these fuels are free of contaminants will be included in the new areas of regulation; liability insurance for private aircraft so that the public may be assured of compensation for damage caused by aircraft.

Concurrently with the development of these amendments, the Department of Transport has been engaged in a massive revision of the existing air regulations in order to present them in a new consolidated format that will be easier for the aviation public to understand. It is very clear that in order to have a system of laws and regulations and in order for those laws and regulations to be respected and their integrity to be upheld, there must be some assurance that the laws and regulations are clearly understood, that they are spelled out in fairly clear and coherent language. As a result of the many developments that have taken place in the aviation industry since 1919, some of the wording and some of the interpretations with respect to the rules and regulations have caused some problems in terms of the administration and the enforcement of these rules and regulations.

There are as well provisions in the Bill with respect to zoning. These provisions are aimed at clarifying the purposes of procedures used in zoning and also to extend zoning powers to areas around air navigation facilities. The amendments distinguish between zoning at airports for safety purposes, such as the safe landing and taking off of aircraft, and for purposes that are incompatible with airports, such as protecting access or preventing developments that would be affected by noise. The latter type of zoning is authorized only at federal airports and airport sites. Where zoning is aimed at incompat-

ible land uses, the interest of the province in planning the development of areas around airports is recognized by a requirement for provincial participation in the zoning process.

The new power to zone around air navigation facilities is aimed at preventing development of lands in a way that would interfere with air navigation signals that provide information vital to the safe operation of aircraft using the facility. The current provision that provides for compensation for loss in value of land because of zoning is repealed. The reason is that it will make the law compatible with provincial and municipal laws. At the present time provinces and municipalities do not compensate for these losses. As a matter of fact, apart from a number of settlements made 20 years ago, there have been only two cases where applications for such compensation have been made.

With respect to fees, amendments are incorporated into this legislation aimed at improving the collection of fees. They provide for interest on overdue accounts and the authority to require a bond or letter of credit as security for fees which will be exercised where there is history of non-payment or late payment of fees. This measure incorporates good business practices. It also provides that a court order may be obtained authorizing the Government to detain an aircraft until any outstanding fees have been paid. It is recognized that there has been insufficient clout in the hands of the Department of Transport on many occasions to exercise the necessary powers to collect fees that have been outstanding and past due.

The amendments provide a procedure whereby doctors and optometrists who believe their pilot patients have a condition that could lead to an aviation accident can be sure that the Department of Transport is made aware of that condition. The amendments provide that where the doctor or the optometrist feels such a condition exists, the doctor or optometrist must advise the patient to report the condition to the Department of Transport. As well, the patient must then report his condition and the doctor or the optometrist must, within 72 hours, confirm that the report has been made.

As a result of the report, the pilot will be examined by departmental doctors and a determination made as to whether his licence should continue. Doctors and optometrists will be protected against legal actions arising out of making these reports. This amendment tries to strike a balance between the confidential relationship between the doctor and his patient and the public interest in having only those persons who are medically fit operating aircraft.

The remainder of the amendments are aimed at modernizing the wording of the Act, updating it and authorizing current departmental practices such as the provision of navigational aids, the publication of aeronautical information, and the provision of aid to non-federal airports. What we are doing is upgrading a piece of legislation that has certainly served us well but clearly needs to be updated and modernized in tune with the realities of the 1980s, 1990s and the 21st century.

As I said earlier, the provisions of this Bill have been discussed exhaustively over the years during which they were developed with the aviation community, the public, special interest groups and, I suspect, Members of Parliament. While it is a technical and rather detailed Bill it is very important because it will provide the framework for the aviation community in Canada for some time. A lot of Members have a very particular interest in this kind of legislation. I know that my colleague, the Hon. Member for Regina West (Mr. Benjamin), has been active in the work done on many pieces of legislation having to do with aviation safety. It is an issue with which all Members are deeply concerned.

What we are trying to do here is to strike a balance whereby an effective framework can be put in place to ensure the safety and security of the aviation environment. The Hon. Member for Dartmouth-Halifax-East (Mr. Forrestall), the Parliamentary secretary, has been a long-standing advocate of better ways and means of ensuring the safety off all modes of transportation. As a matter of fact, I think Members will recall that over the course of seven or eight years, he had presented a private Member's Bill recommending the establishment of an independent accident investigation board. While this has not been implemented in its totality, at least a portion of it has. I think there are a number of recommendations and suggestions indicating that it might very well be in Canada's best interest to opt for a multimodal safety board. The Hon. Member for Prince Edward-Hastings (Mr. Ellis) has also been very closely involved in matters relating to aviation and particularly aviation safety.

● (1610)

I commend the Bill to all Hon. Members of the House. I want to assure them that they will have the utmost co-operation. We will provide the kind of departmental advice, assistance and briefings that will ensure that they will understand all aspects of the Bill. I commend the Bill to the House for quick passage with the assurance that there will be ample time to deal with all elements of it during the course of the committee considerations. I suspect that if it is deemed desirable to call witnesses, that could also be done, but I think Members will quickly find that there has already been a very exhaustive consultative process. Nonetheless, if information is required from the Department or from my own office, we will certainly be very pleased to make it available. I thank Hon. Members for this opportunity and I hope that we can move quickly to have this matter referred to the committee, at which time we can consider it in much more detail.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows:

The Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs—Acid rain—Canada-United States discussions. (b) Niagara River pollution; The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand)—Unemployment Insurance—Inclusion of severance pay in income calculation. (b) Effect on laid-off workers; and the Hon. Member for York South-Weston (Mr. Nunziata)—Administration of Justice—Premier's trial—Prime Minister's knowledge of marijuana find. (b)) Date of inquiry.

GOVERNMENT ORDERS

[*Translation*]

AERONAUTICS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski: That Bill C-36, an Act to amend the Aeronautics Act, be read the second time and referred to the Standing Committee on Transport.

Hon. André Ouellet (Papineau): Mr. Speaker, I welcome this opportunity to take part in the debate on the Bill to amend the Aeronautics Act, Bill C-36, and to give the Hon. Member the assurance that the Official Opposition supports this Bill and will co-operate with the Government in referring the Bill to committee as soon as possible.

I should remind the House that this Bill is the result, as the Minister himself said earlier, of numerous consultations that took place in recent years with the various parties involved in the aviation sector. I believe the Minister recalled that, in 1978, a task force was created in the Department of Transport to start a review of all aeronautics regulations, in order to introduce appropriate amendments to the Aeronautics Act and provide this vital industry in Canada with modern legislation to meet the needs of the hour and of 20th and even 21st century aeronautics. Consequently, I am very pleased to see that all the major parties concerned were consulted and consulted often in the past few years, preparatory to drafting what is before the House today as Bill C-36.

I am equally pleased with the decision to incorporate in this Bill the principal recommendations made by the Dubin Commission of Inquiry on Aviation Safety in Canada. This Commission, which was formed when my hon. friend, the present Minister of Transport (Mr. Mazankowski), was doing his first stint, that is, during his short mandate . . .

As his first mandate as Minister of Transport in 1979, he had the good fortune of creating that commission which did an excellent job. All Canadians must be grateful to Mr. Justice Dubin for his exceptional work which ended with a whole series of important recommendations we now find embodied in and implemented through specific amendments to the

Aeronautics Act. I thank the Minister for following up on many of the Dubin report recommendations.

I should like to emphasize, Mr. Speaker, that if we in Canada believe that deregulation is a must if we want to foster more competition on behalf of consumers, on behalf of civil aviation users, it is just as important to admit that deregulation would not be advisable with respect to safety. I am pleased to see that the Bill advocates stricter and more severe regulations on aviation safety and the protection of Canadians. To me, that is essential. We can have confidence in the airlines, in market forces concerning user services, in the range of prices and services made available to passengers, but I do not think we can give free rein to the companies when it comes to air safety. Therefore, though the former Liberal Government was in favour of deregulation to make users benefit from improved competition, it too had every intention of implementing stricter aviation safety regulations.

I am pleased to see that this Government has decided to seek the same objectives we had in mind a few years ago to make sure that the air travelling public and air terminal users are better protected in a safer environment.

I want to make a point concerning incidents that have occurred, such as the aircraft forced down at Gimli in Manitoba because of fuel shortage. I have been told that the Government has received or is about to receive the report on that incident. It is to be expected that the report will contain suggestions and recommendations which might bear directly on this Bill. I am not advocating a delay in the adoption of the Bill, for it will certainly be referred to a parliamentary committee for clause by clause consideration. But until the Bill comes up for third reading, if the Minister gets the report on the Gimli incident, I would like the report to be tabled in the House and made public so that we might consider its recommendations and perhaps learn something and take it into account before final passage of Bill C-36.

Finally, I want to thank the Minister for his generous offer to give a technical briefing on the various aspects of the Bill to Hon. Members who sit on the parliamentary committee to which the Bill will be referred. It is obviously a very complicated piece of legislation and I am sure that senior officials of his Department or a few experts could give the required briefing to the Members of the parliamentary committee who will do the clause by clause study of this measure.

Mr. Speaker, I conclude therefore my comments by congratulating the Minister who has introduced a legislation which assuredly is nearly identical in every respect to the one which his predecessor could have introduced if the Canadian electorate had voted differently. I can assure him that although this may be a golden opportunity to make a whole series of speeches on the needs of our respective constituents, the area of transportation being so vast that each and everyone of us could rise and make representations on behalf of our

respective ridings and constituents . . . But the Official Opposition will show magnanimity; it will not abuse the time of the House, because we recognize that this is a technical bill, not a political one; we will not play politics with this bill, preferring to help the government provide Canada with a modern and effective legislation in the area of aeronautics.

● (1620)

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I appreciate the eagerness of the Minister to have the Bill dealt with in the House as quickly as possible in order that it can be referred to committee. It has been a long time in the making. I have listened to discussions in Transport Committee meetings with seven different Ministers of Transport during the last 17 years and on every occasion the matter of rewriting the Aeronautics Act arose.

I suppose the delay has been due to the new developments in technology and the increased variety of aircraft. Those factors have meant, and will continue to mean in the future, that the regulations have to be updated continually.

The Bill allows the Ministry to administer the regulations. However, most of the areas which affect the industry or civil aviation are not contained in the Bill but exist only in the regulations over which the Minister has complete control.

The Bill itself is not very technical. It merely establishes the machinery and the bureaucracy for the regulatory powers. I submit that much analysis of the regulations will be required before the effect of the legislation can be measured. In that light, I hope the Minister will make the commitment that the committee, in dealing with the second reading of the Bill, will have access to the regulations, if they have been printed, which will be brought in under this legislation. The committee should go over every regulation which is proposed under this legislation and, as well, should hear witnesses from the various groups which are directly or closely involved in civil aviation.

I appreciate that there has been a great deal of consultation with concerned groups, including the Canadian Owners and Pilots Association, the Canadian Air Line Pilots Association, air traffic controllers, the Saskatchewan Flying Farmers Association, and others. However, being consulted with respect to the Bill is different from being consulted on the actual detailed regulations. Some of that consultation may have already taken place. But in any case I would ask the Minister if the regulations have been printed and if they will be referred to the committee in conjunction with this Bill. In addition, will the committee be allowed to hear witnesses with respect to the regulations? I find very little in the Bill with which the organizations or other interested groups would take serious issue or to which they would take exception. I suspect that if there are serious exceptions they will arise from the regulations.

Canada has more pilots and planes per capita than any other country in the world. The fact that this Act has not had a good going-over since the 1920s should suggest that a sufficient amount of time must be allocated in committee to ensure that proper consultation is held with the public regarding the regulations. The Bill gives the Minister complete control over the regulations and operations, as well as over security and the imposition of charges for the use of air services. Again, I hope the Minister will depart from the practices which were too often carried out by previous Ministers who arbitrarily made decisions with little or no consultations, including consultations with the standing committee. I am confident that the Minister, with his long-standing membership on the committee and his hard work and experience, will want to hold those consultations.

The legislation not only gives the Minister complete control over the regulations and operations, it also gives him the power to appoint members to a board of inquiry in order to investigate an incident or accident involving an aircraft which affects safety. I hope the Minister will call upon all the various agencies and organizations and ask them to provide a list of names of people who have expertise from which he can choose. I realize the Minister will want to choose a few people himself, but that is a way of consulting which would provide a broad cross-section of people who have knowledge and expertise regarding air safety and the investigation of incidents and accidents.

I agree that the Ministry of Transport should not investigate accidents which pertain to the regulations that the Department will enforce. I agree that those kinds of investigations should be carried out outside the Ministry. However, I thought that the CTC would have been strengthened and its independence increased. I feel that the Air Transport Committee of the CTC should have been strengthened and that its investigatory powers should have been enlarged. If that had been done, it would not be necessary to set up independent tribunals. But I suppose it is a case of six of one and half a dozen of the other. Whether it is an additional body which is appointed from time to time to investigate an accident as it pertains to safety, or whether the CTC Air Transport Committee does it, it still must be done in each case. However, I believe that the establishment of an independent tribunal for each separate incident or accident would mean a much greater cost, unless the CTC was to maintain a permanent staff which would have the expertise to analyse and keep records about incidents and accidents, so that as and when a tribunal is appointed a staff would be immediately available to it. Those people would then become part of the staff of the tribunal, rather than of the Canadian Transport Commission.

A former Minister of Transport, Jean-Luc Pepin, and myself, were the only two members on the committee who opposed the degree of deregulation which was being suggested by the Government of that day and supported by members of the Conservative Party. I took issue with this for a number of reasons, not the least of which is that deregulation in the areas in which it has occurred is nothing more than a return to, or an appeal to, mediocrity. We are now in the situation where air fares are cheaper for some people in some places and more costly for some people in other places. Service to isolated, small and medium-sized communities, as I predicted, has

worsened. We can hardly blame the major air carriers, be they regional or national, but if they can vacate a small market and rely only on the larger markets then we will find we have a multiplicity of jerk-water outfits which start out by leasing second-hand aircraft and hiring laid off crews, running a mediocre operation and giving mediocre service to the smaller markets. There has already been a number of instances where this deterioration, this appeal to mediocrity, has taken place.

● (1630)

There is another danger, Mr. Speaker—and I am confident the Minister is aware of it in the back of his mind—when Government panders to this appeal to, "get Government off our backs. There's too much regulation, too much government and we want a free and open market system". When we go the route of deregulating the air industry, for example, we can end up in a rut of shortcuts and lack of enforcement of regulations which are in place, whether or not they are adequate, because the industry wants government off its back. We have heard these kinds of speeches from inside and outside Parliament for a number of years.

I want to say, Sir, that as far as we in the New Democratic Party are concerned, there are three kinds of regulations: First, there is safety and airworthiness. There cannot be, must not be, and I am confident with this Minister that there will not be, any compromise and our safety standards will be updated frequently and strengthened. There can be no compromise on safety regulations and airworthiness no matter how tough economically it is for the operator. Second, there is the whole matter of entry and exist and the use of aerodromes and airports which are build at the taxpayers' expense. There must be a measure of regulation in that area because when we allow entry and exit in and out of cities there shoud be no remote or isolated area in Canada, no small or middle-sized city in this country, that would not be able to depend on a reasonably permanent basis of civil aviation services. If there is no regulation, there will be so many "inners" and "outers" we won't know from one year to the next which airline is operating into one's city. And it has already started, Mr. Speaker. There must be regulation on the whole matter of entry and exit into a route. If an airline, be it small, medium or large, wishes to enter into a route or a pair of cities, it should not be allowed to pick just the good market and leave out the isolated and small and middle-sized communities. It should be prepared and required to take a mix of the market. If it is not prepared to accept some of the bad with the good then obviously there will be worse service for the people in the isolated and small and middle-sized communities because the market is not there so that the airlines can make a big profit. If they want the whole market deregulated, free and open for them to go into, then there surely must be some regulatory obligation placed upon them to provide a reasonable and equitable mix of service no matter where that service is located in the country. Without that, Mr. Speaker, the situation will continue to deteriorate. There will be areas in the northern parts of Canada and in small cities even up to the size of my own city, which will have a deterioration in the quality of service. That has already started. Some degree of regulation of the whole matter of entry and exit should be maintained.

The third class of regulation is the matter of fares. As far as we in this Party are concerned, if someone is dumb enough to sell an airline ticket at less than what it costs, that is his problem. It will be to the benefit of the travelling public. I have been amazed to see over the past couple of years the jungle of air fares which is already in place in this country. A fare which applies one day out of one city does not apply in that city two or three months later, but does apply in another city. They might want to do the same thing as the variable rate on grain and say, "If you all go into Calgary, Edmonton, Vancouver, Winnipeg, Toronto and Montreal, we can give you real cheap seats". How one gets to those places is another matter, Mr. Speaker. Some good friends of mine went on a trip overseas and the only way they could get the cheap overseas air fare was to drive from Saskatoon to Calgary, leave their car with friends there and drive back when they returned. It was that or pay a regular air fare to Winnipeg or Toronto. That is not what one would call equitable service, Mr. Speaker. Therefore, a limited amount of regulation is required in the matter of fares. A fare which is going to apply to one part of a route must apply to every other part of the route. They should not be able to pick out some and leave out others because that discriminates against some people in this country because of where they happen to live. The more we allow this to happen, the more our very limited market in Canada becomes fractionalized.

We are not in a position because of the size of our market to copy what is happening in the United States or Europe where there are high density markets. To apply some or any of their regulatory regime to our situation, I suggest, is a misapplication because we have a northern climate, a massive geography and a widely and thinly scattered population. What might apply in a high density, heavy market route out of New York, Los Angeles, Chicago or, for that matter, Toronto or Vancouver, does not and cannot apply to the rest of Canada. That would be economic nonsense. If we allow the market to be fractionalized under a multiplicity of airlines, what will happen is that they will take turns losing money. As they lose money, one of three things might happen. First, they might go belly up; second, they might go to the Government to get a subsidy, or third, they might merge with a larger airline. It is inevitable because of the size of the market in Canada that we will see the day when we will be back to just three or four viable airlines operating in this country. That is all we can afford. We need three or four dozen airlines like we need a hole in the head. They would not be able to supply a good enough service and will divide the market up so small that the big guys will run the little guys into the ground. Then the big guys will have a monopoly at the places they select because they can go in and out of them when they damn well please. They don't have to get approval of a fare, all they have to do is file it. It has gotten as bad as the CPR freight rates.

We appreciate the need for this legislation. We support the complete updating and revamping of the whole regulatory

regime in civil aviation. We ask the Minister, before the regulations are gazetted, that they be sent to the Transport Committee, that witnesses be invited and that the Committee go over every single regulation. This should be an annual practice as and when new or updated regulations are to be implemented. They should be referred to the Standing Committee on Transport and we can hear from the people concerned. Similarly, as and when a regulation has outlived its usefulness it would be nice if the Minister came and told us about it and pointed out what regulations can be eliminated. We have had too many eliminated where there was no consultation.

• (1640)

I hope the Minister will continue to conduct himself in the manner in which he has in the preparation of this legislation. To be fair about it, a lot of work and preparation has been done by two, three or four of his predecessors. We also hope there will be time to go through it in concert with the regulations envisaged. I suspect the committee is going to have a bit of difficulty in getting at it because it is faced with the Estimates and the Air Canada annual report, CNR, VIA Rail and all the other things on the committee's plate. Given that, we may not be able to finish this before the end of June, but I assure the Minister, on behalf of his Parliamentary Secretary, that we will work hard at it as quickly as we can once the Bill is through second reading. I believe we are having a steering committee meeting tomorrow and no doubt we will discuss when we can start dealing with this Bill or mix it in with the Estimates. We cannot do much about the Estimates anyway, so maybe we should send the Minister a letter and say they are done.

Mr. Lewis: Get that in writing.

Mr. Benjamin: I have only seen one amendment to the Estimates in 17 years being passed in committee and in the House, and I have seen quite a few Estimates.

In closing, if the Minister will carry out that sort of a schedule, I know the committee will be anxious to co-operate. We want to hear from all the different organizations he has consulted with in the course of his drafting of the Bill and legislation.

The Acting Speaker (Mr. Paproski): The Hon. Minister of Transport (Mr. Mazankowski).

Mr. Mazankowski: On a question or comment, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The first round is 40 minutes without any question or comments. We now proceed to the next round and the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) has the floor.

Mr. Mazankowski: Mr. Speaker, not having occupied this position for a long period of time, I would like the opportunity to respond to some of the questions the Hon. Member raised. I think he would want me to respond, and if I have an opportunity at some point in time I would appreciate it.

The Acting Speaker (Mr. Paproski): I am sure the Hon. Minister will have that opportunity. Other Members will be rising to debate this Bill and he will have the opportunity then, as well as on closing of the debate. But we are now starting the 20 minute round of speeches with 10 minutes for questions or comments.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the observations I wish to make this afternoon are partly in response not only to the spokesman on transport matters for the NDP, but also to the interesting points and observations raised by the critic of the Official Opposition. This is a somewhat unique Bill. The Minister in his opening remarks suggested that it has been some 65 or 66 years since this Parliament has had an opportunity on which to bring together—not that there has not been prior work with respect to amendments—in a legislative form some of the very necessary, and we hope adequate, amendments which we all know are so needed and which we hope will be welcomed by the industry.

I am not sure which is older, the Act or Mary Poppins. On the other hand, we are attempting to bring the Aeronautics Act into the 1980s. We hope that the work not only of the present Government but of previous Governments as well will serve the industry at least over the foreseable future. Hopefully this will be a basis for allowing the orderly, safe and efficient development of this industry in Canada through to the turn of the century. In that context, I am sure the Minister will have an opportunity, as I do so now, to welcome the assurance of support from both the Official Opposition and the NDP with respect to this measure.

A question has been raised with respect to a technical briefing concerning this Act. It is a technical matter, and this is something to which the present Minister and Government, in a spirit of consultation, is quite prepared to accede and would indeed welcome. I might just say as an aside to the NDP spokesman that indeed steps to achieve that were already in motion earlier today. They were superseded by the presence of the Bill itself, otherwise he might have had the opportunity of obtaining that type of briefing together with members of the Official Opposition. It is still not too late for that type of technical briefing and, if that is the wish, I am sure arrangements can be made to accommodate Members.

In that same vein, I want to comment very briefly on a further observation or request made by opposition spokesmen with respect to regulations. Over the years the regulations which flow from legislation have always been a matter of concern to members of the Opposition particularly, but I can assure you and all members of the Opposition that the regulatory process which will come into place once this measure has been dealt with here in the House and in the committee will be a matter of concern to all, and I am sure favourable consideration can be given with respect to a review. I hasten to add the simple but very obvious caveat—and I am sure the Hon.

Member for Regina West (Mr. Benjamin) will appreciate this—that the current Minister of Transport (Mr. Mazankowski) is, if anything, not a presumptuous person. Nor would he dare tread upon the territory of the distinguished Chairman of the Standing Committee on Transport or, indeed, the members of that august body by presuming for one moment that the committee might make substantive changes in the legislation, thus frustrating and circumventing the proper utility of the regulations which flow from it. Having said that, the matter is too serious for we to be facetious and I do not intend to be that.

This measure is an over-all attempt to bring some sanity to the industry. Very few pieces of legislation have survived as long as has this one. I think to the original drafters must go the accolades and admiration of those of us here in the mid-1980s simply because it has stood up that long. Whatever else might be said about it, it must reflect the wisdom of those who looked at a very fledgling industry. I believe that their wisdom and foresight has sustained it admirably well. Now, as a result of conflicts between jurisdictions and conflicts with federal requirements and provincial and municipal authorities, there is a need for an entirely different framework in order to provide the air industry with a means for a more orderly development in the future.

● (1650)

The Minister has spoken briefly on the general principles of the Bill. These include safety, zoning, the new medical requirements as well as other aspects. I trust that this legislation will be discussed at some length in committee because in certain aspects we are introducing a unique principle. I refer to the requirement for medical information.

Some jurisdictions in Canada allow certain actions by medical authorities to be taken not necessarily with the fullest consent of the individual concerned. In this respect, I suggest it is important to consider that part of the Bill carefully. Let me read into the record the more operative parts of the medical requirement provision in the Bill. Clause 5.5(1) states:

> Where a physician or an optometrist believes on reasonable grounds that a patient is a flight crew member, an air traffic controller or other holder of a Canadian aviation document that, to the knowledge of the physician or optometrist, imposes standards of medical fitness, the physician or optometrist shall, if in his opinion the patient has a medical condition that is likely to constitute a hazard to aviation safety—

—take certain steps. Hopefully, in recognition of the privacy of such information, the first step to be taken is to direct the physician or optometrist to advise the patient of his condition. That patient will be advised to inform the appropriate medical authorities within the Department of Transport of that condition.

The physician or optometrist would then ascertain from the Minister within 72 hours whether the patient has reported the condition, and if he has not, the physician or optometrist is required to transmit that information.

We are dealing with the important principle of the privacy of medical information. It is the inviolate position that exists between the doctor and his patient. I believe it is important that Canadians understand this measure because it is the first step by a federal authority and the first step contemplated by an Act of Parliament. Some provinces have taken steps in this direction as concerns impaired drivers and other issues.

I believe that Clause 5.5(3) is innovative and progressive in terms of safety while at the same time recognizing the right to the privacy of individual Canadians. That clause states:

> The Minister may make such use of any information provided pursuant to subsection (1) or (2) as he considers necessary in the interests of aviation safety.

This Bill ensures the sanctity of such information and I believe it is important for the committee to pay close attention to those clauses of the Bill.

Furthermore, it is my hope that the committee will consider some of the regulatory questions that were raised by the Hon. Member for Regina West which can best be explained in the committee. I appreciate having had the opportunity to make a very brief intervention.

Mr. Lewis: Mr. Speaker, I commend the Minister and the Parliamentary Secretary on their comments and their efforts to update legislation with respect to aeronautic safety and the administration of airports.

At the present time there is a controversy in Simcoe County over the best location for a municipal airport. The City of Barrie favours a location south of Barrie, close to Toronto, in the township of Innisville. This will cause development to take place south of Barrie. Unfortunately, the town council of Innisville is opposed to that.

The people of my community in the City of Orillia, the business community and surrounding area, believe the airport should be located between Barrie and Orillia. It is a location that makes much more sense for the community. It would serve both communities equally well and prove to be an economic asset.

Does this Bill provide for an independent review process by an independent body to consider the economic implications and social considerations and aeronautical considerations so that it does not remain a controversy between two cities? Since taxpayers at all levels are, in effect, footing the bill, is there provision in the Bill for that kind of independent review process to take place?

The Acting Speaker (Mr. Paproski): The Hon. Member will have to answer at another time. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Paproski): Is there unanimous consent for the House to proceed to Item No. 55?

Some Hon. Members: Agreed.

* * *

PUBLIC SERVICE

ADVISABILITY OF GRANTING RIGHT TO POLITICAL PARTICIPATION

Mr. Mike Cassidy (Ottawa Centre) moved:

That the Standing Committee on Miscellaneous Estimates be empowered to study the question of granting to federal public employees the full political participation enjoyed by other Canadians and, that the Committee report its findings to the House no later than June 28, 1985.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I do not want to take the time of the House, but I would like to know whether it is in order for this House to study this motion at this time. Members will remember that the Hon. Member for Ottawa Centre (Mr. Cassidy) did try the courts on this issue, I think it was last year. I understand he gave indications that he would also pursue this in the courts with the support of the unions.

Has the Hon. Member pursued this matter in the courts? Has he taken action before the courts? If he has, it changes the picture.

The Acting Speaker (Mr. Paproski): Is the Hon. Member now saying that this particular item is before the courts?

Mr. Gauthier: I am asking whether it is before the courts, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I think what we should do is to go ahead with the debate and the Hon. Member will probably answer that question in the debate.

Mr. Gauthier: You may enlighten me here, Mr. Speaker, but if the question is before the courts it is not for us in this House to discuss the matter at this time. If it is not before the courts, fine. I want to participate. I want to make it clear at this time that this House cannot, if the question is *sub judice*, talk about it. I am asking the Chair to confirm or deny whether the question is before the courts.

Mr. Benjamin: I rise on the same point of order, Mr. Speaker. You may recall that, I believe a couple or three months ago, this House debated my Private Member's Bill on the same topic. There were no objections raised. Whether or not this matter is before the courts I have not the faintest idea, but this is the number one court in Canada and we debated the subject a couple of months ago. I do not know why we cannot do it again.

Mr. Cassidy: I appreciate the chance to speak on this motion—

The Acting Speaker (Mr. Paproski): Order, please. Would the Hon. Member for Ottawa Centre (Mr. Cassidy) like to answer the question so that we may commence the debate in Private Members' Hour?

Mr. Cassidy: Mr. Speaker, this specific motion is that the question should be referred to a committee of the House. That is not a question before the courts. The courts have no power at all to look to that particular question. In response to the Hon. Member's question, the answer is that the matter of referring this question to a committee of the House is not before the courts.

The Acting Speaker (Mr. Paproski): I believe that pretty well answers the question. The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: Mr. Speaker, I appreciate the chance to speak to this issue. The purpose of this motion today is to get action on a matter of vital importance to 250,000 federal public employees, namely the issue of political rights. It is an issue in which both the Conservative Party and the New Democratic Party spoke quite categorically during the course of the 1984 election campaign indicating they were in favour of giving full political rights to the vast majority of federal public employees.

The situation right now, and we have an election campaign in the Province of Ontario, is that despite the promises made by the Government last summer, the Conservative Party, that it would act to give political rights to federal employees, they are still in a situation where they cannot tell exactly what kind of participation they can enjoy in the current political campaign. The current law says that they must not work in a campaign. Does that mean federal public employees can put up a sign for a political candidate? They do not know. Can they knock on doors? It is not clear. Can they wear a button? It is not certain. Could a public servant's wife or a 14-year old son or daughter participate in a campaign? That also is not known, Mr. Speaker. In fact, there was a conflict between the guidelines now in force from the Public Service Commission which state that public employees should not act or speak in a politically partisan manner nor should they act in a way that would give rise to the perception that they may not be able to perform their duties in a politically non-partisan manner. Those are the guidelines laid down to public service employees and given to the employer and through which disciplinary action may be taken. That is in direct conflict with the promise made by the Government when the Conservatives were campaigning last summer. So far, unfortunately, there has been no action in order to sort out that particular conflict.

This motion is also particularly relevant because on Wednesday this week the equality section of the Charter of

Rights will come into force. As you are aware, Mr. Speaker, the equality provisions of the Charter grant "equal protection and equal benefit of the law without discrimination" to any citizen of Canada. I am sure that was intended not to exclude people who worked for the Government of Canada.

The specific measure I have here is designed to implement the promise which the Conservatives made in the summer, that is, that the matter would be referred at an early date to a committee of Parliament in order that it be studied. This motion is to refer the matter to the Standing Committee on Miscellaneous Estimates, but because of the danger or the fear that some people have had that this could lead to the issue being pigeon-holed in the Miscellaneous Estimates Committee, my resolution calls for the matter to be reported back with recommendations by the standing committee no later than June 28, 1985. In other words, action is required. It is not good enough to leave us hanging with vague promises in the hope that something might then occur. What I want to do in raising this issue with the House of Commons is to seek to urge the Government to carry through with its promise of extended political rights to workers in the Public Service.

I would now like to quote a couple of the promises which the present Prime Minister (Mr. Mulroney) made last summer. He was very explicit in making his promise of political rights. In responding to public sector unions, he said:

> We believe that this matter should be addressed by an all-Party parliamentary committee in consultation with Public Service organizations and we believe the situation can be quickly resolved.

He said the restrictions on Public Service political activity:

> —are unnecessary and likely not justifiable under the terms of the Canadian Charter of Rights and Freedoms.

It is now seven months since the Prime Minister took office. This week also sees the proclamation of the equality section of the Charter of Rights. There are some very specific and immediate reasons why we need action now. Nothing has been done to free up those public employees who may want to be involved in the Ontario provincial election. An election has been called in the Yukon. The same situation will prevail there. Goodness knows what may happen if we do not act with respect to all the other provincial campaigns that are to take place in the very near future.

Second, the Government could be losing its will on this issue. I hope to hear reassurance today that that is not the case. Delays in action may be related to divisions within the Cabinet. Certain elements of the senior civil service are resisting action on political rights. That has been reflected in the points of view which have been enunciated by the President of the Public Service Commission and also by the Commissioner of the Public Service Commission, Jennifer McQueen, both of whom seem to take the view that, unless they are instructed otherwise by legislation from Parliament, neutrality on the part of the Public Service is a requirement and that it should extend to every person, to a secretary, a truck driver and a data entry clerk. Everybody in Government should be neutral so that advice coming to Ministers and to the Cabinet from a handful of people at the peak of the civil service can be seen to be impartial.

I contrast that with the response given to the Public Service Alliance by the Progressive Conservatives during the election.

The Conservatives stated:

> The P.C. Party favours a general removal of the restrictions on political activity, especially for those public servants covered by collective agreements. These restrictions are unnecessary and may not be justifiable under the terms of our Charter of Rights and Freedoms. There are some senior public servants whose job responsibilities are very political in nature nad whose rights should be somewhat restricted to prevent conflict of interest, but we are confident that these people could be covered separately without disenfranchising over 200,000 public servants in the process.

● (1710)

Section 32 of the Public Service Employment Act indicates that Public Service employees cannot hold office in a political Party or attend conventions as delegates. The Progressive Conservatives stated, that most public servants should be free to participate in the internal activities of a political Party and that only if they wanted to become candidates should they request and be granted leave of absence from the employer.

This statement indicates that we are not really talking about the issue as to whether political rights should be granted to most people who work in the Public Service of Canada, but when that will occur and how soon. I note with approval that the President of the Treasury Board (Mr. de Cotret) in fact has initiated discussions with public sector unions on the issue of political rights. This began three months ago. Unfortunately there is yet to be a concrete proposal put on the table or made public. I hope that in the course of today's debate we might in fact have such a proposal made public.

The Government should in fact lay out its plan now. I would like to see the concurrence of the unions, which I believe will come very quickly, because they have made their decision in support of the principle of political rights absolutely crystal clear. That would allow us to proceed with legislation. Legislation could come into the House of Commons now. It could be debated, quickly go to committee and be brought back to Parliament for adoption before the end of June. I would much prefer to see that occur than even to have this issue referred to a committee, as my motion proposes. My motion, however, is designed to give us an opportunity to debate the issue and perhaps to give the Government an opportunity to indicate that it will be acting very shortly with legislation so that we could see it occur and adopted before the end of June.

If that is the commitment of the Government there is no need for the issue to go to a parliamentary committee. Let us see the legislation. However, if this question is being linked to four or five other questions now under discussion with Public Service unions, I would have to say that I have some misgivings. Because of the Charter, because of the fundamental importance in a democratic society of the issue of political rights for so many people who happen to work for the Government of Canada, it seems to me that we cannot use this as a bargaining chip, something which might be taken away if the

unions were not amenable on other things on which the Government was trying to get a resolution.

I believe it is time, since early action was promised, to separate this one out in order to take early action if the other issues are to take longer to resolve. I call upon the Government to take action so that we can act upon this and put it into law before June 28, before Parliament actually rises for the summer recess.

This issue has been discussed in the House of Commons more frequently in the last few months than in the preceding six years. I am pleased to see that. The only time it was discussed in the previous Parliament was on the two occasions when a Bill to provide for political rights for people in the Public Service, in the name of the Hon. Member for Regina West (Mr. Benjamin), was debated during Private Members' Hour. A number of Members on all sides have spoken favourably to this particular issue. Recently, the Public Service Alliance in fact circulated a questionnaire or letter to all Hon. Members asking whether they supported the declared position of their Party in favour of political rights. I am pleased to say that some 50 Members, mainly from the New Democratic Party and from the Progressive Conservative Party, have already responded to the Alliance by indicating that they support those principles, that they support the position taken by their Parties during the course of the 1984 election campaign.

I urge all Members to talk with their staff to find that letter which may be in their files awaiting a response and to respond favourably. I also urge them to work through their party caucuses and other means to make sure that the issue does not stay on the shelf but is acted upon very soon.

This is a very important issue for me because my riding is a public sector one with a large number of people who work for the Government of Canada. Many of those people have in fact worked in election campaigns in the past, are doing so now and would like to continue to do so in the future. However, some of them felt intimidated because of the guidelines circulated by the Public Service Commission. If not that, then certainly they feel misgivings because of the wording of Section 32 of the Public Service Employment Act. They are looking for direction from Parliament. They are looking for an opening for them to have democratic rights from Parliament.

I am committed and I intend to continue to pursue this issue of political rights until it is resolved. It is of direct importance not only to a quarter of a million federal public employees, but our decision in Parliament on the issue will touch another 200,000 people who work indirectly for the Government of Canada through Crown corporations, as well as countless people who work in provincial government employ and provincial government corporations.

The idea that one cannot even tell whether or not one can put up an election sign for a political candidate, that one might run the risk of being fired under Section 32 of the Public Service Employment Act, is ridiculous in this day and age. Even though that section has never in fact been invoked, it is there as a threat. It is used as a threat. In fact people are called on the carpet from time to time and reminded of the wording of the legislation. In my opinion it is clearly in violation of the constitutional Charter of Rights guarantees to freedom of speech, to freedom of association and to equality under the law.

As my friend from Ottawa East pointed out, a number of people in the Public Service initiated, along with me, a court case last summer. I do not want to talk too much about it, Mr. Speaker, for the reasons you have indicated, because we are now talking about whether or not this general question should be referred to a committee of the House of Commons. However, as the Hon. Member for Regina West pointed out, this is the supreme court of the land. It would be wrong to delay action by the Government of Canada pending any determination by the courts on this matter. We have the right to act. Legislation could come in. That legislation could supersede any particular court case. I hope very much that in fact that would be the case.

I want to suggest to all Hon. Members that the current situation is truly ridiculous. In 1967 the Public Service Employment Act confirmed a ban on political activity but has allowed a number of specific exemptions. Those exemptions include the fact that a Public Service employee can stand for Parliament with the consent of the Public Service Commission. Therefore we have the curious situation which prevails right now in a riding in Cornwall, in the provincial election campaign, where a Public Service employee working for Transport Canada has received permission to stand as a candidate. If defeated—and I am confident that he will be elected to the Ontario legislature—

Mr. Lewis: He must be a Conservative.

Mr. Cassidy: He is an NDP member. Were he to be defeated, he would then face the fact that he might find his recent selection as the president of the riding association, of which he is a member, to be in contravention of the guidelines despite the fact that he was able to be so partisan that he could in fact be a candidate. That is a very bizarre situation, a situation which cries out for rectification.

We have the situation where in practice many people of the government Party, of the Liberal Party and of my Party participate in election campaigns, particularly in the Ottawa area. Some of them are the mainstay of particular riding associations, yet they always participate with one eye over the shoulder in case someone might read them the riot act and tell them that that is not the way to go.

In 1980, the Liberals, then in opposition, promised broadened political rights. They forgot that promise during the course of their term in office after 1980, something which I very much regret. I am anxious as the Hon. Member for Ottawa Centre to make sure that the new Government does not break the very categorical promises which were made at that time and I believe were endorsed by all the Ottawa Members particularly. There is reason to act as well because of the Charter, because of the experience we have had with more stringent application of the present rules, because of the

guidelines of the Public Service, because of the Fraser case, and because of heightened awareness on all sides that something needs to be done.

Of course I am in support of the concept of collective bargaining. Although the Government said that it would refer this matter to a committee, if through the process of discussion with the unions it can come up with a specific proposal, I would say more power to it. Let us do that with unions on side and let us have a determination of the matter through the House.

I am uncomfortable with the determination of this issue before the courts because frankly, despite the Charter and everything else, it is something we should be able to determine on our own, without the need to refer it to the courts. I should like to make a specific proposal at this time in terms of what I think the legislation can and should contain. I hope either now or at other times Hon. Members will see fit to concur with this particular proposal.

• (1720)

In the first place, I believe that political rights should be granted on as broad a base as possible for people who work for the Government of Canada. Article 1 of the Charter provides for exemptions from the fundamental freedoms which are laid out in the Charter. Those exemptions apply only in the case of the reasonable limits that are prescribed by law which can demonstrably be justified in a free and democratic society.

The jurisprudence which is developing makes it quite clear that those limits should be very narrow. I therefore want to propose, since my time is up, that we grant full political rights to all people in the Public Service of Canada who are members of bargaining units. That would immediately open up political rights to 80 or 85 per cent of the people who work for the Government of Canada. The rule would be very clear and very simple. If you are in the union, in the Public Service Alliance, PIPS or some other union, you have political rights.

The legislation should indicate that the people at the top of the Public Service, deputy ministers and people in the executive category, the top 3,000 or 4,000 perhaps, should have to adhere to the doctrine of neutrality. Those people who are in the management category, not in bargaining units but not at the very senior levels, should probably be looked at on some kind of a case by case basis. It is harder to determine whether or not they can in fact be politically active without jeopardizing the need for neutrality at or near the top of the civil service.

That is a concrete and constructive proposal which I believe would enable us to act now and give political rights to the vast bulk of people who work for the people of Canada through the Public Service of Canada. It would give them—

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that his time has expired.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker—

Mr. Benjamin: Are you agreed?

Mr. Gauthier: Yes, I guess I should say "agreed".

Mr. Benjamin: Then sit down.

Mr. Gauthier: I won't sit down just yet. I have a few words to say.

I would like to thank the Hon. Member for Ottawa Centre (Mr. Cassidy) for giving us the opportunity to look at this subject matter again, the question of political rights of public servants in Canada. Indeed, in the Ottawa area, in the national capital region, it is an important subject which comes up at election time, be it federal, provincial or otherwise. This question, of course, has been thoroughly discussed in the House and in committee. I would like to refer the House to the reports of the Standing Committee on Miscellaneous Estimates of last year where we had as a witness the Public Service Commission. Extensive discussions were held then with the Commission with regard to Section 32 of the Public Service Employment Act and Section 7 of the Financial Administration Act which gives managers the right to discipline public servants. There are ways and means of looking at this subject from every angle.

I submit that since the D'Avignon report was published in 1979, this subject has been thoroughly canvassed by the national capital members at least and I think we are of one opinion on this question. We believe that the law should be changed to allow public servants in support, administrative and other categories the right to participate fully in the political process, as it was given to them by the Charter of Rights, Section 2(3), which is, of course, modified by Section 1 which says that this Charter applies within reasonable limits.

[*Translation*]

Mr. Speaker, I have a few comments to make on the proposition by the Member for Ottawa Centre (Mr. Cassidy) that the issue is not before the courts. As the House is aware, at election time last year, the Hon. Member for Ottawa Centre had asked the Federal Court for an injunction to limit the scope of Section 32.

[*English*]

I refer Members to articles in the press of December, 1984 which stated that the Hon. Member for Ottawa Centre had not succeeded in convincing the courts that the question required immediate study. The Federal Court said that the question required in-depth study. As there were only two weeks until the election from when he made his request for an injunction, the Federal Court said that although the subject is important, it requires in-depth study and, therefore, it would not grant an injunction on the basis of that short a time limit.

I take it from the answers to you, Mr. Speaker, that the Hon. Member assured the House that the matter is not *sub judice*, that the question is not before the courts, and the only question that is before this House and before this court is indeed, "Are public servants authorized in law to participate fully in the political process?"

Mr. Cassidy: Mr. Speaker, I rise on a point of order. If I can be very precise, and I hope the Hon. Member does not pursue this too much because I think this is a co-operative kind of debate, I stated that the question as to whether or not this matter should be referred to a standing committee of the House of Commons was not before the courts.

The Acting Speaker (Mr. Paproski): That is not a point of order.

Mr. Gauthier: Mr. Speaker, I want to address that question also because it is another question that is of importance to Members of this House. On the first question, I take it that we have that assurance. Therefore, it follows that indeed the question is before the Standing Committee on Miscellaneous Estimates and has been there since May 2, 1984. I submit that our rules and regulations are quite simple and clear on that matter.

The Public Service Commission tables it's annual report in the House every May. Last year it was tabled on May 2. This year it will probably be tabled in the beginning of the month of May. It tables the report and that report is referred to the committee automatically, under our new rules. A committee can pick up any subject that it wants which is referred to it by way of an annual report. Standing Order 46(4) reads:

Reports, returns or other papers laid before the House in accordance with an Act of Parliament shall thereupon be deemed to have been permanently referred to the committee designated by the Member tabling the report, return or paper.

If we look at the annual report for 1983, we see that there is reference to political rights. It is indeed in this report.

[*Translation*]

Mr. Speaker, I am going to read the passage on page 28:

Leave authorized for the purpose of political activity under section 32 of the Act—

—the section in question.

—any employee wishing to stand for elected office or seek nomination in a federal, provincial or territorial election, shall submit to the Commission an application for leave without pay.

And the text elaborates further on this question.

The matter has been referred to a committee, which can therefore put the question on its agenda, examine it as much as it cares to and report on the matter to the House, which report may receive a response, Mr. Speaker, in accordance with Standing Order 69(13).

[*English*]

In our Standing Orders we have a very useful Standing Order, 69(13), which reads:

Within 120 days of the presentation of a committee report, the government shall, upon the request of the Committee, table a comprehensive response.

The Government could be asked by the Standing Committee on Miscellaneous Estimates today, tonight, tomorrow if you want, to make its position known in a comprehensive manner on the matter of political rights of public servants. In my view, that would meet the motion of the Hon. Member for Ottawa Centre quite adequately, thank you very much.

I know the Hon. Member understands the process. I know he will bring it up in the committee, as I did over the years, and as did the former Member for Ottawa Centre, Mr. Evans, and as did many other Members, including the past Member for Nepean-Carleton, Mr. Baker. I have been here for twelve and a half years. I do not know of a year that went by without having some Member of the Ottawa Carleton area bring the subject to the attention of this House, which I think is interesting in that it proves that we are indeed interested.

It is true, as the Member said, that public servants in the Ottawa area do participate in the political process. They do participate in federal elections and provincial elections. We now have a provincial election. If you read *Dialogue Express* put out by the Commission last year—and this is what got our committee going—you see that it is signed by the three commissioners, Mr. Gallant, Mrs. McQueen and Mr. Lacombe. It states:

Federal public service employees should not undertake activities, assume responsibilities or make public statements of a politically partisan nature or of a kind which could give rise to the perception that they may not be able to perform their duties as public servants in a politically impartial manner.

● (1730)

It goes on to say:

—employees should not personally campaign for or against political parties or candidates—

—employees should not become involved in the solicitation, collection, distribution or administration of the finances of political parties—

—employees should not assume any official functions or be elected to any recognized offices, including being a delegate to meetings or leadership conventions—

The fourth point is interesting. It does not say "should not" but it says "must not". That language is a little stronger. It reads:

—employees must not stand for elected office or seek nomination in a federal, provincial or territorial election—

That is clear Shakespearian English. The problem is that I disagree with the interpretation given by the Commission to Section 32, as does the Hon. Member for Ottawa Centre (Mr. Cassidy). Many of us disagree with the interpretation being given to Section 32.

We dealt with this issue before in committee and in the House. What is now required is for the Government to take its courage into its own hands and come up with a position so that any Member of the House can understand—

[*Translation*]

—"clair comme de l'eau de roche", as they say in French—

[*English*]

—the position of the Government. I will not recite or read again the communication read into the record by the Hon. Member for Ottawa Centre. Perhaps I should read it again. This communication was from the previous Leader of the Official Opposition to Mr. Jack Donegani dated August 14, 1984. It reads:

The PC Party believes that the present restrictions on political activity are unnecessary and likely not justifiable under the terms of the Canadian Charter

of Rights and Freedoms. While the rights of some senior public servants must be restricted in order to prevent conflict of interest, we feel that this issue could be addressed without disenfranchising over 200,000 public servants in the process.

I agree.

Mr. Lewis: Then cross the floor.

Mr. Gauthier: No, I will not cross the floor on that issue. I have been saying for 12 years that I agree with those who think reasonably and believe that this issue is indeed intimidating public servants. It makes them feel uneasy when putting up signs on their lawns. I have had people in my riding put "hers" on signs because the public servants, him, did not want the signs to be known as theirs. They wanted them to be known as being "her" signs. It is a situation which I believe must be clarified. It does not make sense.

D'Avignon's report indicates that we should adopt the British system by having three categories of public servants: those who are free to participate, those who must get clearance from the Commission before they participate, and those who cannot participate at all because they give advice to the Government in the higher echelons. I think that is a reasonable approach to the question at hand.

Again, I must congratulate the Hon. Member for Ottawa Centre for bringing this up today. I would hope that he would join with me, return to the committee and possibly have the Chairman of the committee and the Chairman of the steering committee agree that we can make a report to the House within the next few weeks, have that report tabled in the House and concurred in and then ask the Government to put its position forward in a clear manner. That will avoid expensive legal costs to the Alliance or whoever is backing the Hon. Member on this case. I know that judges will probably have to rule on that matter. I hope they are not doing it right now. If they are, I apologize to them. I have a great deal of respect for judges so I would not want to be speaking about something which is *sub judice*. I am talking about something which has been referred to a committee. I agree with him and I hope the House will also agree.

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, I would like to participate in this discussion for a few moments. First, I would like to suggest that from the very clear question that was put at the opening of this debate and the reply given by the Hon. Member for Ottawa Centre (Mr. Cassidy), my understanding is that the matter is not before the courts now but that it had been before the courts back in September of last year. It is certainly not before the courts now, and if it is, then obviously his answer was more than evasive.

The important thing we want to discuss today is the merits of the case within the framework and atmosphere in which we deal with these things. I do not think that there is any doubt in my mind or the mind of any other Member of Parliament who comes to the National Capital Region that public servants by and large should be given full political rights, rights which they have not had in the past. I say that because we are all too familiar with public servants who do work on our election campaigns and, if we believe the interpretation of the Public Service Commission, are working on our election campaigns illegally. I would feel very sorry for any Canadian citizen who is involved in a political process if that citizen is classified as doing something illegal. I do feel that this is a subject which we should and will deal with in the not too distant future.

The important thing we must consider is that in the last 12 years I have been here, and particularly in the last five or six years, this matter has been discussed more and more openly. A momentum and consensus have been building up among members of all Parties that the public servants should be given full political freedoms and that if they are disallowed from having those full political freedoms at this time, then the law should be changed.

Having said that, I would draw to the attention of the House the remarks already drawn to attention by the previous two speakers, point number four in a letter put out by the leader of the Progressive Conservative Party last August during the election campaign. It has already been read into the record but it indicates that the Progressive Conservative Party favours a general removal of restrictions on political activities for public servants. That clearly states my concern, and I think our Party's concern, for carrying on this process and opening up the political arena to those people who are public servants. I say that with the knowledge that I had some involvement in the phrasing and writing of this article which came out as part of our Party's platform on public servants.

I say that also because perhaps I bring a different point of view to this issue in that I am perhaps the only person in this Chamber who was a public servant who got fired because he sought a federal nomination. Having lost my job over that and feeling, some 12 or 13 years ago, that it was unfair and unjust and having taken it to the Divisional Court and three years later received my response, I must admit that I have always felt that I opted out by not taking the matter further to the Supreme Court of Canada. However, at the time it did not seem that important since I was already through my second federal election campaign before the Divisional Court of Ontario dealt with the matter. There is a reported decision on that matter in the law books.

I personally felt very strongly about this issue at a time when the few dollars that were involved were very, very crucial to my well-being and that of my family. I have not lessened my interest in the topic. However, I ask all Members to consider that the Party of which I happen to be a member, the Party which forms the Government of the day, did make that promise during the last election campaign along with a number of other promises.

Seven months is not a very long period of time. We have implemented quite a few of the commitments that were made during the election campaign, and those commitments are not being introduced and passed within the first six months willy-nilly. One could not possibly, in a well organized and planned program, introduce all the commitments which a Party makes in an election campaign within six months. We have a four-year term, and throughout those four years, I hope that all

those commitments will be introduced, passed and become the order of the day in this country. Not all can be dealt with during the first six months leaving three and a half years before we implement any other programs. I think that they should be balanced over a period of time.

Having said that, since we are a federal Government looking at a federal situation, I do not see why we should be rushing into this matter within the first six or seven months. It has been a long-standing sore and I do not believe that it has to be wiped out in six months.

● (1740)

Having said that, I would like to point out, as the Hon. Member for Ottawa Centre (Mr. Cassidy) who introduced the motion stated, that the Government has not been sitting back and doing nothing. The Government has begun to negotiate with the unions. The President of the Treasury Board (Mr. de Cotret) is discussing this matter with the unions at the present time.

That is exactly what the Government said about the fourth point. The Government feels that the people who are in the bargaining units should be relieved of the illegality of this matter. Because the Government is currently bargaining with the unions, I feel that it is inappropriate to bring the matter forward in other forums. However, in many situations negotiations are very touchy and I do not want to build up false hopes. In addition, I certainly hope that no Member would use this forum to obtain a political advantage during the provincial election campaign. That would be demagoguery. I hope that Members have the better interests of federal public servants in mind, in order that this matter can be resolved before the next federal election.

This Government is the first Government which has taken the step to put the matter on the bargaining table, and I believe the Government should be commended for that initial step. However, if for some reason the topic is not resolved during the negotiations with an agreement arrived at which excludes the topic of political rights for public servants, we will still have about three-and-a-half years left in this term to deal with the issue. The issue could be resolved by way of a motion, by the route which was suggested by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), by striking a special committee in the House, or by way of a Private Member's Bill. I would whole-heartedly support the other means by which this matter could be brought forward for full discussion at a later stage. However, I believe it is important to allow the current negotiating process to continue.

Several matters were raised, such as a person putting a sign on his front lawn. In such case I would ask the person if they owned the house in joint tenancy, and if so, the sign should be put on an appropriate portion of the front lawn. Most people own their homes in joint tenancy and I do not think that the Public Service Commission would get excited about that situation. If it does—and if it is of value—I would offer my services free of charge to defend that person. However, such person might want to pay for services and get someone more skilled than I am in the courts. I have not been in the courts for a long period of time. But, I do feel strongly about the matter.

The guidelines which were published during the last election campaign by the Public Service Commission had never before been published in such a hard-nosed, definitive and brutal manner. During the previous four election campaigns in which I had been a candidate the matter was not as controversial as it became during the last election campaign. I felt that the Public Service Commission took a very insensitive and dogmatic position, which both surprised and concerned me. However, that action may have crystalized the point and brought it into focus. Because of its actions, the Public Service Commission has now joined the debate.

I do not think there is anything else that can be said at this time. Along with Members from all sides of the House, I support the aim, intention and goal of ensuring that public servants, at least those in the bargaining units, have the full rights of all other Canadians in the political process of Canada. I am not convinced, however, that bringing up this matter at the present time is furthering that end. I believe it is unfortunate that the matter was brought up at this time when negotiations are ongoing. I hope those negotiations are successful. Should they not bear the fruit which I optimistically hope they will bear, then I believe the matter should come before the House and subsequently go to committee to be dealt with at that time.

[*Translation*]

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, I would like to say that the political rights of public servants are an issue which is very close to my heart. In my opinion, Canadians who earn their living as public servants have the right to act as full-fledged citizens, and choosing a government and exercising one's franchise are of course some of the rights of full-fledged citizens. I am therefore very happy that we are discussing this subject today, but I would like the issue of the rights of civil servants to be dealt with and not just the matter of a few isolated political rights which it may seem appropriate at this time to give back to public servants without taking into account the whole context in which federal public servants operate in Canada.

[*English*]

We know, for instance, that political neutrality is an essential requirement in the federal Public Service, particularly in retaining its credibility with the democratic society which it serves.

The question is, if the restrictions which are currently in place are diminished, what else can we put in place to ensure the political neutrality of the public service? We must address the question of political rights by looking at five elements.

We must look at the question from the point of view of Parliament. We know that the historical interests of Parliament have stemmed from the need to remove the influence of the Crown from the electoral process. A related concern of both parliamentarians and Ministers is that officials should

not use their public positions to promote their personal political philosophies. Such conduct, rightly, is seen as a contravention of democratic politics. Also, Ministers share many of the same concerns as parliamentarians. They have an additional interest, namely, that they should be assured that the advice which they receive is not motivated by partisan or other types of political considerations. They must also be assured, in the execution of decisions and the administration of policies, that their officials act in good faith.

The Public Service, which aspires to serve Governments of different political complexions, has an interest which is complementary to that of Ministers. Its own rationale depends on being perceived as the impartial servant of the Government that holds office. It is correspondingly important that the public should not feel that political allegiancies enter into or affect their dealings with government agencies. Therefore, the Public Service has an interest in ensuring that its professionalism is protected in whatever rules and regulations apply to the exercise of political rights. We must determine where the rights of public servants meet those of the public.

Individual public servants are affected mainly if they wish to exercise political rights. That has become increasingly visible as the Public Service has increased in number. However, as has been pointed out by previous speakers, there are many public servants who perform routine functions that are not inherently governmental. It seems illogical not to permit those individuals greater political freedom than individuals whose sole service to Government is to give advice on policy, or who have a direct interface with the public on a day to day basis. In those cases, the individuals would find it very difficult to be objective, as they are deeply involved in the political choices.

● (1750)

We must also know that the public interest is diverse as well. The public must be assured that political allegiance is not a factor in the dealings it has with government departments and agencies. It will expect advancement in the Public Service to be on grounds of merit and efficiency, not on political inclination.

That brings up the whole matter of the merit system and the business of intervention within the professional Public Service which has gone on in the past decade and which has diminished the professionalism of the Civil Service. It has created many problems for certain civil servants who wanted to give objective advice but felt the pressure imposed upon them, perhaps by a superior or colleague who seemed to have been appointed rather than having arrived at this position of authority through simple merit and competence.

Therefore, if we are going to look at the political rights of civil servants, we must also look at the merit principle in the Civil Service. We must ensure that the public servant is protected between elections from pressures being put on him or her to give advice which is other than objective and professional. I believe that is as important an element as that of extending political rights to civil servants. We cannot look at increasing one set of political rights without looking at the responsibilities, the climate and the environment in which these public servants must work.

The Special Committee on the Review of Personnel Management and the Merit Principle which completed its review in 1979, stated, and I quote:

> With respect to public servants who perform a regulatory role, many intervenors stated that these public servants should not be given freedom to participate in party politics. Otherwise, the public might well perceive that a licence denial had political connotations when, in fact, it stemmed from failure to meet the requirements for granting of a licence.

That is one example which is given by the special committee. It continues:

> The theme of most intervenors who took this position was that, when public servants are in direct contact with the general public, they must be seen to be politically neutral.

Government must be perceived to serve the public and to serve the public good. Public servants in the employ of the Government must also be professional and be perceived by the public as serving its interests first and foremost. It cannot make any discrimination on the basis of age, sex, race, religion or political belief.

I believe that when we look at the political rights of civil servants, we must also remember the ultimate right of every citizen to receive objective service for the taxes they pay to the treasury every year. In addition, Government has a basic concern with the concept of public interest. It must deliver services directed toward the public good and needs impartial employees.

In determining the extent to which public servants should be permitted to participate in the political process, we must endeavour to strike a balance between the individual's rights and freedoms enshrined in the Canadian Charter and at least two other very important rights, namely, the right of the Government to receive objective information and impartial advice based on professional expertise, and the right of the Canadian public to be confident that its public servants deliver the Government's services in a professional and impartial manner. Any relaxation of the current rules should not compromise these principles. Any changes in the current legislative provisions must not be undertaken before the impact of the long-term consequences for the Government, the Canadian people and the Public Service itself has been thoroughly explored.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I appreciate the opportunity to engage in this debate and to put some thoughts on the record as to where I might stand with respect to the motion of the Hon. Member for Ottawa Centre (Mr. Cassidy), to have the matter of political rights for public servants referred to the Miscellaneous Estimates Committee. I am one who has always supported the view that parliamentary committees should be in a position to examine important issues such as political rights for public servants. However, I believe in this particular instance, given the process in which we are involved at the present time with the public servants, given the progress which the particular issue has made over the course of the past few

years, and given the way it was highlighted during the last election, it makes sense at the present time to continue to have it as an active matter of discussion between the Government and the Public Service. That is, of course, the case at this time.

There is no question that it must be a great disappointment to the Hon. Member for Ottawa-Vanier (Mr. Gauthier) that during his long years in the House, most of the time during which he was a member of the governing party, there was absolutely no progress made on this important issue by the Liberal Government. That is actually very, very sad. From that standpoint, I join with my colleague, the Hon. Member for Ottawa Centre, in complimenting him for bringing the issue to the fore. I am sure that because of the very fact that our Party is obviously much more concerned about the political rights of public servants than the Liberal Party was over the past years, we will see considerable progress made.

I would not for a minute, though, want the New Democratic Party to think—and I interject a personal note here—that we are looking at this from any concern as to who will benefit from the efforts of the public servants when the time comes that they are given greater political rights as public servants. I can tell the member of the New Democratic Party that when that happens they are going to come to our Party in droves, because they like winners and not losers, and I include my friend, the Hon. Member for Ottawa-Vanier in that comment. Our printing presses are operating at the present time printing membership cards. Obviously, they saw the light on September 4 and they will see the light even more clearly when they participate in an active political party which is going somewhere.

Mr. Gauthier: Down.

Mr. Lewis: Down from 53 per cent to 56 per cent. I remind the Hon. Member for Ottawa-Vanier that "down" is the way the New Democratic Party went. He seems to be in sort of the same position.

The Prime Minister (Mr. Mulroney) promised during the election campaign that he would expand political rights for public servants. He is a man of his word, as everyone knows, and I can assure Hon. Members of the Opposition Parties that this is a matter which is up for current discussion.

There is no question but that we understand the possible ramifications of the Charter of Rights and Freedoms coming in on April 17. The Hon. Member's particular lawsuit is before the courts. I do happen to agree with the Hon. Member for Ottawa Centre when he suggests that it was not sub judice for this particular forum, that is, the House of Commons, because it is not a matter of discussing the issue of public servants' rights. The issues, as the Hon. Member quite rightly said, is whether or not it was something which could be sent to a parliamentary committee for discussion.

• (1800)

If I may call it six o'clock, Mr. Speaker, I would be prepared to continue on and enlighten my colleagues in the other Party at an appropriate time.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. Private Members' Hour has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

ENVIRONMENTAL AFFAIRS—ACID RAIN—CANADA-UNITED STATES DISCUSSIONS. (B) NIAGARA RIVER POLLUTION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in raising the question of acid rain in March, with the then upcoming conference in Quebec City, the Prime Minister (Mr. Mulroney) gave me a quite explicit and articulate demonstration of his capacity for public relations and empty promises, as well as an attempt to rewrite Canadian history in the field of acid rain. The commitment made at the time was that Canada would be strong and active on the national and international scene in defence of Canada's acid rain concerns and our desire to progressively cut acid rain in order to protect our lakes, forests, agriculture, our health, and industry in general. Therefore, the initiative taken last week by the eastern Canadian premiers and the governors of the New England States is to be commended. Actually it should be expanded to include western Canadian premiers and the governors of the U.S. west coast States.

However, what I find distressing, in light of the rhetoric of the Prime Minister last March, is who was not there in Quebec City. It turns out that the Minister of the Environment (Mrs. Blais-Grenier) was not there. Not only was she not there, but also the acid rain envoy, former Premier Bill Davis, was not there. Their absence, of course, created some concern as to how serious Canada is on this issue; if it does not find the time to send its spokesperson on the environment and the new Canadian envoy on acid rain to watch the proceedings and take up the issues as they are raised during that kind of event.

I refer specifically to that old red herring raised by Governor Sununu of New Hampshire. He is famous for saying that Canadians on a per capita basis produce more acid rain than the Americans do. He then leaves the impression that it is a one-sided type of responsibility which rests entirely on our shoulders. Of course, the truth is far from that.

Of course, the Minister of Fisheries and Oceans (Mr. Fraser) was there to defend the Canadian position, and I commend him. But the Minister of the Environment was not there and, because of her knowledge of the subject and the input she would have been able to make, she could have taken on Governor Sununu and told him, look, my friend, this is not the politics of per capita, this the politics of who is downwind to whom and who is producing more substance upwind from the other.

The facts are that while Canada produces some 4.6 million tonnes of sulphur dioxide a year, the U.S. produces almost six times as much or 26 million tonnes a year and we are downwind to them. That is an argument that Mr. Sununu did not hear in New Hampshire. He should have heard it from the Minister of the Environment. Instead, he went home with a notion that he had somehow scored some points.

• (1805)

He also did not hear that in Canada we at least have a reduction program in place which provides for cuts of 25 per cent in our sulphur dioxide emissions between 1980 and 1990. The U.S. does not have such a program in place. Furthermore, we have a very important political commitment of an additional 25 per cent cut in SO^2 emissions by 1994, so that the total cut will be 50 per cent. Again, Mr. Sununu goes home after no one was there to give him this kind of message on behalf of the federal Government.

One could continue on this theme but it would be at the risk of giving Governor Sununu too much importance. However, it is important that we do not leave it up to Americans like Professor Eville Gorham, Professor of Ecology at the University of Minnesota, to come to Canada's defence. He is reported in *The Citizen* as saying at the end of the day that Governor Sununu's statement was quite unfriendly and unwarranted. That is a fact.

I will conclude because I also would like to know what the Government is planning to do in the next few months, during the period leading to the Helsinki Agreement when a protocol will be signed by the EEC nations, Canada, the Nordic nations and most of the Western and Eastern European nations, committing themselves to a cut of a minimum of 30 per cent by 1993. I submit that this is the time for Canada to become very active on the international scene and to put pressure on our friends south of the border.

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, first of all, I would like to clarify something the Liberal environment critic said. We were in fact very well represented in Quebec City. Several officials of my Department attended the meeting organized by the Quebec Government and the Northeastern American states. In addition, my colleague, the Minister of Fisheries and Oceans (Mr. Fraser), who is a former Minister of the Environment, and therefore quite familiar with this issue, was well able to put forward the Canadian position, which he did with great distinction.

Naturally, I was not in Quebec City, Mr. Speaker, as this meeting had first been scheduled for the month of March but that date was later changed to April by the Quebec Government and I had already planned discussions at that time with my OECD counterparts in Paris and in Stockholm, where I met with many ministers and looked at how Sweden protects its environment. As Hon. Members are aware, that country was the first to create a Department of the Environment and it was at the invitation of the Swedish Government that I visited there. I was not on holidays, as it was maliciously suggested.

What surprises me, Mr. Speaker, is that the environment critic finds all his information in the newspapers, and often not in the best ones. If there were a newspaper strike tomorrow, I believe he would be unable to ask any questions in the House. I would really feel quite sorry for him.

Mr. Speaker, today I would like to tell you what our Government has done about acid rain. Contrary to what the environment critic suggested, the federal Government has made a lot of progress in its fight against acid rain. We have implemented a program to reduce emissions from Canadian sources of acid rain and guaranteed financial support to the foundries which are unable to pay for anti-pollution devices themselves. We have guaranteed financial assistance for research, monitoring programs and the development of new clean-up technologies. We have announced very strict emission standards for automobiles and light trucks.

In summary, Mr. Speaker, we have a most comprehensive policy to fight acid rain at the present time, and I believe that this Government, which has succeeded in implementing this policy and concerted approach within six months of its coming to power, should be commended and not constantly criticized by my hon. colleague, the former Minister of the Environment, who would like us to believe that the previous Government did much in the environmental field, even though it did nothing: the only comprehensive policy to have ever been implemented in Canada is basically the one developed by this Government.

• (1810)

[*English*]

UNEMPLOYMENT INSURANCE—INCLUSION OF SEVERANCE PAY IN INCOME CALCULATION. (B) EFFECT ON LAID-OFF WORKERS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, on March 22, 26, again on April 1, and earlier in the Standing Committee on Employment and Immigration, I tried to put questions to the Minister of Employment and Immigration (Miss MacDonald) with respect to her proposal to include severance pay as income under the Unemployment Insurance Act. This would mean that those people who were given severance pay when they were dismissed from their jobs would have to use that severance pay to

cover the basic necessities of life because unemployment insurance would be delayed.

What does this mean? It means that a lot of people who would otherwise roll over that severance pay into a pension plan, who would use that severance pay to move to another place in Canada where there were better employment opportunities, who would use that severance pay to set themselves up in a business and to re-establish themselves in employment, would not be able to do it any longer because they would have to use that money for the basic needs of life.

I asked the Minister of Employment and Immigration whether she had made any impact studies before introducing these matters. I got no answer. I asked her to delay the implementation of the program which was to go in effect on April 1 so she could consult and do impact studies. Again she refused. As a matter of fact the only answer I got was that she did in fact have consultations. She wondered why I took so long in putting questions to her about this subject, that I only started in March. I might say that I was in touch with her office much sooner by telephone and by letter but I only started raising the subject in March in committee, that is correct.

The Minister put those questions to me. I must ask her whether she gives the same answer to all those people who are writing letters to us. Did she say that to the people who raised this issue at her own economic summit called by the Conservative Government when two-thirds of the people at that summit signed a petition asking for a delay? Did she insult them as well and ask why they were only raising the matter at that time? *The Toronto Star* only raised it in an editorial on April 13.

I have example after example here of people who raised this matter only in the month of March and later even the Government. I have a memo leaked to me by an official in the Department of Fisheries and Oceans. This is a memo from one of the directors of staff relations to all regional personnel managers. He said that several queries concerning the treatment of severance pay for unemployment insurance benefits have prompted the following explanation of the proposed changes that will "probably" be implemented March 31, 1985. Although we have not received official notification of the changes, we have contacted CEIC representatives and obtained the following information". That memo was dated March 12, 1985. In that department they still had not received any information.

Then there is the bulletin of the Professional Institute of the Public Service of Canada—this is in the middle of March. It states that it regrets having to provide only an unofficial interpretation of these important changes. Along with other public service unions, the Professional Institute has requested a delay in the implementation of the changes to allow further studies. To date, however, it had not received a reply to that request or an official interpretation from Treasury Board.

All kinds of people were confused by these announcements, and rightly so. The Minister said these were announced on November 8. All we had announced on November 8 by the Minister of Finance (Mr. Wilson) was a short paragraph on page 13 of his speech which said:

> In order to make the (U.I.C.) program more effective and less costly, a number of adminsitrative changes related to the determination of eligibility for benefits will be made.

In the Blue Book tabled by the President of the Treasury Board (Mr. de Cotret) it states simply, "separation payments—employment and immigration—$60 million—separation payments are not considered to be earned income when eligibility for unemployment insurance is determined". That is all. It is obvious that it took a lot of people a lot of time to find out what are the implications of this decision to make severance pay income for unemployment insurance purposes. People only began to see the implications after the Christmas recess, and they then started to write us letters. Because of that, when we saw what the implications were, we started to escalate our questions to the Minister asking for a delay. What was originally only a very sketchy program became a very complicated one.

• (1815)

The Minister accused me of loafing around, not doing my job earlier, or not putting questions to her in December. It is interesting to note that it was only on March 29 that the Canadian Employment and Immigration Commission announced approval of regulatory changes in the treatment of severance payments for unemployment insurance. The regulations were only adopted in late March. Then on December 21, the only other notice we had following the November 8 statement, the day on which we adjourned for Christmas, the Minister issued a press release saying that the implementation date for the treatment of severance payments would be March 31, 1985.

How much consultation did she do in the period from November 8 to December 21 on this important issue? The Parliamentary Secretary is here. He is an honest man. I know he will table for us today all groups, unions and employee groups that were consulted on this matter. I hope they were not just ones the Minister hand-picked. I hope she did a very thorough consultative job in the six weeks to which I referred. I should like the Parliamentary Secretary to tell us who in fact the Minister consulted with on the implementation of this program. Let us have the names of the people and the organizations.

The Minister has already admitted that there were no impact studies. She said that the Minister of Finance should have done impact studies. The Minister of Finance said that they should have been done by the Minister of Employment. However, none were done. This is a very serious program which touches a lot of people. I would like the Parliamentary Secretary to tell us how many people it touches. Once more will he advise the Minister to delay this very harsh and very inequitable program?

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, my col-

league from Notre-Dame-de-Grâce (Mr. Allmand) just said that I am an honest man, but perhaps he will be disappointed because honesty has nothing to do with reading off a long list of names of people who were consulted. Another thing about which I am pleased is that my colleague has withdrawn his remarks concerning everything he had seen about this important change. Quite true, it was in Mr. Wilson's statement and speech, for the Hon. Member admitted later that, on December 21, the Minister had issued a press release on the changes and that many articles have been published since then. As to the organizations that were consulted, it would be difficult for me to mention them all because there were quite a few consultations.

As announced by the Minister, it was decided that the new rules would take effect on March 31. The Act has been amended, unemployment benefits will be delayed or reduced in accordance with benefits paid when employment ends. These benefits include severance pay, earned paid leave, bonuses, gratuities, salary paid in lieu of advance notice, vacation leave and retroactive pay. The purpose of these important changes is to make sure that all employment income is treated the same way under the Unemployment Insurance Plan. They will eliminate compensations from two sources while maintaining all the benefits of the program, namely, the replacement of lost income while avoiding double payments.

On the other hand, to ensure fairness between the old legislation and the new one, a whole series of programs have been announced to allow people who had negotiated agreements in good faith following collective bargainings or a plant closing, because the problem had come to light between November 8 and December 21 as a result of consultations or questions within our caucus and from both sides of the House. The interim measures announced on December 21 will apply from March 31, 1985, and in the case of retirees, from January 1, 1986.

Mr. Speaker, I do not think that anything can be added to what I have just said.

• (1820)

[*English*]

ADMINISTRATION OF JUSTICE—PREMIER'S TRIAL—PRIME MINISTER'S KNOWLEDGE OF MARIJUANA FIND. (B) DATE INQUIRY

Mr. John Nunziata (York South-Weston): Mr. Speaker, on March 4 I asked the Solicitor General (Mr. MacKay) when he first advised the Prime Minister (Mr. Mulroney) that marijuana was allegedly found in the luggage of Premier Hatfield. I had asked the question on a number of other occasions. I was not given an answer by the Prime Minister, the Minister of Justice (Mr. Crosbie) or the Solicitor General. I put the question to the Solicitor General on March 4. Rather than the Solicitor General standing up to answer the question, the Minister of Justice stood up. It was somewhat strange that the Minister of Justice should stand to defend the Solicitor General when only a week and a half before he indicated that had he been in Opposition he would have asked for the resignation of the Solicitor General for his deplorable and disgraceful secret meeting with Premier Hatfield at the Chateau Laurier on October 7. I asked when the Prime Minister was first advised. The Minister of Justice stood up and indicated that the Prime Minister was told the day before charges were laid. The charges were laid on October 26. The Minister of Justice told this House that the Prime Minister first became aware of the fact that marijuana was found in Premeir Hatfield's luggage on October 25. That is utter nonsense. I hope that was not a deliberate attempt to mislead the House, but in fact it was a deliberate misstatement of fact. I would like to state why.

The marijuana was found on September 25, 1984. The Solicitor General indicated that he was first made aware on September 26 that the marijuana was found. He indicated that the Commissioner of the RCMP advised him of that fact.

On October 20, 1984 the *Fredericton Gleaner* ran a major story, indicating that a senior New Brunswick politician was being investigated for a particular drug offence. At that point in time it was not known who this senior New Brunswick politician was. That was October 20. On October 22, Premier Hatfield held a press conference to indicate that it was he who was under investigation. He also declared his innocence in the matter. It was national news from coast to coast. It was reported in every newspaper in this country. On every radio station and television station that marijuana was found in Premier Hatfield's luggage. That was on October 22. We have the Minister of Justice telling us in this House and the Canadian people that the Prime Minister was not aware of the fact that marijuana was found until October 25, the day before charges were laid.

One can see how ludicrous and misleading that statement was. By making that statement, the Minister of Justice was suggesting that the Prime Minister was closeted somewhere for three days, without access to newspapers, television or radio, that he was totally unaware of what was going on in this country. I indicated that it was utter nonsense. I hope that the Parliamentary Secretary will stand in the House today to apologize to this House and the Canadian people with respect to when the Prime Minister was first made aware that marijuana was found.

It is curious why the Prime Minister, the Minister of Justice and the Solicitor General refused to be forthcoming with respect to this incident. We in the Liberal Party, the Official Opposition, have been concerned from the very start that there has been a very basic breach of that fundamental principle of our criminal justice system, that all persons be treated equally before the law. This Government is involved in stonewalling. It refuses to be forthright and refuses to give us answers to the very necessary questions that are being asked as a result of the so-called MacKay-Hatfield affair. One can only conclude that the Government, the Prime Minister, the Solicitor General and the Minister of Justice have something to hide.

We in the Opposition have consistently asked for an independent judicial inquiry into the whole matter to determine how extensive the political interference was. We know

for a fact that the Solicitor General, on his own admission, met secretly with Premier Hatfield on October 7 at the Chateau Laurier to further discuss the case. The mere fact that he met with Premier Hatfield would suggest extremely poor judgment, not only on the part of the Solicitor General but also on the part of Premier Hatfield for asking for that particular meeting.

● (1825)

The point we in opposition have been trying to make is that it is basic and fundamental that all persons be treated equally before the law. It was clear to us that Premier Hatfield was given that audience with the Solicitor General because he was a Premier of a province. Had it been Joe Blow from Kokomo, or a poor teenager from the other side of the tracks in York South-Weston, he would not have been given an audience with the Solicitor General of Canada.

Members of the legal community are unanimous with respect to the propriety of the Solicitor General meeting secretly with Premier Hatfield. They say it was wrong, that it is not the role of the Solicitor General to personally involve himself in a criminal investigation. Members of the media are almost unanimous on the matter. They are unanimous in the belief that the Solicitor General exercised poor judgment. Some have gone so far as to call for his resignation. The Solicitor General has refused to resign. He is continually clinging to power.

At this point, we are waiting for the internal RCMP report which was promised us weeks and weeks ago. We are hoping that it will come forward, and will give us the answers to those very basic questions for which we and the Canadian people have been waiting.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, on March 4 the Hon. Member asked the question which is the subject-matter of his comments today. At that time, the Minister of Justice (Mr. Crosbie) said the following:

> The reason I am rising to reply, Mr. Speaker, is that I informed the Prime Minister the day before the charges were laid that charges were to be laid against Premier Hatfield.

Since that time, to the best of my recollection, the Minister of Justice has appeared before the committee on the Estimates. The Solicitor General (Mr. MacKay) has appeared twice, but in both cases, the hearings were terminated because of a vote in the House, although there was a brief opportunity for questioning. I know that the Solicitor General will be appearing on Estimates within the next week. The Hon. Member who has every right to pose whatever questions he sees fit with respect to this matter will have an opportunity to ask these questions of the Solicitor General. Indeed, he has such an opportunity every day in Question Period.

I do not intend to give hearsay upon hearsay today. All I can say is what I know the Minister of Justice has said, that the Prime Minister (Mr. Mulroney) was advised that charges were going to be laid against the Premier, and that that advice was given the day before charges were in fact laid.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.29 p.m.

HOUSE OF COMMONS

Tuesday, April 16, 1985

The House met at 11 a.m.

● (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—UNEMPLOYMENT

Mr. Steven W. Langdon (Essex-Windsor) moved:

That this House calls upon the Government to immediately bring in stimulative proposals to reduce unemployment by a minimum of 2.5 per cent within the next 12 months, given the failure of the Government to live up to its commitment to make job creation its number one priority, and its pursuit, instead, of a policy of cutbacks which has led to a rise in unemployment in three of the last four months.

He said: Mr. Speaker, it is a great pleasure to be able to move this Opposition Day motion today. It is particularly fine to do so with the kind of billing which was given to it yesterday by the Prime Minister (Mr. Mulroney). In answer to a question by the Hon. Member for Oshawa (Mr. Broadbent), the Prime Minister said the following:

—I suppose if the Hon. Member had a formula, or the Leader of the Opposition, or anyone else, that he could give me, whereby we can bring down unemployment by 2.5 per cent in the next month or two, I would grab it and say thank you, and I know the country would too.

Last week the Action Group of the New Democratic Party, after completing a tour across the country and talking with over 400 groups and individuals, released to the public a plan or an approach. I certainly cannot promise people here or people in the country that this approach would reduce the unemployment rate by 2.5 per cent in a month or two, but it would certainly give the country the kind of direction which, over the next year, would take our unemployment rate from the present unacceptable, humanly tragic level of 11.2 per cent down by that 2.5 per cent about which we talked yesterday in the House of Commons. That is a commitment which I think the people of Canada are demanding. It is a commitment which they feel is urgent and crucial, a commitment which they feel is only just, given the promises and the positions taken by the Government and the present Prime Minister prior to his election.

What we have in Canada is a crisis for people. I want to commence my remarks this morning by talking about some of the people I met across the country in the national tour which our Action Group organized to reach out to communities across Canada. There were some tragic stories which pointed out in a deeply emotional way to me the sense of human loss that we as a country are experiencing because of the existing tragic unemployment figures.

For instance, I want to talk about a man named Robert MacDonald in Cape Breton who has spent over 18 months criss-crossing the country putting in applications to company after company and not succeeding in finding a position. I want to talk about the unemployed construction workers who met us *en masse* in Edmonton and conveyed to us, in their anger and in their concern, their own outrage at unemployment rates of 75 per cent to 80 per cent in some of the particular skills which they represented in that city. I want to talk about the unemployed textile workers, most of whom were women 50 years to 55 years of age. They met us in Montreal. These women told us that their lives had lost meaning, that their capacity to provide for the needs of their families had been stripped away from them, and that their own sense of pride in the country was being sapped by the cruel way in which they were being treated as middle-aged unemployed women.

I want to talk about a young man, Pierre Desjardins in Moncton, who indicated to us that this was the year of the youth, yet those who come out of university in Moncton face unemployment rather than the prospect of jobs. I want to talk about Ron and Tony Camponi, Métis leaders in Saskatoon. They told me about the 200 units of Métis housing produced in Saskatoon for which Métis construction workers could not even bid in the last three years.

I want to talk about young people like Terry Bellavance who spoke to us in Thunder Bay on behalf of the Ontario March of Dimes. He is one of the many disabled or handicapped people in the country. He is looking for a chance to play a fair role in this community, a chance to live the life to which every Canadian is entitled.

I do not want to talk only about the human tragedy because the most exciting part of this tour or the most exciting part of this experience was for me to hear from people across the country that they felt this was not a tragedy which was unavoidable. It is not a tragedy that we simply have to accept. It is something that it is possible, by action, direction and leadership, to do something about. The people from whom I want to bring the message to this House of Commons are people like the woman named Core Strandberg of Vancouver who sat down with us and spent an afternoon talking in detail about the economic development corporations springing up across British Columbia, 36 of them in total. She showed a kind of grassroots dynamism and potential that we have to support and encourage.

• (1110)

I want to talk to you about women like Laurilie Kilgour of Hamilton who, despite discouragement and her difficulty as a woman in getting financing from our banking system, started a small graphics factory. She built it up into a thriving small business, providing employment within that community. She built it up despite the Government rather than with the support and encouragement of the Government.

I want to talk to you about people like Richard Cashin of St. John's and Jack Nichol in British Columbia who told us about the vast potential that is there if we build on our fish resources on both coasts of this country. I want to talk to you about people like Rick Fuerth from the Essex County Federation of Agriculture in my constituency. He told us in detail about the jobs that are there if we in this country give the kind of support to agriculture, one of our key resource sectors, that it deserves.

I want to talk to you about people like the young man from the unemployed Action Centre in Thunder Bay. He came before us and said that here in Thunder Bay just down the road is a shipyard that used to produce new ships. He said it used to provide thousands of jobs, but now does not do so because we have let the shipping industry in this country disappear. We have not given it the kind of support and encouragement that the jobs of Canadian people demand and deserve.

I want to talk to you about the Federation of New Brunswick Woodlot Owners, small owners who came to us and said that if we gave them the support instead of giving it to the large forest companies, they would reforest this province and they would do it by providing extra jobs as well. I want to talk to you about groups like the Mining Association of Canada who came to us and talked with excitement about the potential that is there for taking the new technology in this country, marrying it together with the tremendous resource base and the mineral sector that we have, and turning us into a country that can produce the mining equipment that a country as rich in resources as this country is deserves to be producing.

The ideas are there, the potential is there and the capacity is there. What is needed is a sense of will, a sense of leadership to realize this potential. In the report we put out last week, we attempted to provide that sense of direction and leadership. We did so around three broad themes because we think there is an answer that can focus on three broad directions of change.

The first is a community self-direction, a philosophy that says, let's give support and encouragement to these hundreds and hundreds of community development organizations, co-operatives, small business organizations, and municipal Governments that want to take the potential that is there at the community level and turn it into jobs. They gave us detailed recommendations and ideas to do so. We have included those recommendations within our report. I recommend them to the Government. They are not designed to embarrass or score partisan points, but to put across the message from Canadians that they believe something can be done in this country and that they have serious ideas to suggest. These are ideas we have summed up around the notions of how to encourage and open up the potential for community co-operatives, how to assist economic development corporations throughout the country, how to find detailed ways to give real help to small business, and how to give assistance to municipal Governments so that they can do what the Federation of Canadian Municipalities has said is crucial, and that is, to rebuild the infrastructure in this country. However, in order to achieve this, it takes more than simply saying, "Let 100 flowers bloom". We cannot simply say that we will encourage all of these things to take place.

• (1115)

As well, we need to have a sense of national self-direction. We need to have a philosophy indicating that to achieve this kind of community self-direction, we need a sense at the national level of corporate accountability. We need a commitment from the large-scale corporate sector to pay its fair share of taxation, to take its proper role in the training needs of the country, and to give us an indication of a sense of responsibility to communities so that when a large corporation wants to shut down a plant, it talks with the community and gives it a chance to develop some kind of alternative by having workers take it over or by having a local economic development corporation take it over.

There must be as well a sense of independence in our interest rate policy. There must be a serious effort to build on our resources. We have to practise a structure of fair trade rather than throw ourselves at the mercy of the rest of the world with the kind of free trade philosophy that does not recognize how tough and harsh the international economy actually is.

Besides this sense of community self-direction and national self-direction, we need a profound commitment to equity and equality in the workplace. Across the country, we have not given that equity and equality to the women who make up half of our workforce, to the disabled who rightly demand their fair share of the benefits we in this country have to offer, to visible minorities and to those who represent ethnocultural communities. There has to be a sense of equity established through aggressive action, which frankly must be more aggressive than the action the Minister has yet taken.

That is the kind of broad direction that we see possible. It is a direction that we have described in something like 70 recommendations. However, we must take the first step now. We need a Budget that takes that first step now. In six weeks' time, we can have a Budget that puts jobs first. We can have a Budget that makes serious moves toward cutting our unemployment rate by 2.5 per cent and giving us the 300,000 extra jobs that would be necessary to do that.

We have to stop playing Chicken Little over the deficit. The deficit is an important concern. We in this Party have always recognized that. However, if we rush around the country saying that the sky is falling and we have to worry about the

deficit, we will not get the jobs this country needs and, just as ironically, we will not get the deficit down.

When this kind of preaching started in this country in 1975, the deficit was $3 billion. There has been Budget after Budget which has told us that we must be concerned about the deficit and that we must bring it down. As that has happened year by year, we have seen the deficit rise to $36 billion. I predict now, as I have predicted before, that if we have a Budget that concentrates on cut-backs and reducing the deficit, it will result a year from now in fewer jobs and a higher deficit than we presently have. The only way to get the deficit down over the next three to five years is to take the kind of approach which we are talking about in our counter-Budget that will put stimulus into the economy and get Canada growing once more. We have laid out a budget plan which is based on shifts within the Budget, shifts of expenditure and shifts of taxation, shifts which will bring us an extra 4.2 billion in spending, $3.1 billion on community development, and $1.1 billion on resource upgrading. It would shift $2.7 billion of tax breaks from the commitment to the corporate tax sector and the wealthy to a commitment to tax breaks for the working people. Another $2.7 billion can be saved in interest rate reductions and in reducing the rate of unemployment.

• (1120)

To succeed in this new direction we need a different approach. We need to give real help to small businesses and communities, not the Conservative Government's give-aways to large oil companies and the Commercial Bank of Canada. We need a real priority for jobs, not the Conservative Government's paralysis over cut-backs and deficits. We need real moves to build our resources, not the Conservative Government's delays on reforestation and its dismal record on agriculture. We need real efforts to build on our industrial base through fair trade, not the Conservative Government's sense of sell-out that free trade and "Warehouse Canada" represent. We need a Government that means what it says. We need a Government that comes through with the promise and the commitment to make jobs a priority. We need a Government that Canadians will not have to say is a mean-spirited Government which wants to run on the backs of the unemployed by way of changes such as the severance pay and retirement points which the Minister will bring in. In doing those things it will shift the problems of the economy on the backs of the people who deserve to suffer the least.

There is, as the Prime Minister asked us yesterday, an approach, a path, and a plan which would cut the unemployment rate by 2.5 per cent. I urge the Government to follow that direction, not the dismal and sorry direction in which it has begun.

The Acting Speaker (Mr. Paproski): Are there questions or comments on the speech of the Hon. Member? If not, I will recognize the Minister of Employment and Immigration (Miss MacDonald) on debate.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, first I want to say that I very much welcome this opportunity to respond on behalf of the Government to the motion which has been put before the House today by the New Democratic Party. It gives me an opportunity to comment on what the Government is doing—a record which I feel is very substantial for a period of six months. It also gives me an opportunity to comment on the recommendations that were brought forward by the Task Force on Unemployment which was set up by the New Democratic Party.

I found the report interesting. I want to tell the Hon. Member that I gave him and his colleagues the courtesy of reading through it. I did not examine it all in detail but I did look at it. I want to say that I think it was a good effort on their part and I think it was an important thing to do, that is, to go out and consult with people across the country on this very important issue. I know because that is what I have been doing for the last number of months.

• (1125)

Certainly, trying to come to grips with this issue can only be done at the local level. I think that both the people in government and those who are on the New Democratic Party task force have tried to do that. It has not yet dawned on the Hon. Members of the Liberal Party that that approach is one they also should be taking, but perhaps having read the two reports of the two Parties, they will begin to think about getting jobs for people other than all those Liberal candidates who were defeated last autumn.

I would like to comment on whether or not this Canada unlimited project, which promises to solve all the problems of unemployment, is really going to be able to do that. What I found when I first saw the results in the newspaper reports was the tone, the things which had been discovered and, in fact, the reversal of New Democratic policy in the field of job-creation, unemployment and training. The first headline I saw read, "NDP Thrust would put Job Funds into Community Hands". Abandoning the big centralized machine of former years, that is the way it would go.

Mr. Althouse: Seven or eight years ago.

Miss MacDonald: Well, if the Hon. Member would look at the Government's labour market strategy and at the various programs which have already been put in place, he would find that community based plans are indeed the thrust of the Government's undertakings. The next headline I saw in the newspapers read, "NDP Proposes Job-Creation Without Big Deficit Increase". Surely, Sir, that is a real change of mind for those hon. members of the New Democratic Party. I welcome what they have to say. I know, as well as my colleagues, that we have to stimulate job-creation, create more jobs, but at the same time we have to be very fearful of adding to the weight of a deficit.

The Hon. Member for Essex-Windsor (Mr. Langdon) is quoted as saying, "We simply can't accept that we have large

deficits continuing. It doesn't make any sense". We have been trying to tell the New Democratic Party that for some time. Of course, it does not make any sense, and I am glad to see in that Party's report a recognition of the things which should be done. The Hon. Member talked about corporate accountability, bringing in the private sector. The whole plan which has been outlined in the last few months, in moving away from the short-term job-creation dead-end which used to be in effect, is to bring in the co-operation of the provinces and the private sector. Certainly there should be more contribution by the private sector and what we are already doing is taking that into account.

It seems to me, Sir, that these things are in the report which I read and which I welcome because I think there is a dawning of a new light in the New Democratic Party. I think it shows that, having gone out and consulted with the people of Canada, those Hon. Members now realize where action must be taken, what people want and how it can best be incorporated. As a result of that, I expect the wholehearted support of the New Democratic Party for the steps the Government is taking in this regard. Who knows, the New Democratic Party may even recover somewhat from that 17 per cent if it pursues these very sensible methods.

Mr. King: Not much, though.

Miss MacDonald: My colleague says, "Not much", but we will look at it over the months. Unfortunately, even though the NDP has presented some interesting proposals, not terrifically original but some ideas in the field of job-creation, it cannot wean itself completely away from thinking that there has to be a sudden cure of all ills by Government and that it is going to happen overnight. Those Hon. Members still have the feeling that somehow you can utter a few sentences and total unemployment, total deficits and the total difficulties we are facing will be eradicated. I suppose they take that approach because that is part of their long-term thinking. They cannot move away from it because, of course, they do not face the reality of day-to-day Government. They can indulge in euphoric thinking. From time to time Members indulge in this business of sitting and thinking about what can be done in the abstract. They realize they will not have to put some of these grandiose schemes into practice. Indeed, with 17 per cent of the electorate supporting them, why should they think that way? It is not likely that they will have to take on those responsibilities very soon. But we do have to take on those responsibilities and we have to consider all the factors.

• (1130)

We, Mr. Speaker, have to consider the deficit. We have to consider interest rates. We have to consider industrial investment policy, world trade, tax reform, energy policy, labour market development and much, much more. We have to deal with these issues, and we are. As my colleagues will know, we are dealing with them in the new energy agreements on both the East Coast and the West Coast. Governments have struggled for years to obtain these energy agreements, but we have accomplished it and the agreements will generate new wealth and create new jobs.

We are dealing with these issues through measures to improve the environment. We are dealing with them through the control of Government waste. We are dealing with them in a taxpayers' Bill of Rights. Not least of all, we are dealing with them in a new labour market strategy which was announced by the Prime Minister (Mr. Mulroney) in February of this year. As the NDP has discovered in its trip across the country, that strategy is dealing with these issues. It is working with Canadians at the community level, with other Governments, labour organizations, and businesses large and small. For the first time this strategy is based on multi-year fundings so that one can begin to plan ahead. It reflects the regional diversity of this country and allows training, job creation and human resource development to go ahead according to the needs of the various parts of this country.

I ask you to look at the commitments we have already made, Sir; some $80 million over and above previous commitments for skills investment to help retrain that 46 year old warehouseman or the middle-aged woman whose job is being phased out, to help them retrain before they actually lose their jobs. That is a commitment which has not been made before and one we think we should be moving into with the help of business and other Governments.

There is $350 million for job development over and above what had been committed before. Any one of us in this House, no matter from what Party, who has seen or met or talked with someone who has been unemployed for long, recognizes his or her plight and knows that something has to be done about it so that a person does not face a lifetime without work. This money has been committed to create long-term jobs in concert with the provinces and private sector, jobs of a substantive nature rather than the short-term dead-end projects of the past.

There is $125 million for job entry to help young people entering the workforce for the first time to bridge the gap and make the transition from school to work with on-site experience. The same applies to women coming into the labour force for the first time, or perhaps re-entering the labour force after having been absent for a while. This program will help them to get into real jobs which will provide security and a future.

Just as we want individuals to have these opportunities, Sir, we want communities to have them as well. That is why we have earmarked $40 million to community futures, to look at communities which are in decline or where their industry could be in decline and ask what should be done beforehand to turn that situation around. I may say that I appreciate hearing from the Hon. Member for Nickel Belt (Mr. Rodriguez) who was up in Labrador and did a study of some of the communities there. He sent me a copy of that section of the report. I thank him for sending it to me because I know that we have the same interests at heart in trying to avoid the catastrophe which can happen to single industry towns and the people who live in them.

Sir, these measures in this new labour strategy indicate that this Government is taking a new approach with a new openness, a new and imaginative development of human resources and job creation while recognizing regional disparity. That is why we have earmarked $100 million for innovation and experimentation in this field. We look to Canadians to provide the creativity and ingenuity that they have to help in the search for answers. I have already talked with people, groups and organizations; people in organized labour, women's groups, people from the private sector and provincial Governments. I have asked them to come forward with ideas or pilot projects to see how we can move into this new world of work; to see that the experimental projects which prove successful can be utilized in other parts of the country.

It is the first time a Government has earmarked $100 million for innovation and I know, from talking with such organizations as the CLC, that they will be coming to us with their suggestions on how this money can be utilized. I say this, Mr. Speaker, because when this strategy was introduced at the First Ministers' Conference in Regina, among other people who happened to comment on it was the Minister responsible for economic security in Manitoba, Mr. Evans, and he said, "It is a move in the right direction". The Premier of Manitoba, Mr. Pawley, commented very favourably on the way in which the labour market strategy was developing, and indeed put his Government's approval on it.

I mention that because I think this is something we all have to work at. I do not think any single Government or any single sector can resolve this issue on its own. That is why we have sought opportunities to create permanent jobs for hundreds of thousands of Canadians. Opportunities! It is a key word, Sir, but central to those opportunities is another thing which I have enunciated here in the House which is being worked on at present and which Hon. Members will shortly be able to support when legislation is brought before the House. I am talking about the principle of employment equity, because that is central to any labour market strategy. We are determined that, once and for all, women, disabled persons, native people, and visible minorities will get the opportunities they should have in Canada's workforce in the market-place. They should do so as equal partners, having the same opportunity as anyone else. This in itself is a breakthrough. The Hon. Member may not believe so, but I can tell him that in the House of Commons it is a breakthrough.

• (1140)

We have gone further than this. I was pleased to announce last month that we are establishing a new code of conduct that will ensure employment equity in the Public Service and that will lead to a concept that we all endorse, the implementation of equal pay for work of equal value. These steps will lead to meaningful jobs for Canadians for ongoing periods. We have to establish solid and good foundations. That is what this new labour market strategy is attempting to do. We are optimistic about it.

I was glad that the NDP went across the country and discovered that the country is optimistic and there is confidence. I feel that there is very much confidence. I have just returned from a meeting of OECD countries in Italy on employment and technology. I was struck by the pessimism which abounds on this issue in many of the European countries as shown through their Governments. That same lack of confidence does not exist here in Canada. It does not exist because the people of Canada themselves are confident about the future. The Government has been stimulating that confidence in the market-place.

Some headlines in the press which indicate this confidence include one in the Montreal *Gazette* which reads: "Employment Outlook Best In Years, Survey Finds". The Toronto *Globe and Mail* said: "Prospects for Jobless Appear Brighter". The *Telegraph Journal* of Saint John, New Brunswick carried a headline which reads: "Summer-Job Situation Looks Bright". A headline in The Ottawa *Citizen* reads: "Job Outlook Improving StatsCan". In *The Toronto Star* one headline reads: "Small Firms Seen Creating 200,000 Jobs in Half a Year".

There is confidence in the country that this very great issue can be tackled, Mr. Speaker. There is confidence and there is a response. The Member for Windsor-Walkerville (Mr. McCurdy) has set the tone for the NDP in criticizing the Challenge '85 program for students. As negative as he has been, and as much as he has tried to undermine that program and do away with jobs for young people this summer, 150,000 new jobs have been submitted, and the private sector itself has added an additional 50,000 jobs. It has added just under $100 million to a government established fund of $205 million. That fund has gone from $200 million to $300 million. Unfortunately, the Hon. Member for Windsor-Walkerville is still trying to run it down and undermine it. That is a rather discouraging thing for young people.

Mr. Murphy: Where are the jobs?

Miss MacDonald: These people ask, "Where are the jobs?" They do not want young people to have jobs this summer. That is their whole approach. The difference between the New Democratic Party, the Liberal Party, whose Members do not take this issue up, and the Conservative Party is that we have faith in the people of Canada. We have faith that we will be able to bring unemployment down. We know that new jobs are there and are being created. We know that the new labour market strategy which is now under way is stimulating the people, the businesses, and the Governments of the country to create the jobs and the wealth that is necessary. That, Sir, is triggering our economic renewal.

Some Hon. Members: Hear, hear!

Mr. Baker: Mr. Speaker, I would like to ask the Minister a question relating to her reference to the Unemployment Insurance Commission. I would like to ask her what action she has taken due to the many representations made on behalf of the 210 fishermen in Bonavista Bay. The Minister received a telex

from the Premier of Newfoundland, the Minister of Fisheries, and the Minister of Social Development some three or four months ago. Does the Minister remember the case of the 210 fishermen who had been judged as having had over-payments in unemployment insurance?

Miss MacDonald: I know exactly what you are talking about. Go right ahead.

Mr. Baker: I just want to point out to the Minister, in a reference to unemployment insurance, the danger of the Minister and the Government giving a signal to the Unemployment Insurance Commission and employment offices across the country with regard to unemployment insurance in those particular offices.

When unemployment insurance benefits are examined, in the case of fish companies, you may find that an unemployment insurance stamp was given for two weeks when there was legally only one shipment on the books. When the audit is done it may said that that fisherman did not deserve those two weeks of unemployment insurance, although he did in 1982 or 1983, as most of these audits are determining. The fact of the matter is that those groups of fishermen and workers are judged to be guilty of an over-payment from the Commission and they have to pay back thousands of dollars.

In the case of the 210 fishermen in Bonavista Bay the Government of Newfoundland made a request for the Minister to intervene and to try to overlook the problem with these 210 workers. Can the Minister report to the House? Has she got her book with her that she can perhaps look at? Does she know of the 210 fishermen in Bonavista Bay that I am talking about?

Miss MacDonald: I am quite familiar with Bonavista Bay. The Hon. Member will know that. He will also know that in the case he raises the mistake was made by the company concerned. I think he will understand that. He will also know that every person involved has a right to appeal. The Commission has notified every individual to file an appeal in this case. Any claims for repayment have been held up pending those appeals.

Mr. Langdon: Mr. Speaker, I enjoyed the Minister's speech. As always, her heart is in the right place. It is her head and, unfortunately, her partisanship that gets her into trouble. There is a certain potential to deal with substance that she demonstrated in her speech. It is unfortunate that she found it necessary to launch cheap shots at my colleague, the Hon. Member for Windsor-Walkerville (Mr. McCurdy), at the end of her otherwise fairly civilized discourse.

Some Hon. Members: Oh, oh!

Mr. Langdon: Unfortunately, civilized discourse is not Party commitment. Our quarrel is not with this Minister. This Minister is not the Mr. Scrooge or the Chicken Little of the Government running around saying that the sky is falling. The Minister who deserves that title is the Minister of Finance (Mr. Wilson). As this Minister knows, he is the one who has been giving her trouble and making it difficult for her to do the things she has been talking about.

• (1150)

We have magnificent ideas and plans that the Minister has talked about. I have to ask her why only $40 million, why only $80 million? Why the small sums of money for what are excellent ideas? I know the answer. The answer has to do with the Scrooge-like quality of the people who run this Government.

I have a set of questions for the Minister. Since she has said she has had a chance to read our report, let me ask her if in Cabinet she will advocate the $2.7 billion in tax breaks that we recommend for middle and lower income people? Will she advocate $850 million for a community development fund? Will she advocate the proposal of the Federation of Canadian Municipalities for a $12 billion ten-year program to upgrade municipal infrastructure? Will she advocate a technology fund of $200 million a year? Will she accept the commitment to reforestation, the commitment to fisheries, and the commitment to agriculture? Will she see to it that her Minister of Finance (Mr. Wilson) puts that into effect? Will she see to it that new tax sources that could be tapped by asking corporations to make the very simple step of paying interest on deferred taxes are tapped? Will she accept the proposal that we raise taxes for upper income people to the fair levels that were there under Mr. MacEachen in the past? Will she, in short, make the kind of rhetorical commitment which she and her Party are so magnificent in making and try to translate it into real action instead of empty phrases? Will she see to it that we get real help for small business community development instead of seeing that $1.5 billion goes to the multinational oil companies and $60 billion to the Canadian Commercial Bank? Will the Minister put her own career on the line, her own commitment to fight in Cabinet for a serious "jobs first" Budget? If so, she will have my support.

Miss MacDonald: Mr. Speaker, I have to tell the Hon. Member that I have been putting my political career on the line every day since 1972, and I can tell him that the people in my district seem to feel that the way I have been doing that has merited their support. I hope I can continue to do that.

Some Hon. Members: Hear, hear!

Miss MacDonald: I must say I listened to the questions that have been posed by the Hon. Member. But what happens is that he then blows his case. I know that in his comments on his report he said that we have to be concerned about the deficit. There was a recognition that the size of the deficit has its dangers. But then the Hon. Member turned around and posed questions to me such as: Would I add $12 billion to the expenditures here, and add some other billions there? I have to tell the Hon. Member that he cannot have it both ways.

Mr. Deans: Of course you can.

Miss MacDonald: That is what the whole story is about. There can be a proper basis for a labour market strategy, and

on that you build, but you do not try to resolve things only by throwing money at them. You try to accomplish this by developing human resources. I have to tell the Hon. Member that of all the Ministers in this Cabinet, there is no one who has received better treatment from the Minister of Finance (Mr. Wilson) than I have. There is no one else who can show that in the last few months he or she has received $900 million from him. That is not a bad beginning.

Mr. Deans: The rest of them were a bunch of slackers. That is the problem. I agree they are not pushing enough.

Miss MacDonald: And so, Mr. Speaker, I just mentioned that that $900 million is going into all sorts of measures which I tried to outline and which are going to be very beneficial. Starting now with the summer program, they are allowing people to train and equip themselves for the jobs and the work in the future.

The Acting Speaker (Mr. Paproski): A short supplementary from the Hon. Member for Gander-Twillingate. (Mr. Baker).

Mr. Baker: Very briefly, Mr. Speaker. I just wanted to thank the Minister for her answer, which was in substance that people would not have to pay until the judgment is made, if the judgment is against them. My point was that in pursuing the audits and checking on unemployment insurance, you are going to run into thousands of those problems and you are going to have thousands of people who will have to pay money back to the Government when they should not have to pay it back.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated. I would like to recognize the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand).

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I want to start by saying that we fully support the motion before the House. We believe that stimulus is necessary to deal with the unemployment situation, that goals are necessary, and that priorities are necessary. I want to say right away that we along with the Party that presented the motion do not believe the Government's approach is working. We do not think the approach will work and we feel that the Government has not lived up to the promises made during the election campaign.

With respect to this very important issue, I refer to a Gallup poll published on January 28, 1985. It reported that 56 per cent of Canadians believe that unemployment is still Canada's major problem. That is correct, of course, and if we look at the figures, Mr. Speaker, we will see why.

In January, 1984, last year, when the Liberals were in power and we were coming out of the recession, the rate of unemployment was 11.4 per cent. In June of last year the unemployment rate went down to 11.2 per cent. It hit a low in the middle of the summer, in July, of 11 per cent, and then in September, the month when the Conservative Government was elected, the unemployment rate went up to 11.6 per cent. It has been around that level since then.

Miss MacDonald: Not less than last year at this time.

Mr. Allmand: In October, the unemployment rate was 11.2 per cent, in November, it was 11.3 per cent, in January, it was 11.2 per cent, in February, it was 11.0 per cent and in March, it was 11.2 per cent.

As you can see from the figures, Mr. Speaker, there is relatively little change in the unemployment figures over the last year. Let us look at the averages in the year's preceding 1984. In 1979, the average unemployment rate was 7.4 per cent, in 1980, it was 7.5 per cent, in 1981, it was 7.5 per cent, and then the rate jumped to 11 per cent in 1982 with the recession which hit the entire western developed world. That rate has stayed around 11 per cent since 1982, hitting its worst year in 1983 in the pit of the recession.

The Government had said over and over that once it was elected great confidence would be restored in the country, that businessmen would invest, that employment would climb and that unemployment would decline. As I pointed out, the figures do not show that. Not only do the figures not show that, but I want to use a tactic that was used very well by the Minister herself and also by the Prime Minister (Mr. Mulroney) who likes to quote headlines from newspapers.

I have here a Canadian Press story published in the *Gazette* dated October 5, 1984. It reads, "Economists forecast slowdown in Canada". That is from the Conference Board of Canada. A Gallup Poll of January 7, 1985 reports that fewer today expect unemployment to fall. Fewer expect unemployment to fall, that is the Conference Board's confidence in the Conservative Government which was supposed to instil all sorts of confidence. A story in *The Globe and Mail*, the great Conservative newspaper, dated December 5, reads, "Production and Employment drop sharply". On January 7, 1985, also from *The Globe and Mail* a headline reads, "Forty-two per cent expect increase in jobless in 1985". From March 26, 1985, we have a Canadian Press story which is headed, "Most forecasters expect high unemployment in 1986".

• (1200)

The confidence which was supposed to return to Canada with the election of this Government, as was promised, is not there. It is not there as shown in the Gallup polls. It is not there as indicated by economists who analyse the situation. The Government's approach is not working and will not work. We need stimulus, but the Government is giving us cuts as exemplified in the statement of the Minister of Finance (Mr. Wilson) on November 8. In fact, it is withdrawing stimulus from the Canadian labour market rather than increasing it.

As I said, two things are necessary—we should have stimulus and we should have goals. Yesterday I was pleased when the Leader of the New Democratic Party rose in the House and asked whether we could have a six and five program for unemployment. I have been saying that myself for several years now. As a matter of fact, in the report of the task force

on employment opportunities published in 1981, we recommended a full employment policy. I am pleased to say that Hon. Members of the New Democratic Party supported that recommendation for a full employment policy, but the two Conservative Members on the committee dissented from that recommendation.

It is important to indicate that every time Governments in this country have fixed exact goals for unemployment, they have come close to attaining those goals. As was pointed out yesterday, under the six and five program for inflation, by setting those goals over a three-year period—and other factors came into play—inflation came down from approximately 13 per cent to less than 5 per cent because that was made a priority and it was a goal.

Let us look at the two other times since the Second World War when the Government of this country made full employment its goal and came very close to achieving it. In 1945, right after the war, the Liberal Government of Canada published a white paper on full employment. It set out goals to achieve full employment and the means of doing so. In the period from 1946 to 1953, the average rate of unemployment was 3 per cent. The next time a goal was set for full employment was when the Liberal Government set up the Economic Council of Canada in 1963. In its first report of 1964, it recommended a full employment policy. Immediately following that time, in the period from 1965 to 1967, the rate of unemployment was 3.8 per cent. We can see that when we set goals, as we did with the six and five for inflation and as we did in 1946 and 1964 for employment, we come close to achieving them because those goals are priorities and those priorities prevail over all other matters which come before the Government.

When I say that stimulus is necessary, of course I do not mean any kind of stimulus. I mean a well thought out and appropriate stimulus, a stimulus which is appropriate to our geography, population, resources, trading partners, and to the fact that we live next to the United States and so on. It must be a well balanced stimulus policy. It must be done in consultation and in co-operation with private business, trade unions, consumers' groups and so on.

Furthermore, we cannot continually look to the United States for programs to borrow. Canada is not the United States. As a matter of fact, if we were to judge Canada on economic bases alone, Canada would not exist. If we simply decided whether Canada was worth-while in economic terms, we would decide that it would not be, that we should join the United States; we would probably be better off economically if we were part of the United States. However, long ago, in 1867 and before, we decided for political reasons that we did not want to be Americans. We decided that we wanted to pay the political price to be Canadians which, as all of us know in the House, requires subsidies, cross-subsidies, building national railways, the CBC and airlines, to bring together the thin ribbon of population which extends from the Atlantic to the Pacific. That is Canada, that very thin ribbon of population of about 25 million people living next to one of the largest and most powerful countries in the world. We cannot judge Canada in economic terms alone or simply think of it in economic terms. We have to balance the economic and the political, and the political means that there must be government intervention in the right measure to ensure that our economy works *vis-à-vis* the American economy and the economies of the other trading blocs in the world such as the European community, Japan and so on. Our survival in this country, our survival politically, economically, socially and culturally, depends upon the right amount of intervention by Canadian Governments.

The greatest years of prosperity in Canada were those years when the Government played an active role with the private sector. It was not those years when the Government was absent or when the Government withdrew. The years we had the least unemployment and the greatest growth was when there was a proper partnership between Government and the private sector.

In arguing for a certain amount of stimulation, I am not arguing for over-regulation, undue centralization or waste. Not at all. We can have stimulus; intervention into the economy without undue regulation, without undue centralization and waste. These are not necessary. These were not necessary in the past when we had great years of economic boom in Canada.

I have been critical of the Government's policy. The Government seems to say, if we believe the speeches of the Minister of Finance and other economic Ministers in the Government, that to a great extent the deficit is responsible for unemployment and, therefore, to attack the deficit the Government should withdraw from programs and thereby stimulate the economy. If it withdraws, the Government argues, the private sector will pick up things and produce the jobs which are required. I do not support that policy. I do not think it will work.

They may say in response that our policies did not work either, and they have said that. I do not agree. Our policies were not perfect, but I would argue that they worked better and eventually would have brought more success to solving these problems than their policy. We believe in stimulating the economy and we believe in goals.

Let us look at the programs which were set up under previous Liberal Governments. There was the establishment of the Department of Regional Economic Expansion, which was transformed into DRIE. There were the policies of the Department of Supply and Services to ensure that through the purchasing policy of the Government we stimulated employment in different parts of the country. There were transportation policies to double track the railways, and there were housing policies. All these things were in conjunction with the creation of jobs and the stimulation of the economy. I could continue to list the type of programs we put into effect—LEAD, the job corp, career access, Canada Works and so on. Liberal Governments have always made a very substantial commitment to job stimulation.

As an example I should like to refer to a report which talked about the period from 1980 to 1985. It indicated that the

Government's vigorous response to the need for direct employment action was reflected in the total spending figures for the five fiscal years ending March 31, 1985. For direct job creation in that period, $3.8 billion was spent, rising from $310 million per year in 1980-81 to $1.2 billion in 1984-85. That shows a Liberal commitment to direct job creation. With respect to human resources training, that is training and retraining programs, $5 billion was spent during that period, rising from $800 million to $1.2 billion per year over the same period of time. The total for direct job creation and human resources training under Liberal Governments over the past five years comes to $8.5 billion.

They say that our programs did not work. I admit that all things are relative, but in the years when Mr. Trudeau was Prime Minister from 1968 until he resigned last year, three million jobs were created. There were 40 per cent more Canadians employed in 1984 than there were in 1968. That compares with the other six leading countries of this world which only had an increase of 13 per cent. During that period in Canada, our labour force grew at twice the rate of the six largest OECD countries. Even in the year coming out of the recession, in 1983, there were 400,000 new jobs created, although the labour force in that year grew 58 per cent faster than in the United States.

• (1210)

My point is that through stimulative programs, the problem was being attacked. It was being attacked despite very complex and difficult problems, despite a very fast growing labour force. We could all be more tolerant of the Conservatives and more sympathetic to their position today if they had been honest during the election campaign, if they had been frank during the election campaign and admitted at that time, as they are doing now, that the problems are complex and difficult, that in a free economy, in a free society there are no quick fixes. During the election campaign they had all the answers. I refer again, because I think the Canadian people must be reminded of this, to the statement of the Prime Minister on July 5 in Prince Albert, Saskatchewan, when he said:

> You are going to see tens upon tens of thousands of jobs being created just as quickly as a new Government can be sworn in.

We know how ridiculous that statement was. It was not honest. It was not a frank assessment of the economic situation in Canada. The Canadian people have to be reminded of that. As I said a few minutes ago, we would be more tolerant today of the problems and approaches of the Government if it had been frank during the election campaign.

There are some who believe that if you do stimulate the economy to create the jobs, you will bring back inflation and that inflation will get out of hand. I want to indicate that that is not necessary. Several countries have dealt with both problems. It is not a question of dealing either with inflation or unemployment. You can deal with both at the same time. I will refer to some other countries with which we trade.

In Japan in 1983, the unemployment rate was 2.7 per cent and the inflation rate was 1.8 per cent. There was quite considerable success on both counts. In Austria, the unemployment rate was 4.5 per cent and the inflation rate 3.8 per cent, in Norway there was 3.3 per cent unemployment and a 7.1 per cent inflation, and in Sweden there was 3.5 per cent unemployment and a 9.2 per cent inflation.

The point is that you can do both. I believe this should be done through setting goals, establishing stimulative programs, making our Canadian industry as efficient and competitive as possible to compete with those countries, by having the proper programs for retraining and mobility and by making adjustments in our work time schedule. That means shorter work weeks, longer holidays, incentives for early retirement and so on.

There are a lot of jobs out there. Last year before the Standing Committee on Labour, Employment and Immigration, the Canadian Council on Social Development indicated to us that it alone had discovered 300,000 jobs in its area of concern which had to be created but were not being created because there was not enough financing to put those jobs on line.

The Government has not done very much. It put into place the Canada Works Program for this winter. That was a Liberal program. We congratulate it. It was the right thing to do. The Government put Challenge '85 in place for next summer. That is a poor copy of the Summer Works Program of last year. Aside from that, it has done nothing. The statement in Regina in February at the First Ministers' Conference was a lot of promises and a lot of proposals, but they have not been put into effect. They have not been implemented. There is no action yet, only discussion and study.

I was very disappointed with the Minister of Employment and Immigration (Miss MacDonald). I wanted to ask her a question on this, Mr. Speaker, but you did not recognize me. She praised the members of the New Democratic Party for their task force. I agree that it was a very good idea. At the same time, in attempting to be very partisan, she said that the Conservatives believe in consultation, the NDP believe in consultation, but the Liberals obviously do not. I want to put on record again the consultation that took place in the last Parliament with respect to unemployment.

The task force, of which I was Chairman and of which the Hon. Member from Calgary was Vice-Chairman, entitled Employment Opportunities for the '80s, heard over 342 groups and witnesses all across this country. It was a very strong consultative process. Then there was the task force on skilled development, the program Paid Educational Leave, the task force on major capital projects, the task force "In the Chips" regarding technology and employment, the task force on labour market development, the House of Commons committee on profit sharing. I could go on and on.

I will conclude by saying that we need goals and stimulus. What we need in this country is a six and five program for unemployment and to put behind it the same political will as

we had behind the six and five program for inflation. We will see unemployment come down and come down quickly.

The Acting Speaker (Mr. Paproski): Questions and comments?

Mr. Kaplan: Mr. Speaker, can my seatmate give us more details about the efforts that were made during the time of the former Government to have effective consultation?

The Acting Speaker (Mr. Paproski): There are other questions and comments for the Hon. Member, if he would like to take them after his short reply to his seatmate.

Mr. Allmand: Mr. Speaker, this makes up for the fact that I could not put a question to the Minister because she is not here now. I mentioned that 56 per cent of Canadians think that unemployment is the major problem in this country, and we have only two Ministers in the House. The Minister only listened to part of the debate.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member has been around here long enough to know that he should not mention who is in the House and who is not. If he would like to answer his seatmate's comment, I would appreciate it.

Mr. Allmand: Mr. Speaker, I appreciate the direction given by the Speaker. I hope that that direction will be followed on all sides.

The Acting Speaker (Mr. Paproski): You can be assured it will be.

Mr. Allmand: There is very little interest shown by the Government in the problem which Canadians think is the most important. When the Minister was making her speech, I felt that she was very unfair in trying to indicate that the Liberal Party was not interested in consultation. That is why I wanted to put on record the many consultative processes, the many task forces, the many commissions dealing with employment that were set up and operated in the last Parliament. In fact, there were eight task forces established right after the election in 1980, all of them dealing with economic questions.

[*Translation*]

Mr. Hudon: Mr. Speaker, I would like to ask the Hon. Member a question.

First of all, the Hon. Member referred to "Challenge '85" as a poor copy of the Canada Works programs, but when he got onto the subject of statistics, he mentioned the enthusiastic response of the public and private sectors and of communities across the country. I think there is a contradiction here.

Second, regarding the new approach taken in Regina and what the critics have to say about it, I think that what happened in Regina is that for the first time the Federal Government and the provinces were able to agree on six new ways to create jobs.

We believe in consultation too, and consultations were in fact conducted across the country by the Minister. The New Democratic Party also held consultations and came up with some very good reports. However, this was in response to a formal request from all organizations, including Chambers of Commerce, and these programs are going to be implemented next September. Challenge '85 has already given us some idea of what we can look forward to, and I do not see why we should not give this new program a chance to prove itself. I think there is indeed a contradiction in all this.

[*English*]

Mr. Allmand: Mr. Speaker, with respect to Challenge '85, the Minister announced certain figures in which she claims great success for the program. She says it has already created so many jobs. I want to wait and see if those jobs are in fact created because I do not see that happening in my riding. In my riding, there seems to be more or less what we had last year. We will wait and see.

• (1220)

Just before Easter, a question was put to the Minister of Employment and Immigration by a Conservative Member regarding how many applications were granted in the private sector under Challenge '85. The Minister rose and said that the answer was 29,000. We immediately phoned her office and asked how many jobs were created under Challenge '85 through municipalities and community organizations. A representative in the Minister's office told us that that was not public information and that we could not receive that information. I replied by saying that a Conservative Member had risen and asked the Minister how many jobs were created in the private sector to which she responded right away by saying 29,000. I asked why she could not tell us how many were created through municipalities and community groups. I was told that it could not be done. Later on, the Minister came up with a global figure of how many jobs would be created under Challenge '85. We will wait and see how many jobs are created and we will wait and see where they are created.

There are two criteria on which we can judge this program. One is the number of jobs that are created and the other is the other goals it sets for itself; whether or not those goals will do something to help the advancement of the careers of young people and the quality of those jobs with respect to the communities. I know that a lot of the groups that were being helped last year like associations for the blind and daycare centres are being left out this year. They are not receiving the same funding. They are getting a smaller slice of the pie this year than they did last year.

Companies that make toilet seats or ice cream cones are getting a bigger share of the pie than groups that are helping the impoverished, the lame, the crippled and the aged. While I am not against that, I am opposed to the fact that there is not a greater share of the program for the community groups. We will wait until the program is over to judge whether or not it has been a success. We will be back here next fall and we will see then the results of the program.

Mr. Murphy: Mr. Speaker, I was happy to hear the Liberal Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) say that he would like to make his judgments on the basis of a completed program. I think we can do that already with regard to the Liberal administration. In his presentation to the House, the Hon. Member spoke of the task force on employment opportunities which he headed. He mentioned that the members of the New Democratic Party who were on that task force supported the goal of full employment and that he and others who were on that task force also supported the goal of full employment. He made passing reference to the fact that Conservative Members on that task force did not do so.

The question we must ask ourselves is, what did the Liberal Government do with that recommendation? Did the Liberal Government, through a Throne Speech or a piece of legislation, say that full employment was its goal? Did the former Minister of Employment and Immigration, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), ever make that his goal? Did the former President of the Treasury Board, the Hon. Member for Windsor West (Mr. Gray), ever say that that was the goal of the Government? Did any of the people who share the front benches with the Hon. Member for Notre-Dame-de-Grâce-Lachine East who were Cabinet Ministers so few months ago ever say that full employment was their goal? The Hon. Member will have a chance to respond, but I think the answer to each and every one of those questions is no, it was never a Liberal commitment to have full employment. What is the position of their Party now? Could the Hon. Member tell us that?

Mr. Allmand: Mr. Speaker, the Hon. Member is quite correct. The Government never accepted that recommendation in the period following the report. But I have continued to press for it. As a matter of fact, I pointed out that Liberal Governments in the past had accepted it. I described the situation in the period of 1945 to 1956 and then in the period from 1964. Previous Liberal Governments under Mr. St. Laurent and Mr. Pearson accepted the goal and almost achieved it. They had 3 per cent unemployment in the period following 1950 and they had 3.8 per cent unemployment in the period of time under Mr. Pearson.

I continue to press for that goal because, as I pointed out, if a Government, whether it be a Liberal or an NDP Government, sets that as its goal, it can be achieved. When we set the six and five program as our goal for inflation and made that our highest priority, it was achieved. To me, the proof is there that if the political will is there, it can be done.

I am confident that through the renewal of our Party, we are going to accept that goal. There are many people here today who agree with me. I cannot tell the Hon. Member that that is the official Party line yet, but I am telling him that that is the way to go.

By the way, the Hon. Member for Winnipeg-Fort Garry, when he was Minister of Employment and Immigration, put out a paper in 1983 called *Perspectives on Employment* in which he used other terminology which went in that direction. I thought that it was a step in the right direction but it did not go as far as I would have liked. However, we are now in the process or restoring and renewing ourselves and I am sure that that is the direction we must go. It is certainly—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, but his time has expired.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, everyone begins by saying that it is a pleasure to take part in a debate such as this one. In fact, it is not. The truth of the master is that I would much rather that there was no necessity for a debate such as this, that the Government had brought forward proposals that had begun to address the problems of those who are unemployed and that it had started to talk about the needs of those who have been neglected for 10, 20 or 30 years.

Let me first focus upon the issue about which we are speaking. We are talking about a motion that calls upon the Government to bring in immediately stimulative proposals to reduce unemployment by a minimum of 2.5 per cent within the next 12 months. We based our need for putting this motion forward on the fact that the Government has failed to live up to its commitment to make job creation its number one priority. Instead of living up to that commitment, the Government has pursued cut-backs which have in fact led to unemployment in three out of the last four months. That is what we are debating here today. We are debating whether or not the Government has in fact lived up to the commitments that it made prior to the 1984 election.

I believe any fair-minded individual looking at the record of the Government could not help but come to the conclusion that the Government has failed miserably to live up to its commitment. In fact, one could not help but come to the conclusion that at the time the Prime Minister (Mr. Mulroney) said that if the Tories were elected, they would immediately create tens of thousands of new jobs, that commitment was made without the benefit of the support of the Prime Minister's colleagues, without the understanding of the problems of Canada and in fact was made simply for the purpose of achieving for the Conservative Party additional votes at the polls on a promise it never intended to keep and which has been cast aside.

In her comments, the Minister of Employment and Immigration (Miss MacDonald) said that we have to have confidence in Canada's future. I do not disagree with that. I think we have to have confidence. There is no other land with such an abundance of resources as Canada. There is no other land in the world that has available to it the kind of access that we have to the markets of the world, should we choose to use it. Over many, many years, however, the difficulty has been that Canada's economic infrastructure has not been permitted to pursue the markets of the world in an attempt to enhance the manufacturing capacity of this country. It has not been permitted to manufacture products for world distribution. It was denied that opportunity by virtue of the fact that, to a large extent, Canada's employers are branch plants of American and European employers who have no interest in allowing the Canadian economy to grow and compete with the parent

companies' home bases. That has been one of the fundamental problems that has confronted Canada and therefore confronted the need to develop an over-all economic strategy that would involve the major component parts of the economy including the major manufacturers. That has been one of the inhibiting factors to Canada's realization of a long-term goal that we could and should be a major part of the economic thrust of the world. We cannot begin to deal with Canada's fundamental problems until we begin to deal with the basic structure of the manufacturing sector. We must create policy which will encourage those in the manufacturing sector to realize both the domestic requirements and the international potentials. They must be freed from the shackles which have been imposed upon them by Governments and the administrative head offices of their enterprises.

● (1230)

The Minister asked us to deal with facts. I would like to deal with some of the facts as I see them.

The first fact is that there are 1.3 million people unemployed today. There is nothing being done by the Government to move in an attempt to create for those people—many of whom are long-term unemployed—the opportunity to get back to work.

The second fact is that unemployment has risen in three of the last four months. It is a fact that job creation, both private and public, has been inadequate in Canada for the last five years. It is a fact that this Government, by virtue of its economic statement in November, moved to eliminate jobs in Canada.

It is a fact that the youth unemployment program which was brought forward by the Government had, as a major component, the involvement of the private sector. However, companies in the private sector in many cases were in the position in which they had already laid off people and were unable, even if they had been willing, to participate and to create the employment which we require.

It is a fact that unemployment among those who are disabled in Canada is now running upward of 60 per cent of those who would be eligible to become employed. In looking at those numbers we must bear in mind that 10 per cent of our population falls into the category of being disabled.

It is a fact that private initiative in Canada has been lagging since the middle 1970s. It is a fact that this Government moved to remove $1 billion from the pockets of the taxpayers of Canada in September, 1984. The effect of that move was devastating on consumers, consumer-oriented manufacturers, and those who provide the services in almost every community in Canada.

It is a fact that not one program was brought forward by the Government which was specifically aimed at meeting the problems of those people who fall into the category of being between the ages of 55 and 65. Those people have given years and years of hard work in an attempt to hold their families together and build society, but not one program has been aimed at assisting them. Now they find that the plant or factory in which they worked, the mine, the office or the store by which they were employed no longer requires their services. There is not a single community in Canada which does not provide an adequate example of people who have spent a lifetime working in the community, building and developing the resources in that community, who now discover, as a result of the economic downturn, that they have been cast out as if they were trash. Not one program from this Government has been aimed specifically at trying to combat that problem.

It is a fact that there is not a special municipal project oriented as an employment-type program worth its name. We could visit any community and ask the local mayor, council and local community groups if there are not projects which are both necessary and could be proceeded with quickly if the funding were available. Every community which I have visited,—whether it be in the Yukon where I was last weekend, southern Ontario, Manitoba, Saskatchewan, Alberta, British Columbia or the Maritime Provinces—without exception, has projects which are both necessary and could be proceeded with quickly if the funding were made available. But this Government has failed to come forward with the necessary funding. It is clear that money spent on projects in local communities would enhance the value of Canada.

If a new sewage, sanitation or disposal plant were built in a community, it would enhance the value of the community and, therefore, the value of the country as a whole. There could be a major road rebuilding program which would enhance the value of a community and, therefore, the country as a whole. The money which would be spent on those kinds of projects would remain in Canada. The employment which would be created from those kinds of expenditures would be employment at the local level for people who are now unemployed and who ought to be working. The materials which would be used in undertaking those kinds of projects would come from Canada, would be manufactured by Canadians, and would be put in place by Canadians. Therefore, we in this country would derive 100 per cent of the benefit. It is a fact that this Government refused to move forward on that front in order to try to meet the needs of the communities.

It is a fact that there has been no emphasis placed by this Government on the problems of single-industry towns. We could go to the Eastern Townships of Quebec and, without exception, we would see that town after town is a single-industry based town. Those single industries are now under tremendous pressure in many cases. Of course, the most recent case occurred in Windsor, and it took the Prime Minister himself to intervene, to go in with money after the opposition Parties had pressured the Government to do that. It could have been done a month or two months previously, but it had to be held off so the Prime Minister could get the maximum benefit from the announcement. Those people sat in despair. They were concerned about their futures. They recognized that everything for which they had worked was in jeopardy. But this Government waited until the Prime Minister had his hair cut and put on a new suit before the statement was made. The statement ought to have been made months before.

It is a fact that there has been absolutely no resource sector priorization. The forest industry, which is the backbone of so many communities across Canada, is an example. Where is the money for the continuing requirements of the forest industry? When has the Government said that it would move on that front in order to put the tens of thousands of people, who have been unemployed for the better part of the last two years, back to work? The Government has failed to come forward with a single program to combat that particular problem, regardless of whether it exists in British Columbia, Ontario, Quebec or the Maritimes.

It is a fact that this Government seems to be determined to foist on to the backs of the working people the tremendous pressures which flow from the economic mismanagement of years of Liberal administration at the federal level and years of Conservative administration at the provincial level. This Government is unable or unwilling to meet the demands of establishing a clear economic path for Canada which would satisfy our needs in the long run, while, at the same time, providing the necessary support for the people who are being asked to carry the enormous burdens of unemployment during this, hopefully, short-run period of economic uncertainty. And the facts go on.

• (1240)

It is a fact, for example, that $1.5 billion could be found for the multi-national oil companies by this Government but it could not find the necessary hundreds of thousands of dollars in order to meet the demands and requirements of other equally important parts of Canada's economy. It is a fact that when the Canadian Commercial Bank went under, the Government could find $60 million from a Budget in which it claimed there was no money available. The Government could find $60 million to bail out the Canadian Commercial Bank, but when the farmers of this country were going bankrupt in record numbers, it could not even find it in its heart to commiserate, never mind finding the money to assist in offsetting the losses which were being incurred. It is a fact that when the small business people of this country were looking to the Government for some assistance when high interest rates were the order of the day—just some months ago—this Government could not find any way to help because, after all, the coffers of the Government were extended to the absolute maximum; there was no more money. But when the multi-nationals needed $1.5 billion, when the Commercial Bank needed $60 million, the Government just reached back, as if it was nothing, took the money out of the bag and said, "There it is, guys. Go to it. You are our friends. The others are not. We'll look after you. The hell with everyone else". That is the Government we are addressing today.

Mr. Gormley: Nonsense!

Mr. Deans: The Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) says that is nonsense. The reason why this Government gets away with these things is that Hon. Members like the Hon. Member for The Battlefords-Meadow Lake do not stand in their places and challenge the Government to do what is right rather than what is expedient. In my own community I find that plants are closing. The previous Government funded the take-over of Admiral by Inglis. We asked the previous Government to make some provision for guaranteeing the jobs of those who were already working for Inglis, to take some steps to protect those people from the potential job losses which were evident in the future. The previous Liberal administration did not take the necessary steps. Now I ask the Minister who is in charge of regional economic expansion if he will take some steps, but he tells me he cannot, it is a rationalization process and if those people lose their jobs, that's just too bad. He said it in a nicer way, perhaps, that he does not feel it would be appropriate to intervene in any way.

Why is it not appropriate to intervene in a situation where a company is closing down in one place, opening up in another, and throwing families out onto the street? Why is that not appropriate action for a Government? Why is it not appropriate for the Government to sit down with companies which are closing down simply in order to maximize profits which are already significantly higher than need be? Why is it not appropriate for a Government to sit down and talk to them about their obligation to the community in which they are located? I suggest that that is part of the problem with this Government. It is oriented to bigness, anything that's big, anything to do with millions of dollars and billions of dollars, but when it comes right down to ordinary people who are unemployed and who need some help and someone to stand up for them, where is this Government? It is nowhere to be found. And that is what is wrong with this Government.

As you well know, Mr. Speaker, we presented a whole host of very reasonable suggestions as to how this question could be dealt with. Not only did we ask the Government to spend money wisely and well but we even suggested how the Government might raise the necessary money. We suggested the adjustments which could be made in the expenditure patterns in order to ensure that the money we were saying could be spent, was spent without an inordinate increase in the deficit. But what does the Government do? It stands up and tells us, "We still cannot afford to go ahead with it. It is unfortunate. We feel sorry for the people who are detrimentally affected, but we just can't see a way to raise that money".

Why can Government not raise the money we are suggesting should be raised? Its corporate friends are now being asked to donate a hundred dollars to the Brian Mulroney fund in Quebec so that they can have direct access to the Government. That is why. It is because this Government operates on patronage and patronage alone. It is because this Government does not give a damn about the ordinary individual no matter what it says. That is why this motion is before this House, Mr. Speaker, and that is why this Government has to answer for seven months of neglect of the people whom it said it was going to represent and whom it has failed to represent.

[*Translation*]

Mr. Hudon: Mr. Speaker, my question has two parts. I heard my hon. friend say earlier that we were spending money and were prepared to give money to multinational corporations without really doing an in-depth study. In fact, just two minutes before, we were discussing the case of a municipality, and I am referring to Windsor, Quebec.

I could not agree more with my hon. friend when he says that people should be made to face up to their responsibilities. In the case of Windsor, that is exactly what happened, Mr. Speaker. What is the Government supposed to do when a company which made a profit of $90 or $95 million last year and distributed over $200 million in dividends in the past eight years, turns around and asks the Government for $100 million? The same company did not invest any capital during the last 30 years because it wanted to close the plant, but all of a sudden it found that there were new possibilities on the market. What did the Government do? It looked at the matter from a different perspective and made the company face up to its own responsibilities.

My hon. friend also said that there were no programs for municipalities that are in fact company towns, or programs for the 45 and up age group. He knows perfectly well that in Regina, the federal and provincial governments agreed to set up two of those programs, as part of the six avenues for job creation now being developed as a result of the Regina Conference. We are now working on these programs to have everything ready by next September. Even the report published after the NDP group held its consultations across Canada made it quite clear that the first requirement for setting up a job creation program was to have federal, provincial and municipal authorities working together. That is what we started off doing, and we are going to bring the resulting programs to the country. That is what we are working on, including these two specific programs.

[*English*]

Mr. Deans: Mr. Speaker, I wonder if the Hon. Parliamentary Secretary could tell us what new information became available in Windsor that was not available a month ago. And how would he relate the attitude in Windsor to the attitude taken by the Government to the multi-national oil companies which will take from the federal Treasury of Canada $1.5 billion that they do not need either? They will receive money which can be spent by them to undertake projects that they were already being compensated for through the tax structure. I do not understand how the Government can have this double standard.

Mr. Murphy: Mr. Speaker, I also have a question and I will follow it with a comment. I appreciated the speech of the Hon. Member for Hamilton Mountain (Mr. Deans). As many of the Hon. Members in this room would expect, I was interested when he referred—

Mr. Young: It was an excellent speech.

Mr. Murphy: It was an excellent speech.

Some Hon. Members: Oh, oh!

Mr. Murphy: I will admit that there are times when he does not make excellent speeches. But in a very serious vein, Mr. Speaker, in the substance of the speech of the Hon. Member he did talk about the need to provide funding for Canadian municipalities. I notice that the mayors of the major municipalities have made the same point which was made in the report of our action group on jobs, that is, that there has to be money in order that those municipalities can provide the waterworks, the sewage, and the infrastructure which is needed in their communities. I should point out, Mr. Speaker, that in Manitoba the provincial New Democratic Party Government has taken that exact approach. There is what is called a Community Assets Program which provides school gyms and the type of infrastructure which is needed in those communities. It provides jobs in the short run and in the long term it provides the assets which are needed for those communities. There is also a parallel program, the Main Street Manitoba Program, which upgrades the community in co-operation and in partnership with the municipalities, the business community and the province. That is the type of program I believe the Member was speaking about.

• (1250)

Mr. Deans: Exactly.

Mr. Murphy: The question I have deals with another group. Since tomorrow is the day when the equality provisions of our Constitution come into effect, I think this is significant. The Member who has been involved in this area for many, many years is the Hon. Member for Beaches (Mr. Young). I think we should congratulate him for his work two weeks ago in a standing committee of this House in getting the committee to recommend that certain sections of the Elections Act which discriminate against certain classes of mentally handicapped Canadians be eliminated. The question is this. The International Labour Organization passed Convention 159 on Vocational Rehabilitation and Employment for Disabled Persons. In other words, it is a proposal which talks about increasing opportunity and removing discrimination against physically handicapped and other disabled persons. I know that the coalition of provincial organizations concerned with the handicapped has asked Canada to sign that convention and I wonder if he could state the position of the NDP on that issue.

Mr. Deans: I will do so very briefly. Not only do we support the signing of the agreement, but we were hoping that perhaps through some negotiation with the Government we might get a unanimous resolution from the House of Commons which would allow the Government to proceed with the full support of everyone to indicate to the ILO and the world that the time has come for discrimination against the disabled to be put to an end. We cannot afford it any more. Not only that, it has been wrong for years, and a succession of Governments have failed to deal with it.

So I think my colleague from Beaches, together with others in our caucus, will be attempting to put together a support base within the House of Commons within the next two or three days for the resolution we hope the Government will ultimately agree with which will indicate world-wide that we in Canada want an end to all discrimination against people who find themselves in the unfortunate position of being disabled.

[*Translation*]

Mr. Tremblay (Lotbinière): Mr. Speaker, I merely wish to comment and ask the Hon. Members of the New Democratic Party to stop using their Party's time to complain, because in any case, whatever action the Government will take, it will never satisfy the Members of the New Democratic Party.

The Hon. Member for Hamilton Mountain (Mr. Deans) referred earlier to the Government's actions with respect to the multinationals. I think the Hon. Member should not forget that these companies are responsible for a considerable share of this country's productivity and that they are major creators of jobs for Canadian citizens.

I would also remind the Hon. Member that the report they published recently contains the same information we on the Government side already had through the results of the election on September 4, and that, if his party persists in using this kind of motion to waste the time of the House, they will soon see a 2.5 per cent reduction in their membership, because the people of this country want Government policies, the policies we have explained to Canadians and are now putting into practice.

Mr. Deans: Mr. Speaker, I understand the situation *vis-à-vis* the positions of the multinationals.

[*English*]

The problem is simply that the multinationals, for years, and even to this very date, refused to deal with what is in the best interests of Canada. They deal only with what is in the best interest of the multinational itself without ever taking into account the needs of Canada's future growth. Our complaint is not that they exist or that they exist within Canada; our complaint is that there is no regulation or law in Canada which requires them to operate in Canada's best interests.

Mr. Allmand: Mr. Speaker, a few minutes ago the Hon. Member for Churchill (Mr. Murphy) asked me why the previous Liberal Government did not accept the recommendation of the task force on employment opportunities for a full employment policy. That recommendation was made by Liberal and NDP Members on that task force. I explained that the Government did not accept that recommendation but, on the other hand, accepted that there should be an expansionary or stimulative policy, and it put a lot of money into employment creation.

In this motion there is no commitment to full employment but a request that the Government reduce unemployment by 2.5 per cent over the next 12 months. I support the motion because I think it is a step in the right direction considering the policies of this Government, but does it mean that the NDP also has abandoned a full employment policy?

Mr. Deans: I am glad the Hon. Member asked the question. Of course we have not. What we are putting forward right now is an interim policy with the situation as it is right at this moment. It is our opinion that the Government has both the financial and other resources which would allow it to move forward at a pace of about 2.5 per cent a year at the moment in the reduction of unemployment. However, we expect that this will be continued over a number of years and that within three to four years we will find ourselves in a situation where we will be back to the level where we were talking about full employment.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, jobs, jobs, jobs. We in the Conservative Party of Canada ran an election campaign on jobs and said we would create jobs. The Hon. Member for Hamilton Mountain (Mr. Deans) has reminded the House that the Prime Minister (Mr. Mulroney) said that as soon as we changed Governments there would be tens of thousands of new jobs. Well, I stand here in this House today with statistics from the first six months of this Government's life which indicate there are 112,000 Canadians working today who would not have had a job under the other Government. When you talk about tens of thousands of jobs, 10,000 into 112,000 goes 11 times; that is 11 times we have kept that promise in the first six months. But we are not satisfied and we will do better and I hope they begin to recognize what we have been doing for this country.

Not only have we created those 112,000 new jobs, which means new taxpayers instead of tax spenders, but let us compare that with the same period of time in 1983 and 1984, September to March. At that time, under the previous Government unemployment in this country went up by 38,000 people. The record of this Government in a comparable period of time in 1984-85 is that of 48,000 fewer unemployed. The total change of 38,000 plus 48,000 is 86,000 jobs, and that is an important statistic.

Let me give you a third statistic which is also important. Ever since this country had the opportunity to throw out the previous Government there has been a change in the participation rate. It has gone up because people have hope. They believed the Prime Minister of this country and the Conservative Members during the election that we would dedicate our efforts to straightening out the economy and create jobs for Canadians. They believed it and have begun to look for work. That is what a participation rate is about, and that rate is up, it will stay up, and we anticipate it will go even higher because we will be creating the jobs which enable people to have the kind of standard of living Canadians deserve, which they are used to and which they must have.

I am just barely getting warmed up, but I see it is one o'clock. I believe I will have the floor again at three o'clock and I look forward to expanding on my remarks at that time.

The Acting Speaker (Mr. Paproski): It being one o'clock p.m., I do now leave the Chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE DISABLED AND THE HANDICAPPED

CONSTITUTIONAL PROTECTION AGAINST DISCRIMINATION

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, tomorrow, April 17, marks a historic date for Canada's disabled people. As of Wednesday, discrimination based on physical and mental disability will be unconstitutional.

Disabled people in Canada have fought long and hard for a fair chance to do many things most of us take for granted. For example, the simple process of gathering information from newspapers, books, and magazines can be difficult, if not impossible, for a blind person.

Last week I had the opportunity of touring, with the Chairman of the Board of the Metropolitan Toronto Library Board, Mr. Irv Sherman, the newly opened Metro Toronto Library Centre for disabled persons. This excellent centre has a variety of information services for disabled people, including a Kurzweil Reading Machine that actually reads aloud from a printed text in a synthetic voice.

On the eve of the implementation of equality rights, I urge the Government to continue to open the door of opportunity for Canada's disabled people.

* * *

FORESTRY

DELAY IN COMPLETING AGREEMENT WITH BRITISH COLUMBIA

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, there is still no federal-provincial forestry agreement in place in British Columbia in spite of Conservative promises of federal-provincial co-operation and help to the forest industry. While waiting for that agreement to be signed, 2,300 workers in the Canada Works Forestry Program face lay-offs. Last week I met over 100 of these men and women on their last day of work. Funding had run out, and new funds had not been allocated.

These people want to know why negotiations always have to wait until the last minute. As one worker said, maybe if more of the people doing the negotiating lived hand-to-mouth like the workers who depend on the programs, they would not be quite so casual in the way in which they negotiate for new funds.

It now appears that the Department of Employment and Immigration has offered to pay wages, but not overhead, for the program until the end of June. The companies object to paying anything at all, even though their forest lands get the benefit of the work that is being done. We can only ask if this is an example of the much touted "new mood of co-operation" between the Conservative Government and private business. Is this the kind of free enterprise that is going to create jobs for two million out-of-work Canadians?

* * *

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE PARTY—FUND RAISING CAMPAIGN

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the sign reads "Government For Sale". For $100 you can now join the Brian Mulroney Club. Membership will allow you access to your Member of Parliament, as unbelievable as that may seem, but it is not guaranteed that you will find a solution to your problem. Tory organizers expect many members to join within months.

The Government was elected to serve Canadians, not to sell their services. This is the most outrageous of all the atrocities that have been perpetrated by the Conservative Party on the people of Canada. What can we expect next? Tory Members peddling Brian Mulroney's picture for $10 to their supporters in their own constituencies?

To all Tory Members in the House I say that we on this side of the House we do not charge to help the people of Canada. Mr. Speaker, please advise the constituents of other ridings that the Liberals are here to serve everyone, rich and poor alike.

* * *

AGRICULTURE

DEVELOPMENT OF NEW WHEAT STRAINS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, the issue of unlicensed utility wheat has received considerable press in the past, not only in recent weeks but over the past years. One has only to look at the various strains that have been developed in an attempt to maximize production to be aware of this.

We have seen the introduction of triticale, and the development and licensing of HY320 as examples of this. It was only natural that farmers, who are neighbours in spite of the fact that the Canada-U.S. border separates their farms, would discuss and exchange not only ideas but seed as well. To ignore

this fact, and many other problems of agriculture, was a tactic often employed by the previous Liberal administration.

Calling together all interested parties, from growers to grain company officials, particularly those who represent companies co-operatively owned by the producers, demonstrates that the consultative process is alive and well in the Government. We recognize that agriculture is a pillar of the Canadian economy and are trying to provide another option for hard-pressed producers. I commend the Minister responsible for the Canadian Wheat Board for his actions, and call on all Members of the House to applaud him for his insight in dealing with this problem.

* * *

PRAIRIE FARM REHABILITATION ADMINISTRATION

FIFTIETH ANNIVERSARY

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, tomorrow marks the fiftieth anniversary of the Prairie Farm Rehabilitation Administration, an organization which has become part of the very fabric of the Prairies. Established by a Conservative Government on April 17, 1935, the PFRA was born at a time of unprecedented drought conditions in the rural west. Through its emphasis on long-term planning and conservation, the PFRA helped western agriculture to survive and, later, to prosper. For example, the Palliser triangle, once the infamous dust bowl of the Prairies, is again agriculturally productive, thanks in large part to the PFRA.

Tonight at the University of Manitoba this historic anniversary is being marked with a seminar attended by numerous experts in water and soil conservation who will discuss the organization's past and its future. All this comes at a time when consideration is being given to basic structural changes in the PFRA.

I commend my colleague, the Member for Wetaskiwin (Mr. Schellenberger), for putting forth recommendations which will be considered by the Agriculture Committee in the near future. Apart from these recommendations, Mr. Speaker, agricultural technology and growing public awareness about conservation have created new challenges for this organization.

I am confident that, just as it met its goals in the past, the PFRA will rise to the challenges of the future. I congratulate PFRA officials on this historic occasion. I wish them every success in their deliberations this evening.

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LABOUR CONDITIONS

LEVEL OF UNEMPLOYMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I rise today to send a warning to all Canadians who are concerned about a growing trend by Governments seriously to misrepresent facts for their own partisan purposes.

S.O. 21

In his classic novel *1984* George Orwell presented a chilling portrait of a Government that used the control of language as a means to control its people. It consciously and insidiously twisted and distorted the meaning of words until the resulting language, called newspeak, proclaimed that love was hate, war was peace, and freedom was slavery.

Since the Government was elected a short seven months ago, the proliferation of newspeak has grown to alarming proportions. Nowhere is this more apparent than when it comes to the Government's pronouncements on unemployment. Yesterday's performance by that master of newspeak himself, the Prime Minister (Mr. Mulroney), indicates that the level of misrepresentation by the Government has reached new heights.

Yesterday the Hon. Member for Oshawa (Mr. Broadbent) pointed out that the rate of job creation in the last six months is lower than in the previous six months, and that in fact unemployment has increased in three of the last four months. Yet the Prime Minister continues to say that there has been "a rebirth in confidence in the private sector resulting in job creation". There are 65,000 more Canadians unemployed today than when the Prime Minister assumed office. These are the facts, yet the Government will have us believe otherwise.

It is a dangerous practice to deny the truth. One could foresee the day when the Government creates a Minister of Information to tell what is truth and what is not. Canadians do not want their Government to tell them that black is white, or that unemployment is going down when in fact it is going up.

Mr. Speaker: I regret to advise the Hon. Member that his time is expired.

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MUNICIPAL AFFAIRS

HAMILTON REGIONAL INCINERATOR

Ms. Sheila Copps (Hamilton East): Mr. Speaker, a Tory is a Tory is a very sad story for the City of Hamilton. Just as our tight-lipped Premier was in Hamilton announcing the creation of a measely 10 jobs, the federal Government was refusing to honour its commitment of $2.4 million for the upgrading of the regional incinerator. It would be funny if it were not such a threat to the health of the people of Hamilton. This upgrading is absolutely critical because SWARU has been emitting dioxins into the air breathed by hundreds of thousands of people in the Niagara region. The Minister of Energy, Mines and Resources (Miss Carney) can find $1 billion for oil companies, but she cannot find $2.4 million to protect Hamiltonians from cancer causing agents.

This political story does not end here. The regional chairman, who also happens to be a current candidate for the Tories in Ontario, sent a telex to the Ministers involved to say that this funding was critical and the freeze was a severe shock. The candidate sent copies to the Members for Hamilton West (Mr. Peterson) and Lincoln (Mrs. Martin), but skipped right

over the riding of Hamilton East where the residents will be most affected by the cut-back.

The Tory candidate thought it was more important to protect the Government than to protect the citizens of Hamilton. She has hidden the truth from the Opposition and shown that her only interest is in protecting fellow Conservatives. The Tories in Ontario have always left Hamilton in the cold, except when it came to foisting schemes of regional government and rapid transit on the people. Now we see that their Ottawa cousins are cut from the same sackcloth.

* * *

● (1410)

[*Translation*]

EXTERNAL AFFAIRS

REMARKABLE WORK DONE BY SECRETARY OF STATE FOR EXTERNAL AFFAIRS DURING VISIT TO U.S.S.R.

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, after having the privilege of accompanying the Secretary of State for External Affairs (Mr. Clark) on his recent visit to the Soviet Union, I must say that the Minister did a remarkable job in situations and circumstances that were not always easy.

Mr. Speaker, the purpose of this trip was, first and foremost, to provide for a better mutual understanding between our two countries, to establish a relationship with the Soviets and to re-establish lines of communications which had been neglected for more than a year.

Mr. Speaker, during our visits to Leningrad, Novosibirsk, Moscow and Kiev, the Secretary of State for External Affairs was always clear and consistent in what he had to say. Although our two countries will always have political differences, we must seek, above all, the points of interest we have in common and maintain a constant dialogue. Mr. Speaker, there are no two countries in this world that are more similar than the Soviet Union and Canada, whether we are referring to climate, or wide open spaces or our economies, which we would do well to develop together.

Mr. Speaker, I can assure the House that the recent visit by the Secretary of State for External Affairs to the Soviet Union will, in the months or years to come, provide considerable benefits for Canada, both from the economic and the social and cultural point of view.

[*English*]

CHALLENGE '85

STUDENT EMPLOYMENT EXPERIENCE DEVELOPMENT PROGRAM—DISTRIBUTION OF APPLICATIONS IN SASKATCHEWAN

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, Members of Parliament have been advised that they will receive copies of the SEED Program applications involving more than four jobs, for their review. This is so in all Provinces except Saskatchewan where, we are informed, Members will not be consulted, apparently as a result of an agreement made between the Minister of Employment and Immigration (Miss MacDonald), Conservative Members, and the Conservative Government in that Province. Why the New Democratic Members of Parliament from Saskatchewan were not consulted when this decision was taken requires an explanation that, hopefully, will soon be forthcoming.

Much was made of the wage subsidized career orientation of Challenge '85, which we said would impede job creation given the late announcement of the program. Challenge '85 is now claimed to have produced more jobs than Summer Canada. If that is so, we applaud that fact, but we know that if it is so it results from the absence of criteria to ensure career orientation.

Under the SEED Program, proposals are assessed on a first come, first served basis, with little scrutiny. The program does not have a mechanism to determine if proposals are career oriented or whether full-time workers will be displaced. It should also be noted that the continuous scrutiny that characterized Summer Canada, that is, three visits per project, is not being carried out.

Finally, it should be noted that, contrary to other commitments made by the Government, the SEED Program does not have a requirement that Summer Canada had—

Mr. Speaker: The Hon. Member for Fraser Valley East (Mr. Belsher)

* * *

CANADA POST CORPORATION

CALL FOR END TO INEFFICIENCY

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I would venture to say that no other government Department or Crown corporation has received as much criticism as that levelled against Canada Post Corporation. Increasingly this Crown corporation is being seen as a high-cost, low-efficiency operation.

Canada Post Corporation, which was established in October, 1981, has had nearly four years in order to improve its performance. Its establishment as a Crown Corporation gave the Canadian public expectations of improved service. Instead we are faced with a situation of postal rates continuing to increase while the efficiency of postal services continues to

decline. Is there no end to this vicious circle which saps both the federal treasury and the patience of the Canadian public? I believe that it is time to put an end to this unbearable situation.

Both management and labour must recognize that problems exist. They must also discover what these problems are, and arrive at a consensus on how to eliminate them. It serves neither the interests of management nor labour to blame each other for the inefficiency of Canada Post. Both sides are part of the problem, and therefore must also be part of the solution. We in Government can assist in the resolution of this problem by letting it be known that we will no longer allow the status quo to continue. It is time for action, Mr. Speaker.

* * *

THE ADMINISTRATION

APPOINTMENT OF DR. JANET WARDLAW TO HEAD INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

Mr. William C. Winegard (Guelph): Mr. Speaker, yesterday I and many other Members of this Chamber received a button that we were supposed to wear which referred to equality and most of us did. What surprises me is that the Party circulating the button, at least to me, made no representation about our Party's willingness to support people especially women, in important positions. I have not heard one word from my colleagues on my left about the appointment of that extraordinary Canadian, Dr. Janet Wardlaw, to be the Chairman of the International Development Research Centre. I would be happy if they had opened up and welcomed such a tremendous appointment, Mr. Speaker. Where were you? Where were you?

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

ENVIRONMENTAL AFFAIRS

CHEMICAL SPILL ALONG TRANS-CANADA HIGHWAY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of the Environment, but in her absence, and I think I understand why, I would like to put my question to the Prime Minister.

The Minister of the Environment demonstrated quite clearly yesterday a lack of appreciation of the scope of the environmental disaster that occurred on the Trans-Canada Highway when PCBs were leaked along that highway. More important, the Minister of the Environment demonstrated a complete lack of understanding of federal responsibility for that disaster in attributing the jurisdiction as a provincial one.

Has the Prime Minister communicated with his Minister of the Environment and asked her whether she is now aware that officials of the Department of the Environment in Edmonton were notified, 48 hours before the PCBs were shipped by Kinetic Ecological Research Group, of the following information: the type of vehicle to be used; the vehicle licence number; the driver's name and address; the type of material and volume of material to be shipped, and the route to be followed?

Will the Prime Minister consult with the Minister of the Environment to ask her to come before this House and admit that under the Environmental Contaminant Act, a federal Act, she has a primary responsibility, not diluted by provincial jurisdiction, for the prevention and cleanup of spills of dangerous chemicals?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, in the absence of the Minister of Environment I want to respond to my right hon. friend and advise him that it is a matter of some pride to this Party that that Act, which the right hon. gentleman has just cited, was supported by this Party, and appropriately so, and that regulations under that Act are important. They are indeed part and parcel of that part of federal jurisdiction which is of help in these cases.

As the right hon. gentleman knows, the Department is fully informed of the situation. Consideration is being given to the event that caused this mishap. As the right hon. gentleman also knows, the question of PCB control is incredibly complex. There is divided jurisdiction on it. There are severe problems in terms of obtaining sufficient public support for proper plants for the destruction of these particular contaminants.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I regret that the Prime Minister has not responded to this question because the extent of this particular situation is wider than he and his Government may suspect.

Some Hon. Members: Hear, hear!

ONTARIO MINISTER'S STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, let me put a supplementary question to the Minister of Fisheries and Oceans who is acting for the Minister of the Environment.

Mr. Nunziata: Always acting.

Mr. Turner (Vancouver Quadra): Does the Minister of Fisheries and Oceans agree on behalf of his colleague, the Minister of the Environment, with the statement by her counterpart, the Ontario Minister of the Environment, Mr. Morley Kells, with respect to the potential human fallout as a result of the PCB spill, when he said yesterday:

> If you are a rat eating PCBs on the Trans-Canada, you might have some problems.

Mr. Crosbie: Where is Copps when we need her? Let's get the rat pack.

● (1420)

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, we on this side, and I am sure the Hon. Minister whom I am representing today, would not want to see our animal friends, any more than anybody else, suffer as a consequence of a PCB spill.

Some Hon. Members: Hear, hear!

Mr. Axworthy: The rats are friends of yours, not ours. They belong to the Mulroney club.

Mr. Fraser: Of course I am constrained to say what she might have to say about non-animal rats, but that is another matter completely. I will take the representations of the right hon. gentleman to my colleague. I am sure she can deal with this other aspect of the problem when she is next in the House.

TOXICITY OF PCBS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have known the Hon. Minister of Fisheries and Oceans for a long time, but that answer will give him an F too. I want to ask him, on behalf of his colleague, does she not realize that one kilogram of PCBs would be enough, if taken by fish, to make half a million fish unfit for human consumption. Are the Minister and his colleague, the Minister of the Environment, aware that Dr. Joseph Cummings of the University of Western Ontario, a respected geneticist, has already consulted this morning with several people in northern Ontario complaining of the symptoms of PCB exposure, and has described the statement by the Environment Minister's provincial counterpart, the Hon. Morley Kells, as totally appalling in the circumstances? This is not just a matter of animals. It is a matter of human health. The Minister and his Government had better start to realize what kind of situation they have here.

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the questions which are coming from the right hon. gentleman are interesting in terms of their factual content or otherwise. There is no question as to where this Party or the Minister I am representing today stands on the concern and danger of PCBs. However, part of the reason this happened is because the former Government had plenty of time to put proper regulations into effect and did not do so.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

COMPANY'S COMPLIANCE WITH REGULATIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I hope the Minister of the Environment realizes the gravity of the situation today in contrast to yesterday. In her absence I will direct my question to the Minister of Transport. In light of the developments which have taken place, could the Minister reassure the House that he is satisfied the trailer company in question has complied with regulations and legislation under federal jurisdiction, under his jurisdiction in particular?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I am sure the Hon. Member knows, the accident is currently being investigated by the Ontario Ministry of the Environment. Officials in my Department, and those particularly associated with the transportation of dangerous goods, are collaborating with provincial authorities to determine the cause of the leak and to ensure that all regulations were in fact followed. Of course, upon the completion of that investigation, we will be in a better position to advise the Hon. Member and the House on precisely what took place.

ROLE OF ONTARIO PREMIER

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my supplementary question is directed to the Prime Minister. Now that he has an opportunity to give, at last, some positive leadership in the environment, having given negative leadership so far by slashing the Department so irrationally last November, will he speak to that weak-minded Premier of Ontario and shake him up in terms of his responsibility in looking after the health of the people of Ontario in the affected communities near the Trans-Canada Highway, and take into hand the management of this critical situation?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think we have indicated the great seriousness with which we regard the matter raised quite properly by my right hon. friend, the Leader of the Opposition, and have given assurances of a full commitment of the resources of the federal Government, in co-operation with the provinces, to deal with it. I think that would be the stand of any Government. It is ours. I do not think, notwithstanding his best efforts, my hon. friend from Davenport assists the Liberal Party in Ontario in its provincial election by attempting to defame an outstanding Canadian, the Premier of Ontario.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Mulroney: I think the people of Ontario are looking for leadership. They are going to get it from Premier Miller, not from people who indulge in character assassination like the Hon. Member for Davenport.

REGULATIONS GOVERNING TRANSPORTATION OF DANGEROUS GOODS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, my question is directed to the Minister of Transport, whose colleague, the Minister of the Environment, wrote me recently to indicate that officials had been working for some years with Transport Canada staff on the transport of dangerous goods, in particular on hazardous wastes and emergencies. While consultation is very nice, we have a PCB spill apparently stretching the length of the Trans-Canada Highway from

Kenora to Thunder Bay. Since the Minister of Transport is responsible for the transportation of dangerous goods, I should like to ask him whether further measures are contemplated under that Act. Are systems such as escorts and convoys being looked at? To his knowledge, were all applicable regulations observed in this case?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member is correct. There has been consultation and there has been action. As a matter of fact the transportation of dangerous goods regulations have indeed been proclaimed and will take effect on July 1. That is as soon as it is practically possible to put these regulations in place. It has been done in consultation with the industry, and there has been a certain degree of hardship imposed. Nonetheless, that announcement has been made. Naturally, when the regulations become effective, all transportation of dangerous goods in Canada and, indeed, trans-border, will have to conform to those regulations.

MINISTER'S POSITION

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, my supplementary question is directed to the same Minister. My constituents will not be pleased to know that they have to wait until the tourist season for protection. Frankly, since we have the federal Minister of the Environment and the provincial Minister of the Environment discounting, or taking this situation lightly, will the Minister of Transport provide leadership in the matter of handling toxic substances? Will he assure the House that the situation will be reviewed in light of this experience?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I assure the Hon. Member, and all Hon. Members of the House, that we are taking this issue seriously. We are showing leadership. The fact of the matter is that we accelerated the proclamation of the regulations under the Transportation of Dangerous Goods Act by several months. That took some convincing, and it took a lot of consultation. As I said earlier, my departmental officials are working very closely with the Department of the Environment for the Province of Ontario to ensure that an adequate investigation is carried out, and to ensure that all necessary precautions were in fact followed and will be followed in the future.

CONTENTS OF TRANSFORMER

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I cannot help but wonder whether or not Premier Miller gave the Prime Minister that little speech the last time he sat on his knee, or whether the Prime Minister made it up himself.

My question is directed to the Acting Minister of the Environment, the Hon. Minister of Fisheries and Oceans. He should know that the transformer in question from which the PCBs were spilt contained 384 gallons of PCBs. We know where 100 gallons of those 384 gallons are, because they are in the storage tank of the truck. What we do not know is how much of the remaining 284 gallons is still in the transformer, if any. Given the serious consequences of having those 284 gallons spilt along the TransCanada Highway, possibly from Montreal to Kenora, will the Minister now undertake to determine in Kenora how much of the remaining 284 gallons of PCBs is still in that transformer, if any? That will point to just how serious this spillage may be in fact.

• (1430)

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, on behalf of the Minister I can tell the House that this still is, of course, taken very seriously. I can also tell the House that the regulations that my friend, the Minister of Transport, referred to, are coming in on July 1, earlier than they otherwise would have been because my friends on the other side, when they were in Government, had not brought the regulations up to date. I can also tell the Hon. Member that, in consultation and working with all of the people who are involved in this and who can give any information, the matter is being taken seriously. As soon as a more factual report can be given to this House, it most certainly will be given.

REQUEST THAT BLOOD ANALYSIS TESTS BE CONDUCTED

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, when environmental officials are saying the only danger is to rats, and we do not know where over 284 gallons of PCBs are, I do not think it is being taken seriously. I think they ought to wake up.

Mr. Crosbie: Tobin for leader.

Some Hon. Members: Hear, hear!

Mr. Tobin: I don't have your ambitions, John. Only you have a blind ambition to be leader. If I may, Mr. Speaker, I am trying hard. A respected geneticist at the University of Western Ontario this morning heard from people who are apparently suffering the symptoms of PCB exposure. Will the Minister instruct, along with his colleague, the Minister of National Health and Welfare, that a mobile unit be put in place to allow PCB blood analysis tests to be done where requested? That facility is currently not available in Kenora and people are reportedly suffering from what appear to be symptoms of PCB exposure.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to tell the Hon. Member, as the Prime Minister has already stated, that if there is anything that the federal Government can do to help, in either the management of this situation or in the area of health, we will not study it but, rather, we will act.

Oral Questions

REQUEST FOR MORATORIUM ON TRANSPORTATION OF DANGEROUS SUBSTANCES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a question for the Minister of Transport. Given what the Minister had to say earlier, could the Minister declare a moratorium on the transportation of dangerous substances such as PCBs until July 1, so that no more transportation of these dangerous substances will occur until the proper regulations are in place?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the New Democratic Party will have to get its act together. I brought in a piece of legislation yesterday having to do with the Aeronautics Act, concerning safety and security in the air. The chief spokesman for the New Democratic Party said they were not going to pass this legislation until they saw the regulations. One of the reasons the regulations had been so long in being proclaimed and formulated with respect to the transportation of dangerous goods is that that Party wanted to see the regulations at the time that the transportation of dangerous goods legislation was being passed. It has taken some time. Quite frankly, notwithstanding the fact that the transportation of dangerous goods regulations are coming into effect on July 1, many truckers are conforming to the regulations because they are now made public and they will be enforced effective July 1.

DEBATE ON LEGISLATION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I deliberately asked the question in a way that would not provoke that kind of defensive reaction. All I asked the Minister was whether he would consider a moratorium until July 1. I did not ask him to distort the facts of the debate around the transportation of dangerous goods legislation. I spoke on that Bill. I remember that we passed it quickly. We did not ask to see the regulations before we let it go through.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the reason why I responded in the way I did was simply the fact that in an earlier answer I indicated that the Department of the Environment of the Province of Ontario is investigating the cause of the accident. Our officials are working very closely with the Department of the Environment of Ontario and monitoring the situation. Whatever corrective steps need to be taken, will be taken. I thought the Hon. Member would appreciate the fact that surely we should ascertain all the facts before we take the kind of hurried action that he is recommending to the House today.

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ENERGY

FUTURE OF GULF CANADA CORPORATION

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Acting Minister of Energy, Mines and Resources. It follows from the take-over of Gulf America by Chevron. Will the Minister assure the House that all necessary steps are being taken to ensure that Canadian buyers are found for Gulf Canada, which is now 25 per cent Canadian owned?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the question of the Hon. Member for Trinity, as she probably knows the Chevron people have given until the end of this month for Canadians to come forth and make a bid on the Gulf shares that they own, approximately 60 per cent of Gulf Canada. I understand that active negotiations are taking place with at least one Canadian buyer.

PRICE OF GASOLINE IN ONTARIO

Miss Aideen Nicholson (Trinity): Mr. Speaker, I trust that the Government has indeed learned from Texaco Canada's recent take-over of Canadian Reserve Oil and Gas Limited, which resulted in $980 million leaving Canada. Clearly this benefit to foreign producers must be paid for by Canadian consumers. My supplementary question is directed to the Minister of Finance. Will the Minister now admit that Ontario consumers are facing price increases at the gas pump and in their homes?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member cannot have it two ways, to say that they do not want any of these companies to go to non-resident companies and on the other hand to say that they have to be sold to Canadians. If they are sold to Canadians, the money goes out of the country. You cannot have it both ways. I say to the Hon. Member, in response to the specific question on the Budget, she knows when the Budget will be coming. She will get an answer at that time.

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POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE PARTY—FUND RAISING CAMPAIGN IN QUEBEC

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Prime Minister. It has been reported that a Mr. Guy Dionne, representing the Conservative Party in the Province of Quebec as the chief recruitment officer for something called the Club Mulroney, has indicated to businessmen in Quebec that if they will pay $100 to the PC fund, their concerns will be given speedy consideration by the Cabinet. Is that true?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what is true is that Brian Mulroney clubs are springing up all over the place.

Some Hon. Members: Hear, hear!

Mr. Mulroney: It's like the daffodils on Parliament Hill.

Some Hon. Members: Oh, oh!

Mr. Mulroney: It just is not the same unless you hear that voice from Bay Street representing those international, multinational corporations. I tell you, they must get a big hosing when billing time comes around with an employer like that. The whole Quebec Bar is asking why he doesn't practise in Quebec. I read of the existence of this latest group of clubs. The only clubs, as my hon. friend knows, that would be authorized are those pursuant to the federal statutes which deal with the financing of federal parties. If you contribute to the Conservative Party, you get no more advantage than any other Party, except you get a marvelously good feeling.

Some Hon. Members: Hear, hear!

CLUB MEMBERSHIP TERMS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, part of the good feeling is not having to listen to the blarney. My question, however, is important for public purposes. Is it true that if businessmen in the Province of Quebec join the Brian Mulroney club and contribute $100 to the PC Canada fund that they will be given speedy consideration of their concerns by the Cabinet and the Government of Canada?

Right Hon. Brian Mulroney (Prime Minister): No.

• (1440)

PRIME MINISTER'S POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is the Prime Minister prepared to tell those people who have joined the club on that understanding that they will not be given such consideration?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, unlike the Liberal Party, for which one had to knock on special doors, all Canadians receive special consideration from this Government.

Some Hon. Members: Hear, hear!

Mr. Mulroney: No Party led the Conservative Party in contributions from small donors in the last number of years. The reason we got 56 per cent of the unionized vote in this country is that unionized people are tired of this kind of attitude coming from the NDP. They want leadership; they want a happy face; and they want an Ian Deans club!

Some Hon. Members: Hear, hear!

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ROYAL CANADIAN MOUNTED POLICE

PREMIER'S TRIAL—INTERNAL INVESTIGATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, I hope the Solicitor General, who is absent today, will be joining the Brian Mulroney club and not the Ian Deans club, for his own good. In his absence, I would like to ask the Minister of Justice when the RCMP report into the Hatfield affair will be made public.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, it is my understanding that the report is not yet completed. When it is completed, the Minister will decide whether or not it should be made public.

ROLE OF SOLICITOR GENERAL

Hon. Bob Kaplan (York Centre): Mr. Speaker, in view of this very unacceptable and long delay in dealing with important questions, which include the allegations of the Premier of New Brunswick against members of the RCMP, and considering that the Solicitor General himself is implicated in the Hatfield affair, does the Minister of Justice not think that it is about time for him to take charge of this investigation, make sure that there is a full investigation, and make sure that a report is indeed made to the Canadian people?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Government does not propose to interfere in the administration of the RCMP. They are well capable of looking after themselves with their integrity that has been recognized now for 100 years. It is time for the hon. gentleman to stop trying to make political capital out of other people's misfortunes.

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MEDICAL RESEARCH COUNCIL

LEVEL OF FUNDING

Mr. Tom Hockin (London West): Mr. Speaker, my question is addressed to the Minister of National Health and Welfare, and I address it to him urgently. I returned from my riding with countless requests from the medical community in London and elsewhere expressing concern about Medical Research Council funding. With rapidly approaching deadlines for research projects in the medical field, I must ask the Minister when he will give the House his response to the Medical Research Council's request that its funding be restored to at least last year's level.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to thank the Hon. Member. As he is aware, there is a five-year plan, and funding above the "A" base had not been provided for by the former administration. I was hoping to make an announcement in the House today, but it is an Opposition Day. I will be making an announcement later today indicating that not only will we restore the funding to last year's level but we will increase the level of funding to some $158 million, well above the "A" base and well above last year's level.

Oral Questions

THE CHARTER OF RIGHTS

COURT TESTS OF EQUALITY PROVISIONS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Justice. Tomorrow Canadian women will celebrate their achievement of equality under the Charter of Rights. As the Minister knows, the real fight now begins as cases are tested before the courts. Does the Minister agree with Judge Bertha Wilson who has said that, to be fair and effective, cases which are to test equality under the Charter must be selected independently of political bias and government intervention?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Madam Speaker—sorry, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Crosbie: Mr. Speaker, I was thinking of Madam Justice Wilson who was a year behind me in law school but has now outpaced me in legal knowledge. The short answer to that question, Mr. Speaker, is yes, but I know that there is a hook to come so let's get on with it.

FUNDING OF WOMEN'S CASES

Ms. Margaret Mitchell (Vancouver East): You got it, Mr. Minister, and here it is. As the Minister knows, Charter words are meaningless and women are really not interested in hearing words. What they want is access to legal services so they can actually achieve equality. Tomorrow, will the Minister of Justice, leading in the forefront with all the fanfare he wishes, celebrate equality by designating major funding for an independent endowment rather than a government Department, through a credible organization such as the Legal Action and Education Fund, so that women may fight equality cases under the Charter?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, that is a matter that is currently under discussion in the Government, and particularly in the Department of the Secretary of State. As the Hon. Member knows, it is the Secretary of State who is the Minister of the Government in charge of matters relating to women. A decision will be made later. I will discuss it with the Hon. Member tomorrow when we attend the cocktail party that will be held in celebration of the April 17 equality day.

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REFUGEES

EXPERTISE IN COMPOSITION OF ADVISORY COMMITTEE

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Minister of Employment and Immigration and concerns the decision not to reappoint Florence Bird. Yesterday, in answer to my question on Florence Bird, the Minister explained that she was looking for fields of expertise in new areas of refugee concerns. In view of the fact that the report of Rabbi Gunther Plaut will contain the important recommendations on which to make these new areas of policy known, and in view of the fact that the Minister herself claimed only a few days ago that she did not have knowledge of the contents of the report, can she now tell the House where she obtained the information leading her to believe that Mrs. Bird did not have this new area of expertise?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, obviously the Hon. Member has had very little to do with the refugee community throughout this country or indeed, I gather, in any other country.

Mr. Crosbie: He is a refugee.

Some Hon. Members: Oh, oh!

Miss MacDonald: I would like to explain to him that the situation in the world, with the migration of peoples coming from countries where there has been increased instability, has caused a very different set of circumstances here in this country. People in the legal profession, people in community organizations, and people in religious organizations, have been concentrating on certain areas in recent years. I would like to tell the Hon. Member that there is a great deal of expertise to be tapped in this country, and I can assure him that that will be done.

QUALIFICATIONS INQUIRY

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am sure the Canadian public and all refugees will be glad to hear the remarks made by the Attorney General and Minister of Justice. Since Amnesty International, the Inter-Church Committee, and other refugee organizations have all supported the reappointment of Florence Bird to the Status Advisory Committee, and since Mrs. Bird has been involved in the evolution of refugee policy all along, could the Minister now tell us in which field of expertise Mrs. Bird is lacking?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can assure the Hon. Member that there are many people in this country who have specific expertise to bring to this humanitarian cause. I would also assure him that it will be much easier for this Government to determine who those individuals are than it is for the Liberal Party to choose a national director of its Party.

* * *

● (1450)

CANADA POST CORPORATION

CASE OF DISMISSED EMPLOYEE

Mr. Scott Fennell (Ontario): Mr. Speaker, my question is directed to the Prime Minister. Recent press reports have suggested that the Canada Post Corporation has resisted an

independent investigation of allegations which were made by Mr. Ad Varma. Are the reports accurate, and does the Government still have confidence in the Corporation's President, Mr. Michael Warren?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am aware of the fact that there was a difference of view between an employee and the Corporation some many months ago. I understand there are in excess of 60,000 employees in the Corporation and this was one who was seeking redress. Both the Corporation and the Minister—who performs so brilliantly, not only in running the Revenue Department, but in being responsible for the Corporation as well—

Some Hon. Members: Hear, hear!

Mr. Beatty: I have a supplementary.

Mr. Mulroney: The Minister has a supplementary.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Both the President, and the Minister, in whom we have absolute confidence, have been dealing with this issue with a view to effecting the proper solution. We expect that will be the case, and we hope it is. There has been an allegation of injustice, and if that is the case we would want to correct it.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

REOPENING OF FOREX COMPANY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion which concerns the reopening of Forex in the Abitibi region. Considering the fact that re-establishing this major industry, thus creating thousands of jobs, will depend on the participation of the Governments of Quebec and Canada in this project, is the Minister now prepared to grant the $2 million subsidy for production investment requested by Forex?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member's question, as he probably knows, our Department is analysing a proposal which was put to us by Forex. It involves the joining together of five sawmills in the area. We are giving it not only immediate attention but, to the best of our ability, we are trying to facilitate the move which is being contemplated by the promoters of the deal.

GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, in view of the fact that the Province of Quebec is apparently awaiting a decision from the federal Government, can the Minister assure the House that the decision will be positive and that the Government of Canada will play its role in terms of re-establishing an important regional industry, an industry in which working people will have a share, and an industry which will directly create 1,000 jobs in the Abitibi region, which is one of the worst economic and most devastated areas in the Province of Quebec?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I think the Hon. Member must bear in mind that Quebec's information was received by Ottawa yesterday. As I have indicated, we are analysing the proposal and, in due course, we will give the decision. I do not think the Hon. Member would expect me to give a negative or positive decision today, one day after we received the facts.

* * *

VISIBLE MINORITIES

JAPANESE CANADIANS INTERNED DURING WORLD WAR II

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Prime Minister, and it concerns the Japanese-Canadian redress issue. Unfortunately, talks between the Government and that community are at a standstill. As a result, the Japanese Canadian Association has petitioned, telephoned, written, and telexed the Prime Minister's office urging and asking for a meeting with him so that a mutually agreeable proposal can be obtained. Therefore I would ask the Prime Minister why he has consistently refused to meet with the leadership of the national association so that the solution can be obtained. What is he afraid of?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, before the Leader of the Opposition bursts into frenetic applause, let me place this in context.

On the final day that the former Liberal Prime Minister sat in this seat, I rose as Leader of the Opposition and I asked, on behalf of the Conservative Party and all Canadians, that redress be given to the Japanese-Canadian community. The Liberal Leader and Prime Minister said no, and all the Liberals cheered. That was a black day for the Liberal Party, and it was a black day for civil liberties in this country.

Some Hon. Members: Hear, hear!

Some Hon. Members: That's not true.

Mr. Mulroney: That is what happened. Since then, the Minister of State for Multiculturalism has made significant offers to the Japanese-Canadian community, and my door remains open to them at all times.

Mr. Allmand: Tell the truth.

Mr. Mulroney: I will tell the truth. It was so bad that you stood there and you applauded the former Prime Minister and the then—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, order.

Mr. Mulroney: You should be ashamed of yourselves.

REQUEST FOR MEETING WITH PRIME MINISTER

Mr. Sergio Marchi (York West): Mr. Speaker, I think the Japanese community watching this Question Period would be just disgusted to see the partisan response of this Prime Minister. He is in power now and he has to do something about it.

Some Hon. Members: Hear! hear!

Mr. Marchi: The truth of the matter is that you are holding a gun to the community's head and saying: "If it's not my way, it is no way". They are not satisified with the response of your Government.

Is the Prime Minister prepared to assure the House and the Japanese community that he would have at least five minutes of his schedule to sit down with them so that a sense of understanding and dialogue can prevail, as he so often said during the campaign, before the campaign, and immediately after the campaign?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is precisely my point. The present Leader of the Opposition and the present Prime Minister stood together against the Liberal Party of the day last June when it refused justice and redress for Japanese-Canadian. Those are the facts. That is what the Japanese-Canadian community saw. They saw the Liberal Party saying no, and they saw the Conservative Party saying: "Yes, we want to be of assistance". They saw the Minister of State for Multiculturalism bringing in a serious proposal and saying: "We would like to sit down and possibly do more". What we do reject is the categoric rejection of decency in minority rights as espoused by the Liberal Prime Minister who sat in the House that day. It was a black day for liberalism and a black day for Canada.

Some Hon. Members: Hear, hear!

NEGOTIATION OF SETTLEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I read what the right hon. gentleman said when he was Leader of the Opposition and sat right here on the last day of the last Parliament. He knows where I stand. He is now the Prime Minister of this country and he leads the Government. He promised a settlement with Japanese-Canadians on a basis acceptable to them. That has not happened. Those negotiations have been unilaterally imposed. What is he going to do about it now?

Some Hon. Members: Now.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Liberal Party, having said no to the Japanese community for 40 years, has the temerity to yell "now". Shame. Shame on all of you, except your Leader.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The Leader of the Liberal Party today was the only one who had the courage to stand up and disagree with that band of sheep at the time.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Now it's a majority. You were opposed to redress for the Japanese—

Mr. Speaker: Order, order. This House is not a place for Members to shout at each other across the aisle. The Hon. Member for Beaches (Mr. Young).

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

PROPOSED RENTAL INCREASES

Mr. Neil Young (Beaches): Mr. Speaker, this Party fought for Japanese-Canadians years ago.

My question is directed to the Minister responsible for CMHC. The Minister's Department has notified a number of tenants in a number of CMHC-controlled apartment dwellings, including the Main Square complex in Toronto, that his Department intends to increase rents by over 12 per cent a month in many buildings. Will the Minister assure the House that the Government and CMHC will not proceed with this rent gouging policy? Will they contain any increases in CMHC controlled buildings to within the 4 per cent limit which has been promised by the Ontario Government?

• (1500)

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I cannot answer specifically apartment by apartment, but I can assure the Hon. Member that if there are difficulties because of a rent increase by Canada Mortgage and Housing Corporation, there are provisions for that and there will be an understanding if these rent increases cause personal hardship to those tenants. These rental increases are considered in an over-all period of recovering from the six and five program imposed by the previous administration which, in many cases, left the rents far, far below even the low end of market rent in a lot of CMHC held properties.

REQUEST FOR REFERRAL TO ONTARIO RENT REVIEW BOARD

Mr. Neil Young (Beaches): Mr. Speaker, many senior citizens in those building, because of the increase are going to lose the $50 increase in the GIS. I would ask the Minister one simple question. Would he agree to submit those rental increases to the Ontario Rent Review Board?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the rental increases which have been proposed by CMHC are those increases which are necessary to provide a return to the Canadian taxpayer from dwellings where—

Mr. Deans: Oh, come on!

Mr. McKnight: If there are any tenants in properties owned by CMHC who are under severe hardship, or any form of hardship, they have the right and the knowledge of application for either increased rental subsidies or rent geared to income components in apartments for which CMHC is responsible.

* * *

CLERK OF PETITIONS' REPORTS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Monday, April 15, 1985, meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

MR. ALLMAND—REMARK OF THE PRIME MINISTER DURING QUESTION PERIOD

Mr. Speaker: The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) has a question of privilege.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, in the House today the Prime Minister (Mr. Mulroney) said that all Liberals in the House in the last Parliament supported a position which was opposed to the settlement of the Japanese question.

Some Hon. Members: Order!

Mr. Allmand: Mr. Speaker, I want to remind the Prime Minister, and this House that in the last Parliament there was a committee of this House, with a majority of Liberals, which put out a unanimous report recommending the settlement of that matter—

Mr. Clark (Yellowhead): Order.

Mr. Allmand: —so a large number of Liberals in this House did not do what the Prime Minister said. He is completely wrong on that matter.

Mr. Gauthier: Bravo!

Mr. Speaker: Does any other Hon. Member have a question of privilege? There are no other questions of privilege.

ROUTINE PROCEEDINGS

[*English*]

PETITION

DEREGULATION OF LONG DISTANCE TELEPHONE SERVICE

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I have the honour to present to this House a petition signed by over 100 members of the communities of Edam and Vawn, Saskatchewan. They are concerned about the proposed deregulation of the long distance telephone service and humbly call upon this Parliament to ask for its consideration so that the people of Saskatchewan are not affected by higher basic rates for telephone service as a result of telephone deregulation.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the following questions will be answered today: Nos. 247 and 265.

[*Text*]

STORAGE SITES FOR HAZARDOUS PRODUCTS

Question No. 247—**Mr. Caccia:**

1. What is the total number of storage sites in Canada that contain (a) lethal gasses (b) hazardous products?

2. What types of lethal gasses or hazardous products are stored and, what are their (a) quantities (b) exact locations?

Hon. Suzanne Blais-Grenier (Minister of the Environment):

1 and 2. Control of manufacture, storage and use of lethal gasses and hazardous products is a provincial responsibility, and as such this question is subject to the provisions of Beauchesne's Parliamentary Rules and Forms, Fifth Edition, Citation 357(dd).

UIC OVERPAYMENTS

Question No. 265—**Mr. Heap:**

1. How many persons in each province and in Toronto, Montreal and Vancouver received unemployment insurance payments and were subsequently ruled uninsurable by the Pension Appeal Board (TEG Int. Case 1982)?

2. What amount (a) was paid by UIC to persons in this category (b) has been recovered from persons in this category?

3. How many persons have paid back all or part of their overpayments?

4. How many persons have paid back money through retention or part or all of their (a) unemployment insurance (b) welfare payments they subsequently received?

5. How many persons have appealed their overpayments to the Board of Referees, Umpire and Tax Court of Canada and how many (a) won their case

(b) lost their case and, how many partial reductions of overpayments demanded of them have been allowed?

6. What amount was repaid to companies who were relieved from repaying unemployment insurance premiums by this decision?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by Canada Employment and Immigration Commission and the Department of National Revenue as follows:

1. The overpayments which have been established as of February 15, 1985, are as follows:

Prince Edward Island	— 0
Newfoundland	— 0
Nova Scotia	— 3
New Brunswick	— 3
Quebec	— 7 (4 of which were in Montreal)
Ontario	— 348 (263 of which were in Toronto)
Manitoba	— 2
Saskatchewan	— 0
Alberta	— 14
British Columbia	— 5 (3 of which were in Vancouver)

2. (a) $1,850,069. (b) $42,899.

3. Fifty-eight.

4. (a) 25, (b) Nil.

5. (a)(i) 102 persons have appealed to the Board of Referees. Of these, 18 appellants have won their cases, 41 have lost, and 43 cases have not yet been heard. (ii) 30 persons have appealed to the Umpire, but none of these cases has been heard. (iii) 179 persons have appealed to the Tax Court of Canada. In the only appeal heard to date, the Tax Court of Canada found in the favour of the appellant. This decision is under appeal to the Federal Court of Canada but has not been heard to date.

(b) There are no partial reductions of overpayments in the appeal process.

6. $708,340.03.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—UNEMPLOYMENT

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

That this House calls upon the Government to immediately bring in stimulative proposals to reduce unemployment by a minimum of 2.5 per cent within the next 12 months, given the failure of the Government to live up to its commitment to make job-creation its number one priority, and its pursuit, instead, of a policy of cut-backs which has led to a rise in unemployment in three of the last four months.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I promised Hon. Members of the House this morning that I would continue to expand on my opening remarks. In listening to the Hon. Member for Hamilton Mountain (Mr. Deans), who was the second speaker for the New Democratic Party this morning, I wondered if he could recognize a government program or policy which created a job because he stood and talked about the Western Accord which the Minister of Energy, Mines and Resources (Miss Carney) signed some two and a half weeks ago. I would just like to read some of the headlines in the newspapers in my riding which flow directly from that Accord. The Calgary *Herald* states, "Demand for Engineers on the Upswing. Cranes May Once Again Break Skyline". Another headline reads, "Large Scale Energy Projects Seen Possible". The last, and perhaps the most important headline, Mr. Speaker, reads, "Student Job Picture Brighter". That Mr. Speaker, is a piece of public policy which creates jobs.

I sat in this House and watched the Liberal Government with its majority ram down the throats of Canadians, without sufficient thought, a piece of public policy in the energy field which chased $18 billion of capital out of this country. That is 18 thousand million dollars which was chased out of Canada into the United States of America, Australia, the Arab States, Mexico, or somewhere else, along with the jobs. We, in essence, through a single piece of public policy, were in the business of exporting jobs. And when the Hon. Member for Hamilton Mountain stands in this Chamber, having been a part of all that experience, and fails to recognize that the complete abandonment of the National Energy Program is the greatest single piece of job-generating public policy that any Government has brought forward in this country in recent memory, then I simply feel sorry for his capacity to learn from experience.

The New Democratic Party convened a task force which went around the country hearing witnesses. The task force wrote a report and today we have an Opposition Day based on an NDP motion. In the report of the task force there is some good news and some bad news. If I could just start, in the interests of non-partisan debate, with the good news, I would suggest that in the 72 recommendations there are an awful lot which are copied from previous Progressive Conservative Party task force reports and the report of the parliamentary subcommittee on Employment Opportunities for the '80s. That is the

good news. The even better news is that the new Government, in a brief period of six months, has acted on many of those recommendations and by the time the NDP laid the report on the table, those particular policies were under way and in many cases implemented. I draw attention particularly to the NDP recommendation that the Government of Canada make every effort to purchase from Canadian suppliers. That is being done. That was one of the first things the new Government set in train.

There is a recommendation that foreign firms with subsidiary branch plants in Canada be required, be asked, be encouraged, whatever, to put more investment into this country, to produce more goods within this country. And, Mr. Speaker, every step this Government has taken—not in one single way but in lots of ways—has been dedicated in part toward that end. The whole issue of Investment Canada which the Opposition has tried to filibuster is simply going in the direction of the recommendation. Underlying everything is the need for business confidence if we are going to get the economy turned around and get those jobs back. Certainly by its behaviours this Government has shown that it is going in that direction. That is the good news, Mr. Speaker, the extent to which the report copies from previous reports and already implemented strategy.

• (1510)

It almost makes me sad to have to stand in this Chamber, having read the report, knowing there were university academics involved in its preparation, because it will perhaps mislead some people. But I am even more disturbed by what appears to me to be some fatal flaws in logic. One of the key thoughts behind the report is that the federal deficit should be expanded for the purpose of creating jobs. They lay out some data and tell us that since 1975, when the Government moved to restraint, unemployment went from 6.9 per cent to 11 per cent. Therefore, they say, restraint is bad and a bigger deficit is good. But, Mr. Speaker, the federal deficit went up in that decade and is now 10 times larger than it was in 1975. How on earth could a university-trained person make the statement that the deficit increasing 10 times in 10 years is restraint? It defies logic. There has been no restraint in Canada. There has been no common sense in Canada. To conclude on the basis of the Canadian experience that restraint does not work is pure lunacy and would get you flunked in any basic economics course in the country.

When I was elected to this House some 17 cents out of every tax dollar went to pay interest on the public debt. That was six years ago. Today it is close to 36 cents. We used to have 83 cents out of every tax dollar to spend on programs, and now we have 64 cents. That is what the increase in the deficit has done. It means that the federal Government has to borrow 92 per cent of the projected savings of Canadians. That leaves 8 per cent for Canadians to buy a car, a home or a boat. That is why we have had to reach out to borrow money abroad, and when you do that you have to send interest payments out of the country. So following this whole period of economic insanity and excessive borrowing we have increasing unemployment. That is the reality.

The NDP talks about Canadians wanting government leadership in four main areas. It has met groups of people, talked to Canadians, listened to them, and it says we need leadership in four key areas. Job expansion is the top priority, and we agree. We agreed during the election and we agree today. We have to get a million and a half people back to work. Another of those four key areas was removing inequities in employment. We believe that is true and we commend the Minister of Employment and Immigration (Miss MacDonald) for moving so swiftly on the Abella report to do something concrete and positive which has been needed for a long time. We agree that Canadians see that as a key area and we are pleased to have made a start. The third area is that of tax reform, and here also we believe the NDP is right; Canadians want tax reform. We may disagree on the kind of reform or on some of the details, but Canadians want it, and let me tell the NDP that the Western Accord is a revision of Canadian tax policy with enormous job creation potential. We believe it is something the voters of this country wanted and are glad they got. We will see other examples of tax policy changes.

We now come to the fourth area, that of more direct government involvement in productive investment. But Canadians did not tell the NDP that that is what they wanted. If the NDP gerrymandered specific groups, they may have got that message, but that is the only way. Either that or the NDP invented this as the fourth key area to go along with the ideology with which it started. But that is not something that Canadians believe. Canadians have had very little experience with direct government investment that has been productive. By and large, their experience is that the least productive way to go about things is through direct government involvement. It leads in many, many cases to waste and inefficiency and there are temptations for patronage and all kinds of negative things. We believe—and I think any well conducted scientific poll would support the notion—that Canadians want Government out of the direct investment field. They want private sector investment. They want real long-term jobs. They want jobs with career potential, jobs which exist because there is a product or service that somebody wants to purchase. That is where efficiency comes from. That is where the long-term economic health of this nation comes from. That is is where progress comes from.

There is a committee of this House of Commons, the Standing Committee on Labour, Manpower and Immigration, where we have laboured long and hard since the middle of January on our investigation of immigration. We have heard a lot of witnesses and produced the first and second reports. We are now writing the third report and beginning investigation today into another area, that of refugees. The second report said that, where immigration was concerned, we should have a population goal in mind. We believe that that goal should be an increase in the population and that immigration is an important factor in increasing Canada's population. Because of birth and death rates we will require increased immigration.

But we said that, in dealing with that increase, we should take a portion—right now about 2 per cent, perhaps in time that number will be 3 per cent or even 4 per cent—and go around the world to seek out entrepreneurs, people with cash, people with experience, people with a product who want to come to Canada with their families and create businesses and jobs for Canadians. This is a job-creation program through immigration. It would not disturb family reunification or refugees; in fact, there would be more of those. We said, let us take a part of that increase and create jobs for Canadians. We have a little bit of experience which suggests that the few people in that category we have let in have created 24,000 jobs already. They brought an average of $800,000 of equity capital apiece and created 24,000 jobs. If we can expand that and make it 10 times larger, that would be a quarter of a million jobs at a time when we have 1.5 million unemployed people.

• (1520)

The NDP and the Liberals went to a press conference and said that they do not want that job creation. That is the essence of what they said. They said they would rather play politics on the heads of Canadians than do something sane and sensible in terms of job creation in the country such as encouraging the people with business ideas and capital expenditures to create jobs and futures for Canadians. The NDP and the Liberals said publicly that that is a bad idea. If they want to say publicly that that is a bad idea, I simply suggest to them that they are beginning, if they have not already done so, to lose any credibility they may have had on the job-creation issue. That job-creation idea does not cost the taxpayers a dime. It could produce jobs for one-quarter of a million people. When they reverse their stand on that it may be worth-while to look at some of their other ideas.

Mr. Allmand: Mr. Speaker, at the beginning of his speech before the break the Hon. Member referred to the Prime Minister's (Mr. Mulroney) promise during the election campaign that they would create tens upon tens of thousands of jobs. The Hon. Member said that they had achieved that promise and created 100,000 jobs. Of course he did not say that they have also cancelled and lost hundreds of thousands of jobs. How else can it be explained that in August of 1984 the unemployment rate was 11.2 per cent and in March, nearly seven months after they took office, the rate is still 11.2 per cent? Of course some new jobs were created, but at the same time they cut a lot of jobs in the Public Service, the cultural agencies, the CBC, and the Department of the Environment. Surely when the Prime Minister made those promises during the election campaign he meant that there would be additional jobs created rather than a total loss in jobs. I think the Hon. Member should be honest and fair in talking about this. I would like him to explain this. Did the Prime Minister mean that while jobs would be created they would also cut out jobs? Why did he not say that during the election campaign? Why was he not frank with the Canadian people?

With regard to the immigration report that the committee produced a week or so ago, I must remind the Hon. Member that the entrepreneurial program was started by a Liberal Government. It was started by the Member right here when he was Minister. We are not opposed to the entrepreneurial program. We started it. We are opposed to the way in which the recommendation was made which gave priority to people in a certain category, people with money. We are opposed to that and to other parts of the report, but we are not opposed to the entrepreneurial program. That was our program.

Mr. Hawkes: Mr. Speaker, I hope the Hon. Member reads the report. He voted against it. It does not say anything about priority for people with money, not one single word. I challenge him to come to the House with the report and show me where it says that.

With regard to the other issue which the Hon. Member raised, there are adjusted and unadjusted figures which come out of the labour force survey. The only honest, decent comparison is year over year. We have just been through March of 1985. There were 10,864,000 Canadians employed in March of 1985 and 10,595,000 Canadians employed in March of 1984. This March there were 269,000 more people employed than last year in the same month. That is progress, Mr. Speaker. The month before it was 217,000. That is the record of the Government. Whatever crib sheet the Member is cribbing from was created somewhere in *Alice in Wonderland*. It does not relate to the true job situation in Canada.

Mr. McCurdy: Mr. Speaker, I would like to address the portions of the intervention of the Hon. Member across the way which had anything to do with the debate today. I was interested to hear him say that he supported, in essence, the New Democratic Party call in the document for tax reform. I wonder whether he is serious. Are the tax changes which accorded benefits to the oil companies typical of what he foresees as tax reforms intended to benefit the people who spoke to us?

He tells us that no Canadians anywhere in the land want increased direct government expenditure of any kind. It may be appropriate for him to address the report of the Federation of Canadian Municipalities which quite clearly indicates that not only does it want direct government investment, but that it is necessary job-creating investment. Does the Hon. Member oppose the direct government investment involved in renewing our forests, fisheries, energy and education? Has he been across the country and seen that the needs which his own Government should support, in part through direct government investment, are the very needs the people of the country want to see met and which will create jobs?

Mr. Hawkes: Mr. Speaker, the issue of direct government involvement in productive investment is listed in the NDP report as one of the key areas. I do not quarrel with the reality that government funds will be better spent in the creation of a solid infrastructure. I do quarrel with the assertion in their document that Canadians would identify that as one of the four key areas. Starting with an ideological persuasion they used selective perception, drawing from two or three briefs, to arrive at that. It is not a conclusion that Canadians, chosen at

random, would reach. That is not the mood of the country. The mood is to do the things which create permanent, long-term jobs in the private sector. That is a justifiable mood because we have gone too far in the other direction.

They asked me whether I was in favour of tax breaks for the oil industry. Mr. Speaker, I have always been in favour of stopping and correcting the highway robbery of a single industry based in a single geographic region of the country, especially when that highway robbery chased jobs out of the country. Yes, I am in favour of a fair, just taxation policy that encourages jobs rather than discouraging them. That is the type of tax reform policy the country needs.

Mr. Marchi: Mr. Speaker, the Hon. Member just said that he knows what the mood of the country is. In relation to his elitist and narrow-minded immigration report, I ask how he got the mood of the country through that process when there were only seven witnesses from the Immigration Department. There was not a single witness from the immigrant aid societies, the ethnocultural groups, the unions, the economic community, or any Canadian who would be interested in the immigration policy of the country.

The Chairman and his band of right-wing Tories said in that report that no economic study was done, whether independently or by the Finance Minister (Mr. Wilson), correlating the immigration targets and the employment and labour force goals of the Government. Despite that, they went on to say that they feel the country needs rich immigrants, which is also to overlook the fact that thousands upon thousands of immigrants of poor and average income came to the country and became successful businessmen. Thousands of those immigrants came to this country and took jobs that some Canadians did not want. Thousands of those immigrants came to this country and brought their skills and trades. All immigrants regardless of economic standing and status contribute to this economy by being consumers in this economy. They come here, they buy a home, they buy a car and so forth. While we as a Party support and encourage people with entrepreneurial spirit and capability to consider this country as their new homeland, we are suggesting that that is not the only way to prosperity and to build economic growth in Canada. Immigrants came here in the past. Immigrants can continue to come in the future and will add economically as well. Any immigration policy founded on the cornerstone of only rich immigrants is an insensitive, non-compassionate and regressive policy that is in keeping with this Government.

• (1530)

Mr. Hawkes: Mr. Speaker, over the last three years the Liberal Party of Canada choked off immigration and increased the proportion of rich people who came here under that policy. That is what the Hon. Member's Government did for the last three years.

Our Party is recommending an increase in immigration. Within that increase we want to create jobs. We believe we are on the right track. We have said not a single word about cutting off the kind of immigrants which the Hon. Member talks about. All of us in this country come from stock of that kind. Our relatives came here with nothing. They created this country and they created our standard of living. We believe that must continue. The Hon. Member belongs to a party that was choking that concept to death. We are opening it up again, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, we have had several opportunities in this House over the last session to debate in various forms the issue of employment. I want to compliment the Members of the New Democratic Party for having brought this motion forward and for once again giving Parliamentarians a chance to address what all of our constituents would say is one of the most important, if not the most important issue, along with that of the nuclear arms question, that we were sent here to look at and examine.

I want to say that we compliment the New Democrats as well on their initiative in going across the country to find out about job creation. Like many other Members of Parliament, we thought it was about time the Government found out about job creation. We are very glad that the New Democrats took the opportunity to do so and to share some of those findings with us.

What is important about the timing of this debate is that it comes at a time some five weeks before, we hope, the federal budget, that long awaited panacea promised us by various Members of the Government opposite that is to provide all the answers to problems raised. Every time a question has been asked in this House about where the jobs are, we hear them say, "Wait until the budget comes". Everything up to now has been preliminary. What is disturbing about that is we are still seeing fundamental conflicts taking place in the Conservative Government over the best way to approach the question of economic growth and job creation.

I do not dispute the Government's interest about this, we must express a very deep concern about the Government's ability and competence in this regard, and its ability to find the proper answers. What we have seen evidenced so far is a continual contradiction of goals and purposes, means and ends. The Conservative Government has replaced any coherence or consistency with public relations, flackery and promises for the future. We have seen a consistent pattern of one Minister falling over another, of cancelling one program and replacing it with another without giving any sense of objective or direction as to where the Minister wants to take his or her department or this Government. That mistaken problem of developing any logical or effective economic strategy has once again been high-lighted by the remarks we have just heard from the Hon. Member for Calgary West (Mr. Hawkes) who really is a shimmering mass of contradiction sheathed in a growing sense of his own self-importance.

Unfortunately, Mr. Speaker, it does not add up to what this country is asking for. I think the New Democratic caucus in its

examination, and individual Members of our caucus in their own constituencies, know what Canadians want. People wish this Government well. They did give them a mandate, there is no question about that. People now want this Government to perform. People want to see the results of that performance.

What I want to do in part this afternoon is express those concerns, speaking if I might just for my constituents, those to whom I have spoken during the Easter break. First, they want to know what this Government is trying to achieve. This Government has many Ministers. Let me choose one in particular, the Minister of Regional Industrial Expansion (Mr. Stevens), who has been a great advocate of the idea that the market will solve our problems. That chorus has been echoed time and time again by Conservative Members of Parliament who decry past efforts at public investment job creation and industrial programs that have been attempted to give small businesses in different regions a chance to develop their business prospects and opportunities. "No," they say, "those programs are all wrong. They do not work. We are going to rely upon the market to solve the problems."

What do we have, Mr. Speaker? We have Domtar, we have Petrosar, and we have White. We have the same kind of inconsistency which the Tories were talking about. Where is the market in those cases? I do not know. I guess what happened is that the Prime Minister (Mr. Mulroney) called in the Minister of Regional Industrial Expansion, rapped his knuckles and said, "The real market is the political market in Quebec. It is not the economic market that we are concerned about according to our theory." We happen to think that maybe they made the right choice and we should be providing incentives for industry to establish.

But we have a Government preaching theology on the one hand and practising a very different religion on the other. It ends up in a mass of confusion. The Tories do not have an industrial policy. The Minister of Regional Industrial Expansion time and time again finds himself being contradicted by his boss, just as the Minister of Finance (Mr. Wilson) finds himself being contradicted. We need not go through the long history because Members of the House are well aware of the Minister of Finance saying, "We must first take a look at social programs", and the Prime Minister saying, "No, we can't". We remember the Minister of Finance saying, "We are going to provide restraints in these areas of Government programs", and the Prime Minister saying, "No, we can't".

What we have seen up to now is simply Ministers of the Crown bumping into each other, or trying to stay out of each other's way but not producing any clear formula, any clear program, any clear development that will give Canadians some sense of where they are going. That is the fundamental problem we face. We have a Government that came into power without knowing what to do. The Conservatives had their pet theories, but those theories have been abandoned and thrown on the scrap heap. Now they are going from day to day, week to week, changing their minds. changing their programs, and what they end up doing is relying upon previous and past Liberal programs, ones they were so critical about in the election and which they said did not work. But that is the only source of economic initiative which the Tories have been able to provide so far.

Let me give you another example, Mr. Speaker. The Minister of Employment and Immigration (Miss MacDonald) stands up in this House and lauds the new revolution in job creation, the great sort of Renaissance that we will have in new training activities, except first she cuts back substantially on the amount of money in the programs. With regard to the summer programs for youth, a group of people who rely substantially on federal assistance, with the exception of two provinces every province has had its allocation cut back over last year. When you look at the figures, you see that the young people of this country are being short-changed. No new jobs are being provided.

What about the great promise that the Tories are going to provide career related internships? I agree with that because when I saw a Minister I brought that program into being—three years ago. There is nothing new or revolutionary about it. The program has been given a new name. It has been given cosmetic treatment. It offers nothing new in the way of new job creation. The single new initiative by Conservatives for young people has been to cut back the actual expenditure of money for summer youth jobs. That is the only new initiative they have taken for young people. Now we see that the same kind of chicanery is taking place in the so-called Regina manifesto. Approximately $540 million was offered to provide for new training, or new skills development to prepare Canadians for future jobs. However, in the meantime they cancelled the programs which were in place and have not got around to replacing them.

• (1540)

One prime example which illustrates this in a very vivid way was brought to my attention when I met with representatives of the Outreach program in my constituency over the Easter holiday. Their primary job is to help older women to get back into the workforce. They provide employment counselling and job training to enable those who need to return to the workforce to acquire the skills they need to obtain jobs. They showed me a list of potential jobs which were available to those women. What was missing was training for those jobs.

I asked what had happened because at one time we had the skills growth fund and new training programs. They had been cancelled by the Minister of Employment and Immigration. For some reason or other she did not believe there should be assistance for older women to obtain basic upgrading in skills in order to get into technical training programs. They have been cancelled and nothing has been put in their place. Even though jobs may be available, these older women cannot fill them because this great new revolutionary Government which was to do everything for Canadians has not got around to plugging the holes or filling the vacuums. This vital area of providing training for women who want to get into the workforce is all up in the air. Nothing has been offered.

Is that the new kind of economic renewal about which we are talking? They are denying women skills in the workforce. Is this the new Renaissance which the Minister of Employment and Immigration has been promising? I checked further as to why the replacement has not taken place, and I was told that they were consulting again with the provinces, and with everyone else. Consultations have been going on for seven months. I asked when the new program would be ready, and I was told that it may be six or seven months from now. They may be ready to announce the replacements at that point, so we will have lost a full year of opportunity for Canadians to be trained. That does not make sense. That is not effective management; that is not competent Government. That is not providing leadership in the job-creation area. It was simply getting rid of programs because they were "Liberal" programs, but they do not have the wit or ability to manage quickly any replacements so that there will be a continuity of training in the country. I hope Conservative Members of Parliament will be listening to their constituents and taking soundings. That is the reality of what is taking place.

I should like to deal with the great economic conference, when all kinds of people were brought together for consultation. Those people made one mistake. They told the Ministers at the conference something they did not want to hear. They told them that their programs were not working and that the obsessive concentration on deficit reduction would in fact increase unemployment, not help it. The Minister of Finance refused to listen, he just said that they could not be right. Then they brought together 150 of the top corporate leaders, union leaders, educators and community leaders. When these leaders had the honesty to tell it as it was, they were dismissed. The reality is there.

The Hon. Member for Calgary West waxed eloquently about all the prospects. I should like to refer to a report of the Conference Board of Canada, a board which I think Hon. Members of the House agree represents no particular partisan interests. It compiled a report based upon the findings of 18 different private economic forecasters in Canada, everything from banks to university groups and all independent groups in between. What is their forecast for next year and the year after? The growth rate is expected to be 2.8 per cent, possibly closer to 2.2 per cent. This represents a substantial decline from the 4 per cent average growth rate over the past two years. All those policies which were ridiculed and criticized by the Prime Minister and others created a growth rate of 4 per cent over the past two years. The best efforts of this Government, with all the new confidence, motivation and consultation, will result in, according to the 18 best forecasters in Canada, 2.8 per cent at best, and 2.2 per cent at worst. Something is going wrong in the system somewhere.

With that kind of forecast in mind, one would think the Government would start to rethink its position and provide some different judgment on the application of its ideas and principles. We still have this obsessive adherence to a theology with nothing taking its place, no application or implementation of the program. We are now faced with a country in economic limbo, a country seized with uncertainty, a country without real economic leadership or direction. We are now heading to a point where there is a down curve on the economic horizon and there is no compass to provide some form of direction. This is why it is important in these debates to put forward the kinds of positions which are necessary and important to create economic growth.

Let me deal with the issue of the fiscal management of the country. I should like to give a word of warning to government Members opposite. As they move toward budget date, and the examination of how they will reduce the deficit, we plead with them to make a simple calculation—any reduction should be based upon jobs gained, not jobs lost. As the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) pointed out earlier today, the end result of the November statement of the Minister of Finance was not a net increase in employment, it was a net decrease in employment. That was the basic problem. We have continually asked the Minister of Finance to show us wrong or to disprove that basic equation. He had refused to do so because he knows we are right. He knows that in fact the end result has been a net reduction in employment, not a net creation of jobs.

The Hon. Member for Calgary West pulled out year over year figures, but he refused or somehow forgot to make the observation that there is also growth in the labour force in those year over year figures. Of course there are changes. There is natural population growth. People come out of school and go into the labour market. We add 200,000 or 300,000 per year to the labour market simply as a result of the number of young people leaving educational institutions. There is a real problem in relation to the basic equation which will be applied to any form of deficit reduction.

Let us take a look at the question of public investment, which I heard the Hon. Member for Calgary West decry, and all its influences. A report of the NDP caucus, based upon a report on which we and the Canadian Federation of Municipalities worked last year, pointed out that there should be a minimum of something like $12 billion of investment in public infrastructure.

● (1550)

The repair of roads, sewers, sewerways, the very basic lifeblood of the country, will need a major infusion of capital over the next five years. Otherwise the ability to gain productivity and to provide for the basic economic cycle to take place will be eliminated.

Mr. Orlikow: Helping the railways.

Mr. Axworthy: My colleague points out an interesting case. When the Conservatives were in opposition a year ago, along with the New Democrats, they opposed to the very end the Western Grain Transportation Act, which is now putting close to $1.5 billion a year of new capital investment into exactly what the NDP call for; public investment and new infrastructure. There would not be the investment in our railway system in western Canada, which is one of the few stimulants taking

place, if we had not had the courage to bring that in over their opposition. That is the reason there is major capital investment going into that which the NDP is now recommending. But they are a year too late. I wish they had written that report a year ago and that their colleagues at that time could have listened to their good advice.

At the same time, let us talk about the Western Accord. The Hon. Member for Calgary West said it will result in a major change to the economy. When you read the report, the only one to gain will be Texaco, which has the lowest rate of capital investment of any oil company in Canada. The losers will be the very Canadian oil companies which have been investing large sums of capital in energy development over the last four years.

Let's regard this debate as an opening round of the Budget debate. Let's look at it was a warning signal for the Conservatives to try and get their act straight, to forget their theology and, more importantly, to try to put together some coherence in their economic policies so when we get to the Budget on May 20, we will at least know what they stand for and not simply what they stand against.

Mr. Blenkarn: Mr. Speaker, is the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) aware that in the Toronto area the Challenge '85 program introduced by the Minister has led to a situation where private businesses offering career opportunities to young people this summer have over-subscribed the $9 million allotted to the Toronto area. There are so many career-oriented jobs offered by business that were not otherwise available that the employment created by that $9 million will be dramatically higher than the past year, simply because the Government is only paying half of the wage cost, and that is limited to $2.50 an hour. Is he aware that the Department, in co-operation with the Province of Ontario, using the Ontario stimulus fund of $1.25 an hour has created a great number more summer jobs this year than ever before in the past?

Mr. Axworthy: Mr. Speaker, I would remind the Hon. Member for Mississauga South (Mr. Blenkarn) that the original paternity of the seed program was the NEED program which I introduced when I was Minister of Employment and Immigration in 1983. We put $5 million of federal funds forward. With that we attracted an additional $650 million of private sector and provincial funds. The Conservative Government is following a very effective and useful program which was strated by the Liberal Government in 1983, a program which at that time was roundly criticized by the Member himself for not working as well as it should.

I do not object to the notion of using federal job-creation funds as an incentive for private sector and provincial and municipal funds, because that is what I did. That is the program we introduced. It was our Government that put forward the career internship which provided that kind of incentive. What I object to is the way in which the summer youth program has provided major cancellations and restraints upon a number of community organizations and groups that also have to rely upon summer grants.

You can go from constituency to constituency in this country and find that day care centres, women abuse centres, various forms of social, ethnic and immigration centres cannot get their summer money. I deny the fallacy that their jobs are somehow second rate compared to jobs at a McDonald's restaurant. We should be equally as sensitive about the jobs created for the volunteer sector, the community sector and the service sector. That also gives young people an understanding about the community in which they live. It gives young Canadians an opportunity to develop real skills that we will need in the future to help disadvantaged Canadians, and there will be a lot more disadvantaged Canadians the longer this Government stays in power.

Mr. Blenkarn: Mr. Speaker, the Hon. Member for Winnipeg-Fort Garry ought to know that the Challenge '85 program does not provide assistance to McDonald's for serving hamburgers. You might get that kind of assistance from the Province of Ontario job-creation program, but this is a career-oriented program. All sorts of proposals have been turned down because they do not supply enough career instruction and assistance. Even at that, the program is over-subscribed. Surely the Member should stand in his place today and congratulate the Minister for a well-thought-out summer program. As he said, perhaps it follows some of his own thinking.

Mr. Axworthy: Mr. Speaker, I would be the first to say that the highest form of flattery is to copy what one has done before. If the Minister is simply copying what the previous Minister of Employment introduced, it shows that at least she is showing good sense in one area of her administration.

I want to provide some correction before the Hon. Member for Mississauga South gets carried away. Every summer program is over-subscribed. Every summer program had three or four times the applications that could be funded. It is nothing new. The fact is that there is always an awful lot more demand than there is supply, which I regret as much as he does. I want to know why the supply of money was cut back this year as opposed to being increased, as it naturally should have been.

Mr. Orlikow: Mr. Speaker, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) referred in his speech to the debate we had when his Government brought forward the legislation to change the Crow rate. He indicated quite correctly that Members of the New Democratic Party had opposed that Bill. At that time, because we opposed it vigorously and kept it from being passed quickly, we were attacked by the Hon. Member, saying that we were holding up the Bill and preventing hundreds of thousands of jobs from being created. I want to ask the Hon. Member what has happened to those thousands of jobs. The Hon. Member knows that in our city, a city which we both represent, as in many other cities, both the CNR and CPR, instead of hiring hundreds or thousands of new workers, have in fact been laying off workers. What happened to those predictions made by the Member who

was then Minister? Also, how does the Minister explain that many of the farm organizations are now having very serious reservations about the supposed good effects that were to come from the passage of that Bill?

Mr. Axworthy: Mr. Speaker, I would be very happy to answer that question, if I may, because the Hon. Member and I share constituencies in the same area of Winnipeg. First, I would point out to him that in the past year some 45 new companies made application for assistance to develop new products related to the Western Grain Transportation program. Within our city, there will either be expansion of existing companies or new companies coming to the city strictly to provide new products and services to the railway expansion program. That creates a wide variety of jobs in the private sector. It is being duplicated in western cities and towns right across the three prairie provinces and British Columbia.

● (1600)

The Hon. Member asked about the layoffs. I too am concerned about the layoffs. Let me explain to the Hon. Member the reasons for the layoffs. The CNR announced 170 layoffs in the Transcona shops because both the federal Conservative Government and the provincial New Democratic Government are not living up to an agreement that we signed a year ago for the construction and rehabilitation of new boxcars in the Transcona shops to provide for running-stock to the Churchill area. They have dragged their feet, slowed the program down and have not required CN to produce those 1,000 boxcars. There is simply a lack of will and commitment on the part of both the federal Conservatives and the provincial NDPs to make that program come into effect and to provide work for the people in the Transcona shops. It would seem to me that the Hon. Member and his colleagues from Winnipeg would do much better if they were to talk to the provincial Minister of Transport who was a signatory to that agreement and ask him why he is backing away from that agreement and therefore causing those layoffs.

The Acting Speaker (Mr. Charest): A very short supplementary.

Mr. Orlikow: Mr. Speaker, the Hon. Member knows that the Manitoba Government is operating with as large a deficit as it possibly can, something for which it is being criticized very severely by the provincial Conservative opposition. However, this is happening not only in Winnipeg. There have been layoffs all across both systems. We were told so many times by the Minister and his colleagues that the passage of that Bill would mean new business, not just for grain but for coal, sulphur and potash that would be shipped cheaper and more efficiently. We were told there would be a tremendous increase in business. The fact is that business is down and there are layoffs, and not just temporary layoffs. Both the CPR and the CNR have made it very clear to their workers and the unions that they foresee very substantial permanent reductions in staff in the next few years. That is what concerns me, and I wonder what the former Minister has to say about that.

The Acting Speaker (Mr. Charest): Order. The period for questions and comments is now over. We shall resume debate.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I rise to participate in this debate on a motion presented by the Hon. Member for Essex-Windsor (Mr. Langdon). That motion states:

> That this House calls upon the Government to immediately bring in stimulative proposals to reduce unemployment by a minimum of 2½ percent within the next 12 months, given the failure of the Government to live up to its commitment to make job creation its number-one priority, and its pursuit, instead, of a policy of cutbacks which has led to a rise in unemployment in three of the last four months.

If we think a national rate of unemployment of 11.2 per cent is rough and tough on Canadians, then let us think about single-industry towns. In single-industry towns, the unemployment rate is much more stifling than 11.2 per cent. There are in excess of 811 single-industry towns across the country.

Earlier I heard the Hon. Member for Calgary West (Mr. Hawkes) talking about the NDP task force. He indicated that when the NDP task force went across the country, perhaps it heard only from people who leaned further to the left than the right. That suggestion was contained in his comments.

I come from a single-industry community. It has been mining from its very inception. We started with forestry, and then after we killed all the forests we set up the mines. Then we smelted close to the ground and the sulphur fumes killed off whatever trees had escaped the woodcutters' saws.

Let me put on record a letter signed by the Chairman of the Regional Municipality of Sudbury. By no stretch of the imagination is he a democratic socialist.

Mr. Orlikow: Probably a Conservative.

Mr. Rodriguez: Well, I would not want to give the Chairman a bad name. Certainly his letter is very poignant and concise. I think it puts this debate in some perspective. The letter is addressed to the Hon. Frank Miller. He writes:

> Dear Mr. Premier:
>
> As you are aware, the Regional Municipality of Sudbury continues to suffer the after-effects of the recent recession through a high rate of unemployment, a situation exacerbated by ongoing staff reductions by Inco Limited Falconbridge Limited.
>
> While economic stabilization has been occurring in many other communities across the Province, such is not the case in the Regional Municipality of Sudbury and other Northern communities which depend heavily on a natural resources base. Over the past three years, Sudbury Region has been developing an economic diversification strategy which, in the long-term, we are confident will lead to recovery and eventual new growth.
>
> It is in the short-term that we are experiencing our greatest difficulty. The impact of the recession is manifesting itself in a very serious and rapidly expanding welfare caseload. This not only threatens to severely stifle our economic recovery efforts, but also to substantially increase the Ontario Government's share of the cost of carrying the social welfare burden in our community.
>
> At the peak of the recession, the Region's welfare caseload reached 3,400, which was an all-time high. With the assistance of the CO-ED job-creation programs, we were able to reduce that caseload to 2,300. Had those short-term job creation programs not been available, our caseload could easily have reached

upwards of 4,000. As a result of these dramatic reductions in our welfare caseload, a gross saving of $6.5 million was realized of which the Region's share was $1.3 million.

Because the Region's two major employers, Inco Limited and Falconbridge, provided us with their five-year staff reduction programs, we have been able to forecast the impact on our welfare caseload. Repeatedly, over the past two years, we have been warning your responsible Ministers and their senior staffs of the need to accommodate anticipated welfare caseload increases. Our caseload forecasts are rapidly becoming reality because already we have reached a high level of 3,300 cases, including several hundred young people. In addition, the Region has provided a 1985 budget allocation to accommodate only 2,400 cases during the summer months. It is apparent that the shortfall between available municipal funding and the cost of providing for as many as 900 more cases will produce compounded economic consequences for this community if other alternatives are not available.

We have been informed by both the Federal Government and the Provincial Government that job creation funding will be directed at the private sector. In this community, we cannot understand how this is going to take care of our immediate short-term problem because it is virtually impossible for the private sector in our already depressed economy to create sufficient jobs to pick up the shortfall. Our private sector, exclusive of Inco Limited and Falconbridge Limited which are large multinational corporations, is considerably smaller than in other municipalities of comparable size, and many of these firms produce for and hence depend upon the mining industry.

I think that is relevant, because in single-industry communities there is no private sector. The Government of the day across the way seems to be directing all of its economic energies and incentive programs to the private sector. As I have pointed out, in over 811 single-industry communities there is no extensive private sector. So instead of reducing the unemployment rate it will be exacerbated, as pointed out in the letter written by Mr. Tom Davies, Chairman of the Regional Municipality of Sudbury.

What is it that we can do in the short term to create jobs? I can think of the situation in my own riding. The week before the Easter break, I raised in the House the question of refining resources. It seems absolutely ridiculous that in 1985 resources mined in this country are shipped abroad to be refined outside the borders of Canada. Yet, that is the situation with Falconbridge Nickel Mines. It ships the nickel matte from the Sudbury Basin to Norway, and it has been doing that for the last 40-odd years. It has been shipped to Norway to be refined. However, the International Nickel Company of Canada is not allowed to ship its nickel matte to be refined somewhere else because there is a law in the Province of Ontario.

• (1610)

The Province of Ontario's Mining Act states that resources which are mined in Ontario must be refined in Canada. We would have preferred it to have read "Ontario", but that is fine, it must be refined in Canada. But, Section 104 of the same Act states that it does not apply to Falconbridge Nickel Mines. It seems to me that "a Tory is a Tory is a Tory", and it is a Tory Government which has been running the Province of Ontario for the last 44 years. The Tories wrote the Mining Act.

An Hon. Member: Hear, hear!

Mr. Rodriguez: Well, you can applaud, but that kind of leeway which has been given to Falconbridge indicates who really calls the shots in Tory circles. It is not the people who matter most, it is the rich people who matter most, and preferably the corporations. In fact, we have been after the provincial Tory Government of Ontario to have Falconbridge refine the nickel in the Sudbury Basin.

In the last two years the hourly workforce has been reduced from 2,800 to some 1,700 or 1,800. There were 900 jobs which disappeared. Now comes the dénouement. Falconbridge now has an opportunity to buy nickel in Botswana because the AMEX Corporation is pulling out of nickel operations there. So, Falconbridge wants to get a larger share of the world market for nickel and moves into the Botswana market. Falconbridge is taking the Botswana nickel matte and shipping it to Norway to be refined. As a result of that, Falconbridge has to expand the refining capacity in Norway to the tune of $41.5 million Canadian.

It would seem only fair, if this Government is concerned about jobs and the principle that resources should be refined were they are mined, that as a self-respecting Government it should stand by that principle. The Government should tell Falconbridge to build a refinery in the Sudbury Basin to refine Canadian nickel, and to send the scrap to the Falconbridge operation to be smelted. We are not only sending out the matte to be refined in Norway, but we are importing the scrap into Sudbury from which nickel is extracted. That does not create jobs.

The private sector, which the Government worships and bows down to, is not in the business of creating jobs. The private sector is not a manpower centre and is not interested in whether Canadians work. The private sector is interested in what it can get out of the country. The cheaper it can extract to maximize its profits, the more it will do it. We should tell Falconbridge that it cannot do that. The $41.5 million would be a good down payment on a new refinery.

The other day the Minister of State for Mines (Mr. Layton), who thought Sudbury was a basement, said that he did not know to what I was referring when I asked him a question. He said that he would check with Falconbridge. He did check and sent me a letter. In his letter he said that he checked with Falconbridge and that a new refinery would cost in excess of $200 million and, therefore, the company could not afford to build a new refinery in the Sudbury Basin. However, on April 4, Mr. Peter McBride, who is a spokesman for Falconbridge, said that it would cost at least $125 million to build a Canadian refinery. Well, I would suggest that $41.5 million would be a good down payment on a new refinery. Indeed, I would suggest that both the provincial and federal Governments ought to take equity in the remainder of the $125 million and build a refinery. If that was done, those Governments would have been honest to the principle that resources should be refined where they are mined.

At the rate at which mines are closing today, the Minister of State for Mines will soon be the "Minister without mines".

Mr. McCurdy: The mineless Minister.

Mr. Rodriguez: That is right. The Hon. Member said "the mineless Minister". He will lose his car and his chauffeur. We would not want to do that to the Minister.

The Minister said that he understood the plight of Falconbridge. He said that the Government does not want to create a regulatory environment which would lead corporations to be unproductive. Well, we in the Sudbury Basin are not asking the Government to create a regulatory environment. We simply want the Government to say to its Tory friends in Ontario: "Remove Section 104 of the Ontario Mining Act and let Falconbridge be subject to the laws of the province and the country".

Not only was I a member of the NDP jobs task force, I also toured with my colleagues in northwestern Ontario. We visited communities which were single-industry towns. If one were to look at this on a time span basis, we visited communities which represented the past, the present and the future. We went to Atikokan and saw what happened in the past. We saw our past practices and our past inabilities in dealing with the whole question of single-industry towns, in diversification and job creation. We saw a town in which the mine had run out of ore. The people living in the community in the past had been completely dependent on the mines. Some problems were evident. The fact that the cost of maintaining the services in the municipality fell on fewer shoulders and a more narrow assessment base resulted in home owners having to pay a fantastic cost in order to maintain the infrastructure, let alone putting in new infrastructure. As we went from town to town, that issue arose again and again. We saw a need for a municipal fund from which municipalities could draw, not only to refurbish infrastructure, but to provide improved services to the communities. In my own riding there are still communities where the people cannot drink the water from the well because it is contaminated. People have to drive miles to bring back jars of good water.

• (1620)

We went to other communities. The Griffith mine in Ear Falls is closing after advertising during the previous two years in an effort to attract workers. They put a large advertisement in the newspaper which says in part, "The Griffith mine is a part of this growth, lending a stable economic base to the Red Lake-Ear Falls area with a future that will extend into the 21st century". But last fall it was announced that the Griffith mine is closing and over 700 workers are going to be without work. Just the week before the company convinced several workers to buy the company homes in which they were living and lock themselves into a mortgage.

We recommended that there should be a diversification fund for single industry towns because the local communities are aware of their own needs. Local communities want to have some say in and some control over their economic destiny. In fact, the provision of a diversification fund would allow them that flexibility, control and ability to grow and develop and create jobs.

The Acting Speaker (Mr. Charest): Questions or comments? There are no questions or comments.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for York West (Mr. Marchi) —Immigration Committee report (a) Entrepreneurship advocacy (b) Consideration of report; the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) (a) Request for moratorium on transportation ofdangerous substances (b) Debate on legislation; the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley)—Canadian Wheat Board—Price of winter wheat.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—UNEMPLOYMENT

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

That this House calls upon the Government to immediately bring in stimulative proposals to reduce unemployment by a minimum of 2½ per cent within the next 12 months, given the failure of the Government to live up to its commitment to make job creation its number one priority, and its pursuit, instead, of a policy of cutbacks which has led to a rise in unemployment in three of the last four months.

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the motion moved by the Opposition certainly reflects their good intentions in emphasizing the need for creating jobs in Canada. However, we intend to make it clear to the House that our hon. friends in the Opposition have completely lost touch with reality.

Mr. Speaker, in our Agenda for Economic Renewal tabled last November, we set forth the strategy to be followed in three key areas namely, first of all, limiting and ultimately reversing the massive build-up in public debt; second, redefining the role of government so that it provides a better framework for growth and job creation and less of an obstacle to change and innovation; and third, adopting policies that foster greater

innovation, increased international competitiveness and a positive climate for the birth and growth of new enterprise. Without this kind of strategy, Canada as it is today will not be able to sustain durable economic growth that will create jobs.

I shall, if I may, review each of these points. The rising deficit and our cumulative debt are a serious threat to economic growth and renewal. It is not so much a matter of ideology as simply recognizing the very serious problem caused by the disastrous effect of compound interest on the national debt. Gaining absolute control over the deficit is not an end in itself, but it is the only way we can achieve our objective to create jobs and sustainable growth. That is why this Government announced last November that putting its fiscal house in order would be the first item on its agenda for economic renewal. It is also why we have quickly taken steps to control public spending effectively and efficiently.

We believe that if we are to control the deficit, our priority must be to reduce Government spending, which implies more efficient management of Government programs. Improving efficiency of management practices in our public administration is essential, but this alone will not resolve the problems created by the deficit. We will have to examine existing programs and carefully scrutinize Government spending, but nevertheless, total expenditures are so high compared with Government revenues, that even if every possible measure is taken to reduce spending, the deficit and cumulative debt may continue to be a problem. Although necessary to ensure economic growth, controlling the deficit alone is not enough. That is why we said last November that two other elements were equally important if we were to achieve our goal of creating jobs and sustainable growth.

The second requirement is to redefine the role of Government so that it becomes less of an obstacle to growth. An intricate web of regulations, subsidies and other forms of intervention has built up over the years. What seemed to be straightforward protective measures at the time have now become, in many cases, an economic straight-jacket. This network of Government intervention has created a major obstacle to growth—more diffuse, less easy to measure and quantify but every bit as real as our present financial problems.

We are trying gradually to remove these obstacles in order to be able to establish a framework of policies that will promote the creation of jobs and economic growth.

Mr. Speaker, the Members of the Opposition would like us to act quickly and do the exact opposite of what we are doing now. Our answer is simple. We have been quick to intervene in a number of areas. In other areas, however, we have not yet done so because it is very important to attain a better understanding of available options and to establish a better basis for co-operation, so that when we do make our decisions, they will produce the best possible results.

To this end, the Government has developed a very specific program, and we are ready and determined to act: first of all, to promote healthy competitiveness by adopting updated competition legislation; to relieve small businesses of their unproductive administrative paper burden; to simplify regulations for transport, communications, and financial services. In this

connection, I might remind the House that yesterday, the Minister of State for Finance (Mrs. McDougall) released in Montreal a discussion paper that is intended to pave the way for the first major revisions in decades to the regulations governing financial institutions; to update our copyright and patent legislation; to simplify our tax system; to streamline our system for providing grants to industry; to remove obstacles to investment; to free the oil and gas industry from the restrictions of extreme regulation and taxation; and to reform many other areas of public policy.

We are resolved to deal with these issues and with many others, but without undue haste, so as to be sure to succeed on our first try, something some members of the Opposition do not seem to understand, Mr. Speaker.

We must do a lot more than just redefining the role of government and removing obstacles to growth. We must act to foster a positive climate for investment, innovation, and increased international competitiveness. That is the third aspect of our strategy for economic renewal.

Allow me to explain where we are focussing our efforts. Suppose we consider investment. If we want to promote sustained economic growth, we must encourage investment in new production areas that will create jobs. The energy sector has a major role to play in economic renewal, and growth in this industry will resume if we go back to a pricing system determined by market conditions, if we go back to more realistic and sounder tax incentives and if we remove the burden of regulations. We feel that a strong and expanding energy sector is essential to our national economy, not only to ensure security of our oil supplies and not just because the energy sector represents 30 per cent of total private investment, but also because it constitutes a major customer for businesses, both large and small, in all regions of this country.

• (1630)

Let us consider external trade. Guaranteed access to foreign markets is another essential element of any realistic economic recovery strategy. A number of reasons justify such a statement, the most obvious being the fact that millions of Canadian men and women are now employed in industries ranging from forestry to car manufacturing, and that they would not be working if there were no foreign markets. In turn, those jobs create others so that Canadians can respond to the needs of our exporters.

In other words, external trade creates jobs, and losing access to foreign markets means fewer jobs. It is as simple as that.

But that is not the only factor to consider. Guaranteed market access is a must if we want to compete on the international scene, as it is for creating economies of scale and competitive specializations, and for the kind of industrial adjustments that will enable us to boost our exports while at the same time coping more easily with competitive imports here in Canada. A major factor to consider before deciding to build a plant is whether or not foreign markets are readily available.

It is a decisive factor in attracting job-creating foreign investments and making sure that our national companies can expand from their Canadian base.

New technology also offers opportunities to produce new goods and services and create jobs, but above all it will protect many other jobs in existing industries through higher productivity. New technology ought to be considered as a powerful tool which will help us improve our competitiveness on international markets.

What we mean is this: it is important to develop high technology, and even more so to use that technology in traditional industries such as textiles and clothing, forestry and mining, car manufacturing, and particularly the steel industry.

That is why we put so much emphasis on research and development, just as we do on the adoption, use and expansion of the best technology available. We believe that to be crucial if we are to remain competitive and raise our standard of living.

If we want to make the best of technology, we must train and recycle young and middle-aged Canadian men and women and teach them how to use those new tools. We must also be resigned to the fact that technological advance will force some Canadian workers to keep up with this evolution. It is a fact we cannot ignore, or else we might stand to lose even more existing jobs. The workers themselves have a major role to play in coping with this evolution. We must make sure that, besides providing support income for those whose needs are temporary, our programs are consistent with the training and mobility of workers facing a bleak outlook. The answer is to give them opportunities to develop new skills and encourage workers to take a chance by seeking employment in other fields or moving to other regions.

To clear up all possible misunderstanding, Mr. Speaker, I should like to say that it is important not only to create jobs that provide Canadian men and women with the major means to get their share of the wealth within the Canadian society, but it is equally important to create the wealth which Canadian men and women can share through a whole range of services, including a social security system, the purpose of which is to help those who need them and cannot provide for themselves.

These are areas which are given very high priority by our government, Mr. Speaker. We have been working on them ever since last September, but there are no miracle cures to our economic woes, no short cuts toward creating jobs and wealth. Canadians are aware that if prosperity were the result of spending and indebtedness, it would have been ours a long time ago. But such is not the case, and we will have to work still harder and more intelligently to achieve our growth potential, a healthy and lasting growth which will help us create new jobs for all Canadian men and women who are anxious to work.

The Acting Speaker (Mr. Charest): Questions. Comments. The Hon. Member for Richmond-Wolfe (Mr. Tardif).

Mr. Tardif: Mr. Speaker, I listened with great interest to the somewhat intellectual discourse of the Hon. Member for LaSalle (Mr. Lanthier) whom I have often seen walking along corridors while reading impressive-looking documents. After what we have just heard, I must say that students of 16 or 17 would certainly have appreciated those remarks. But what Canadians now need most is not exalted theories, stately syntheses and lofty philosophical principles, but concrete things like jobs, jobs and more jobs. I can appreciate how easy it must be to blame the former administration for everything under the sun, but the fact is that September 4 was eight months ago, and I ask the following question: What have you actually done to create jobs?

Mr. Lanthier: This answer calls for—

Mr. Boudria: It will not take long to answer that!

Mr. Lanthier: Unfortunately the question calls for an answer that might be somewhat theoretical. One might give a quick answer with figures—

An Hon. Member: You are talking about the jobs you have made Canadians lose during twenty years.

Mr. Lanthier: That was not the purpose of my response. On behalf of my Department, I accept the question which requires detailed information.

The Acting Speaker (Mr. Charest): A supplementary question. The Hon. Member for Richmond-Wolfe (Mr. Tardif).

Mr. Tardif: If I cannot get an answer, I could perhaps deal with another aspect of the question. I agree that Canada's financial situation is rather precarious. However, how do you explain, in the light of what you have just said, that your Government has decided to invest in the neighbourhood of $50 million to change the uniforms of the Armed Forces and to increase in defence budget by some $600 million and that it recently accepted to send an additional 1,000 troops to Europe while, here in Canada, in my constituency and yours, there is such a desperate need for money to create jobs—

Mr. Blais: Domtar!

Mr. Tardif: Exactly.

Mr. Lanthier: I also accept that question and I shall reply eventually.

[*English*]

Mr. Langdon: Mr. Speaker, I would like to pose some questions with reference to the deficit. The Hon. Member has spoken in customary Conservative tones with respect to this issue, as befits a Parliamentary Secretary to the Minister of Finance. However, I want to ask if he would be prepared to concede that, just as we would have predicted, by trying to focus on the deficit, making it a preoccupation, we have in fact seen an increase in the deficit in this country since this Government has taken power. Secondly, would he be prepared to confirm, given the intellectual approach that was suggested, that there are of course other ways to control deficits besides reducing expenditures? For example, by increasing taxes and acting on the suggestions of our task force report, that it be no longer possible for companies to deduct the interest expense involved in taking over other companies, something the Prime Minister (Mr. Mulroney) himself talked about at the National Economic Conference. Does he not agree that it would be a good idea for companies that have large amounts of deferred taxation to pay interest on it? Does he not agree that these too would contribute to concern about the deficit and permit the extra expenditures which would give us the jobs we need in the country? Finally, would the Member not agree that if we decreased interest rates by two to three percentage points that too would have a significant impact on the deficit in the country?

• (1640)

We have had varied estimates. One economist at the University of British Columbia suggested that there would be a saving of $1 billion in the deficit for each decrease of a single point in the interest rate. I myself think that is probably an over-estimate because bonds will be due in different years. At the very least, bringing interest rates down two to three percentages points would save $600 million to $900 million. That is the estimate within our report. Surely the Member would agree that all of this would give us much greater capacity to be making the essential expenditures to provide encouragement to private investment that would increase jobs in the country.

[*Translation*]

Mr. Lanthier: The same applies. I shall accept the question on behalf of my Department, but I want to point out something immediately. All the qualifications which were suggested by the Hon. Member in saying that I would probably accept such or such a question are to be accepted neither by myself nor by my Department. We shall eventually provide an adequate answer to his question.

The Acting Speaker (Mr. Charest): Questions or comments? The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Boudria: Yes, Mr. Speaker, I have a question for the Parliamentary Secretary. Early in his speech, he told us that the policy of his Government was to reduce public expenditures in order to create jobs. I am wondering whether he could be more specific and explain how eliminating jobs in the public sector can create jobs. Indeed, in my constituency and in the National Capital Region, in the area which I represent, if someone loses his job, this does not create any employment. The same is probably true elsewhere in the country. However, my constituents still wonder how the process of eliminating their jobs can create other jobs. Perhaps the Parliamentary Secretary can develop this point and explain to my constituents how they can expect to find more jobs when they are being laid off?

Mr. Lanthier: I do not want to be looked upon again as a theoretician, but I think that it is rather simplistic to establish a relationship between cutting expenses or eliminating a job while not understanding that cutting expenses may mean that another job is created elsewhere. There are jobs that are more meaningful than those in the public service. However, once again, I accept this question and we shall provide a reply eventually.

The Acting Speaker (Mr. Charest): Questions or comments? Debate. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I welcome this opportunity to take part in the debate today on the motion presented by our New Democratic Party colleagues. First, I would like to talk about the unemployment situation in my riding. I had hoped that the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) would hear what we are saying today, so that acting on behalf of his Minister, he could create some jobs in my riding. But he is no longer with us—and I am not saying he is away from the House because that would be out of order—but let us say that I would have liked to have seen him here.

In any case, Mr. Speaker, the riding or rather part of the riding I represent, namely Prescott, which most of the Members of this House living in the East have had occasion to cross in travelling to their ridings—Prescott has 1,686 unemployed. That is a very high unemployment rate, and it has been for some time, increasing all the while. I can assure the House that the people in my riding who saw the results on election day remembered this Government's promises and expected the Government to create new jobs. They are still waiting, Mr. Speaker. This Government was elected eight months ago, and there has not been a single new job in my riding. In fact, there are fewer jobs now than there were on election day last year.

[*English*]

Before the Government was elected it made several promises to the Canadian people. I have referred to them before on occasion in the House. We have put together a document

called "338 Tory Promises". I will read a few of them regarding employment, particularly unemployment amongst our youth.

During the election campaign the Government told us how it would streamline government programs and make them efficient. The most innnovative thing they could do last winter was to use some of the Canada Works Programs of the previous Government, which they had chastised before. That is not very innovative. If the programs were not good enough while they were in Opposition, one would wonder why they are all of a sudden good enough when they are in Government. Although they had only been in power for about three months, they had claimed for a few years that they were ready to take over. However, they could not organize a better winter works program. They simply used the program which was in place before, always claiming that it was no good to start with.

With regard to young people, Mr. Speaker, you will remember that the Government said it would scrap the Liberal program for youth summer employment because they felt it was not adequate and they would have a better one. Months passed, Mr. Speaker. Many people phoned their Members of Parliament asking about the youth program Challenge '85. The forms for that program were distributed by the Minister of Employment and Immigration (Miss MacDonald). A little kit was sent to all Members of Parliament. The first thing I did when I got that kit was phone the Minister's office to ask for 150 application forms to give to businesses in my riding. After all, the least we could do was try to make this program work, notwithstanding the fact that it was started too late and was poorly organized.

The Minister's office said that they could not give me forms. I asked why and was told that they did not have them but that they would be at the Canada Employment centres. I argued that. I came into the House and talked to the Minister personally. Lo and behold, when I went back to my office a couple of hours later there were all kinds of forms. There was a stack of them about an inch thick, or 2.54 centimetres if you wish.

I brought those forms to my constituency office and my constituents used them and sent them to the Government. The Government then said they were the wrong forms. Do you believe this? The Minister sent them to my office and they were the wrong forms. A couple of weeks later we got new forms from the Minister. The program was supposed to end at the end of March and it was March 20 when we got the forms. There were only a few days left for all employers to apply. If the Government did not intentionally try to sabotage this program, it certainly did a very good accidental job of achieving that result.

It is now mid-April. Today businesses from my riding were contacting me asking whether I had any news about the Challenge '85 applications which they had submitted. There is nothing I can tell them. Our young people are finishing school now. Other programs are starting. They do not know whether they will be accepted by this program. They do not know whether the youth will be going to work elsewhere. They are not sure what to do. They are waiting and we cannot get any answers.

This is not the fault of the people at the various Canada Employment centres. They did their best to make this thing work. It was so poorly designed and started so late that it was almost impossible for it to work. I cannot help but wonder how the staff working for the department managed to do anything at all. It must be very difficult for them, and I know they are working very hard, but it is impossible.

• (1650)

What the Government has failed to recognize is that it should have kept the previous program that was in place, made it work. When the Government was ready for a change and it had designed a new program it should have introduced it then. I recognize that the Government has the right to do what it did, it is the Government after all, but you do not cancel something and then think later of maybe doing something else. First you find alternatives and then you change. You do not do the reverse. That logic is something you would understand, Mr. Speaker, but obviously not this Conservative Government. That kind of logic has escaped this Government.

Let us review some of the promises the Government has made to young people in this 338-promise document to which I referred a while ago, Mr. Speaker. This Government made lots of promises to our youth. It was trying to get young people to knock on doors and canvass. This Government promised everything to the youth. Under youth employment, it said, "encourage young people to remain in school, ensure training components in all job creation programs, provide incentives to encourage private sector training programs, the utilization of UIC benefits for training purposes, and encourage local training councils." These councils would identify training needs and co-ordinate training programs, establish a refundable employer tax credit for employers to hire and train young people for specific periods of time.

There are 12 promises here for our young people. As far as I can see, none of them have been adopted by this Government and it is now eight months after the election. This Government has yet to fulfil one promise to our young people. It must be very disheartening. I see one Member saying to me, "Yes, we did". I do not know, perhaps this Government has appointed a person on another board that I have not heard about and that constitutes a job creation program to which the Hon. Member is referring. But this is not good enough for the rest of the young people who are waiting for a real meaningful effort on the part of their Government.

This Government when elected claimed it was ready to take over, ready to run the country. I see some Conservative Members in this House, the ones sitting at the edges on this side, what we refer to as the "book-ends" or the "surfers". Surfers means they were elected with the tide and they will go out with the tide in three years' time. The book-ends in this House are nodding in agreement that this Government was ready to take over. Why is it that this is the longest period of time after an election in the history of this country without a

budget? Is that synonymous with good government, Mr. Speaker, a Government that cannot even present its financial package to the House of Commons eight months after coming into office? Not only that, but we will have to wait another month before we get the budget.

There happens to be in the intervening month an Ontario election. Some of us say that it is a mere coincidence that an Ontario election is looming. The Tories in Ontario are not doing so well. Their popularity is going down daily. That popularity will go down a lot more before the election, and we will have the election of the next Liberal provincial government. The popularity of the Provincial Tories is going down. They know they have a noose down around their necks in the person of the federal Minister of Finance (Mr. Wilson.) He will impose on the people of Canada major taxation increases and present a disastrous budget immediately after the Ontario provincial election. Then, Mr. Speaker, you can understand why it was that the Premier of Ontario paid a visit to the Prime Minister (Mr. Mulroney) and that this visit had two purposes. One was to object that he had not been consulted on the western oil deal, and second, to ensure that under no circumstances would we see a federal budget before that election. As bad as the Tories are doing now provincially, they would have done worse later because of the disastrous budget we have coming. I am sure you, Mr. Speaker, being the non-partisan person that you are, would understand this, although your colleagues obviously do not.

Hon. Members will remember that on November 8, 1984, the Minister of Finance introduced his program known as the Expenditure Review. This Expenditure Review program, commonly known as the "Black Thursday Program", was a program of cut-backs. Many of these cut-backs were in the area of employment. Hon. Members will recall that a little earlier I asked the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) how does one create employment by cutting jobs. He took notice of the question. He did not answer it.

Let me review some of the employment creation initiatives that were cut-back by the same people who said they were going to create jobs. The Employment Assistance Entitlement Program had a $200 million cut back. Let us see what this program did. The Unemployment Insurance Act provided for the establishment of an employment services program and this program was cut back. This service is now gone. The unemployment insurance payments have been cut back by $5.8 million; the mobility program was cut by $2.8 million. Let me speak briefly about mobility grants.

I have a constituent who is in Alberta at the present time. He left two or three years ago and went to work out there, but now he does not have a job. He has a job offer here in the City of Ottawa which he could take immediately. Because these mobility grants have been curtailed severely, he cannot take up this job in Ottawa. The unemployment insurance people told him that once he has exhausted his unemployment insurance benefits then they would pay him to move. If you can understand the logic of this, Mr. Speaker, I am glad. Under these new rules my constituent will have to be on unemployment for about eight months drawing money out of the federal treasury before we give him money to come back here to a job he could have today if we were to allow him to come back. If that logic escapes you, Mr. Speaker, you are not the only one. It escapes me as well, and it escapes my constituent. Seemingly that makes sense to the Minister of Finance. Perhaps to no one else, but to him it does. To make someone draw eight months more of unemployment insurance benefit before paying the mobility grant that he could be given today, seeing that he has a job promised is the policy of this Government toward creating employment, and I do not understand it. It is small wonder that this program is not working.

On November 8, the Minister of Finance introduced that program of cut-backs to which I referred earlier and which I described as the "Black Thursday Program". I see that the Minister of Supply and Services (Mr. Andre) is here. He will recall this document that was given to Cabinet Ministers which contains the answers they were supposed to give to journalists when interviewed about the cut-backs. There were questions on the census but they have become redundant now because the census has been reinstated, as we know. I applaud the Minister for that. I know he wanted it all along. He was only trying to twist the arm of the Minister of Finance. Obviously he managed to swing it, and I am glad he did.

● (1700)

However, I should like to read some of the questions and answers on employment. The following was a tentative question which someone in the press was supposed to ask the Minister:

Why is employment pension income considered as earned income when eligibility for unemployment insurance is determined?

The Minister was supposed to answer as follows:

Changes in the UI program, which will result in pension income arising from employment being deducted from UI benefits, will eliminate double payments and reinforce the concept that UI is an income replacement scheme.

That is the only reason many people in the country, including military personnel and others, contributed to unemployment insurance. Otherwise they would have no possibility of collecting it. Obviously what we should do now is refund their premiums from the beginning in that we have made them join a program from which they could not benefit.

Another tentative question reads:

What is the object of the changes in the Employment Assistance and Entitlement Program?

The Minister is supposed to answer as follows:

A strengthened interview program for all claimants on regular benefits will better determine their needs for employment services.

Now I know from where the Minister of Employment picked up this line when she referred to it in the House. The Minister of Finance had given it to her in a briefing book. She was supposed to say it to the public. That is ridiculous. The answer given by the Minister got her no place.

In conclusion, our Party is very much dissatisfied with the efforts of this Government in creating employment.

[*Translation*]

Mr. Speaker, we think this Government should get down to business and meet the commitments it made during the last election campaign. If they made those commitments at the time, they should have made sure they would be able to meet them. Of course today, every Canadian knows that Conservative promises are never kept.

Mr. Hudon: Mr. Speaker, I have a comment and a question. First of all, I do not think my hon. friend was very resourceful. If he failed to find any forms for Challenge '85 projects, I think he must have been going about it the wrong way, because—

Mr. Boudria: I got them, but they were not the right ones.

Mr. Hudon: Oh, so you were able to judge whether they were or not.

Something else. There is something I fail to understand in the Hon. Member's comments on unemployment insurance. He says that some people who have paid premiums all their lives will never have a chance to get unemployment insurance benefits. I have a question for my hon. friend. If you have been paying for fire insurance on your home all your life, are you going to set your house on fire because you did not have a chance to collect the insurance? That kind of argument does not hold water. Unemployment insurance was introduced to provide funds for people who are looking for work. Today, there are people, and this probably includes me, and I say probably who hope they never have to apply for unemployment insurance benefits. In any case, the year before I retire, I am not going to say: I had better become unemployed so that I can get back the money I invested. Unemployment insurance is not an investment, it is insurance to tide you over a bad situation.

An Hon. Member: People have become used to thinking like that.

Mr. Hudon: There are cases, and this happens with the complicity of certain companies or heads of businesses, where there are programs under which people are entitled not only to unemployment insurance benefits but also to their salary and benefits. Unemployment insurance was not meant to be used that way, and here we have people complaining loudly that it is a shame that some people will never get back any unemployment insurance benefits in return for the money they invested. I do not understand that kind of logic. I wish my hon. friend would explain, because I do not see it. Maybe it is because like the Hon. Member, I do not understand forms.

Mr. Boudria: Mr. Speaker, I should be delighted to provide some explanations for the Hon. Member opposite, and slowly, if he prefers, to be sure he understands. First of all, when I referred to forms . . .I said earlier that the forms I got from the Minister herself were not the right forms. This means that the Minister of Employment and Immigration issued forms that were incorrect. They had to be withdrawn and new forms issued in Ontario. This is just to say, Mr. Speaker, that the Minister herself did not know which form was the correct one.

Now, about unemployment insurance benefits: I agree with the Hon. Member opposite that when we pay an insurance premium, we do not expect to get a return on that investment. An insurance is an insurance. Yet, Mr. Speaker, you know as well as I do that a number of years ago, several categories of people did not contribute to the Unemployment Insurance Plan because they were not likely ever to collect benefits. A case in point is the Armed Forces personnel. An unemployed soldier is a rather rare commodity. The only benefits to which they were entitled were those they could collect the very last year before they retired at age 64 or 65. Those were the only benefits they could collect. When they were allowed to join the scheme, it was done with the understanding that they would benefit one way or another. If I said to the hon. member opposite who mentioned his fire insurance that no matter how much insurance he paid for, he would not get a cent if his house was destroyed by a fire, he would certainly try to buy insurance protection elsewhere. For those people who joined the unemployment insurance scheme and who are now deprived of these last benefits, they will not get anything. Therefore, they were misled when they were allowed to join a scheme out of which they are not getting anything. And it was the Federal Minister of Finance (Mr. Wilson) who, following his assesment of the government's programs and expenditures and his decision to make cutbacks everywhere, has excluded these people.

To conclude, Mr. Speaker, I should like to add, in connection with what I was saying about the forms which are difficult to obtain in Ontario that there is in the House now a member of the Progressive Conservative Party whose staff had to call my office to borrow mine, my forms, for he was unable to obtain them from the Minister of Employment and Immigration (Miss MacDonald). And if you asked me to mention his name, I would certainly do so.

[*English*]

Mr. Blenkarn: Mr. Speaker, would the Hon. Member confirm that in the 32nd Parliament it took the Liberal Government eight months and 18 days to present a Budget, that that Government presented a financial statement on April 21, 1980 and got around to presenting a Budget on October 30 of the same year? Does he think that the attitude of this Government in presenting a financial statement on November 8 and proposing to present a Budget on May 21 was any different than the activity of the Liberal Government in the 32nd Parliament?

Mr. Boudria: Mr. Speaker, I guess all of Canada has now found out the date of the Budget. I am quite pleased to hear this. Now of course all Canadians are aware that the Budget date, according to the Hon. Member across the way, is now

May 21. I am glad to hear that announcement. Perhaps people in the press and elsewhere have now finally found out from the Government exactly when it intends to present its Budget. It is about time it did something.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, the motion before the House, authored by the Hon. Member for Essex-Windsor (Mr. Langdon), suggests that unemployment should be lowered by 2.5 per cent and that the Government should commit itself to that goal. It is natural, given the content of the resolution, that reference should be made to the recently released report of the New Democratic Party task force on jobs. One might have hoped that the discussion would have been a constructive and informed one.

• (1710)

One was inevitably disappointed to discover that as usual the debate turned, not upon the content of the resolution, the content of the report or the exercise that resulted in its production. The Minister of Employment and Immigration (Miss MacDonald) stood before us and told us that the report of the New Democratic Party job action group was constructive, interesting, had some good suggestions, and then proceeded to criticize it, not on the basis of its content, but on press report after press report. It soon became clear that that was the only source of information to which she could refer.

That should not have been particularly surprising. The Minister of Employment and Immigration knew almost as much about her Challenge '85 student summer employment program as she did about the task force report. She insists on reiterating what she said when the program was announced. She said it will be based on wage subsidized career-oriented jobs which will prepare students for the work world.

The fact is that although she claims there are larger numbers of applications than there were previously, the criteria that would have produced the kinds of jobs that she was going to achieve were not being applied. The fact is that no applications involving fewer than four student employees is being subjected to any test of whether or not the jobs are career oriented. That is fine.

In the sense that jobs are created, and the Minister reverted to a few standards, indeed reverted to standards which are less rigorous than Summer Canada, her claim that more jobs are being created may in fact be correct. Many of us who would have expected her to achieve the goals she indicated thought she would have attempted to ensure that there was some measure of career orientation, that permanent jobs were not being lost, that the career content of those jobs would be supervised to ensure their achievement during the period of employment. We were also concerned about the fact that in contrast to Summer Canada of last year, there is no affirmative action portion, in spite of Government commitments to the contrary, which would have assured reasonable participation by natives, women, visible minorities and ethnic groups.

We heard the Hon. Member for Calgary West (Mr. Hawkes), who was similarly well informed about the document, insisting that the document surely had to be the result of going from city to city across this country, some 24 of them, and speaking only to supporters of the New Democratic Party. It was kind of exciting news, at least to this Member, to discover that the Canadian Automobile Parts Manufacturers, the Canadian Manufacturers' Association, association of small businesses, and women's organizations all across this country support not the Liberals or the Conservatives, but the New Democratic Party. Similarly, small woodlot owners, industry associations, forest industry associations are all suddenly New Democratic Party supporters. Of course that is nonsense. There was no discrimination in the selection of those who appeared before us.

There was one thing that came out of the whole exercise loud and clear. It was that the priority of this House should be the creation of jobs. Some Members opposite will remember when the Prime Minister (Mr. Mulroney) said that "we are going to see tens of thousands of jobs being created just as quickly as the new Government is sworn in". He has encountered some impediments. We decided to take him at his word, his word having been that he, in spite of his Minister of Finance (Mr. Wilson) and others on that side of the House, was interested in job creation. If one refers to some of the statements made by the Prime Minister during the election campaign, he will see that the Prime Minister said that we are going to get local communities and small business more involved in job creation. This is going to be accomplished by a program of community self-help which will be launched through the establishment of the Canada Opportunity Development Board. But it should be noted that he did not say exactly what this board would do. There are 70 recommendations in this report which specify what such kinds of community economic development boards might do and how they might be encouraged by the Government.

We should pause for just a moment to consider some of the other criticisms which we have heard from across the way. We have heard that the New Democratic Party proposes that all of the solutions to employment must be achieved by direct government investments, the implication being the take-over of industry and everything else. I would suggest that Members opposite look at the report. They will find that there is very little relationship to that stereotype. What we have attempted to do is to present to the Government some suggestions by which it might approach the goal that the Prime Minister indicated he was attempting to achieve.

The issue of job creation has been laid aside by and large in an effort to combat the deficit, as if knocking down or cutting the deficit were not only an economic imperative but a moral imperative. It is kind of interesting to hear the rhetoric of the deficit cutters. I suppose that many of them have not noticed that this kind of commitment, which has been cited as having been made in British Columbia, has failed. Indeed, it has increased the amount of unemployment, cut the number of jobs and placed a number of businesses in serious difficulty. On the contrary, in Manitoba, where the converse approach was taken, jobs were created.

If one looks at various western nations which have attempted to solve their economic problems by using the cutting of the deficit as a target, he will see that they too have failed. On the contrary, one should look at the very interesting Canadian experience during World War II where the deficit achieved levels amounting to 21 per cent of Gross National Expenditures and averaged some 17 per cent of the GNE for a three-year period, yet the rate of unemployment was cut from 11.2 per cent to about 1 per cent and the deficit was wiped out in about three years.

Members may consider that this is irrelevant, that it is a question of expenditures for wartime. However, it is interesting to note that those who preach supply side economics are completely unconscious of the fact that products will not be bought by unemployed consumers. In the United States, where supply side economics and deficit cutting has been preached, indeed preached from the pulpit, deficits have accumulated on the basis of military expenditures, and this has indeed resulted in jobs and economic growth. Canadians across this land fear that our new dependency on the United States will hook us to the philosophy sometimes articulated in this Chamber that we can create jobs by increased military expenditures, by becoming starry-eyed about star wars.

There is one thing we have found across this country that should be clearly enunciated here. In spite of the high rates of unemployment and a deep sense of concern about the future of families, young people and people of all ages, Canadians have become convinced, and we heard this from one ocean to the other, that this country has the resources. It has the human talent to determine its own economic future and to create jobs without turning beyond our borders for help. Just as we do not want to look to Washington or New York for the solutions to our problems in respect to economic growth and job creation, so too do the regions reject the notion that the solution to our ecnomic difficulties and job-creation problems is to be found in the centralized bureaucracy not only of government but of the exploitative profit making of large corporations.

• (1720)

There is nowhere in this report where the New Democratic Party proposes to reject the involvement of large corporations and businesses in job creation. However, it does insist that whether they be a domestic or foreign company, they be obliged to fulfil the needs of Canadians with respect to job creation, increased exports, increased research and development and all of those things which are necessary for the creation of jobs in this country.

To return to the statement by the Prime Minister indicating that he looked to creating community development agencies, I wish Members opposite would read the report because there are constructive suggestions contained therein, the common thread of which is shared by people all across the country. We do have the resources. We are tired of having those resources exploited by others for the benefit of others while we in our regions and communities suffer job losses. We know that the forests, the fisheries, the agricultural sector and any of our natural resources have the potential through secondary manufacturing to create jobs, the kinds of jobs we in the local regions understand best. Those sectors can give us the wherewithal by which to do it.

The Minister of Employment and Immigration stood before us supposedly discussing this document and said that they are going to do all kinds of new things with respect to training, retraining, preparing young people for jobs and preparing older people for the necessity of adapting to new jobs. That is fine. However, it is insufficient in the magnitude in which she has proposed it because it only addresses part of the report. There is not much sense in training or retraining people if the jobs are not there.

There now exists considerable literature on how municipal Governments in co-operation with other sectors of the community can engage in analyses of the advantages and disadvantages of the resources, both human and otherwise, that are available, and to engage in long-term planning so that priorities can be established which will allow the growth of co-operatives, small businesses and means by which jobs can be produced based upon the resources possessed by the local communities. When we talk of a government expenditure of $850 million for community development incentives, we are not talking about spreading money around, we are talking at least in part about providing communities not only with the means of financing by with tax changes which will encourage local investment and will provide the kind of expert help that is often needed in order for communities to engage in these activities.

The Federation of Canadian Municipalities recognizes the merit of this approach. I would advise Members opposite to read the report of the New Democratic Party and to read the recommendations of the Federation of Canadian Municipalities. If they did so, they would realize that with a very small increase in the deficit, jobs can be created with increased emphasis on local initiatives and less dependency on megaprojects.

We have been told that Members of the New Democratic Party have suddenly realized the problems associated with deficits. I do not know where in the world this attitude arose, but I will say that if the recommendations of our report were followed, the amount of deficit that would be accumulated would be no greater than the tax forgivenesses obtained by the oil companies as a result of the Western Accord, and there would be the production of far more jobs.

I hope that over the coming weeks members of the government Party and of the Official Opposition will engage in a very carefully reading of our document. I am not going to suggest for a moment that it provides the final answer to all of the questions that are being posed by the Canadian people, but, by God, the least Hon. Members can do is look at alternative answers rather than engaging in an ideological and partisan debate that has no reference to the recommendations made, or to the needs of the Canadian people. If they do that, then we will all have at least shared in the opportunity promised by the Prime Minister for all of us, and for all Canadian people to be

consulted in an effort to achieve not a cut deficit as a goal but jobs as not only a goal but as a moral imperative.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I would take this occasion to very briefly announce the proposed business and arrangements for tomorrow. In terms of the business, it is my intention to call Bill C-36, an Act to amend the Aeronautics Act, a Bill which is at second reading debate stage. This will be followed by Bill C-18, an Act to amend the Criminal Code, a Bill which is at the report stage.

There may be a disposition to deal with item No. 17 under the heading of Government Business on the Order Paper, the CN pension reference. If my discussions with members of the New Democratic Party in particular are concluded satisfactorily tomorrow morning, I would be inclined to call that item as the first item of business tomorrow. There will be a limit number of speakers on that particular matter.

As well, we have agreement between all Parties to have statements made tomorrow when the House convenes at 2 p.m. regarding the Charter of Rights equality provisions. The understanding is that there will be one speaker per Party taking approximately five-minutes. There was an agreement, therefore, that we would move back Statements Pursuant to Standing Order 21 as well as Question Period to allow by unanimous consent those statements to be made at the top of the afternoon. If you were to seek unanimous consent for these proposals, Mr. Speaker, I think you would find that they would meet with the satisfaction of all Members.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, we have indeed been consulted and would be agreeable with regard to the statement proposed by the Hon. Government House Leader provided, of course, that the Question Period which will be pushed back will last a full 45 minutes. With regard to the other items of business, we have to go along with the wishes of the Government.

Mr. Deans: Mr. Speaker, just to be clear, statements will be made at 2 p.m., followed by the normal 15 minutes of Statements Pursuant to Standing Order 21, followed by the Question Period. After we have completed the CN pension reference, Bill C-36 and Bill C-18, what does the Hon. President of the Privy Council propose to do; that is, after four o'clock?

Mr. Hnatyshyn: Mr. Speaker, my consultations have led me to believe that we would be prepared to move on to third reading of Bill C-18, but I am not sure there is a disposition to do so. However, I am prepared to consider that if there is time available. I would be happy to carry on and to conclude that debate.

I should say that on Thursday it is my intention to bring forward Bill C-39, a Bill relating to equalization. That item will certainly be brought forward, depending upon the progress we make on tomorrow's legislation. I intend to bring that item forward for debate on Thursday in any event.

The Acting Speaker (Mr. Charest): It is my understanding that the Hon. President of the Privy Council does not have that in writing. The House has heard the suggestion. Is there unanimous consent to proceed on this matter tomorrow?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): Agreed and so ordered.

* * *

• (1730)

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 62—UNEMPLOYMENT

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

That this House calls upon the Government to immediately bring in stimulative proposals to reduce unemployment by a minimum of 2.5 per cent within the next 12 months, given the failure of the Government to live up to its commitment to make job creation its number one priority, and its pursuit, instead, of a policy of cut-backs which has led to a rise in unemployment in three of the last four months.

Mr. McKenzie: Mr. Speaker, I have a question for the Hon. Member for Windsor-Walkerville (Mr. McCurdy). In this Party we believe in investment coming into Canada. We believe that foreign investment is one of the means by which to create jobs. I have seen how the Canadian investment which has been flowing out of this country since 1976 has created thousands of jobs in the United States. Canadian investors have developed in Texas, Florida, California, Kentucky and other states because there was not a healthy investment climate in Canada. However, they do not invest there, build a plant and then close it down and go away, as has been suggested by some Members. That is why we support investment from foreign countries coming into Canada to create jobs.

In the 1960s the provincial Government in Manitoba held a large economic and investment conference in Winnipeg. It was attended by U.S. and European investors. The policy of encouraging foreign investment has been adopted by the current NDP Government of Manitoba. It is holding investment seminars in the United States to encourage investment. The NDP Government of Manitoba has a policy to encourage foreign investment. American investors are going to Manitoba to invest. That will create jobs. It is a policy which has been adopted from previous Conservative Governments in Manitoba. I would like to ask the Hon. Member, as the federal NDP is opposed to foreign investment, does he support what the NDP Government of Manitoba is doing, which is encouraging foreign investment in that province to create jobs, or does he have a separate policy from that of the NDP Government in Manitoba?

Mr. McCurdy: Mr. Speaker, I am sorry that the Hon. Member seems not to have paid any attention to what I said. Let me reiterate. Canadian people are saying that the future of this country can not be predicated on foreign investment. That is not to say that foreign investment should not be had. Canadians are saying that they want control over the economic destiny of this country. If there is to be foreign investment then it should be conditional, as it is in Manitoba, on the creation of jobs for Canadians.

The fact of the matter is that experts in the United States have pointed out in the strongest terms that there is an improbability of large investment in Canada for anything but basic resources, not secondary manufacturing. That will mean a deficit in jobs. If there is to be foreign investment in Canada then it should be conditional on meeting the needs of Canadians, whether the needs be jobs, ensuring that research that research and development is performed or that exports are encouraged elsewhere. I cannot understand why the Hon. Member would reject those factors as reasonable requirements for foreign investors.

Mr. McKenzie: Mr. Speaker, at no time have we ever suggested that we wanted investment to come into Canada which would not create jobs and do something worthwhile. I do not know if the Hon. Member is trying to imply that the Government is saying that money is to come in, that it will not go to any place and do nothing. Naturally, foreign investors will come forward with a proposal. The purpose of encouraging foreign investment is to create jobs, not just to encourage money to come into Canada. I do not know what the Hon. Member is trying to suggest. We will ensure that it will do something worthwhile for Canada. That is the purpose of it. He is trying to intimate that we are not interested in Canada or Canadian jobs. Most certainly we are. By the sound of it, he has been reading from out investment paper, because what he said is exactly what we have proposed and what we would do if foreign investment came into this country. We would ensure that it would stay here and create jobs.

Mr. McCurdy: Mr. Speaker, that was an extraordinary exercise but an extremely confused response. I do not know whether Hon. Members have noticed, but Investment Canada imposes no requirements on foreign investment. No one suggested that in some vague sense the Government is not interested in creating jobs. The real issue is; Does it know how to create jobs? That is the question.

I am not in this House to tell the Hon. Member about the opinion of this Party or my opinion. I have described the view of Canadians. They want to control the destiny of the country. They do not want someone else doing it. In particular, they do not want the Canadian economy to be tied to star wars or the priorities of the Americans.

Mr. McKenzie: Mr. Speaker, the latest Gallup poll would indicate that we have the support of the Canadian people. Our Party has just risen three points in the Gallup poll. So, if what the Hon. Member is saying is correct, I am sure we would hear something about it. I am not hearing those kinds of protests from my constituents or others. They have complete faith in us. They realize when we are talking about foreign investment that we want to create jobs.

As to the Hon. Member's comments regarding star wars, it is not to bring nuclear weapons into this country. We are talking about research, not developing nuclear weapons. In no way have we ever said that we would support any star wars concept which would develop nuclear weapons. However, we are in the space age today. There is no use burying your head in the sand. We had better get involved in space development in Canada, as will other countries. There is nothing wrong with that as long as it has nothing to do with developing bombs.

Mr. McCurdy: Mr. Speaker, I believe it was Bacon who asserted that politicians had some greater responsibility at times than to reflect popular opinion, and that it was necessary for politicians, who represent the leadership of the country, to engage in a little thought. It is certainly not to engage in thought to refer to the polls as the response to an idea. Surely the Member must understand—and I do not think it is beyond his comprehension to understand—that engaging in research in star wars is unacceptable to many people of this country. It is unacceptable as a means of job creation. There are too many needs in this country that, if met, would create jobs. It is not necessary to resort to defence spending as a means of job creation for that purpose.

Mr. Murphy: Mr. Speaker, first I would like to make a short comment in response to the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie). The last time he came back from South Africa he tried to speak the truth and explain to us that Canada could learn lessons from that nation. I am not surprised that he does not have an understanding of where the world is really at. If I could be allowed to deviate for a second, a couple of years ago the Hon. Member for Winnipeg-Assiniboine came back from South Africa—

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member for Churchill (Mr. Murphy) knows full well that that has nothing to do and is not related to the subject-matter which the House is discussing today.

Mr. Murphy: I am sorry, Mr. Speaker, I had every plan in the world to leave it, but one Member on the government side did not appear to understand the record of the Hon. Member on human rights.

• (1740)

The Hon. Member who spoke before on behalf of the New Democratic Party was a member of city council in Windsor. He has had a lot of experience in that area. One of the main suggestions of the New Democratic Party job action task force on jobs was the creation of jobs for Canadians by having certain projects such as waterworks, sewers and other infrastructures done by municipalities. If the Hon. Member could spend a few moments explaining that to us, I think it would be of value to the House.

Mr. McCurdy: Mr. Speaker, there is not the slightest question in this world that municipalities all across this country have needs in infrastructure which have to be met. These involve roads, sewers, water supplies, waterworks, every manner of infrastructure. Reconstruction is required to a cost of around $12 billion. A tremendous number of jobs will be created, so this is a reasonable investment. It is an investment just as valuable as star wars.

Mr. McKenzie: Now we know why you are at 17 in the polls.

The Acting Speaker (Mr. Charest): The period for questions and comments is now ended. We will resume debate.

[*Translation*]

The Hon. Parliamentary Secretary to Minister of Employment and Immigration (Mr. Hudon).

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the motion which is before the House now and which I must try to deal with is nothing more than a piece of rhetoric on the part of the New Democratic Party, which calls upon the Government to bring in immediately stimulative proposals to reduce unemployment by 2½ per cent within the next 12 months, and blames the Government for not living up to its commitment to make job creation its number one priority.

On the other hand, we know that this motion is intended as the end result, the crowning piece of the famous report which a group of members of that party brought forth following their visit through various parts of the country in an effort to get support for their ideas, judging from media reports both during and after their tour. With what result? I do not intend to play politics with that, Mr. Speaker. I will merely quote from what was reported in the papers. For instance, here is a Canadian Press article signed by Eric Courchesne which stated that their report was merely an extension of the NDP platform, and I quote:

[*English*]

"its recommendations are in large part an expansion of earlier NDP proposals".

[*Translation*]

Anthony Westell, a *Toronto Star* columnist, has written that the NDP task force, "having started as a lion in January to solve the unemployment problem, has given birth to a mouse in April". In addition, Carol Goar of *The Toronto Star* has recorded a diversion in NDP philosophy, as others have, when she wrote on April 11 that "the New Democrats, after promoting for at least two decades a vigorous centralizing strategy" have been getting throughout the country "a signal telling them that interventions must obtain at the local and municipal levels".

By the way, Mr. Speaker, this is what this Government has promoted and accomplished through a policy which I will discuss later on and which is based on a more practical cooperation with other levels of government and the private sector.

On the evening the NDP report was published, we heard similar comments on television. For instance, Robert Duffy said that the report contained—

[*English*]

"pretty traditional ideas. It sounded like the conservative ideas about the deficit".

[*Translation*]

Indeed, many analysts have pointed out that the New Democrats were no longer in favour of an unrestrained deficit, and as noted in *The Toronto Star*:

[*English*]

"backed away from the traditional NDP position that much bigger government deficits are needed to curb unemployment".

[*Translation*]

In other words, they agree to a deficit, but not necessarily to an overly large deficit.

Then again columnist Don McGillivy has written that:

[*English*]

"the action group's report is fairly confused and confusing on what should be done to create jobs".

• (1750)

[*Translation*]

Mr. Speaker, that report was published on April 10, and it carried so much interest that it was a mere five days later, on April 15, that the *Journal de Montréal* paid any attention to it in an article entitled:

The NDP proposes the creation of 300,000 jobs.

Yes, five days later. In addition, on April 15, the newspaper *Le Devoir* also had an article on this important report which said, and I quote:

—announced last week.

In other words, Mr. Speaker, that new report was readily recognized as being old hat and its authors acknowledged that a centralizing policy of unrestrained expenditures with no thought being given to the deficit was no longer saleable. On the other hand, as the Minister of Employment and Immigration said during the debate this morning, the New Democrats must still be congratulated on having admitted that their policies could go no further, or at least not as far as they had suggested until then, in other words on having recognized the effectiveness of this Government's initiatives.

Mr. Speaker, it is obvious that the strategy of this Government, which I shall now discuss, is not the perfect solution for, in a world where every country is faced with unemployment problems, if there were any magic solution, it would already have been found and implemented. However, there are alternate options, and it is in support of these options that the

Canadian people expressed their views last September, and it is also what has guided the policy of this Government since then, both in the economic statement made by the Minister of Finance on November 8 and in the many consultations undertaken by a great number of Ministers, such as the Minister of Employment and Immigration, before the new strategy was announced at the Federal-Provincial Conference in Regina and the National Economic Conference held here in Ottawa a few weeks ago.

One of the Government's objectives has been to launch a national dialogue and restore—especially in the private sector, which is the driving force of our economy—a climate of confidence designed to promote the establishment of new industries and the expansion or reorientation of many others already in operation. This has been the purpose of the initiatives I have just referred to, and of the new orientations with which I am more familiar in my current responsibilities as Parliamentary Secretary, namely job creation and manpower training, whereas more emphasis has been laid on practical training, practical jobs, and closer coordination between the provincial and federal Governments and the private sector.

Mr. Speaker, the employment outlook is already much brighter, a fact which was confirmed a few days ago in Montreal when I attended the seminar of an association of college and university employment whose role, as Hon. Members know, is to make it easier for university and college graduates to join the labour market. I was told that this year more graduates will be able to land jobs in their own field of specialization and that chances are better that those jobs will turn out to be permanent.

Employers have regained confidence in the future of our national economy, and so have workers who are rejoining the labour market in ever increasing numbers. The over-all employment statistics reflect that encouraging trend, but the main point is that such a change in attitude can only contribute to make the situation even better.

With respect to manpower training and job creation, the Government has made a special effort to simplify programs, a sector which has been highlighted by the new labour market development strategy, while much duplication has been eliminated, with the result that we are getting better co-operation from the provinces, including Quebec, as everybody knows.

New formulas have also been designed so that the programs will be more readily accessible to all Canadians, including some people who need special assistance such as, for example, the handicapped, native people, and others who are often called quitters or drop-outs. I would be remiss if I failed to mention in passing that the Minister of Employment and Immigration announced a few weeks ago an employment equality program which was unanimously greeted as a historic step in the evolution of the status of women in Canada.

Mr. Speaker, the new labour market development strategy is clearly geared to future manpower requirements in Canada, yet it does take into consideration the current technological revolution which is changing our lives at an ever accelerating rate.

In addition, instead of being designed for the short term—if that were so, as was the practice until now, the workers would not be getting anywhere—most of our programs will henceforth be extended over many years so as to ensure better coordination and greater practical efficiency.

The Challenge '85 Program for the benefit of young people this summer was given a more practical approach particularly to provide them with jobs along the line of the careers they have chosen. We also know that the private sector will play a greater role in it and recent figures provided this morning by the Minister of Employment and Immigration (Miss MacDonald) on results attained so far indicate that the program is understood—that there are people who do not even understand the formulas is beyond me—supported and, despite the concerns expressed in some circles, will succeed far beyond initial expectations. Again, the co-operation not only with private enterprise but with the provinces and municipalities has been beneficial. The young are more confident and I repeat that I was able to see that for myself when I recently attended the convention of the University and College Placement Association held in Montreal on March 28 last.

If time allows, Mr. Speaker, I should like to indicate on what six main bases lies the new labour market development strategy that the Minister of Employment and Immigration announced at the recent federal-provincial conference in Regina. The first allotment of $80 million was earmarked for manpower training. The second allotment of $350 million for employment development is designed to help people who have been without work for a long time and need retraining to land a job.

In that respect, the Minister of Employment and Immigration pointed out last March 19 that these new programs will have to meet the needs of the regions, be flexible, and call for community participation. The Government and the private sector must share responsibilities. On March 19, the Minister also stressed the fact that small business must play a leading role. Mr. Speaker, there is the third allotment of $125 million for vocational integration. Those are programs for youths who are school drop-outs and unable to find employment, as well as for a great number of women who want to join the labour force for the first time.

These programs are aimed at specific groups and have been set up with the co-operation of the provinces. They feature counselling, training and actual job experience. They are also designed to help the handicapped, native people and other underprivileged groups.

The fourth part is a $40 million program for the development of communities, to assist towns and cities whose economy is often based on one or two industries in trouble or even forced out of business. Obviously, co-operation is essential in that area not only between senior governments but also with

the municipalities and industries concerned. All federal departments which could provide some assistance are also involved.

Fifthly, Mr. Speaker, innovation will be encouraged through a program with a budget of $100 million during the 1985-86 fiscal year to stimulate innovation in the labour market through new pilot projects and new undertakings in the private sector. This also includes the re-entry of women on the labour market, the alternance between work and education and pilot projects for the restructuration of working conditions.

Finally, Mr. Speaker, before concluding, the sixth part of the new strategy for the development of the labour market will have at its disposal $65 million to eliminate any manpower shortage. Indeed, in spite of the high rate of unemployment, some employers are looking desperately for qualified workers. This program is aimed at improving prospects concerning future needs of the private sector and to make sure that employers hire more women.

Before concluding, if you allow me to borrow terms usually used by grammarians, I would say that we did not go from the imperfect to past perfect, but we have surely made some improvements.

[*English*]

The Acting Speaker (Mr. Charest): Questions or comments? Resuming debate.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the motion we have before us today deals with a very important matter, the joblessness people are still experiencing in Canada despite all the promises we had in the last election. I was part of the jobs action group of the NDP and many of the proposals brought forward by my colleagues today came out of the consultations we had in a large number of communities from coast to coast. We started in St. John's, Newfoundland, where unemployment is very high, and went right across to Vancouver Island on the West Coast. Since I have a very short time left to me, let me just highlight some of the very constructive proposals which came from these communities for creatively working at dealing with the unemployment rate and making job creation a priority of the Government instead of slashing programs.

These communities told us they wanted local initiatives. They wanted producer co-ops and community development in their own communities controlled by them. They told us they were tired of having multinational corporations coming into their communities, extracting resources, making money and leaving. We heard this all across Canada. As a result, one of the proposals was that there be special funds available for community initiatives, ensure that co-ops and community development and not government corporations qualify for existing business assistance. The report suggests that there be reduced tax rates on community initiatives, that there be marketing and financial management assistance, and that employees in communities have the right of first refusal to purchase the assets of a company which would otherwise be shutting down. In that way they could keep the company going and see that the profits get ploughed back into the community. It suggests that the federal Government itself give its business to credit unions and caisses populaires which are prepared to finance community projects. This is a way of putting our own public money into businesses which will aid other businesses.

We should see that a community diversification fund is established, funded by profits made in single industry towns by the corporations, so that the community would not be struck dead when the plant has a shutdown, temporary or long term. There should be an extension of tax credits, like political tax credits, to individuals who donate to voluntary and charitable organizations which produce new jobs. These are constructive and important proposals and we wish the Government would listen and include them in the Budget will be coming down next month.

Another important point made to us by communities hit by unemployment came from women's groups because they are still hit harder by unemployment than men, and when they are working, are still earning less money. One of the important points these groups made is that the service jobs which have expanded enormously in the last decade, jobs in education, health care and child care, have been cut back through federal and provincial Government so called restraint programs. This is something I think a Conservative Government really has to pay attention to. The ideological blinders the Conservatives wear keep them from developing public sector jobs because of their preference for the public sector, regardless of the cost in jobs or to women. These are good jobs which mean improvement in the quality of life for Canadians. We are not just talking about jobs for the sake of jobs but jobs which will actually improve the way Canadians live. These jobs have been very important for women who have improved their chances enormously in the last decade through the expansion of this sector, and they are the people who are hit by the *compressions budgétaires* in this sector.

Finally, I would like to point to the youth initiative fund we have proposed. While a tenth of adults are unemployed, a fifth of young people are unemployed in Canada. This is shocking. Young people coming out of school can look to long periods of job search, and often not end up with jobs at all. We have proposed a youth initiative fund, initially at $600 million, for new initiatives in community and social services, energy conservation, environmental protection and arts and culture. This would produce some 40,000 new jobs, an important and constructive proposal.

Let me also, as the arts and culture critic for the NDP caucus, say that we heard from arts and culture groups. This part of the economy has an enormous job potential. It is growing, and even with cutbacks in Government funding over the last decade more people have been going into arts and culture because the audience is there and Canadians want to see expansion in this area. It is a simple fact that for every dollar put into arts and culture expenditure, there is a six-fold return, compared to dollars put into manufacturing, because such a high proportion of this funding comes back in salaries

and is returned to government in taxes and can be ploughed back for further investment. Money spent by government in arts and culture means good jobs for Canadians, which in turn improves the quality of life of Canadians.

● (1800)

In conclusion I would like to point out that the proposals which the NDP caucus has brought forward are very constructive. We have the evidence of other countries with social democratic governments, and of the Government of Manitoba which has instituted constructive proposals and job initiation funds with the result of lower unemployment and economic growth. We know it can be done. We are not talking about abstract theories. We are talking about realities where people and governments put jobs and building communities first. It can be done and we propose the measures to do it.

[*Translation*]

The Acting Speaker (Mr. Charest): The debate being concluded, it is my duty to interrupt the proceedings on the motion before the House under the provisions of Standing Order 62(11).

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

IMMIGRATION—COMMITTEE REPORT—ENTREPRENEURSHIP ADVOCACY. (B) CONSIDERATION OF REPORT

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to participate in the adjournment debate, following up on a question I asked on April 2 of the Minister of Employment and Immigration (Miss MacDonald). The question dealt with the recent report of Conservative Members on the Standing Committee on Labour, Employment and Immigration which suggested that our immigration levels be increased in the coming years largely with immigrants who are entrepreneurs. In very simple, everyday language the recommendation suggested that immigration increases should only involve rich immigrants.

My question on April 2 was whether the Minister agreed with this premise and whether she was prepared to act on it, or whether she was prepared to replace that with a thorough and genuine parliamentary process in close concert with Canadians. At the time the Minister was not in the House. The Acting Minister got up, ranted and raved, but went around the issue quite nicely. I am hopeful that the Parliamentary Secretary to the Minister will provide some sense of leadership and given an answer to the question.

My Party and I are certainly not opposed to having entrepreneurs consider Canada their new home. We encourage and support that. In fact, the entrepreneur stream within the immigration policy was instituted by this Party while it was in Government. However, we feel that rich immigrants should not be the cornerstone of an immigration policy. To embark on this path would be to turn back the clock on what has been the development of a progressive and compassionate policy within the context of a multicultural and multilingual Canada. That policy values the principle of family re-unification and the principle of assisting family streams so that Canadians can have the opportunity of sponsoring relatives and friends from abroad.

I would like to quote the recommendation which is really the essence of the report. It is Item 9 under Economic Considerations. It reads:

> When the economic consideration is paramount in increasing the immigration level, then the fundamental principle should be the active recruitment of people who are either self-supporting, or who can clearly contribute to the growth of the Canadian economy. For example: those who fit current regulations for entrepreneurial immigration . . . bring with them investment capital which they will use to create new jobs and export potential, . . . self-employed immigrants, etc. The current consultation process for 1986 should focus on ways to encourage, in every possible way, increasing the number of people whose immigration to Canada would enhance our economic capacity.

● (1805)

A recent article in *The Toronto Star* quoted the chairman of that Standing Committee who suggested that the ideal immigrant:

> —should come from a developed nation, preferably the U.S. or one of the Western European countries—should have a good business background, equity capital in the neighbourhood of $500,000 and an impulse to create.

I am surprised that the chairman did not go further and propose that specifications on an individual's hair colour, weight and height be added to the list of criteria that he has outlined for this Parliament.

The essence of the matter is that the guts of this report completely overlooks the contributions that thousands upon thousands of poor and average income immigrants have made to this country, and that the Government is trying to suggest that if you do not happen to be rich then you have not or cannot contribute to the economic growth of this country. That premise is completely false. The premise is that thousands of immigrants, poor and average income immigrants, have contributed to this country and have taken jobs. They have become successful businessmen, and that will continue to be the case in future.

The direction is very worrisome but the process by which the directions were formulated are equally as worrisome, Mr. Speaker. There was not one single witness outside of employment and immigration employees to appear before the committee. There was not one ethno-cultural group invited, nor one immigrant aid society, nor one union, nor one professor, nor one economist. Nor was any economic study done on this question.

Adjournment Debate

The Acting Speaker (Mr. Charest): Order. The Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Hudon).

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, even though I have here a prepared answer, I wish nevertheless to elaborate on the assertion that has just been made by my colleague. "The process is worrisome" . . . Well, the House of Commons has decided to set up committees to study specific problems and we have heard some witnesses. It should be said as well that there may have been more witnesses than opposition members during the committee sittings.

We have heard witnesses and we have never come to a conclusion, Mr. Speaker, whereby the policy of family reunification was set aside. This policy remains a priority, as well as the one concerning refugees. Immigration covers many aspects, it is a large area in which many possibilities are explored and we have decided, within that framework, to stress this particular aspect. This does not mean however that other areas are overlooked. Is the Minister going to answer? As you may see when you read the last paragraph of the report, the Minister has a number of days to give her reply. Why does the Hon. Member claim right now that the Minister has not answered since she has a few days to do it? We are trying to put the emphasis on one specific area in order to encourage entrepreneurs who will also create jobs to come to this country. This does not mean that we give up family reunification. It is recognized that they are consumers, as well as the people whom you call "regular or ordinary". It is widely recognized but we are allowed, as a committee, to stress one particular group which we would like to see coming to Canada in larger numbers.

This is the substance of the report and the Hon. Minister will table in the House, within the deadline provided in our Standing Orders, the report or the reply concerning those recommendations. But this report must be considered in its particular outlook. We were studying the case of entrepreneurs as we are now beginning to study that of refugees. When the committee studies and tables a report on refugees, it will not mean that entrepreneurs will be left aside. We must look at all possibilities within an immigration policy which the Minister undertook to review under the revision process and this is what committees are here for. We hear witnesses, we table a report, a reply will be forthcoming from the Department and in the meantime, we will continue to consider all other aspects.

• (1810)

[*English*]

REQUEST FOR MORATORIUM ON TRANSPORTATION OF DANGEROUS SUBSTANCES. (B) DEBATE ON LEGISLATION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like to follow up on a question I asked the Minister of Transport (Mr. Mazankowski) today about a series of spills of PCBs which occurred just a few days ago between Thunder Bay and Kenora, eventually discovered when the truck in question pulled into a gas station in Kenora.

Before following up on my question, I should just like to say that this kind of incident was bound to happen. It was only a matter of time, really, before our collective negligence—and I say collective negligence because I am not trying to point the finger at anyone in particular—with respect to the transportation of dangerous goods caught up with us. This incident is a sign of those practices having caught up with us, as it happens to have occurred before the regulations, which are supposed to be in place as a result of the transportation of dangerous goods Bill, took effect.

One has to ask why it takes so long to get regulations in place. I ask that question not just of this Government but of all Governments. I certainly had the impression when we passed the transportation of dangerous goods legislation in the House a couple of years ago that certain things would come into effect and that people could breathe a little easier about the transportation of dangerous goods. However, that turns out not to be the case. I know there have been some regulations with respect to rail transportation, but the ones having to do with road transportation apparently have not come into effect. One just wonders why there cannot be a more speedy process when it comes to the regulations which follow legislation.

I put my question to the Minister in a very non-partisan and objective way about having a moratorium on any further shipments of these kinds of substances between now and July 1 when the new regulations will come into effect. The Minister responded by going into a tirade about the NDP wanting to see the regulations back when the Bill was passed. Then he brought up the question of the new aeronautics Bill. In all these cases we have not tried to prevent speedy passage of legislation. All we argue is that it would be nice if at the same time we were able to see the regulations. That is the substance of what is going on.

It would be nice if the House of Commons actually had the opportunity sometime to see what are the regulations that follow such legislation. I know the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall) has been of that opinion himself, having spent many years on the transport committee. It would be nice if Members of Parliament did not just have a set of principles in front of them, but actually something about which they could seek opinions with respect to effectiveness. That is all the NDP has ever argued for in that regard. I am sorry the Minister decided to be so defensive about it and did not answer the question whether we would consider a moratorium between now and July 1, although I took it from his answer that he would not consider it.

This brings up the larger question of how we as a society face up to the fact that we have created all this waste. Our way of life, particularly since the second world war, with increasing dependence on synthetic substances, for instance, has created mountains of waste which we now do not know what to do with. Sooner or later we will have to face up to the

fact that in our way of life, or in our way of doing things, whether for profit, convenience, efficiency or whatever, we have in a way sown the wind and reaped the whirlwind. We are reaping the whirlwind now in that we have this manifold list of problems we have to deal with, whether it is toxic wastes in the Great Lakes, the transportation of PCBs, acid rain or whatever. These are just a few examples—perhaps the ones which have been given more attention—of the ways in which our way of life is catching up with us. We have to face difficult questions about whether we continue, even with regulations, to transport these dangerous wastes from one province to another, across the country from Ontario or Quebec to Alberta, or whether we opt for the option of having indigenous waste disposal. That is to say having it happen on a province by province basis so that we do not subject areas in between to the risks that will inevitably remain, in spite of whatever kind of regulations we adopt.

• (1815)

It is clear that we need to reduce our dependence on these substances. This will not help with respect to PCBs. PCBs have already been banned. It is just a question of dealing with the PCBs we already have. There are many other substances which are continually coming into existence as a result of technological and scientific innovation. We will only find out years from now the environmental effects. We need to ask ourselves whether we want to become even more dependent on these kinds of substances, or whether we want to begin to find ways of lessening this dependence. That is the direction we ought to go. Instead of looking for the next technological fix, we ought to be considering ways of using more natural substances, substances which do not pose the dangers that these pose.

Finally, I might say to the Government that it would find there would be a great deal of public support for this. It is one of the tragedies of the cuts that have taken place with respect to the environment. People are willing to support government spending when it comes to environmental protection. They do not want to see cut-backs in that area. There are plenty of things they would like to see cut, but environmental protection is not one of them. If this Government could sense that and go ahead and spend whatever it has to spend and do whatever it has to do face up to the problem of interprovincial transport of dangerous goods—acid rain, toxic wastes in the Great Lakes or wherever it happens to be—it would find there would be no public outcry whatsoever. Instead, there would be a collective sigh of relief that we finally have a Government that is not afraid to spend that kind of money and do what is needed to be done.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I welcome and of course share the concerns expressed by the Hon. Member with respect to this matter. I must advise him that it is simply not within the power of the federal Government alone to accede to the recommendation he puts forward. Such a sweeping prohibition is simply not within the federal Government's capacity alone to effect.

Transportation of dangerous goods is a complex subject involving the interests of federal, provincial and municipal authorities. It involves a variety of authorities at all levels. It involves the necessity of the federal, provincial and municipal Governments acting in concert. To act in concert there must be a rationalized, harmonious compilation of all of the existing regulations that are dedicated to the very fair proposition the Member has put forward. It is fair in the sense of the concern that all Canadians have. It is a concern that the residents of the Kenora River area have had in the last day or two and will have until the formal investigation is completed, the results are known and the follow-up work and acitivities can take place. The regulations we are dealing with pick up the responsibility that we must face to industry and to society in general.

I have to use the term impassioned plea, but I understand from whence it came. On the other hand, were we to ban all such movements, what about gasoline trucks and chlorine for our water systems? Would the Hon. Member have us put a moratorium on all of those until such time as the regulations come into effect on July 1? Is that what he is suggesting? His question tended to imply that. We move some 200 million tonnes of chemicals annually in this country. We cannot simply interrupt that because of the impact it would have on society in general.

The Government has indicated that it is taking measured responses to this accident. An investigation is being conducted jointly by Transport Canada and appropriate provincial Government staff into the circumstances of the leakage, and this can be done now that the emergency response actions are concluded or nearly concluded.

• (1820)

On the basis of that investigation, appropriate, specific and deliberate considered actions will be taken to reduce the probability of such an accident in the future. I trust the Hon. Member will accept this as a partial response, and accept as well the Minister's concern and, I am sure the concern of all those involved.

CANADIAN WHEAT BOARD—PRICE OF WINTER WHEAT

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I would like to address my comments on the Adjournment Debate tonight to the Canadian Wheat Board. My comments follow a question I asked earlier regarding winter wheat production, particularly the pricing pool in which winter wheat presently operates along with spring wheat.

By way of background, in my home Province of Saskatchewan winter wheat has enjoyed a particular popularity of late. As recently as 1983 there were 150,000 acres seeded to winter wheat. The next year, 1984, that figure had more than doubled to 350,000 acres seeded to winter wheat. By the time the 1985 winter wheat harvest is off, within the next two months, it

should have exceeded about one million acres for this crop year.

Many farmers who in the past five or 10 years have begun growing winter wheat have the concern that, due to the unique nature of their wheat and its growing popularity, it should be put in its own separate pricing pool within the Canadian Wheat Board pricing system. They request this on the basis of their belief that in presently sharing the system with spring wheat they are subsidizing the price of spring wheat due to the export position of winter wheat. One young farmer has written to me indicating that he feels as a winter wheat producer that he is subsidizing spring wheat producers to the extent of $1 per bushel. I know that the Canadian Wheat Board has stated on many occasions that, with the varieties of grain it is marketing and selling abroad, it does not like to have in one pricing pool the cross-subsidization of one kind of grain with another.

Winter wheat is being sold and has been sold in the past few years primarily to the eastern area of our world, including China and India. The relatively good proximity of western Canada to the Port of Vancouver and the ease with which we can move winter wheat to the eastern countries that have expressed an interest in it further backs up the concern of farmers that by selling their product in the same pricing pool as spring wheat they may not in fact be getting the best independent price for their product.

To look further at the effect winter wheat has had on the growing patterns of Saskatchewan farmers, we should consider the increase of late in bushels of winter wheat grown. In 1984, in the Province of Saskatchewan alone, farmers produced nine million bushels of winter wheat. With many more farmers entertaining the thought of beginning to grow winter wheat, and with the farmers who are now doing so, it is my thought as their Member of Parliament that the Canadian Wheat Board ought first of all to address the question of whether or not winter wheat should be put in its own pricing pool and, second, do this with an eye to the present market and the present timing.

Winter wheat by its very nature is seeded in the fall and harvested in the spring. The winter wheat harvest will be occurring in Saskatchewan within the next couple of months, and producers who have this concern are interested in seeing if the Canadian Wheat Board will give some consideration to this matter, if it will consider the implementation of any program, keeping in mind that the harvest will soon be off and the producers will then be looking to sell their product through the Canadian Wheat Board. It is a good time to ask the Canadian Wheat Board to consider this matter expeditiously. If action is to be taken, it should be done soon.

● (1825)

I would like to conclude my remarks in further support of the many farmers in my constituency who have been growing winter wheat over the past winter. They have only started in the past two or three years to begin actively growing winter wheat. Generally, winter cereals have been one reason for example, within the European Economic Community, why the British farmer has had an incredible turnaround during the past ten years. Britain was a very heavy importer of Canadian grain. It is now a world exporter of grain. Through winter cereals, such as winter wheat, the British farmers found that they can have a good yield wheat if winter conditions are favourable for growing. I would ask the Canadian Wheat Board to give this matter further consideration.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) has raised a very interesting question. Indeed it is true that the acreage planted with winter wheat in Alberta and Saskatchewan has increased substantially in recent years. In 1981, 300,00 acres were planted and we already have 1,750,000 acres in 1985, which is quite considerable. Even in Alberta, as well as in Saskatchewan, the acreage planted has increased quite substantially.

The problem may not lie strictly at this level as it is only for the past eleven years that red winter wheat exports have never exceeded the high of 269,000 which had been reached in 1981-82. The following year, exports fell to 129,000 tons, but they again increased to 258,000 tons in 1983-84.

In fact, last year, these exports accounted for only 1.4 per cent of total Canadian wheat exports. In 1983-84, all red winter wheat exports were shipped to two markets, India and China. The previous year, all our exports went to China, while, in the years before that, they went to a greater number of markets. However, in the six or seven years previous, 60 per cent of the winter wheat had always been exported through CIDA, which purchased the wheat and shipped it to the various countries receiving Canadian food assistance.

Mr. Speaker—

[*English*]

This export profile will be cause for concern in considering a separate pool for red winter wheat. The dependence on a few markets for exports of red winter wheat could present a risk that a separate pool may be more exposed to the requirements of a few countries. Especially important to bear in mind would be the risk that with the larger production of red winter wheat which can be expected in 1985, finding markets for these larger quantities may be more difficult than finding markets for the smaller quantities of past years, particularly as they would be marketed mainly in competition with U.S. red winter, which is their major class of wheat. In view of such uncertainties, the producers of winter wheat may welcome the benefits of pooling all wheat other than Durum in a single pool until such time as the experience with larger quantities of winter wheat is adequate to judge whether it would be advantageous to have a separate pool.

[*Translation*]

I can assure my hon. colleague that the Minister of State responsible for the Canadian Wheat Board (Mr. Mayer) is well aware of this situation and, as he has already stated in this House, he is getting ready to refer the matter to the Wheat Board. As soon as consultations are completed, the forecasts will be made known.

Adjournment Debate

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

The House adjourned at 6.29 p.m.

HOUSE OF COMMONS

Wednesday, April 17, 1985

The House met at 2 p.m.

• (1405)

[*English*]

THE CHARTER OF RIGHTS

EQUALITY PROVISIONS IN EFFECT

Mr. Speaker: Pursuant to the Order made Tuesday, April 16, 1985, the House will now proceed to hear statements with regard to the Charter of Rights equality provisions.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I rise today on behalf of the Government of Canada to celebrate the coming into effect of the equality rights provisions of the Canadian Charter of Rights and Freedoms. As of today the Constitution of Canada guarantees that every individual in Canada is equal before and under the law, and has the right to equal protection and equal benefit of the law without discrimination based on race, national or ethnic origin, colour, religion, sex, age, or mental or physical disability.

This is an important milestone in the evolution of Canada and Canadian values. It is furthermore the constitutional extension of the 1960 Bill of Rights championed by the Right Hon. John George Diefenbaker and which formed an important part of the Progressive Conservative record of concern for and commitment to human rights and fundamental freedoms.

[*Translation*]

Hon. Members will no doubt recall that during the historic debate in Parliament on the Canadian Charter of Rights and Freedoms, our Party made every effort to have Canadians from all walks of life participate in the proceedings of the Special Joint Committee on the Constitution.

Equality rights, which from now on are enshrined in our Constitution, enjoy the support of Canadians in every part of this country and the support of all the parties represented in this House.

The coming into effect of the provisions of Section 15 of the Canadian Charter of Rights and Freedoms is for Canada an important step towards the full recognition and broad application of equality rights. That does not mean that our work is done. Today, we are being asked to start a new phase.

[*English*]

The attainment of equality is an evolving process. It is not always easy to make adjustments to the complex inheritance of the past in order to accommodate changing values. It is for this reason that the coming into effect of Section 15 was delayed for three years, so that Parliament and the Legislative Assemblies of the Provinces and Territories could bring about conformity between current laws and policies and the requirements of the equality provisions of the Charter.

This required that the Minister of Justice (Mr. Crosbie) review over 1,100 federal statutes, an unprecedented task. As a result of this review, the Minister introduced the first Charter Compliance Bill in the House of Commons on January 31 of this year. Published at the same time was a discussion paper on equality issues in federal laws. A special subcommittee of this House has been established to examine this paper and to consult with Canadians. The work of this Committee will be vital in ensuring the conformity of our laws with the equality provisions of the Charter. One such further change is now before the House. The Minister of Indian Affairs and Northern Development (Mr. Crombie) has introduced Bill C-31 to remove sexual discrimination from the Indian Act.

[*Translation*]

However, I must point out that it is not enough to review certain rights and to eliminate certain legal obstacles to equality. We must also, where necessary, adopt a new attitude and modify our policies, programs and practices.

In certain areas, it will be necessary to take measures for affirmative action or social development, in order to correct the inequities resulting from various forms of discrimination practised in the past.

[*English*]

In this respect, Mr. Speaker, I want to reiterate solemnly the commitment of the Government to pursue meaningful equality. Since we took office we have acted as vigorously and as expeditiously as possible to honour this commitment. That is why the Government adopted a dynamic approach to self-government for aboriginal peoples. That is why, in our response to the Abella Report, we accepted the concept of employment equity. That is why we are moving to implement the *Obstacles* report respecting the disabled, and that is why government commitments arising from the *Equality Now!* report on visible minorities are being fulfilled.

Hon. Members will no doubt recall the following words from the November 5 Speech from the Throne:

> As the women of Canada know, there is some distance between the principle of equality, widely accepted, and its reality, still far short of achievement.

We are acting as quickly as possible to close this gap. Since this Government took office the number of women in Cabinet has risen to the highest level ever, and the percentage of Order in Council appointments held by women has risen from 15 to 22 per cent—a substantial increase in a brief period of time, but one that will be improved upon continually.

[*Translation*]

Parliament and the Government of Canada will have a duty to help Canadians progress towards full compliance with equality rights, both in our legislation and in practice. It was in that perspective that the Minister of Justice (Mr. Crosbie) recently announced the very substantial grants to be made to the National Action Committee on the Status of Women and the Coalition of Provincial Organizations for the Disabled.

● (1410)

[*English*]

I said earlier that the event we celebrate today is not the end of a process but an important watershed, an opportunity for a new beginning. In the area of human rights, Canada has a record of which it can be proud, and the capacity to do even better and thus serve as a model society for others to emulate.

Creating an open, free, and egalitarian society, however, requires more than constitutional provisions, sound laws, and effective government programs. It requires a deep and abiding sense of fairness on the part of all Canadians. It is within our reach as a people to ensure that all our acts are guided by generosity and tolerance, fraternity and understanding.

Some Hon. Members: Hear, hear!

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, today is a great day for all Canadians as a result of the coming into force of the equality rights Section of the Charter. As a Liberal, I am proud that my Party fought long and hard not only to patriate the Constitution but also to include in the Constitution a Charter of Rights and Freedoms which is of fundamental importance to all Canadians.

The history of mankind has been the struggle of civilized people against the forces od darkness and evil to defend the rights, liberties, and dignities of their fellow human beings. In a global sense we are all part of a minority, and thus subject to the tyranny of the majority. If we are not protected by the rule of the law which is embedded in the rock of our Constitution, what is left?

Today equality becomes not merely protected by law; it becomes the very foundation stone upon which all laws must either stand or fall. But we cannot rely only on laws and courts to end discrimination in Canada.

[*Translation*]

Mr. Speaker, we have come a very long way since 1867. Perhaps all the values we have acquired in this country over the past 118 years may be summed up today as we formally acknowledge that all citizens are equal before the law in Canada, that there are no longer any second-class citizens in our society, and that our land no longer harbours people who cannot clearly express their religious, cultural and linguistic differences, while at the same time standing as proud citizens of the country which is perhaps the freest in the world.

The progress we have made in this House in recent years as a result of the new Constitution ranks us among the world's leading countries, but even though we do have today a constitutional statute under which all citizens enjoy rights, it is imperative that Canadians too adopt a new attitude. Generosity, tolerance, understanding and frankness must become national virtues. We must be able to show respect for every region of this country, for every individual in our society, because when we travel we find out that Canada is known the world over as a country which has shown that building a great nation in such a diversified world is not an impossible endeavour. Canada stands for two official languages and comprises a myriad of religious groups. It is also home to different cultural communities, yet more and more we realize that no matter where one may be, from British Columbia to Newfoundland, one can rest assured that one's francophone fellow Canadians are respected, that if one is a Quebecer, one knows that women, the handicapped and the elderly are treated with equality in our society.

Mr. Speaker, I would suggest that all Hon. Members of the House are justified in rejoicing today. Of course, this achievement did not come about without difficulty.

● (1415)

[*English*]

We have had a lot of fights over these things. A lot of speeches were made; there was a lot of emotion, and a lot of delays. But today, whoever is in this House who was here some years ago, will realize that out of the struggle of the mind and the spirit of this House came the equality rights which guarantee that all Canadians are equal. For that, Canada is a better country. I hope that all Canadians will apply the virtue of the equality clause in their daily lives. It is for all Canadians an achievement of greatness. Canada is the land of opportunity, the land of equality, and the land of tolerance *par excellence*.

Some Hon. Members: Hear, hear!

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, there can be few days more significant in the history of a nation than today, the day upon which Section 15, the equality rights Section of the Charter of Rights and Freedoms, comes into effect.

The NDP, and the CCF before it, have always solidly supported the concept of an effectively entrenched Charter of Rights without the possibility of override. Indeed, it was a distinguished lawyer and former judge, Thomas Berger, who perhaps put it best in his book *Fragile Freedoms*, when he wrote:

> Judges may not always be wiser than politicians, but they should be able to stand more firmly against angry winds blowing in the streets.

Therefore, today should be a day for rejoicing and celebrating, particularly by those groups which have been most affected by decades of inequality, be they women's groups or minorities.

The passage of the Constitution three years ago gave rise to tremendous hopes and expectations by millions of Canadians that Governments, both federal and provincial, would take

seriously their obligations to amend legislation to bring it into compliance with the provisions of the Charter.

[*Translation*]

I am sure that we all deeply regret the fact that the Province of Quebec was not signatory to the constitutional agreement. That is why Quebec chose to avail itself of the notwithstanding clause in Section 33 of the Charter, with the result that Quebecers are being denied important rights under the Charter, including equality rights under Section 15. We all hope that, before too long, a new formula will be found to enable six million Quebecers to become full-fledged participants under the terms of the Constitution of Canada.

[*English*]

What should have been a day of rejoicing and celebrating is instead, unfortunately, also tinged with a sense of anger and betrayal—betrayal of the hopes and dreams of women and minorities for real legislative change, and anger that Governments have not yet made a reality of the promise of full equality. Three years have passed, many studies have been done, and there is still no legislation of substance to implement real equality.

How can we possibly explain to two million disabled Canadians that the only change in laws affecting them was a change in the wording in the Canada Shipping Act, which changed the word "lunacy" to the words "mental disability"? How do we defend before Canadian women, who fought with incredible energy and strength for real and meaningful equality and who continue to be the victims of discrimination at home and at work, the failure of Governments to make long overdue changes in areas such as pension legislation and unemployment insurance provisions? Can we really say there exists full equality in Canada when five women lost their jobs in the Canadian Armed Forces solely on the basis of sexual orientation? The inaction of Governments means that women and minorities will be forced into the courts to define and defend their rights.

Despite the promises by the Prime Minister (Mr. Mulroney) during the election campaign to provide financial assistance for important litigation under the equality rights Section of the Charter of Rights, no funding announcement has been made so far. Declarations of rights, without adequate enforcement mechanisms, make a mockery of the concept of full equality. As Frank Scott said so eloquently:

> The trappings of democracy hang loosely on an emaciated body politic.

As the role of the judiciary is significantly enhanced and strengthened, the time has come to make fundamental changes to the way in which judges are appointed, to ensure an independent and outstanding bench, with far more women and minorities represented—judges who display sensitivity to the complex and often novel rights issues which are raised in the context of the Charter of Rights.

Let us take this opportunity, on the date of the coming into force of the equality rights Section, to rededicate ourselves as parliamentarians and Canadians to the creation of full equality for all in Canada, using strong affirmative action where necessary. Let us not wait for the courts to speak but rather let us move forward now to make that promise of equality, received with such hope and such optimism in 1982, a reality in 1985.

* * *

• (1420)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ELLEN FAIRCLOUGH, RENAUDE LAPOINTE, AND GRACE MACINNIS

Mr. Speaker: Out of respect for the day, and respect for their contributions to this day, may I signal the presence in our gallery of three distinguised Canadian parliamentarians; the Hon. Ellen Fairclough, the Hon. Senator Renaude Lapointe, and Mrs. Grace MacInnis.

Some Hon. Members: Hear, hear!

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—UNITED KINGDOM PUBLIC OPINION POLL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I have just learned that an opinion poll was published in Britain this morning on the attitude of the British public toward acid rain. The poll found that 55 per cent of the British people are prepared to pay the additional hydro costs which would be incurred by the United Kingdom if they were to join the 30 per cent club initiated by Canada in March, 1984, when ten like-minded nations committed themselves to a 30 per cent reduction of SO_2 emissions by 1983.

There are now 20 nations, including Canada, which have joined the 30 per cent club, but seven European countries, namely, the United Kingdom, Ireland, Spain, Portugal, Greece, Yugoslavia, and Turkey, have still to join. The United Kingdom is responsible for the creation of European acid rain in the amount of 4 million tonnes of sulphur dioxide annually, or one-fifth of western Europe's total. This opinion poll demonstrates significant public awareness of the problems concerning acid rain.

I am sure that Hon. Members of this House, and Canadians at large, welcome the news that the British public supports the need for action on acid rain. In addition, we hope that this poll will motivate the British Government to join the 30 per cent club and become a signatory of the Helsinki Agreement in July of this year. This, for us in Canada, would be a desirable development because we will then be looking south to the United States Government to follow suit—

S.O. 21

Mr. Speaker: I regret to inform the Hon. Member that his time has expired.

* * *

THE PRIME MINISTER

Mr. Sergio Marchi (York West): Mr. Speaker, in this morning's *The Globe and Mail*, the Prime Minister's Office boasted about the fact that the Prime Minister (Mr. Mulroney) has kept an earlier promise to pay for his family's food bills. We are informed that he wrote a cheque for $4,000 covering the period from September 17, 1984, to March 31, 1985. Canadians should take a close look at these figures because, if they do, they will be surprised at what they discover. If you cover the 170-day period and multiply it by three meals a day for the five-person Mulroney family, you will generate a total of 2,550 meals over this period—

Some Hon. Members: Oh, oh!

Mr. Malone: Tell us what Trudeau did.

Mr. Marchi: Accordingly, when one divides the $4,000 by the amount of meals consumed, the average cost of the Mulroney meal, per person, is $1.50. The Prime Minister is certainly the winner of today's "The Price is Right" game. A coffee and a bologna sandwich cost more. This even beats the parliamentary cafeteria prices which the Prime Minister complained about only months ago. I ask you, Mr. Speaker, what average Canadian family pays as little as $1.50 per meal? The attempt of the Prime Minister to be perceived as paying his way is a complete sham, and it underestimates people's intelligence. He should fully honour his earlier commitment and not play his familiar deception game.

Some Hon. Members: Shame!

Mr. Marchi: The Prime Minister's latest food for thought to Canadians is insulting. His menu is completely unappetizing and distasteful—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

THE CHARTER OF RIGHTS

WOMEN'S STRUGGLE FOR EQUALITY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the women of Canada join all Canadians in celebrating the enactment of the equality Section of the Charter of Rights. I salute the many talented and determined women who came together in 1982 in the ad hoc committee to educate, lobby, formulate, and demand inclusion of Sections 15 and 28 in our Charter of Rights. Their efforts, supported by women parliamentarians, overcame many obstacles to achieve the beginnings of equality. But this is only a beginning. Unfortunately, Governments have not amended legislation to conform to Charter requirements. As a result, women, native people, the disabled, and other minority groups will be forced to fight for their rights through skilful lobbying, negotiations and litigation.

• (1425)

I urge the Government, on this momentous day, to prove its commitment to Section 15 by contributing to an independent, non-political endowment being established for legal action. We will truly celebrate equality when women have equal opportunities for full employment, equal pay for work of equal value, paid parental leave, universal day care, reproductive choice, and an end to violence and poverty in all our communities.

* * *

[*Translation*]

THE CHARTER OF RIGHTS AND FREEDOMS

IMPLEMENTATION OF SECTION 15

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, it is an honour and a privilege to rise in the House on the very day that Section 15 of the Canadian Charter of Rights and Freedoms becomes effective.

Section 15 contains only two sentences, but those two sentences enshrine equality rights for all Canadians in the Canadian Constitution. Furthermore, Section 15 affirms the legal right of Canadian women to full equality with their male counterparts in all areas of our society.

Mr. Speaker, I think the fact that this section becomes effective this year is particularly significant, since 1985 marks the end of the United Nations decade for women, and Canada has taken an active part in all the activities organized around this decade.

We can be proud of what we have accomplished during the past ten years in promoting the rights of Canadian women and improving the status of women throughout the world.

Furthermore, on November 5, the Federal Government made a firm commitment in the Speech from the Throne to close the gap that exists between the principle of equality and its application. Legislation has already been tabled in the House to respond to women's needs, and today, Mr. Speaker, the Charter has launched a major challenge to Canadian men and women. With the help of the Federal Government . . .

Mr. Speaker: Order, please. I am sorry to inform the Hon. Member that her time has expired.

[*English*]

CHARTER OF RIGHTS

TRIBUTE TO WOMEN'S INTEREST IN CONSTITUTIONAL REFORM

Mrs. Mary Collins (Capilano): Mr. Speaker, today is the third anniversary of the coming into effect of our Charter of Rights and Freedoms, but it will be today, April 17, 1985, that will be recorded in history as the day the Charter truly came into effect, for what is a Charter of Rights and Freedoms without guarantees of equality?

Today I want to pay special tribute to Canadian women who took a special interest in constitutional reform. They took the issue of equality rights and made it their personal cause. Because of their investment of time, energy, and hope, it is paying off for all of us today. Later today many of those women will join together in Room 200 of the West Block, a room of historic significance, where the Constitutional Committee held its hearings and where the ad hoc women's meetings were held in February, 1981.

Tonight we shall remember the dedication of the women of the past, women such as Nellie McClung and Agnes McPhail, who pioneered equality for women in Canada. We shall honour the women of today who played such an important role in ensuring the inclusion of equality provisions for women in the Charter, who shall continue that determined struggle in their presentations to our parliamentary committee on equality rights, and before the courts with the help of the legal education and action fund.

Finally, tonight we shall pause for a moment in anticipation of the success of the women of the future, your daughters and mine, who can grow and prosper in a country and society which respect differences but demand equality—

Mr. Speaker: The Hon. Member's time has expired.

* * *

VISIBLE MINORITIES

ANGUS MacINNIS'S DEFENCE OF JAPANESE CANADIANS IN 1941

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to draw the attention of the Prime Minister (Mr. Mulroney), the Leader of the Opposition (Mr. Turner), and other Members who saw the exchange yesterday in this House on the subject of Canadians of Japanese origin, to these words spoken in this House on February 25, 1941, by Angus MacInnis, the Member for Vancouver-Kingsway, and I quote:

● (1430)

If we are to have harmonious and friendly relations between the oriental population and the rest of our British Columbia citizens, we must stop discriminating against and abusing the orientals. We must find some common ground on which we can work, and I think it can be found . . . I am satisfied that if we treat the Japanese and our other oriental citizens right, we shall get their loyalty, because they are no longer orientals in the accepted sense of that term. They would feel as much out of place in Japan as we would. I know them, speak to them; I visit them and have them in my home, and I have not the slightest doubt that what I say is correct. If we are to avoid the troubles that other countries have had with racial minorities, then we must take a realistic view of the situation in British Columbia and attempt to make these people feel at home among us. We will secure their loyalty by fairness and kindness and by the practice of those other attributes which we exercise in our relations with other people.

Let us evoke that spirit and have genuine negotiations for an apology and appropriate compensation to Canadians of Japanese origin.

* * *

[*Translation*]

THE CHARTER OF RIGHTS AND FREEDOMS

SECTION 15

Mr. Roger Clinch (Gloucester): Mr. Speaker, as a member of the Sub-committee on Rights and Freedoms, I welcome this opportunity today to comment on Section 15 of the Canadian Charter of Rights and Freedoms. The work performed by the Sub-committee will give the people of Canada a chance to shape and influence the practical applications of these fundamental rights and freedoms. These will include equality before the law, equality under the law, and equal protection and benefit of the law.

[*English*]

Today we celebrate the entrenchment of equality rights in the Charter. The implementation of this clause signals a commitment by Governments to move at full speed toward the goal of full equality for all Canadians. This is a date with equality. All individuals are now guaranteed equality, not as a right to be acquired but as a state that exists, not just in the laws themselves, but also in their administration. From this day on all Canadians can be assured that the Government's commitment to equality is more than an enunciation of principle. It has become the instrument to address actively injustices that have prevailed far too long.

* * *

[*Translation*]

THE CHARTER OF RIGHTS AND FREEDOMS

IMPLEMENTATION OF SECTION 15

Mrs. Lucie Pépin (Outremont): Mr. Speaker, today is a great day for women, as a number of my female colleagues have already said. Section 15 of the Canadian Charter of Rights and Freedoms is now in effect.

Perhaps I may remind the House that the initiative was taken under a Liberal Government. On April 17, 1982—

Some Hon. Members: Hear, hear!

Mrs. Pépin: —the Charter of Rights and Freedoms was officially proclaimed. However, Section 15 did not come into effect until three years later, since a large number of laws had to be amended to comply with this section.

S.O. 21

The search for equality for women, native peoples, visible minorities and the disabled is a long and complicated process. It is not enough to have this one section of the Charter come into effect. We must also make it possible for groups that so desire to use the tools or laws by which they are governed and which the Government makes available to them.

Mr. Speaker, Canadian men and women have been anxiously awaiting these tools. They include research funds to help people pay the cost of litigation before the courts, for instance. That is why I would urge this Government to reflect on various ways to help Canadian men and women achieve true equality.

* * *

HUMAN RIGHTS

IMPORTANCE OF RESPECT FOR RIGHT TO BE DIFFERENT

Mr. Maurice Tremblay (Lotbinière): As equality rights committee co-chairman, Mr. Speaker, I would be remiss indeed were I to remain silent on this day, April 17, 1985, a milestone in the evolution of all Canadian men and women. Unfortunately, this kind of evolution does have ups and downs, so our Government took the initiative of establishing this equality rights committee.

May all Canadians, men and women alike, make the best of this consultation process to pursue the debate which began a long time ago and which must go on until our institutions, our policies, our commitments, our actions and our attitudes fully reflect not so much the right to equality as respect for the right to be different.

Mr. Speaker, on this day when Canadian Charter of Rights and Freedoms Section 15 comes into effect, let us hope that our conception of human rights will encourage Canadian men and women to fulfil their aspirations.

* * *

[*English*]

PRAIRIE FARM REHABILITATION ADMINISTRATION

FIFTIETH ANNIVERSARY

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, today is the fiftieth anniversary of the Prairie Farm Rehabilitation Administration. It was on April 17, 1935, that Royal Assent was given to the Act setting up the agency that did so much to rescue the Prairies from a crisis of drought and soil erosion. This agency, a vital part of the federal Agriculture Department, is still hard at work at soil and water conservation on the Prairies. A great deal has been done, but much remains to be done.

Our Minister of Agriculture (Mr. Wise) recognizes soil erosion as a most serious problem facing Canadian agriculture today, second only to farm financing. The future demands a great deal more public awareness of the need to conserve our soils, not only on the Prairies but throughout Canada. Farmers lose significantly when the quality of their soil deteriorates. When soil is blowing or washing away, money is always lost.

A public education program could help the PFRA, other public and private organizations and, most important, the farmers of Canada, to build on the past and increase their efforts to preserve and protect our threatened soils.

I know that our Minister of Agriculture is interested in taking steps toward setting up a national public education program to address this critical issue. I know he will need the co-operation and support of his provincial—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

ORAL QUESTION PERIOD

[*English*]

THE CHARTER OF RIGHTS

RADIO STATEMENT ATTRIBUTED TO MINISTER OF JUSTICE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask a question of the Prime Minister. As I said earlier, today is a great day for all Canadians with the coming into effect of the equality clause in the Constitution. I presume that the Prime Minister agrees with the generous statement made by the Minister of Employment and Immigration about Section 15 and what it means for Canada. I only hope that the Minister of Justice, whose job it is to uphold our Constitution, will agree.

Does the Prime Minister agree with the very sad and very wrong comment of the Minister of Justice in a CBC radio interview this morning, in which the Minister said: "It is too bad that the Constitution allows courts to determine what constitutes discrimination"? Will the Prime Minister tell his Minister of Justice that the Constitution is supposed to protect minorities from the abuse of the majority, if necessary, through the courts? Will the Prime Minister tell his Minister of Justice that we would have a lot less court cases if the Government would start making changes in our laws now so that Canadians will not have to go to court to fight for their rights?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I do not know what is wrong with the hon. gentleman. He is certainly quoting me out of context. It would be a lot better for the political system of the country if Hon. Members opposite could stop twisting and turning the truth in the wind every time they get up to speak.

[*Translation*]

DECLARATION BY MINISTER OF JUSTICE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have here the text of the statement made on radio this morning by the Hon. Member in which he made very derogatory comments on activists among groups of women and disabled persons, and among visible minorities. In fact, the Hon. Minister of Justice said that Section 15 of the Constitution was a program aimed at creating jobs for lawyers only.

Is it not true that if he were doing his job right now, if Parliament were to amend forthwith all relevant statutes, fewer lawyers would have to defend minority groups?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already had an opportunity to congratulate the Hon. Member for Saint-Maurice on his outstanding contribution earlier today. As a long standing Member of Parliament, he should know that the Minister of Justice is always in an open and democratic frame of mind. He should know to what extent the Minister of Justice stands as a champion of the interests of our minorities. He has always behaved with dignity, as a strong supporter of the Charter and its implementation. He has indicated to what extent—

[*English*]

Some Hon. Members: Oh, oh!

• (1440)

Mr. Mulroney: I see that the Liberal backbenchers, when we are worrying about equality, are worrying about my food bills. I know that it shocks a Liberal to find a Prime Minister who is paying for his own food.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In paying deserved tribute to a former Minister of Justice who did a tremendous amount to bring about the constitutional arrangement—for which I salute him—I know that he would do no less to a distinguished colleague, the present Minister of Justice, who is equally committed to the advancement of the cause of equality and the attainment of fairness for all Canadians. I think that is widely recognized, and indeed by the Hon. Member himself.

REQUEST FOR WITHDRAWAL OF STATEMENT

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I agree with the Prime Minister. I only hope that he will tell the Minister of Justice that if he was making a joke it was not the time to make jokes about the rights of minorities, and that he should withdraw his statement and carry on with his responsibilities.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I will act more in sorrow than in anger and will accept the hon. gentleman's apology for this nonsense later, when he comes to his senses.

THE ECONOMY

FORTHCOMING BUDGET—EFFECT ON INFLATION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in the absence of the Minister of Finance I will direct my question to the Acting Minister of Finance. Yesterday the Minister of Finance said that as a result of the Government's upcoming Budget, Canadians should expect the inflation rate to go up. In doing so, the Minister is fuelling inflationary expectations. By musing out loud, the Minister is personally making inflation worse at the time when the Government may decide to de-index certain social programs. Why does the Government want to introduce policies that will fuel inflation and damage the buying power of low and middle-income Canadians?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Hon. Member is obviously making inferences from the statement. Let me underline the fact that in the last three months the inflation rate has been 3.7 per cent. It is a record with which we are pleased and quite happy to have achieved.

I would only reassure the Hon. Member that the policies that will be introduced by this Government will be directed toward maintaining a level of inflation that is low and acceptable to all Canadians.

Mr. Garneau: I am amazed that the Acting Minister of Finance is talking about anti-inflation measures. The fact is that it is the six and five measure that really brought inflation down.

Some Hon. Members: Hear, hear!

PRICE OF GASOLINE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Minister of Finance declared yesterday that inflation will go up as a result of the Budget. It is common knowledge that energy prices are a very important element in the consumer price index. After having given away $2.4 billion to the oil multinationals, is the Government prepared to increase gas taxes at the pump so that the real reason for inflation rising will depend on the taxes imposed by the Government?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, in the preamble to his question, my colleague suggests a significant lag before the effects of government policies are felt. I can say to the House that the inflation performance during the last month could hardly be ascribed to policies going back several years.

With respect to policies which could be introduced, we certainly want to stimulate the economy and create jobs. In a system such as ours, some pressures will necessarily be felt. However, I think that the government intends, as stated by the Minister of Finance, to establish policies aimed at keeping the

inflation rate at an acceptable level for Canadians and carry on the outstanding performance experienced during these past months.

* * *

[*English*]

THE CHARTER OF RIGHTS

LITIGATION BY THE DISABLED AND THE HANDICAPPED

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Prime Minister. There is wide recognition that many claims under the Charter will be required by necessity to go before the courts for a resolution, to be brought by many women's groups, organizations of the disabled, and many visible minority groups. Do the Prime Minister and the Government continue to stand by their commitment which they made to the Coalition of Provincial Organizations of the Handicapped on August 14 last, to establish a rights and freedom defence fund, when he wrote to that organization and said: "A Progressive Conservative Government will financially assist all Charter of Rights cases deemed to be of national importance"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there has been no change in the Government's position. The question of court challenges and funding appears to presume a failure of the legislatures of Canada to bring existing laws in line with the Charter.

We are committed as a Government, and as a political Party we are no less committed than the NDP. I suppose that if there were a special area of responsibility—all areas are deserving—it would be with regard to the handicapped. I can assure you that we will not flag in our determination to ensure justice and fairness for those who deserve it under the Charter.

FUNDING OF LITIGATION

Mr. Neil Young (Beaches): Mr. Speaker, specifically, could the Prime Minister assure the House that any claims brought before the courts by disability organizations, women's groups, or visible minorities, that those cases will receive the financial support of the Government, because there is absolutely no question that they will be very expensive?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I ask the Hon. Member to reflect for a moment on the possible significance of that question. As I understood it, the Hon. Member is not asking me to ensure that worthy and deserving causes of those who perhaps, lack the necessary resources, are placed in a position where they can bring worthy litigation forward. The Hon. Member appears to be asking whether the Government of Canada will not fund, willy-nilly, holus-bolus, every conceivable challenge that will be brought under the statutes.

Mr. Deans: He is not asking that.

Mr. Mulroney: Now the leader of the Ian Deans club says he is not asking that.

Mr. Deans: No, he is not. You know what he is asking. You can't obfuscate.

Mr. Mulroney: I will go back and look at the question as asked. If I am wrong, I will apologize to my hon. friend.

The question, as I understood it, seemed to imply an absolutely impossible situation of impending litigation. Our situation is that in those areas where the Government of Canada can and should act to be helpful in ensuring that litigants are capable of exercising their rights before the law, and they are in any way precluded from doing so, we shall act.

I cannot give a guarantee that we will finance every case that arises in every conceivable manner against every conceivable cause, under the Charter.

CENTRAL FUND INQUIRY

Mr. Neil Young (Beaches): Mr. Speaker, since that was not the question I asked, will the Prime Minister advise the House whether the Government of Canada intends to establish a fund that will be of assistance to groups who cannot afford to go through the courts on their own, so that they can effectively fight for their rights before the courts? I am talking about a fund, not specific cases, but a central fund that groups can draw upon?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I believe that it was one of the amendments put forward by the Progressive Conservative Party that ensured the creation of such funds to ensure that certain groups would be able to bring forward their rights. I salute my colleagues and those other Members of the House who supported that amendment at the time. I think it was extremely worth while, and we shall honour it.

WOMEN'S REMUNERATION—ROLE OF PROVINCES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister. Ninety per cent of workers are covered under provincial, not federal law. At the current rate of salary catch-up, Canadian women can expect equal pay with Canadian men in 97 years. Has the Prime Minister received assurances from the provinces that all Canadian women will be protected by the introduction of equal pay for work of equal value laws in every province?

• (1450)

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, I have not received such assurances. I committed the Party and the Government to placing that question, and others involving dignity and equal opportunity for women, at the head of the list in terms of the premiers' conference in Regina, and I did precisely that. It remains a key item of all federal-provincial negotiations. This Party is deeply committed to that

spirit of fairness and justice. I know the Hon. Member will be supportive of me and the Government as we proceed in this vital area of fairness to women.

REQUEST FOR FIRST MINISTERS' CONFERENCE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in light of the importance of this issue, will the Prime Minister immediately call a First Ministers' conference on employment equity, or is he prepared to leave the question to people like the Premier of Ontario who is so out of touch with Canadian women—

Some Hon. Members: Oh, oh!

Ms. Copps: —that when he was Treasurer he introduced a tax on tampons as a non-essential item?

Right Hon. Brian Mulroney (Prime Minister): May I say with respect, Mr. Speaker, that I am somewhat dismayed that on a day of such importance to women the object of the exercise would be clearly to score some cheap political points on behalf of the Liberal Party of Ontario. The Hon. Member inelegantly bailed out of the Liberal Party in opposition in Ontario, to wind up in an equally inelegant position here in Ottawa. We are here to defend and protect the rights of women. We want the advancement of women across the country, and that kind of attitude does not help.

Some Hon. Members: Hear, hear!

DEPICTION OF INDIANS IN DEPARTMENTAL PAMPHLET

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Hon. Secretary of State. Unfortunately the Charter of Rights and Freedoms does not protect aboriginal peoples against any biased and distorted version of history, particularly when it is in a government publication. The 1985 Canada Day application form, *A Salute to Youth*, says that colonists represent the youth of Canada's past, but it makes no mention of the fact that aboriginal peoples were here before.

Is the Minister aware that Indians are pictured as the enemy of Canadian youth when the pamphlet tells about a 15 year old girl, Madeleine de Verchères, who fought against Indian attacks for eight days to save her family seigneury? Was the Minister aware of these distortions? Will he withdraw this pamphlet, and will he apologize to the Indian, Inuit, and Métis people of Canada for this biased and unfair version of their history?

Hon. Walter McLean (Secretary of State): Mr. Speaker, in response to the Hon. Member, I will certainly look at the document. I was not aware of that, but I will look at it. However, let me make this assertion to the Hon. Member. He may choose to pick one area which is an illustration of the whole question of stereotyping that affects not only women but many of our visible minorities and our native people. Part of the citizenship directory responsibility of the Secretary of State's Department is to tackle this, and to work along with Canada's indigenous group in order that together we can carry out community education. Today's celebrations are a part of that over-all sensitizing of the Canadian public.

STEREOTYPED VERSION OF HISTORY

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I hope the Minister will first of all attack this in his own Department with the people who are responsible for this kind of publication.

Does the Minister recognize that this type of stereotyped version of Canadian history has given false justification to our past denial of aboriginal rights, and that it is still operative in the case of Premiers such as Devine, Lougheed and Bennett? I ask him to look closely at this. What action is he prepared to take to ensure that a balanced view of Canadian history is given to Canadians so that we understand the basis of aboriginal rights?

Hon. Walter McLean (Secretary of State): Mr. Speaker, whatever the faults of my Department may be, one of them is not insensitivity in this area. There are committed men and women who are sensitive to this and are doing their best across the country to provide that type of education. I think the Hon. Member will agree that at the First Ministers' conference there was a further illustration of the sincerity of the Government to deal effectively with Canada's first peoples.

* * *

[*Translation*]

EMPLOYMENT

SYSTEMIC DISCRIMINATION

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, my question to the Prime Minister deals with the systemic discrimination against women, that is, unintentional discrimination through the application of legislation and regulations. An increasing number of people concerned with equality in employment agree that this systemic discrimination remains one of the major obstacles to employment not only for women, but for native peoples, the visible minorities and the handicapped as well. Does the Prime Minister recognize that there is such a thing as systemic discrimination?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the hon. member has raised a most important issue. There is in our economy a built-in and progressive discrimination which victimizes women. There is for instance the so-called technological breakthrough which, by the end of this decade, will jeopardize over one million jobs held by women in the service industry, a far greater number than in the case of men. I can understand the hon. member's concern and, together with the Minister of Employment and Immigration, I have

already taken some serious initiatives in the hope of reaching an agreement in order to improve the lot of the many women who are caught in this unfortunate and unfair predicament. I am grateful to the hon. member for raising this issue of vital importance for both Canadian men and women.

PRIME MINISTER'S POSITION

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I am pleased to see that the Prime Minister apparently realizes the existence of discrimination within the system. This is by far the best kept secret in the marketplace.

However, I have a second question: In order to provide these groups with greater protection against this type of discrimination and against poverty, would the Prime Minister commit himself today to take the necessary remedial action and advise the House as to exactly when he intends to do so?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can assure the Hon. Member that we had already taken a number of initiatives while in the opposition, because my colleagues and I had experienced in the private sector the well-founded claims the hon. member is making. Yes, we will indeed be faced within the foreseeable future with a human tragedy of major proportion. We have already implemented a number of manpower retraining schemes, created many new openings within small- and medium-size businesses to benefit women mostly, in order to do something useful and hopefully solve this problem. This is not something that can be done overnight, but I think we have taken a number of steps in the right direction and eventually will solve this most serious problem.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

TRANS-CANADA HIGHWAY CHEMICAL SPILL

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I had hoped to ask a question of the Minister of the Environment about whether, in light of the PCB spill, she intended to reinstate the four or five programs concerning research into the effects of PCBs, which were cancelled. However, she is not here again today, for the second time, and my question is directed to either the Minister of Transport or the Prime Minister, whomever would clear up the question of federal responsibility as it affects this PCB spill.

We have the Minister of the Environment announcing regulations which properly come under the Minister of Transport. Would the Prime Minister or the Minister of Transport indicate, if indeed there is a federal responsibility in this area, as I believe there is, why there is no one on the scene from Environment Canada; no one on the scene from the Canadian Transport Commission, Dangerous Goods Division; and only one person on the scene from Transport Canada, who is there for a purely technical assessment of the transformer which leaked? We had an announcement this morning having to do with regulations that will affect this kind of incident. Why do we have no federal people on the scene to speak of, except the one I mentioned?

● (1500)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, first I want to inform the House that the Minister of the Environment is in Burlington and Toronto for two very full days of meetings with respect to acid rain and toxic materials. These are long standing commitments. I think the Hon. Member will recognize this is an obligation on her part to honour that invitation.

With respect to the other part of the question, within less than two hours of the incident, the Canutec organization of Transport Canada was informed. There has been collaboration on an ongoing basis. There is a representative on site. There has been collaboration with the federal Department of the Environment. We are working very closely together. The investigation is being spearheaded by the Ontario Department of the Environment, but in very close collaboration with both federal Departments. The Hon. Member should recognize that we recognize the gravity of the situation and are working very closely with the Department of the Environment of Ontario.

REQUEST FOR GOVERNMENT ACTION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, it is hard to get the impression of the gravity with which the Government considers this matter when the first person to arrive on the scene federally arrived this morning, not two hours but four days after the event. There is still no one on the scene from Environment Canada or the CTC. When will the Government take its responsibility, not just in this instance but in the over-all, ensuring that there is a federal responsibility in this area, not just by announcing regulations for July 1, but by stepping in and not relying on the Ontario Government to do this, and claiming a federal responsibility for preventing these kinds of incidents?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I repeat once again that the Province of Ontario has primary jurisdiction over this matter. It has taken the leadership role. The federal Departments of Transport and the Environment are collaborating and working together very closely. We will take whatever corrective action is necessary. We are now exploring the possibility of providing for a protection directive under Section 28 of the Transportation of Dangerous Goods Act.

EFFECT ON HIGHWAY

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I wish to direct my question to my hon. friend, the Acting Minister of the Environment. I want the Minister to know that the people of northern Ontario are frightened and are very

angry about the recent PCB spillage. Quite frankly, we have had enough. We have had mercury in the water, we have acid rain, and now we have a PCB spillage on the Trans-Canada Highway. The people of northern Ontario feel betrayed by this Government and by the Government of Ontario. What can the Minister tell us today to assure us that the Trans-Canada Highway is not going to become a path of poison?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I can understand the Hon. Member rising here on behalf of people in his constituency and expressing, as is appropriate, the outrage and dismay that follow for all decent Canadians as a result of this incident. It is a very serious one. However, I have to say in response, as I said yesterday, that there is mixed jurisdiction in this. The federal Government is coming in with new regulations in July. One can say that they should have been here before. One can also say that perhaps somebody who was here before should have passed them.

People are on the site, and were on the site immediately. This is not a situation where no one did anything. You can ask federal legislators or federal administrators to go there, but in fact in practical terms the responsibility for looking after the traffic, assessing the damage, and doing something about the clean-up, happens to be with Ministry of the Environment of the Province of Ontario. That is our system, and there is nothing wrong with that. I say to the Hon. Member that the federal Government takes this matter very seriously. I would ask the Hon. Member to convey that very clearly to the people that he represents, and represents so adequately.

REQUEST FOR PREVENTIVE MEASURES

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my constituents are tired of hearing about jurisdiction, responsibility, guidelines, and regulations. They feel that this Government and the Government of Ontario have betrayed them. PCBs were spilled. How can we be assured that this will not happen again, that there will not be another failure? What action does the Minister propose? People in northern Ontario want to know that this kind of avoidable accident will never happen again.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, with respect to the transportation of dangerous goods, particularly the transportation of dangerous substances, our departmental officials are currently exploring the possibility of a protection directive under the provisions of the Transportation of Dangerous Goods Act, Section 28, which may be implemented. It would provide for a kind of regulatory control and/or moratorium on the transportation of these substances. That is being looked into. If it is necessary to move in that direction, this Government will move in that direction.

RESPONSIBILITY FOR INTERPROVINCIAL TRUCKING

Mr. Les Benjamin (Regina West): Mr. Speaker, I wish to return to the Minister of Transport. It would appear that there is nobody in charge of this matter. Do the Minister of Transport and the Minister of Fisheries and Oceans not know that interprovincial and international trucking under the Constitution of Canada are totally the responsibility of the federal Government? Is it not correct that the Minister of Transport has allowed provincial Departments to move in and, as a result, there is a hodge-podge? Will the Minister agree that it is time for him to exercise the constitutional authority he has over interprovincial trucking, particularly in the case of the transportation of dangerous goods?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am surprised at the Hon. Member, given his experience in the field of transportation. He should know better than to make the statement that he did. Truck transportation, both intra and extra-provincial, is a provincial matter. The Hon. Member can shake his head in the negative, but he knows darn well that that is the case. Under the transportation of dangerous goods regulations, and the need to promulgate regulations, that is exactly where the difficulty has arisen because there needs to be the capability and the cohesiveness of a regulatory system right across the country. We have been working with the provinces, trying to work out that kind of uniform system. On July 1 these regulations will be in effect. Having said that, there still is a code with respect to the handling and the manufacturing of these substances which is provided for by the Department of the Environment which is being followed.

Mr. Speaker: Order, please.

REQUEST FOR MINISTERIAL ACTION

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a supplementary question. The Minister of Transport knows perfectly well that the jurisdiction of the Government of Canada has been abrogated by the provinces. He still has the constitutional authority on interprovincial and international trucking. Because nobody is in charge, will the Minister take charge (a) on the investigation and (b), if he will not go for a moratorium on movements between now and July 1, will he ensure that any transportation of dangerous goods is convoyed, with inspections at least every 50 miles? Will he do that under the constitutional authority that he has under the Constitution of Canada and the National Transportation Act?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, yesterday the New Democratic Party came very close to asking for a moratorium on the movement of all dangerous goods in Canada. The Member is now backing off. That would have even included farm chemicals, and the farmers might not get in a crop this year. I have indicated that the federal Departments of Transport and the Environment are very closely involved with the Department of the Environment of the Province of Ontario in monitoring and assessing this situation and investigating the accident. I said earlier that we are exploring the possibilities of providing for a protection directive under Section 28 of the Transportation of Dangerous Goods Act which could have the effect of meeting the request

that the Hon. Member has submitted to the House this afternoon.

* * *

● (1510)

CANADIAN ARMED FORCES

REGULATIONS AFFECTING PREGNANT PERSONNEL

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, today is a very special and important day in the history of Canada as the Charter of Rights and Freedoms becomes law. My question is directed to the Minister of National Defence. There exists today within the Armed Forces a situation that blatantly discriminates against pregnant service personnel who must take leave without pay or use vacation time during their time of confinement. What action will the Minister take to redress this discrimination that exists within his Department and to bring the Armed Forces into line with the non-discriminatory provisions of the Charter of Rights and Freedoms?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as I believe the Hon. Member is aware, regulations now exist in the Armed Forces accommodating the pregnancies of female personnel. It may well be that there are some deficiencies in those regulations. I have asked for an analysis and careful study to be done, and of course, at the same time, under Section 15, the Subcommittee of the Justice and Legal Affairs Standing Committee will undoubtedly be inquiring into these areas in its studies of the reference made to that committee by the Minister of Justice.

* * *

EMPLOYMENT

EMPLOYMENT EQUALITY—COMPLIANCE BY COMPANIES CONTRACTING WITH GOVERNMENT

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is addressed to the Minister of Employment and Immigration. It is not enough, of course, to give lip service today to equality. In the spirit of the Charter of Rights and to bring about employment equity, the Special Parliamentary Committee on the Disabled of the previous Liberal Government recommended that private sector companies doing more than $20,000 worth of business with the Government be required to take affirmative action and hire the handicapped. The Prime Minister, during the election campaign, assured handicapped persons that he would support this measure. However, in her recent reply to the Abella report, the Minister of Employment and Immigration only requires compliance by companies receiving contracts worth over $200,000. How can the Minister shortchange disabled and handicapped people in this way by leaving out thousands upon thousands of companies from compliance?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the provisions we have announced and the work that is being undertaken apply to 85 per cent of the business that is done with the Government by companies all across the country. We figured that 85 per cent, although not totally inclusive, is nevertheless a good beginning, and we will see that those measures are put in place so that there is equality for those persons who are handicapped, for visible minorities, for native groups, and for women.

MINISTER'S POSITION

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I am sure the Minister knows that a contract for $1 million can be let through five contracts worth $200,000 each and the companies would be exempt. I am amazed that she would say what she has said. Nevertheless, since the Minister of Employment and Immigration said that people in business who have already adopted employment equity have seen substantial growth in their productivity, profits, and people, why did she not give this wonderful opportunity to all companies that receive contracts worth $20,000 and allow them to enjoy these benefits which she herself has outlined?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, in my response I said that we were taking a first step. I think it is an important and very valuable first step. It is a first step, however, because we are at the beginning of a process. Had the previous Government thought it was worth while to do anything at all in this field, the women of Canada, the disabled, the native people, and the visible minorities would have been much further along the road. We are overcoming those obstacles. I trust the Hon. Member will give the provisions we have introduced the support they merit.

* * *

AGRICULTURE

GRASSHOPPER THREAT TO PRAIRIE FARMERS

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, my question is addressed to the Minister of Agriculture. Is the Minister aware that this spring, prairie farmers will face the possibility of the worst grasshopper outbreak in several decades? Will the Minister inform the House of what steps his Department is taking to join with provincial Governments in preparing for that outbreak?

Ms. Copps: Well, spray them with PCBs.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I want to assure the Hon. Member that I am aware of and deeply concerned over the potential outbreak of grasshopper infestations in western Canada during the 1985 season. According to surveys done in the latter part of 1984, the potential is much greater in Alberta and Saskatchewan. In the Hon. Member's home province of Manitoba, the possibility

may be that the infestation there might well exceed the 1984 infestation by two and a half times.

I would like to assure the Hon. Member that our researchers and scientists throughout the network of research stations in western Canada are working in consultation and co-operation with the provincial Governments and the producer organizations. We have an alert system in place, and we will be able to inform producers of the day-to-day situation with respect to grasshopper infestations.

* * *

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Prime Minister. The very distinguished former Under-Secretary of State, George Ball, has written a devastating critique of star wars in this week's *The New York Review of Books*. Perhaps the Prime Minister may have seen it. It describes star wars as being deceptive, confused, and ill-considered, and as undermining deterrence and threatening to escalate the arms race to an unmanageable spiral. Has the Prime Minister read Mr. Ball's critique? Has he been listening to the concerns of ordinary Canadians, including those in the peace camp outside this building, about the devastating implications of star wars? If so, why has the Canadian Government not yet given an emphatic no to the whole concept of star wars, and an emphatic no to any Canadian participation in it whatsoever?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank the Hon. Member for her question. As the only Party Leader to be present in the House of Commons on such an important day for women, I want to thank her as well for her contribution to the progress that has been made.

In point of fact, I did see the review written by Mr. Ball. He is a man of considerable reputation. The Hon. Member will recall that he held an important position in the U.S. administration. Mr. Ball held an important position in the administration when it was involved in Vietnam. He held certain views then that have not been borne out over the years. He now holds this view. I respect him for his analysis and for his point of view. I can tell the Hon. Member that it is not shared by our NATO allies. It is not shared by the Secretary-General of NATO. However, it is a view, and Mr. Ball is an outstanding person. It is a view that we will consider, along with many others.

PRIME MINISTER'S POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the Prime Minister must know that it is not only George Ball who holds this view. I only quoted him because I thought the Prime Minister might have respected his opinion. May I then ask the Prime Minister directly, since the Minister of National Defence is keeping so quiet about this, if the Prime Minister believes that the whole star wars concept does undermine deterrence and changes the whole strategic doctrine? Does he share that view? Does he think the star wars concept has been ill-considered and ill-thought out? I would like to know upon what the Prime Minister bases his favourable view of star wars.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would just tell the Hon. Member that there are about half a dozen hypothetical questions locked into that one question. There is a position that the Secretary of State for External Affairs set out with great clarity and maturity on January 21 last, and it is the position of the Government. I suppose that if we were as sure as the Hon. Member opposite that there was no threat and no possibility of similar developments on the other side, we might be inclined to take a different view of certain developments. However, as the Secretary-General of NATO said, and the Hon. Member herself expressed respect for his view, it would be the height of imprudence not to proceed with research at this particular time.

We believe that there is a fundamental difference between the two sides. This one speaks to the moral issues of freedom, justice, and democracy, and that is where we stand. Those are the values that we will uphold while searching for a durable peace. The Hon. Member can be certain of that.

* * *

● (1520)

[*Translation*]

SOCIAL SECURITY

INQUIRY WHETHER AMENDMENTS WILL BE MADE TO BILL C-26

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is for the Minister of National Health and Welfare.

I think that the Minister will agree that today is a great day for all Canadian men and women, as Section 15 of the Canadian Charter of Rights and Freedoms which is intended to force all governments, at both the federal and provincial levels, to eliminate all discrimination against any individual, is coming into force.

In addition, to meet the commitments of the Conservative Party as expressed this afternoon by the Minister of Employment and Immigration, will the Minister of National Health and Welfare assure us immediately that he will introduce an amendment to Bill C-26 to provide for equality and true social justice, since he is well aware of the fact that, at the present time, Bill C-26 discriminates against 80,000 needy senior citizens in Canada, the great majority of whom are women? On this historic day, is the Minister willing to announce immediately such an amendment?

Point of Order—Mr. Epp (Provencher)

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that Hon. Member should re-examine his own past. He sat in a Government that did nothing for the widows and widowers, which Bill C-26 does.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): We should also consider on this day that, under the Bill itself, 85 per cent of the potential recipients are women. I wish he would support it.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Malépart: A supplementary, Mr. Speaker.

[*English*]

Mr. Speaker: No, I am sorry, the time has expired.

[*Translation*]

Mr. Malépart: Mr. Speaker, I would like to ask a supplementary—

Some Hon. Members: Order, order!

[*English*]

Mr. Speaker: I am sorry, but the rules indicate that Question Period is 45 minutes in length and we have now had 46 minutes. I tried to help the Hon. Member by allowing him one question.

* * *

CLERK OF PETITIONS' REPORT

DEREGULATION OF LONG DISTANCE TELEPHONE SERVICE

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) on Tuesday, April 16, 1985, meets the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

DECORUM IN THE HOUSE DURING QUESTION PERIOD

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, we all have rules in this House and there is a certain requirement for decorum. When a serious question is asked, such as that asked by the Hon. Member for Brandon-Souris (Mr. Clark) regarding the potential grasshopper infestation on the Prairies this year, I do not think it was proper for the Hon. Member for Hamilton East (Ms. Copps) to have said that they should be sprayed with PCBs.

There are certain things which are not covered by the rules, but decorum does dictate other action.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member may have that view, but it is not a point of order.

Mr. Tobin: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) on a point of order.

Mr. Tobin: Mr. Speaker, you should know that in the back benches on this side, PCB means "Progressive Conservative Bull". That is what we were talking about when we said PCBs.

ROUTINE PROCEEDINGS

[*Translation*]

PUBLIC SERVICE

MANAGEMENT-UNION RELATIONS

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am delighted to be able to announce to the Hon. Members that the Government has reached an understanding with the Public Service unions on a number of issues that are important both to our employees and to the Treasury Board as the employer.

In recent months, I have had several meetings with union representatives to discuss these issues which had been pending for a number of years. The Government firmly believes that it must work together with the Public Service unions to get our economy going again and improve the standard of living of all Canadians, and it intends to succeed. It has always been our contention that the problems we are facing today can be solved. We know that our public administration must be made to function more effectively. We can improve it by making the Public Service more sensitive to the public's needs and also more effective. We can improve it by introducing new guidelines for co-operation, by holding consultations before making decisions and by setting common goals for settling important matters. The system adopted by this Government can serve as a model, and its aim is to create fair, effective and responsible labour-management relations in Canada.

[*English*]

As a result of the meetings which I held with Public Service union representatives, this Government has agreed to introduce in the Public Service a system of master agreement bargaining, a dental plan, a revised pension plan and improved workforce adjustment procedures.

On the issue of master agreement bargaining, I signed memoranda of understanding last week with representatives of the two major Public Service unions, the Public Service Alliance of Canada and the Professional Institute of the Public

Service of Canada. The memoranda provide terms of reference under which it will be possible to negotiate master agreements covering approximately 80 per cent of the terms and conditions of employment which are now found in individual collective agreements.

Under the present system, negotiated terms and conditions of employment are bargained for each bargaining unit represented by each union. Some of the terms and conditions are unique to a bargaining unit, but in many cases similar collective agreement articles can be found in many agreements, often using exactly the same language. Yet, until now, those articles had to be negotiated separately for each collective agreement. For example, in the case of the Alliance, they would be negotiated for each of the 39 collective agreements. Under the master agreement system, such articles would be negotiated only once with the Alliance at a master table.

The master agreement approach to collective bargaining is much more efficient. Not only will we be required to spend less time at the bargaining table, thereby ultimately reducing the cost of the bargaining process, but collective agreements will be easier to administer and interpret.

Any impasses at the master agreement bargaining table will be resolved through a process of binding conciliation. Thus, the right to strike will not apply to items which will be included in master agreements.

[*Translation*]

It will be impossible to negotiate all conditions at the master table, Mr. Speaker, owing to the diversity of professional groups in the Public Service. This difficulty is acknowledged in the concept of second tier bargaining where the collective agreements of professional groups will be negotiated on an individual basis so as to settle clearly monetary issues such as rate of pay, benefits, working hours and paid holidays.

The second tier—bargaining of individual collective agreements—will operate much as it does now and will include staggered expiry dates and recourse to binding arbitration or conciliation-strike in case of deadlock.

Since the Public Service Staff Relations Act now provides for bargaining units negotiating on an individual basis, it will have to be amended to implement the system of master agreement bargaining. Both parts will be more effective and enjoy more freedom of action to solve labour issues.

Mr. Speaker, the Public Service Staff Relations Act has practically remained unchanged since it came into effect in 1967, and the Government will hold consultations on this issue with labour representatives and other interested parties.

With respect to Public Service pensions, the Government believes that contributors to the Public Service pension plan should have their say in the decision-making process which leads eventually to the definition and administration of policy. We are quite agreeable to the establishment of a joint management system. The system provides for the creation of a management committee chaired by an independent person and will be made up of at least twelve members representing the employer and the employees, on an equal basis. It will answer to me in my capacity as President of the Treasury Board.

[*English*]

It is our intention to bring the Public Service pension schemes more in line with those in the private sector. As a result, and in response to concerns expressed by employees, the public sector and the Auditor General, we will fund and finance Public Service pension plans in accordance with the accepted practices and standards of the major employers in the private sector.

• (1530)

I would like to underline four points. The current indexing will be replaced by an inflation protection feature dependent upon the earnings of the fund. The management board will review contribution rates and the plan features periodically and recommend adjustments. Unfunded actuarial liabilities resulting from past practices will be amortized within the plan in an orderly fashion over a period of not less than 25 years. Under the new proposals, benefits will be funded in advance. The fund will not accumulate further actuarial deficits.

Finally, pension accounts will be credited with interest earnings based on returns achieved in a representative sample of private sector plans. In all other aspects the Public Service plans will, as a minimum, generally meet the requirements of the federal Pension Benefits Standards Act. These changes will require legislative amendments which will be brought before this House following further consultation with the advisory committee on the Public Service Superannuation Act.

On the subject of a Public Service dental plan, I have signed an agreement setting out the principles under which a moderate plan will be introduced. A board of trustees will be appointed consisting of an independent chairperson and equal representation from the unions and the employer. This board of trustees will be responsible for the sound financial administration of the plan, which is to be self-insured.

An agreement has been reached on improvements to the workforce adjustment policy. The Government's policy is that employees whose jobs are no longer required will, as far as possible, be redeployed within the Public Service with retraining, if necessary. Briefly, major improvements to the policy include; first, the minimum notice to an employee whose job is being abolished will be increased from three months to four months, although Departments will endeavour to give at least six months' notice. Second, laid off persons will be eligible for retraining, and those accepting lower level positions will be provided with up to one year's salary protection.

The understanding reached on these issues, Mr. Speaker, goes a long way toward fulfilling the promises we made last summer during the federal election campaign. Two other issues will require further consultation. I have already mentioned one, the amendments to the Public Service Staff Relations Act. The other involves the political rights of public servants which need further careful consideration to ensure

fairness and equity to all concerned. I am confident that these matters will also be satisfactorily resolved.

[*Translation*]

Collective efforts have led to those achievements of which Canadians are proudest. This Government listens, consults, finds innovative solutions to national problems. Genuine efforts are made to achieve results. The Progressive Conservative Government will reach its targets and live up to its commitments, for it has every intention of calling upon Canadians to help it meet all challenges.

Mr. Speaker, the measures announced today are the starting point of a new era in the field of labour-management relations in the federal administration. Those issues had been upsetting labour-management relations for many years. Yet, in the short time since this Government took office, it has succeeded in bargaining in a spirit of co-operation and, in so doing, finding responsible solutions.

In that same spirit, Mr. Speaker, we will continue to be open about our concerns and to keep those of our employees in mind. In our opinion, the employees, the federal Government as employer, and the people of Canada all stand to benefit.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, first of all, I would like to congratulate the President of the Treasury Board (Mr. de Cotret) on having provided us with a copy of his statement a few hours before it was presented in the House.

Mr. Speaker, the Government of Canada is the employer that has the largest labour force in the country and it is therefore important, and even very important that the issues pertaining to the way the Government manages its human resources be discussed in this House, and if possible settled amicably.

[*English*]

There are four items in this statement, Mr. Speaker, which the President of the Treasury Board (Mr. de Cotret) addresses. I would just like to repeat them: the system of master agreement bargaining, a dental plan, a revised pension plan and improved workforce adjustment procedures.

The system of master agreement, of course, is the same as that which was called either a common language agreement or a master wording agreement when the previous administration was negotiating for an agreement on this matter. I do not think the semantics are very important. The fact is that the previous Liberal administration for years had been talking with the unions about this process and had come to a certain understanding. The apple was ripe, the Minister picked it and I congratulate him for doing so. I believe it is a step in the right direction. However, I would like to remind him that humility sometimes helps and that he has to agree that past Presidents of the Treasury Board did accomplish a lot of work on this matter. I congratulate also the unions. The important part of this agreement is their acceptance of this master agreement. I take some joy in congratulating the Minister on his success in picking the apple, as I said, and bringing it forth in such a short time. The Minister talked about amendments to the Public Service Staff Relations Act. I would imagine that he will be coming forth soon with the required amendments to put in force a master agreement bargaining process.

There are certain things that we have addressed over the years—and when I say "we" I mean this Parliament and the employee organizations—in trying to improve employer-employee relations. You will recall, Mr. Speaker, the long discussions which were held in regard to the designation process of employees; who designates them, how many are going to be designated, and what is the process which is to be used. I believe that has been an important factor in years gone by in preventing what I would call "amicable relations" from existing between the Treasury Board as an employer and the unions. I hope that anything which is done in terms of a master agreement will encourage public servants and their representatives, the negotiating and bargaining agents, to take the route of arbitration, that is the binding arbitration route, rather than to choose the conciliation-strike route. That is, I suppose, the main purpose of my comments with regards to the master contract and the amendments to the Public Service Staff Relations Act. There is nothing in this declaration today, Mr. Speaker, which would lead, at least the public servants or myself at this time, to think that we can read into this announcement anything that will accomplish this. So I hope that the Minister will keep in mind that what we actually look for is an improved negotiating atmosphere in public servants' relations through that designation process, which indeed, in my short time here, has been a thorn in the side of the unions, and justifiably so.

The second question, of course, deals with the dental plan. The Minister talked about a new moderate dental plan. This is something for which, indeed, the Public Service of Canada has been asking for a long time. This is a major announcement and it is welcomed by this Party. But, again, it would have been appreciated if we could have had more specific information. There are an awful lot of questions to be asked, and a major statement of this importance without any financial details appended thereto leaves one wondering about the financial implications. What are the modalities of its application? Who pays for what? Is it pay-as-you-go, cost sharing, voluntary or optional? I would have appreciated at least some ballpark figures from the Minister in terms of the financial commitment, who pays what and who gets what. Nevertheless, I would again like to congratulate the Government and the unions and I say that it is a step in the right direction.

● (1540)

Before I get to the third item, I understand there is to be a board of trustees, which is a nice way of administering such a dental plan. I take it it will be looking into the costs and contributions from members. But what does self-insured mean? What does it mean to public servants? There are all kinds of ways and means of addressing this question, but I will have to wait for the Minister to table further information.

The pension issue, of course, is something that I like, having had very deep involvement and interest in the matter over the years. I will not expand on that too much because I think Members of the House understand that I could probably take up the rest of the afternoon in talking about indexing of Public Service pensions and probably bore you all to death with the subject. But I am pleased to see that the current problems of the so-called pension funds are going to be addressed. I am somewhat mystified by the pay-as-you-go basis which the Minister is taking. What exactly does it mean to public servants in terms of their contributions? It will be interesting to study that matter with him in due course when he comes forward with the legislation amending the pension fund legislation. We will wait for it before congratulating the Minister because it is a real hornet's nest, and he knows it too, I think.

[*Translation*]

The pension plan management system is interesting. However, I have some doubts about it. For instance, the Minister has said that he will be responsible for the management committee, which will include one chairman and twelve directors, at least twelve directors as stated in the press release, which suggests that there will be fair and equitable representation from both sides to be chosen and appointed by the Minister or by Order in Council following consultations with the unions, or rather, this is not explained in the—

Mr. de Cotret: Six to be appointed by the employer and six by the unions.

Mr. Gauthier: The Minister has specified that six will be appointed by the employer, that is the Government, and six by the unions. This is one thing that the unions will find satisfactory. In any case, they will have their say on how the plan will be administered.

Now we have to determine how the monies due to the pension plan will be contributed within less than 25 years. Will the indexation fund and the pension fund be put together? Will this huge amount of money, the billions of dollars invested in those funds, be used to finance the whole plan or will the funds remain separate? The pension fund has well above $20 billion, but the indexation fund, which of course was set up more recently, is smaller and is the one which most often creates the actuarial problems we have discussed many times in this House.

The fourth point is—

[*English*]

—the workforce adjustment policies. There is nothing very new in this except that I applaud the commitment made by the Government to retrain those people who, through no fault of their own, because of modernization, technological change, and economic adjustments have been laid off or asked to leave.

As to the four-month extension, well, most Departments had three months and were asked to grant six months, and so now we have four months and we are going to ask them for at least six months. That is not a very big change but it is something in the bank and it will help public servants in adjusting to work changes in the Public Service.

The amendments to the Public Service Staff Relations Act are interesting. The House of Commons will recall that in 1976 a joint committee of this House and the Senate sat for close to a year and a half reviewing employer-employee relations in the Public Service of Canada following Jacob Finkelman's report to the House of Commons. I thought he did a very thorough and interesting study of this relationship. I would like to ask the Minister again to show celerity on this matter of bringing in amendments to the Public Service Staff Relations Act. There are difficult problems at hand and I would like to see them resolved, so I am sure he can count on our support and co-operation in trying to come to grips with these amendments.

[*Translation*]

Concerning the promises made by the Government to the Public Service and the Canadian people during the electoral campaign, true enough, the Minister has kept four out of six of his own promises. This is a very good record, but the Minister has not dealt with the six or seven other interesting matters which were also the subject of promises. What about classification of positions, staffing, and a whole gamut of issues, such as technological changes, job designations which I mentioned earlier, and certain other things that are negotiable?

There certainly remains a lot to be done. The Minister will have a chance to examine these issues carefully and perhaps to propose changes shortly to render classification standards negotiable. In my opinion, this question is rather important at this time.

I therefore want to tell the Minister that he has shown that he is capable of doing something meaningful. We shall now see whether his legislation is adequate, and if I may speak for my colleagues in this House, I hope that the Minister will soon be in a position to introduce the amendments needed to implement the dental plan and bring about the required changes to the Act. If he has enough time, he may want to reply to some of the questions I have asked him.

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I welcome this important announcement by the President of the Treasury Board (Mr. de Cotret). I congratulate him, his officials and the Public Service union representatives who worked long and hard with the Minister and his staff since January in coming to agreement in four of the six important areas which were on the table at the commencement of the discussions. It is true that not every promise made by the Progressive Conservatives during the election has been fulfilled, and some have been forgotten. Therefore, there is absolutely no question that this announcement is welcomed. It is a very positive announcement for the 250,000 men and women who work for the people of Canada, and it is very

much, I believe, in the spirit of the commitment made by the Progressive Conservatives last year.

I recognize that there has been some give and take by the unions in their discussions with the Government. Specifically, in return for a master agreement, the unions have given up the right to strike regarding those items that are covered by the master agreement. These items will be refereed by a compulsory conciliation or arbitration process, and that is obviously a major concession on the part of the unions. I think they recognize that there were gains to be had, and I think that there are very positive gains in having common conditions for the most part for all people working in the Public Service of Canada.

● (1550)

I think it is important to free up the time of people who administer labour relations, both on the side of management of the civil service and on the side of public sector unions. If that time is used constructively I think it can lead to a much better climate for labour relations and to more positive and co-operative work arrangements. I think that is very important and I would like to see it copied in the private sector as well. This spirit is not entirely abroad in terms of labour management relations across the country.

The Minister is aware, for example, of the contrary position taken by the Governments of the Provinces of British Columbia and Quebec, both of which have acted to attempt to demean workers in the Public Service and to take their rights away. Those are very negative actions. In the private sector as well there have been many instances when employers have not been prepared to recognize the rights of workers to have unions and to participate in decisions. In effect, they have been trying to go back to the 19th century rather than to move forward into the 21st century.

I am sure the Minister is storing this up to be used perhaps in communications to his Party from time to time. I think it is fair to say that the proof of the pudding is in the eating.

[*Translation*]

This will depend on the manner in which the promises are kept. The spirit of the agreement is quite positive, but we will have to wait and see how the agreements that have been promised as well as the four other points the Minister has mentioned are implemented.

[*English*]

We certainly hope and expect that this will be carried out in the same spirit. I would personally like to congratulate the Minister because I think he has probably had something of a sticky wicket in terms of dealing with members of the senior civil service who were perhaps not totally in accord with what the Minister was putting forward in seeking to implement promises made by his Party last summer. I would ask those senior civil service employees who have to negotiate the agreements to recognize that at least two Parties in the House of Commons are very much committed to what the Minister has said today.

With regard to the Liberal Party, I welcome the comments of my friend from Ottawa-Vanier. It is true that while they were in power since 1968 they had the chance to bring in a dental plan, but they resisted it. They had the chance to move to a master agreement, but they refused to go along with that. They had the chance to reform pension arrangements, but they did not do it. If they have come around to that point of view now, I welcome that. I certainly hope that people in the Public Service recognize that there is a very strong political commitment to have these things translated into specific actions.

When the Minister sat down with the unions in January there were six different areas of concern. One of the areas not yet resolved is that of political rights. The Minister is confident that this matter "will be satisfactorily resolved". He states that the question of political rights "needs careful consideration to ensure fairness and equity to all concerned".

As the Minister knows, on Monday I initiated a debate on this particular question in the House of Commons. I initiated it because of my commitment and that of my Party to the question of winning political rights for people working for the Public Service of Canada. I was pleased to hear the positive comments of government Members such as the Member for Lanark-Renfrew-Carleton (Mr. Dick), the Member for Gatineau (Mrs. Mailly) and the Parliamentary Secretary to the Minister (Mr. Lewis), as well as the positive comments of my friend, the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

I understand that some 50 Members of Parliament have now indicated in writing to the Public Service Alliance that they endorse the positions taken in favour of political rights by their respective Parties. Last summer, in response to the Alliance, the Prime Minister (Mr. Mulroney) stated quite explicitly that the Progressive Conservatives favour a general removal of the restrictions on political activity, especially for those public servants who are covered by collective agreements. Perhaps the Minister will agree with me that in the spirit of what is being done today we can, in the future, refer to the people working for the Public Service of Canada as public sector workers rather than public servants, which may have a demeaning connotation. They are workers who do a very important job.

The excellent t.v. advertisements which have been put out by the Alliance over the last month or so have been surprising and positive for people in the country. They showed the range of occupations of Public Service employees working for the people of Canada. They are meteorologists, truck drivers, coast guards and those who do scientific work. It is certainly a far cry from the image of public employees as parasites drawing fancy salaries and sitting in fancy offices in Ottawa effectively doing nothing but conspiring to learn how they can get their next promotion. There may be one or two people like that, as there are in any organization, Mr. Speaker. However, the skill, commitment and engagement of the people who work for the people of Canada as public sector employees should be commended in the House of Commons in this particular discussion. I think it is reflected in what the Minister has done today.

However, public sector employees are not equal with regard to the question of political rights. The Minister's statement comes on the day when the equality section of the Charter has come into force. I hope that he will indicate today that he is now prepared, on behalf of the Government, to commit the Government to providing political rights to make public sector employees equal to all other Canadians.

While speaking in the debate on Monday I suggested very specifically that all people working for the Public Service of Canada who are in bargaining units—which would include over 200,000 of our public sector employees—should enjoy political rights on the same basis as all other Canadians, except perhaps with respect to the specific areas in which they are engaged. I suggested that the exclusion from political activity should only apply to the very senior civil service workers. There should perhaps be a system of qualified rights, as suggested in the D'Avignon report, for those management employees who are not in bargaining units but who are not in the top mandarin positions. In that case we may need a case-by-case means of determining which of those persons should have political rights and which should not.

People who ran in the federal election by taking leave from the Public Service were allowed to take leave, stand as candidates, and return to their former jobs in most cases without a political taint accompanying the fact that they were candidates for a particular political Party. Given those circumstances, I find it hard to understand why we cannot allow those public sector employees to enjoy full political rights. Their votes indicate that many of them support my Party, many support the Liberal Party, and a substantial number support the Progressive Conservative Party. In other words, public sector employees are a mirror of the country. By allowing a group of people who mirror the country to enjoy political rights we will not undermine impartiality.

With regard to specifics, we welcome the dental plan which had been so short-sightedly rejected by the Liberals. We will have to study the details, but it will certainly be welcomed by large numbers of people working in the Public Service. We welcome the new arrangement with respect to the pension plan provisions. I hope that the provisions for joint management will spread to the private sector. I would welcome legislation being put forward by one of the Minister's colleagues requiring that that be done with respect to pension plans in the private sector.

I would like to remind the Minister of the concerns of retirees about their pensions being rolled back under the six and five program of the previous Government. That represents a loss of an average of $1,000 a year for the superannuated federal Government employees. I hope that before the new regime comes into effect the Government will act in order to restore the base and indexation that were lost by those particular employees so that it will not be a lifetime loss.

In conclusion I would like to speak on the question of workforce redeployment. I hope that the retraining facilities and the management of lay-offs will be considered much more seriously than they have been in the past. I will comment on that later.

• (1600)

Finally, I hope that this does not represent a carrot on the stick and that the Budget and the Nielsen committee do not crack down on the public sector employees after what has been achieved today. I want to assure the Minister that if the Government plans to take after it has given, we will fight all the way and stand up for those public sector employees against arbitrary cuts and lay-offs. That being said, I welcome the announcement made today.

Mr. Speaker: Questions?

Mr. Cassidy: Mr. Speaker, I have some rather specific questions. My first question concerns political rights. Is the Minister prepared to undertake now that in principle the Government will at least provide virtually full political rights to all public sector employees in the Government of Canada who are members of bargaining units, recognizing that there may be some difficulty in defining what political rights may be provided to personnel in management categories?

Mr. de Cotret: Mr. Speaker, I would have been the happiest person in the House had I been able to announce today an agreement and the resolution of all six issues that we have been discussing with the unions in such a co-operative and consultative fashion over the last six months.

As I mentioned today, we have reached agreement on four issues. One remaining issue concerns the PSSRA amendments which are more detailed and specific and take longer to negotiate. There is nothing ideological about that issue.

The other issue concerns a more difficult question. Even my hon. colleague, in his statement, raised a number of questions about how one defines certain things. All that I can assure my hon. friend is that discussions on this issue are under way. It is our commitment to pursue those discussions with the representatives of our various labour movements.

With respect to the question of political rights for public servants, as well as the amendments, globally, to the PSSRA, hopefully I will be in a position to make a statement in the House as soon as possible.

Mr. Cassidy: Mr. Speaker, in responding to the Public Service Alliance last summer, the Prime Minister stated that the Progressive Conservative Party favours a general removal of the restrictions to political activity, especially for those public sector workers who are covered by collective agreements. That is essentially what I was talking about.

Can we expect legislation that would essentially implement that commitment by the Progressive Conservatives during the election campaign before the House rises for the summer recess on June 28?

Mr. de Cotret: Mr. Speaker, once again, I would have been very happy to announce something today. It is an issue that is

under active consideration by Government and by the representatives of all our public sector unions.

I believe that after having dealt successfully and very co-operatively on the first four issues, we will be able to do the same with the other issues.

The Hon. Member is asking me to give a definite date. I cannot give my hon. colleague a definitive date. All I can assure him of is that the fact that this was not announced today should not be seen as any indication that the Government does not accord this issue a high priority. It is just a matter of discussions and of reaching a mutual understanding with our colleagues on the labour side. This will continue very actively. What I have announced today is not the end but the beginning on a new era in labour relations.

Mr. Gauthier: Mr. Speaker, with regard to the question of pensions, will the Minister undertake to supply both opposition Parties with the necessary documentation to study the subject matter so that we can understand and discuss this matter openly and also talk about the same questions?

As he knows, there are actuarial considerations and other economic factors involved in the whole question of pensions. It is an important subject and one which is very confusing. In order to allow time for us to look into it, will he give us the benefit of the information he has before him so that we can deal with it?

[*Translation*]

Mr. de Cotret: Mr. Speaker, I am pleased to provide the House with all the necessary information on this issue. I have indicated today the major principles on which the employer and employee representatives have reached an agreement. Of course, there remain many details which will have to be finalized. A number of actuarial studies will have to be completed. But as soon as representatives from both sides have negotiated and approved the last details, I will be pleased to table them in the House for all to see and make appropriate comments. There are no problems.

[*English*]

Mr. Benjamin: Mr. Speaker, I have two questions. I have a Private Members' Bill on the Order Paper, with respect to political nights, and there is an amendment by the Hon. Member for Ottawa Vanier (Mr. Gauthier) which says that the Bill be not now read a second time but the subject matter be referred to the appropriate committee of the House. Would the Minister prevail upon his House Leader to agree that that matter be called again and dealt with without further debate, in order that the subject matter of the Bill be referred to the appropriate committee, thus providing a vehicle for the Government and the Public Service unions to make their views known?

Second, does the Minister propose to continue the option of the right to strike, or will there be compulsory arbitration? Which route will he take?

Mr. de Cotret: Mr. Speaker, with respect to the first question, I am well aware of the Hon. Member's views with regard to referring this issue to a parliamentary committee. It is certainly something that I am more than happy to consider. However, I do take some objection to his suggestion that this would be necessary in order to provide a vehicle so that views can be made known. We have a vehicle which today has produced four very major amendments to the way we deal with labour-management relations.

Mr. Benjamin: I am trying to be helpful.

Mr. de Cotret: I appreciate that. That is why I am saying that in view of the Hon. Member's attempt to be helpful I will consider his point of view. I would like to pursue all the other methods of resolving this complex issue. We want it resolved and I believe that we are all working toward the same goal.

It is certainly something that I will consider and I will attempt to respond to the Hon. Member shortly on which way we would prefer to proceed.

The second point raised by the Hon. Member concerns the right to strike. It is not a question of giving up the right to strike or taking away the right to strike. I do not think that is an issue. We are essentially saying that the new scheme of bargaining at the master table was accepted mutually and was not something imposed by the Government. It was a question of both parties arriving at a mutually agreeable solution as to how to resolve an impasse should it arise at the master table. It is not arbitration, it is binding conciliation.

Perhaps I can give the Hon. Member some details about the way it would work. Rather than arbitration, there would be a system of binding conciliation whereby both the union involved, be it PIPS or PSAC, would appoint a conciliator and management would appointment a conciliator. They would be asked to agree jointly on an independent chairperson within a given period of time yet to be determined. Should those two appointed members, one from labour and one from management, not reach agreement within that time period, the chairperson would then be appointed by the chairman of the PSSRB.

Mr. Benjamin: Why not by you?

• (1610)

Mr. de Cotret: No, then it becomes too one-sided. I am sorry, but I think a fair deal has to be a fair deal. At that point, obviously, if the three agree it is binding. If there is a majority agreement it is binding. If the three agree to disagree, the chairperson's decision is the one that is binding on all parties.

From a legislative point of view, that is a very significant departure from the arbitration process we now have, because it gives a much more direct say to labour and to the employer in the selection of a panel.

[*Translation*]

Mr. Gauthier: A very short question, Mr. Speaker. Could the Minister indicate whether there is a time schedule for

implementing the four points he has mentioned today? Is there one for possible amendments? Will it take place during this session? Will it be completed within the present session? Can we expect the Minister to give us information about the dental plan? In other words, could the minister give us an idea of the time schedule agreed upon with the unions?

Mr. de Cotret: Mr. Speaker, when our negotiations started with labour associations, I expected that an agreement in principle would be reached for Easter. It was reached on Easter Monday; we unfortunately missed our goal by a day.

Obviously, it will take time to put into law what I announced today, and there will be unavoidable delays that should be respected in the House. For example, when we refer to the master agreement, the legislation must be amended and I think that it is useless to present only amendments concerning the master agreement when there is a long list of changes which are now being negotiated on other issues already mentioned by my colleague.

That is why we would like to introduce a series of amendments to the legislation. In the meantime, with respect to the master agreement, if my legal advice is correct, under a joint agreement with the unions, we can negotiate on that basis just the same. The unions have accepted the principle which must be ratified under the agreement and are willing, despite any amendment to the legislation, to proceed quickly with the negotiations on the master agreement.

The dental plan does not give rise to any legal problem, so we will carry on. It is merely a matter of mechanism to be determined.

As for adjustments to the labour force, they have already been approved and no amendment to the legislation is necessary; some change is needed but with agreement it could be done immediately. This means that pensions will be the issue which will require more consideration on the legislative level.

A calendar? I should like of course to introduce a bill as soon as possible. Some actuarial studies will be done by both parties to enable us to come to an agreement about the provisions of the bill, but I surely hope that a bill will be introduced before the end of this session.

* * *

[*English*]

CUSTOMS ACT
SPECIAL IMPORT MEASURES ACT

MEASURE TO AMEND

Hon. Perrin Beatty (Minister of National Revenue) moved for leave to introduce Bill C-40, an Act to confirm certain acts or things done on behalf of the Deputy Minister of National Revenue for Customs and Excise and to amend the Customs Act and the Special Import Measures Act.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the following questions will be answered today: Nos. 281, 282, and 283.

[*Text*]

NUMBER OF PERSONS PAYING NO INCOME TAX

Question No. 281—**Mr. Stackhouse:**

For the years (a) 1980 (b) 1981 (c) 1982 (d) 1983 how many persons paid no income tax with income of (i) $100,000 or more (ii) $50,000 to $99,999 (iii) $40,000 to $49,999 (iv) $30,000 to $39,999 (v) $20,000 to $29,999 (vi) $10,000 to $19,999?

Hon. Perrin Beatty (Minister of National Revenue):

Total Income Assessed[2]	Number of Non-taxable T1 Returns[1] 1980	1981	1982	1983[3]
(i)	830	1,490	836	1,120
(ii)	4,020	6,541	4,679	6,662
(iii)	4,335	5,774	5,201	6,760
(iv)	8,651	11,086	10,803	11,310
(v)	19,610	22,794	22,699	24,507
(vi)	91,859	114,269	187,476	256,681

Notes: 1. An individual's return is non-taxable when no tax federal and/or provincial) is assessed.
2. Total income assessed is the total of income from all sources (page 1 of T1 return) before subtracting allowable deductions or exemptions.
3. Data for 1983 tax year is preliminary. It reflects approximately 96 per cent of returns filed.

CORPORATE DEFERRAL OF INCOME TAX

Question No. 282—**Mr. Stackhouse:**

For the years (a) 1980 (b) 1981 (c) 1982 (d) 1983 how many corporations were permitted to defer the payment of all or part of their income tax with a gross income of (i) $100,000,000 or more (ii) $50,000,000 to $99,999,999 (iii) $40,000,000 to $49,999,999 (iv) $30,000,000 to $39,999,999 (v) $20,000,000 to $29,999,999 (vi) $10,000,000 to $19,999,999 (vii) $5,000,000 to $9,999,999 (viii) $5,000,000 and under?

Hon. Perrin Beatty (Minister of National Revenue): The Income Tax Act does not allow corporations to defer the payment of income taxes. However, there is a quite separate item known as the "Provision for Deferred Income Taxes" that is often reported in a corporation statement as an expense. The amount shown is an estimate of taxes payable in future years

because of timing differences in accounting for book purposes and taxation purposes. This amount is accumulated over the years and reported as a liability item "Reserve for future income tax" in the company's balance sheet.

	1980	1981
Number of corporations with "Provision for Deferred Income Taxes"	73,029	72,968

There are no statistics currently available on the number of these corporations by range of gross income or for years subsequent to 1981.

DEFERRAL OF INCOME TAX BY INDIVIDUALS

Question No. 283—**Mr. Stackhouse:**

For the years (a) 1980 (b) 1981 (c) 1982 (d) 1983 how many individuals were allowed to defer payment of their income tax?

Hon. Perrin Beatty (Minister of National Revenue): The Income Tax Act does not allow individuals to defer payment of their income taxes.

[*Translation*]

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

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

Some Hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all Notices of Motion for the Production of Papers be allowed to stand.

Mr. Speaker: Shall all Notices of Motion for the Production of Papers be allowed to stand?

Some Hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I just wanted to rise briefly at this time with respect to the business of the House. Yesterday I alluded to the fact that I anticipated that Government Motion No. 17 respecting the reference of CN pensions to the Standing Committee on Transport would be dealt with today. Indeed that will be the first item of business.

There have been consultations between the Parties. If Your Honour places this matter before the House, there will be a disposition to accept the following motion:

That the motion appearing under Government Order No. 17 be amended by deleting all the words after the word "staff".

Mr. Speaker: I take it there is unanimous consent for that procedure.

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

TRANSPORT

CNR PENSIONS—MOTION TO REFER TO STANDING COMMITTEE

Hon. Don Mazankowski (Minister of Transport) moved:

That the Standing Committee on Transport be empowered to study all matters related to the Canadian National Railways' pension system;

That the Committee have the power to retain expert, professional, technical and clerical staff.

He said: Mr. Speaker, I am very pleased to have the opportunity to speak to the proposed order of reference and the amendment to which all the Parties unanimously agreed. The issue relates to the terms of reference with respect to CN pensions. I know many Hon. Members who have been in the House for quite some time have a particular interest in this issue, as do I. It has been around for a long time. I know they share a concern for the inadequacy of pensions for CN retirees. I think I can say quite safely that this extends beyond the ambit of CNR. Perhaps it would be more proper to address this question both to CN and to CP. Since CN is a Crown corporation, we have a responsibility to try to examine this issue in detail and, hopefully, reach a satisfactory conclusion.

It is in that spirit that I look forward to the comments of members of the New Democratic Party and of the Liberal Party. I am confident that they will find support for this measure and I hope that they will be able to support the reference. It is an issue which affects some 47,000 CN pensioners. Perhaps the implications will apply to other railway pensioners as well; let us hope so.

The Government is committed to ensuring that the matter of CN pensions receives the appropriate consideration of the Parliament of Canada. I say that because, as I indicated earlier, Members on all sides of the House for many years have had an abiding interest in this. There are Members here today who have participated in this issue before the standing committee. There have been many inquiries, such as the Hall inquiry on railway pensions in the mid-seventies and there was work following that.

• (1620)

I believe it is fair to say that Members have pursued this issue with a great amount of sincerity. We are trying to capitalize on that goodwill and sincerity to try and reach a fair and equitable solution by having this matter referred to the Standing Committee on Transport. I believe that the Standing Committee on Transport is really the appropriate vehicle to examine this issue. It is the appropriate forum for a number of reasons. First, it is a parliamentary body. I believe the committee will ensure that there are proper public hearings, which I believe is one of the things that is uppermost in the minds of pensioners. Representations that I have received indicate that the pensioners want the opportunity to discuss this issue in a public forum. They want the opportunity to present their concerns and grievances, and to hear the response of CN in front of their elected representatives in a duly constituted public forum. That is very important.

We on this side of the House believe that it is incumbent upon us to provide them with that opportunity. While there are some spokesmen from the Liberal Party, not necessarily in this Chamber today, who might take exception to the forum, I believe it is fair to say that the pensioners have recommended this kind of forum. I was pleased to note that in a CP article just recently Mr. J. Earl White, who has been referred to as the champion of the railway pensioners, said he was very encouraged by the action that the Government was taking. He is the head of the Vancouver based Canadian Railways Employees' Pension Association. He retired in 1974 after 46 years of railway service and has been in the forefront of the battle for better pensions ever since. The article reads:

> He said in a telephone interview he asked Mazankowski for the committee study because the issue has been studied enough by outside experts .... Mazankowski understands the issue and will understand the committee's recommendation, White said, adding the committee study is needed to clear away any doubts of how the national railways have abused their employees' pension plan.

I cite that not only because he says some very flattering words about yours truly, but as well because we have captured the essence of what the pensioners want. I think they are pleased with the forum that we are proposing here today.

As I said earlier, we believe that this is the right forum. We know that there was an inquiry proposed by the last administration. It was in recognition of these representations that I felt that the inquiry that was proposed by the previous administration would not necessarily meet the concerns of the pensioners. Therefore, we decided to cancel the inquiry that was set up by the previous Government.

I want to say to all Members of the House, and indeed to Mr. Brian Williams, that in making the decision I certainly in no way want to cast any reflection upon the integrity, reputation or ability of the commissioner who was appointed, namely Mr. Brian Williams of Vancouver. My decision to cancel that procedure should in no way be construed as a reflection upon his competence, but rather it was a decision based upon the desire to proceed in a more direct public manner in tune with the issues and the desires of the pensioners, the people who feel aggrieved by the way in which their pensions had been handled.

The second reason for choosing the Standing Committee on Transport is that, as well as being a pension issue, this is a matter which involves Canada's railways. There has always been a special relationship in Canada between the railways and Parliament. I think that is recognized by the fact that we have a Railway Committee Room in this building. The Railway Committee Room stands as the permanent room for the activities of the Standing Committee on Transport.

Those of us who have been a part of this committee for many years are very proud of that fact. I guess that in a technical sense I am not a member of that committee, but I still feel very much a part of it.

Mr. Benjamin: It is still your home.

Mr. Mazankowski: Yes, I feel very much at home when I go to meetings of the standing committee. The railways have a special place in the history of our country. I believe that the people who work for the railways deserve special recognition.

I know that in my days as a member of the standing committee, the concerns of railway employees were always of interest and concern to all members who sat on that committee, particularly those who were former railroaders and never ceased their efforts on behalf of their co-workers.

I can certainly single out the Hon. Member for Regina West (Mr. Benjamin), who has been a champion on behalf of not only the current railway workers, but of the pensioners; his former colleague from Moose Jaw, Mr. Skoberg; and, of course, the eminent Member of the other place, the former Whip of the Liberal Party, Senator Charlie Turner, who certainly distinguished himself in terms of representing the interests of the railway workers and pensioners. I guess if I had one regret, it is that Mr. Turner will not be a member of that committee. I am sure that he will find the occasion to come in from time to time and give the committee any advice it may wish to extract from him.

I am sure as well that the present committee will benefit from many of the new members. The new membership on that committee is made up of a very talented group of Canadians. That new blood and expertise, combined with the stability, wisdom and commitment of veterans like the chief spokesman for the Official Opposition Party and the chief spokesman for the New Democratic Party and others, that blend will augur well in coming up with a real set of balanced recommendations that we can follow.

I urge all Members of the House and the standing committee to remember that we are dealing with an issue that affects the lives of some 47,000 former CN employees and their dependants. It may very well have implications beyond that. These people have provided years of dedicated service to our country, many for as long as 30 or 40 years. They are now senior citizens and do not have the sophisticated computers or lawyers to argue their case. I believe that their views must be

heard and that in the standing committee they will find a responsive and sympathetic listener.

Third, and this relates to my previous comments, the standing committee has shown considerable interest in this matter in the past and has acquired a knowledge and understanding that should be utilized. As recently as in the spring of 1984, the standing committee was seized with this particular issue. The committee had the opportunity, at least in part, to hear from the Pensioners' Association and CN. Unfortunately, we were not able to complete a thorough examination such as today we are proposing to do.

Previous to that in June, 1982 the standing committee adopted the motion of the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall) to consider the issue. Regrettably, that examination was also not concluded. Given the historical work of the committee, its interest in railway issues and the desire of the pensioners for a proper public hearing, I think that the broad order of reference to the committee which we have put forward is the most appropriate approach to this long-standing and very complex matter.

I must emphasize that the decision to bring forward an order of reference is consistent with the Government's interest in an over-all approach to Canada's pension and retirement income system. We are fully aware of the importance of the whole pension question and the great deal of work and examination that has been undertaken recently. Our Government is committed to assisting all Canadians in preparing for retirement that would allow them to live in dignity and security. I believe that the efforts of the Standing Committee on Transport with respect to CN pensions will provide valuable information and insight regarding retirement income arrangements for all Canadians.

● (1630)

I do not wish to take up the time of the House by discussing the specific issues of concern to the pensioners. I believe we should leave it to the wisdom of the committee to determine the best manner in which to proceed on those questions which might require special attention. We deliberately tried to shape the order of reference to permit this sort of flexibility. At the same time, notwithstanding the committee's own expertise, we have recognized that this issue contains many complex technical, legal and financial elements. Accordingly, we believe that the committee will benefit from the assistance of various experts such as actuaries and pension fund analysts, and that the terms of reference provide the committee with the ability to engage such assistance as it may require. Again, that expertise and background competence that will be required combined with the expertise and the political judgment of the members of the committee will, I am sure, give us the ingredients to come forth with what I would hope to be fair, equitable and practical recommendations.

If I might, I would like to say that I think this reflects the kind of faith that we as a Government place in the institutions and instruments of Parliament, and that faith is shared by all Members on this side of the House. We are committed to restoring the role of Parliament and parliamentarians and in particular we believe that committees can play a valuable role in the exploration of issues and the formulation of public policy. I say to the members of the Standing Committee on Transport that I intend to seek their advice on a wide range of issues and policy matters. I hope to count upon their advice and good counsel on these issues. They have already provided valuable advice and recommendations in several areas and I look forward to their efforts with regard to the CN pensions and to other matters.

If I may indulge in a moment of flattery, I would like to state that in my years as a parliamentarian, there has been no finer committee in the House than the Standing Committee on Transport. I have witnessed, as I am sure have many Hon. Members, some very remarkable and fascinating debates around that committee table. A great deal of thoughtful analysis has provided many outstanding and constructive reports and pieces of legislation to this House. I know that that tradition will be hard to live up to, but I am confident that the present membership is equal to that task. I sincerely look forward to their positive efforts on behalf of CN's 47,000 pensioners and I urge the House to give its approval to the order of reference so that the committee can get down to work.

Some Hon. Members: Hear, hear!

Mr. Benjamin: Mr. Speaker, I do not want to infringe upon the time allotted for the reply by my hon. friend from the Official Opposition. However, I would like to point out to the Minister that it seems to me that there is an omission in the order of reference. I would like to know what his view is regarding the matter of the committee's right to travel. If the Minister will recall, in 1970 we went to six cities because the pensioners could not afford to come to Ottawa. Will the committee have the right to travel? If not, will the committee have the right to provide funds for those witnesses who are pensioners to come to Ottawa?

Mr. Mazankowski: Mr. Speaker, in the case of providing funds for witnesses to come to Ottawa, I think that has always been a standard procedure. If the committee desires to cover the costs of witnesses whom it wants to bring to Ottawa, that is certainly within its power. I am not sure about the committee's mandate to travel. I had sensed that it was considered more appropriate, given the fact that there was going to be a considerable battery of expertise required, to conduct most of the hearings in Ottawa and to bring to Ottawa those witnesses whom the committee deemed necessary. If there are extenuating circumstances and travel arrangements may be required, I would in no way want to impair the ability of the committee to do its job simply by denying it the right to travel. I am sure that that is something that can be arranged.

Mr. Benjamin: Mr. Speaker, further to that, should the committee decide that there is a need to travel to one or more places, will the Minister and the Government be willing to bring in an amended or additional order of reference?

Mr. Mazankowski: Mr. Speaker, if that provision is not provided for in the terms of reference, I would certainly take it up with the House Leader if a representation were to be made to me.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, it is a pleasure to support a motion presented by the Government on behalf of my Party, the Liberal Party of Canada, a motion that will empower the Standing Committee on Transport to study the very important question of the Canadian National Railways' pension plan. It is a question that, as the Minister said earlier, affects some 45,000 CN pensioners, and as such, it is extremely important but also extremely complex and should be examined forthwith by the Members of this House, since it has already been the subject of discussions and in-depth studies for a number of years. These pensioners want action, and they want that action to be taken as soon as possible in this case.

I noticed that the Minister said the motion will empower committee members to retain the services of experts, professional technical staff, actuaries and other professionals to help them in their work. The Minister has therefore realized that this is a very complex matter. In fact, although I can give the House the assurance that the Members of the Official Opposition are prepared to give their full co-operation and support for this study, there are nevertheless two things that I regret. First of all, I think this Government has taken far too long since the opening of the new session to decide what it was going to do, before it finally referred this question to the Standing Committee on Transport. It is a decision I can accept, and I congratulate the Minister for having made the decision. However, I would have preferred the Committee to have been better prepared to do its work. The Minister mentioned earlier that he had to cancel a study by an expert who had been selected to examine the question by the previous, Liberal, Government. I maintain that if the study by this independent expert had been done, the Members of the Standing Committee who must examine this matter today would have been better prepared to do their work quickly, incisively and effectively.

I think it would be in order to recall a few historical facts. The Minister mentioned the name of Mr. Earl White, the National President of the Canadian Railways Employees' Pension Association. The House will recall that Mr. White appeared before the Standing Committee on Transport on June 7, 1984. I am going to quote a short passage from the statement made by Mr. White at that time. He said that they examined the pensions being paid by the CN pension fund and concluded that CN were using an inappropriate or unsound mathematical equation to calculate pensions. This had led to massive gains to the fund at the expense of pensioners.

Mr. White went on to say in his statement before the Standing Committee on Transport, and I quote:

• (1640)

[*English*]

CN chose to use an inappropriate equation and have continued to use it for 19 years of higher-than-normal inflation. As a result, it is estimated that about 20 per cent of the pension that pensioners should have received has stayed in the fund. Some pensioners will receive in 1984 only about half the pension they should receive. Others will receive about 17 per cent more than they should receive, but that is a short-term gain.

[*Translation*]

Mr. Speaker, this was indeed a very serious charge which caused some commotion among members of the Standing Committee on Transport.

Following Mr. White's testimony, the President of Canadian National, Dr. Maurice LeClair, wrote a letter to the Minister of Transport at the time in which he made the following comments, which I also would like to quote very briefly. Mr. LeClair said the following, and I quote:

[*English*]

The most recent evidence of this concern is a submission presented to the House of Commons Standing Committee on Transport by the President of the Canadian Railways Employees' Pension Association, Mr. J. Earl White. The Association's brief was provided to the Committee members on 28 May, and Mr. White appeared as a witness before the Committee on 7 June.

We are prepared to appear before the Standing Committee to respond to the statements made in the brief and to answer any other questions concerning the Company's management of its pension plans.

However, it seems to me that the interests of all parties involved in this debate would be better served by some new initiative designed to remove the mistrust which appears to exist at the present time.

I am suggesting that you consider the appointment of an independent consultant or advisor to review CN's stewardship of its pension plans and pension trust fund and report to you on his/her findings. The examination should include an analysis of the matters contained in the submission presented to the Parliamentary Committee by Mr. White on behalf of the Canadian Railways Employees' Pension Association.

At the same time, we believe it would be useful to report on the adequacy of the ad hoc adjustments provided to our pensioners. It is our opinion that our actions in this regard should be assessed in comparison with other "commercial" Crown corporations and large private sector employers, especially those of our main competitor, and with appropriate recognition to the level of initial benefit provided by our pension plans and the ratio of pensioners to active members of our workforce.

[*Translation*]

Subsequently, after hearing these widely divergent points of view, the Minister of Transport appointed on August 21, 1984, Mr. Bryan Williams of Vancouver as special adviser responsible for examining the financing and administration of Canadian National's pension plan. This independent commissioner could obtain the views of both parties and be instrumental in neutralizing the atmosphere of suspicion that seemed to prevail on both sides, and he would be able to review the structure, policy and administration of CN pension plans as well as the pension fund itself. The commissioner was to include a detailed analysis of the claims presented by the Pensioners' Association before the Standing Committee on Transport on May 28, 1984. He was to have meetings with most of the parties concerned in this case, including CN authorities, the Pensioners' Association, the unions, government representatives and pensions experts. Everyone had

approved and applauded this initiative by the Minister of Transport at the time. Everyone acknowledged the competence and impartiality of the expert in question, and I was glad to hear the Minister earlier this afternoon when he recognized the qualifications and impartiality of Mr. Williams, whose competence and ability to examine such issues are certainly not in doubt. In fact, Mr. Williams had already started on his study. He had several meetings with the President of Canadian National and his immediate staff. He also met with union representatives and already started to do some very important and very useful work. All of a sudden, however, he received a letter, a notice, a telex in fact, announcing that his services were no longer required by the new Minister of Transport.

I think this was a rather hasty decision on the part of the new Minister, because it will cause the Members who are to examine this question to lose more time. The fact that the Minister, in his motion, recommends retaining the services of consultants, actuaries and specialists to help Members in the work they will have to do in the weeks to come clearly indicates how important it would be to have this impartial, independent and objective study to give Members some clarification regarding the recommendations and the decisions they will have to make. I say that if Mr. Williams had been allowed to continue his work, we would now, on this very day, have a thorough study of the issues that would help us understand and analyze what we can and what we should decide on the Standing Committee on Transport. And we would not have to start from scratch as will now probably be the case, and hear testimony and get the advice and information of all parties concerned, consult the experts and finally make recommendations. All this work would have been done in recent months, and we would now, in Committee, have been able to proceed with an analysis of the expert's recommendations after examining any testimony he would have been able to collect, and in a few weeks we would have been able to proceed and give satisfaction to the parties concerned.

I believe that the task that awaits the Committee on Transport is a very difficult one that will take several weeks and that will require a great deal of attention and a great deal of study on the part of the members of this Committee. I can assure you, Mr. Speaker, that the Liberal Members who sit on the committee will be unremitting and unrelenting in their work on behalf of those pensioners, for it is obvious that we consider this to be a vital matter for thousands of CN pensioners who have been urging all along that something be done about it. I give them the assurance that we will give our undivided attention to this new mandate of the Standing Committee on Transport.

As I said at the beginning of my remarks, we fully support the motion, but we believe that the work will take more time and be more difficult because Mr. Bryan Williams was not allowed to do the preliminary work required to find acceptable solutions to this problem. I hope we come up with the answers and find a satisfactory solution to this question of retired CN workers' pensions. The recommendations of the Standing Committee on Transport will also be useful to Canadian Pacific pensioners because, although the Canadian National is a Crown corporation and our duty is to look after Government employees or CN pensioners, I would suggest that our work will serve the interests of CP pensioners. That is the hope I express, Mr. Speaker, as I give you the assurance that the representatives of the Official Opposition will do their utmost to find a viable solution to this problem.

• (1650)

[*English*]

Mr. Forrestall: Mr. Speaker, I cannot let the observations and intervention by the transport critic of the Official Opposition go by without at least a brief comment. The distinguished Hon. Member for Papineau (Mr. Ouellet) should know better than to attempt to mislead this chamber and the pensioners. The Hon. Member for Papineau is fully aware that this matter was before the Standing Committee as early as 1982. The committee at that time was prepared to go ahead with it. The then Minister of Transport was not prepared to let us go ahead, and I can assume that was because of a government decision.

The second comment I would like to make is, the Hon. Member will be fully aware that it was in early November when the first draft of the terms of reference for this very matter with which we are dealing today was presented to the Official Opposition for its consideration. It was rejected at that time by the House Leader of the Official Opposition and by the transport critic.

My third brief comment has to do with the single commissioner named by the former Minister of Transport. When was he named and under what circumstances? It was in the heat of an election in response to pressures being brought to bear upon him, when, Mr. Speaker, in fact that Party had two and a half years to deal with it. It had been aware of the issue for four or five years. I have no specific questions to ask the Hon. Member, but I wanted the record very clear with respect to that matter. Don't start us out this way. We have a good committee. Perhaps if I have a question for the distinguished Hon. Member, it would be to ask whether or not his views could lead the committee to believe that he might grace the meetings once in a while with his presence.

[*Translation*]

Mr. Ouellet: In connection with the comments the Parliamentary Secretary has just made, I should like to say very briefly that the representations made last November to the House Leader of the Official Opposition clearly referred to the vast number of subcommittees which the government wanted to establish to meet the aspirations and frustrations of its crushing majority of backbenchers which it wanted to keep busy. Neither the House Leader of the Official Opposition nor the House Leader of the New Democratic Party could accept

the large number of subcommittees the government was recommending.

We received only recently its recommendation to refer the matter to a standing committee, not a special committee or a subcommittee, and we accepted it immediately.

Also, the Hon. Member has regards for no comments but his own. I have listened to him most attentively and I should appreciate it if he acted likewise.

Finally, he stated that Mr. Williams had been appointed during the election campaign. Let me tell him this: The impartiality and competence of the independent expert who was appointed at the time by the former Minister of Transport were recognized by all interested parties. Because the appointment of this highly qualified expert took place during the election campaign, the Parliamentary Secretary feels it is a political one.

So I understand why the new Minister of Transport has hurriedly cancelled that appointment which he considered a political one. I think it is regrettable, notwithstanding the fact that the appointment took place last August, during the election campaign. Mr. Speaker, the fact is that if he had not been fired by the new minister, Mr. Williams would probably have already completed his study, informed us of the results of his investigations and conversations with CN pensioners and officials, as well as with union representatives and Canadian pension plans administrators. But someone else will have to do that job all over again. I suggest, therefore, that the new Minister of Transports' ill-advised decision will only delay the work which, I think, we are all anxious to start.

Mr. Deputy Speaker: The Hon. Minister of State for Small Businesses (Mr. Bissonnette) for a question or a comment.

Mr. Bissonnette: Mr. Speaker, the Hon. Member for Papineau (Mr. Ouellet) is trying to tell us that no political appointments were made by his party before the last election. Are you aware that you lost loads of votes in Canada because of what you did? Have you not realized that yet? I would advise the Hon. Member for Papineau to come to the House once in a while and see what is going on and see how many people his party has in this House. This is the result of what you have done. You may have appointed people whom you should not have. You have to face the facts and I think that this is altogether obvious. What the Minister of Transport has done, I believe, he has done in good conscience and with integrity.

Mr. Ouellet: Mr. Speaker, the Minister of State for Small Businesses (Mr. Bissonnette) had better keep silent and see to his own affairs instead of getting mixed up in something which comes under the jurisdiction of the Minister of Transport. I can hardly wait to hear him talk about the fate of the Federal Business Development Bank the headquarters of which are located in Montreal, and which is also about to be phased out. That was another one of the major achievements of the previous Government which is being sabotaged by the Progressive Conservative Government.

I maintain that Mr. Williams' appointment was not of a political nature. This man is a commissioner with the Law Reform Commission; he is one of the senior officials of the Advocacy Public Interest Center in British Columbia, his actuarial abilities are well known and respected, and he was appointed to do a job. The Minister of Transport is doing his best to repeal all the appointments made by his predecessor throughout the years. Not only has he fired Mr. Williams, but he has also, in a manner quite unprecedented in Canada, massively hired all the directors of the Crown corporations under his jurisdiction. As far as partisanry is concerned, we definitely will not accept being lectured by the Hon. Minister who has just risen. He has only to look at the shameful patronage schemes being carried out by his colleague, the Minister of Transport, who has appointed friends of the Prime Minister to Air Canada's board of directors without doing anything to keep the board representative of the various groups in Canada. Friends of the Prime Minister and no one else have been appointed to Air Canada by the Minister of Transport, and unfortunately, I am afraid that Canadian National pensioners will have to wait several months before we, in the Standing Committee on Transport, can make recommendations to help solve their problems. They will have to wait several months because Mr. Williams was prevented from doing his work last summer, last fall and last winter by the Minister of Transport.

● (1700)

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, let me begin by saying that I find it most amusing listening to kettles calling pots black and pots calling kettles black when they are both black.

I want to congratulate the Minister for bringing in this order of reference. I know he and his colleagues were working on this back in November and they were good enough to show me a first and second draft. I do not know what happened in between times, but we have the order of reference in this motion and I want to say that Members of the committee, the chairman, the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan), and the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall), as well as the Minister, have been most helpful and co-operative in this matter and I give them full marks and full credit for it because those three, myself and one or two others who are still Members of this House have been faced with this issue of railway pensions every darn year, several times a year since 1968 when I first came here. Frankly, we are all sick and tired of getting this thrown at us every year.

I want to tell you a little bit about the history of this matter starting in 1968. My friend from Vegreville will remember the way we finally got the matter of CNR pensions referred to the Standing Committee on Transport. We filibustered the old

style CNR financing Bill for two sessions to the point where the CNR had run out of money and had to go to the private market because the Government could not give them any. Then and only then did we get the CNR pensions and the matter of the CNR debt referred to the Standing Committee on Transport.

I want to tell you, Mr. Speaker, that the former Hon. Member for London East, now in the other place, was an active Member of that committee. The then chairman of the committee from the Government side, plus the Members I have already mentioned, as well as myself and the former Hon. Member for Moose Jaw, spent months digging into this issue. It was one of those rare occasions when a committee came up with a unanimous report and it was unanimously adopted by Parliament which, in essence, said that those CN pensioners should get a 2 per cent per year increase retroactive for 20 years.

In effect, this meant a 40 per cent increase. Now, for many of them it was no big deal. Three thousand of them were getting $25 a month or less so all we accomplished was to get them boosted up to $40. Well, it was better than nothing. A little over 10,000 of them were getting less than $100 a month, so we got another 40 bucks for them. But when Parliament had unanimously adopted the unanimous report of the committee, the CNR refused to do it. So we had to go back to filibustering the CNR financing Bill until finally the then Minister of Transport made the CNR do it by 1971 or 1972. Then the CPR had to follow suit.

If I have a criticism of this order of reference, it is that I think it should include Canadian Pacific as well as Canadian National because, in many respects, Sir, their pension plan is even worse. Their pensioners get an even worse deal than those of the CN. However, I am sure the Parliamentary Secretary and the chairman of the steering committee will agree that we are going to invite Canadian Pacific to appear voluntarily. If they refuse to do so, that is their problem, but maybe we can come back to the House and ask for the power to subpoena them. But if they choose not to appear voluntarily, I am hoping the committee will choose to invite CPR pensioner associations as well as the CNs, because many of them are in even worse shape.

There is something else about railway pension plans, and this also applies to a lot of other public and private pension plans. In the years when I was on the railroad I was always under the impression, which turned out to be a delusion, that the company deducted 6 per cent or 7 per cent a month from my pay cheque, contributed an equal amount and at the end of every month they took that money and sent it to the pension plan. Well, Mr. Speaker, when I first came to Ottawa as a new, green and stupid MP, and I am not green any more, the first time we had to deal with the CNRs annual report, it said the pension liability was about $1.5 billion. It said in the annual report what was in the CN pension fund. Well, I thought, if there is $1.5 billion in the damn thing, they should be able to double the pensions just on the earnings of the pension fund. Well, that was when I found out the difference between funded and unfunded liability. I am just an ordinary country innocent, a prairie boy, and did not know the difference, never heard of such a thing.

Mr. Mazankowski: I thought you were a railroader.

Mr. Benjamin: Same thing. I found out that what an unfunded liability of $1.5 billion means is that the money is not there. It is just a liability on paper. That is when I found out that my contributions and the company's contribution did not go into the pension fund every month. They did not put my money, any railroader's money, or even their own money into the pension fund until the employee retired.

Those contributions are part of the cost of labour for the railroads, for which they take full tax deductions. That money belongs to the employees and the pensioners and to no one else. All these decades both railroads have had unfunded liabilities. There were some steps taken by a previous Minister of Transport requiring that they bring these pension plans into a funded liability state. I think CN has until the year 2006 and CP has until the year 2025. In the meantime, they are using those employee contributions and the money they should be putting in for other purposes until they catch up with the funded liability. In other circles, that would be called theft or fraud, but I am not suggesting for one minute that the officers and management of the pension plan of CN and CP are crooks. Not at all. They are doing it according to the law, the way the law lets them do it, so they are no different than any other taxpayer in this country. But that means there is something wrong with the law and it is the job of the Standing Committee on Transport and the job of Parliament to change that once and for all so we do not have this every darned year for the next 25 years. I, of course, will not be here then, but maybe the Hon. Member for Vegreville will be, although he looks older than me. We should once and for all establish a fully funded regime for a pension plan of this, Corwn corporation which sets an example for all other public and private pension plans.

• (1710)

The Minister mentioned 47,000 CN pensioners. That is another reason I wish that the order of reference included Canadian Pacific, because that would include at least another 30,000 or 35,000. We must hear from them. There are no ifs, ands, or buts about it. Much has been said by the rail pensioners associations. Their major premise was that those on pensions do not get adequate increases from excess earnings which amount to tens of millions of dollars. There has been no orderly, regular increase in existing railway pensions. It has been done as and when the railway pension board got around to doing it. There was no systematic built-in increase, even for the cost of living.

Between the two railroads there is something close to $4 billion in liabilities for those two pension funds. That money belongs to all employees; union, non-union, and management. That money does not belong to the companies. That is why it is imperative that we get those pension plans on a fully funded

basis. If the CNR or CPR want to borrow the money back from the pension fund for use for capital expenditures or cash flow, that is fine. Those pension funds invest in a host of things including government bonds and annuities. They get a return on those investments. The companies must be made to put the employees' share and their share into the fund in cash at the end of every month. There is nothing wrong with them borrowing it back from the fund, but a pension fund must be a fully funded liability. There must be one, two, or three railway pensioners on the Pension board. There must be adequate representation from the organizations representing present employees.

I would like to say that I appreciate the lifting of the deadline on the committee. With the amount of work which was on the plate of the Transport Committee there was no way in which we could have completed this work by the end of June. We now have no deadline. I am confident that the committee will report back no later than the day we adjourn for the Christmas break, and hopefully a month or two sooner than that. I would even be willing to spend a week in the summer travelling and hearing witnesses.

As something of a compromise between the other side of the House and the Official Opposition, perhaps we should ask Mr. Williams to appear as a witness. He has the expertise and I am sure he would be welcome. In that way we will get the benefit of his views and have the best of both worlds. The job was initially done by the Transport Committee in 1969 and 1970 and we can do it again.

In addition to any recommendations that we may make regarding increases and benefits for those already on pension, I hope that we will make unanimous recommendations requiring fully funded pension plans which will put an end to this continuous pressure on Members of Parliament from pensioners. If we can set that example in the railway field the other public and private pension plans will have to measure up. The pressure on them will become so horrendous that they will have to do better jobs in funding pension plans and in the treatment of pensioners.

I know railroaders who worked for 40 or 45 years and got $400 or $500 a month pensions when they retired 15 years ago. They had planned ahead to the day they would retire. That looked like a good deal. Those are the ones from whom we are getting letters now. What was a comfortable living 15 years ago is not adequate now. It costs that much to rent a half decent apartment. It costs twice that much to go into a privately run senior citizens home. Even adding veterans pension, old age pension, and Guaranteed Income Supplement together, it is not sufficient for a retired couple to keep their bills paid and have enough money left over to bury them. They need at least $2,000 or $2,400 a month just to be comfortable.

I welcome this move by the Government, Mr. Speaker. If the committee finds it needs an extension of the order of reference I hope the Government will be co-operative. I am confident that the Minister will fight for the needs of the committee. I would like to duplicate what we did in 1969 and 1970 in terms of hearing witnesses. I believe we went to Halifax, Montreal, Toronto, Winnipeg, Edmonton, and Vancouver. We then paid travel expenses for pension groups to come in from other places. Some of the railway pensioner associations dug into their own savings to cover the cost of printing and duplicating their submissions to the Transport Committee. Last year we were able to allot some money to them to cover those costs. The steering committee will have to decide which is the most economical, efficient and fair method. Most of the witnesses and their associations cannot afford the expenses.

I would again like to thank the Minister for finally getting this to us. We support the motion and look forward to a successful series of hearings, a unanimous report from the committee, and the unanimous agreement of the Parliament of Canada to enable us to do something about this, once and for all.

• (1720)

Mr. Dorin: Mr. Speaker, first, I would acknowledge that as a general rule pension plans should be funded. However, funding them implies that there must be funding from some source. What does the Hon. Member believe should be the source of the funds? Would he specifically comment on whether he believes the railways should increase freight rates to cover them?

Mr. Benjamin: When one looks at the profit and loss statement of the railways for the last couple of years, one knows where it can come from. However, the contributions to a pension plan from the employees' wages and the company's equal contribution I believe are considered, under the tax law, as part of the cost of labour and fringe benefits for which the company may deduct from their corporate tax liability. That means that the money is there to be put into a pension fund. If it is not there, of course the railroads would have to raise their charges. What else is new? They have raised their freight rates about 40 times in the last 15 or 20 years and they sure did not raise the pension plans as often. Rather than raise the service, they reduced it and laid off their employees. But they are making more money.

When the Western Grain Transportation Act was passed in 1983, much to the disgrace of that Parliament, the best bet in the world was to buy 100 shares of CPR stock. It went up $4 in the first week, and has stayed up.

According to a collective agreement it is the obligation of the employer to match the contribution made by the employees. It is that money which must go into the fund at the end of every month.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is as follows: Mr. Mazankowski, seconded by Mr. Hnatyshyn, moves that the Standing Committee on Transport be empowered to study all matters related to the Canadian National Railways' pension

system; That the Committee have the power to retain expert, professional, technical and clerical staff.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

AERONAUTICS ACT

MEASURE TO AMEND

The House resumed, from Monday, April 15, consideration of the motion of Mr. Mazankowski, that Bill C-36, an Act to amend the Aeronautics Act, be read the second time and referred to the Standing Committee on Transport.

Mr. Deputy Speaker: There are eight minutes remaining for questions and comments on the speech by the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall). Are there any questions concerning the member's speech?

Mr. Benjamin: Mr. Speaker, I have a question with respect to the matter of a tribunal. According to the Bill there is an appeal procedure by the tribunal which will be welcomed by all licensed holders in the aviation sector. Suspensions have been issued in the past by individuals who acted as both the investigator and the judge. If it is not already available in the Bill, is the Government willing to amend it so that under the new regime these people will be able to start again with a clean slate? Previously there was no provision for appeals, and while some suspensions were deserved, others were not. We would not want those with unfair suspensions to come into the new regime with what is the equivalent of a criminal record. Would it be possible to allow everyone to have their licence in good standing under the new regime so they can start off with a clean slate?

Mr. Forrestall: Mr. Speaker, the Member for Regina West (Mr. Benjamin) puts forward a very interesting proposition. It is a matter being examined by the Department. Generally, it is a legal question about which I am at somewhat of a loss to answer, except hypothetically, perhaps. The Department is studying the legal implications of this question.

Hypothetically, should there be no way around the dilemma, it could be resolved by reinstating everyone and immediately cancelling the licences so they would have immediate access to the appeal procedures through the tribunal, either singularly or by a panel. I assure the Hon. Member that the matter is under active consideration.

Mr. Benjamin: In his opening remarks, the Minister referred to the matter of medical examinations. I appreciate that there are difficulties in the whole question of confidentiality of the doctor-patient relationship, however, the Canadian Medical Association is concerned about the Bill's potential threat to that traditional doctor-patient relationship, as well as its effect on the confidentiality of medical records. Doctors from the Canadian Owners and Pilots Association have also expressed the same concerns.

In the Armed Forces, pilots are compelled to have a full medical examination on a regular basis. Would it be possible to provide for similar examinations that would be carried out by a medical practitioner who is appointed and mutually agreed to by the pilots, the airlines, air traffic controllers, the ministry and others? There could be a panel of doctors in cities across the country, similar to the Department of Veterans Affairs medical examiners who report not only to the applicants but make a report to the Department. These are kept completely confidential. Would that not be a way to alleviate the concerns of the pilots' association, medical practitioners in the CMA and the doctors who examine pilots in COPA?

Mr. Forrestall: The fact is that there are appointed aviation medical practitioners in the field of optometry and medicine across Canada. I am sure the Hon. Member is aware that standard procedure requires regular medical evaluations to be carried out to maintain certificates of a wide nature, particularly pilots' licences.

When an optometrist or medical practitioner who is not a designated transport examiner for these purposes believes a condition might be hazardous, the Bill requires him to advise the patient. The patient must advise the ministry within 72 hours. It is also the further responsibility of that doctor to ensure that that report was made by the person in question. The Ministry would then order that person to appear before a qualified medical practitioner who is authorized by the Department to conduct medical examinations.

• (1730)

The Hon. Member raised some concern about the Canadian Medical Association with respect to the privacy of the relationships between doctors and their patients. I might just say in that regard that the Ontario Medical Association in 1983 passed a resolution which in effect called for this type of procedure.

Mr. Mazankowski: It was supported by many other associations.

Mr. Forrestall: Recently there was publicity, press attention as a result of a coroner's inquiry following an accident. In fact, we have come to understand that lives were lost as a result of a heart attack occurring while in flight. There is no doubt at all about the necessity for this type of protection, or going to this extent with respect to safety in the air.

I should like to make a very brief final point which in a sense flows from that. Many provincial jurisdictions have similar or like requirements with respect to the safe operation of motor vehicles. There is a tendency on the part of society, on the one hand, to want to maintain the privilege which exists between doctors and patients and, at the same time, to recognize that we must move ahead in the interests of safety.

Mr. Deputy Speaker: The period for questions and comments has terminated.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, perhaps I could commence my remarks by asking a couple of questions which the Minister might pick up when and if he closes the debate.

My first question deals with the cost of flying. I am thinking about the private area of general aviation. In the past the costs have been reasonable. Generally there is a misunderstanding about flying. I own a small aircraft. Its cost of acquisition was about the same as that of a car. Over the past few years operating costs of aircraft, whether for business activities or pleasure, have sky-rocketed. When I learned that I would have an opportunity to speak on this Bill I obtained some figures to illustrate this particular problem.

Ten years ago at a particular flying club the cost of solo flying was $18 per hour and the cost of dual flying was $24 per hour. That happened to be at that time a non-approved school, and it required 45 hours to obtain a private pilot's licence. For a reasonable amount of money an individual could become licensed.

Today that same flying club is not doing well charging $45 per hour solo and $65 per hour dual. It is certainly not a commercial operation in the sense of trying to earn revenue. It is simply trying to provide a service to club members in pilot training and licensing. With that charge of $65 per hour it is just making it, and no more.

I would like to ask the Minister or the Parliamentary Secretary, whoever will be wrapping this up, would it be possible for the Department of Transport within its aviation group to put together a group to look at ways of cutting costs to people involved in private aviation? Over the years—and I know that both government Members who spoke on this will agree—government-administered fuel cost increases have been enormous. The price of aviation fuel has sky-rocketed, largely as a result of government administered tax increases.

There is also the problem of private concessions at airports. At most airports in the country there is no competition whatsoever, and the cheapest grade of gas starts at 60 cents per litre and works up from there. In more remote communities or less populated areas there is more difficulty obtaining gas, certainly at reasonable prices. However, the combined effect of those fuel increases, coupled with import duties and normal inflated cost increases, has been devasting upon many small flying operations. As well, direct component costs have been a problem.

Another area of concern has been the administrative costs of the Government through the philosophy of user-pay. I use the example of airport parking fees which have risen dramatically. An average fee in many places would be $40 per month for parking small aircraft. There has been a determination by the Department of Transport that it wants to become involved in cost recovery. It is also involved in charging landing fees in many areas. There has been talk of charging for a variety of different services. Eventually people will be driven right off airports and instead of being able to obtain some revenue there will be no revenue at all.

The way in which this selectively affects the population is interesting. If one's income level is fairly average, one will simply be unable to fly. The only people who will have the benefit of those services at government airports will be those with substantial incomes who can afford any price, either for recreation or for business. The only other way one could own and operate an aircraft is if one is able to write it off against some other income and gain a tax benefit.

By continuing to press the user-fee idea, only a very select group of people will be entitled to use those services. Those services are paid for by all Canadians. Airport facilities, air traffic systems and support services are used by all people. Eventually I suspect only a small number of select individuals will be able to use them. Even though the cost recovery will be neglible, many people will be driven off the airports. For example, all private aircraft actually moved off an airport in my riding, administered by the federal Department of Transport, because of the difficulties in meeting increased parking fees.

There are serious problems as a result of the ordinary costs associated with flying. Also there are problems in that the Government of Canada is looking at more and more ways of becoming involved in cost recovery. It is my hope that the Minister will request his departmental officials to find a way of reducing those costs, or to find out whether it is really necessary for things such as radio licence fees suddenly to jump to $40 annually. The administrative renewal of a licence fee certainly would not cost that. The Minister should become involved in setting up a group of people within his Department charged with the responsibility of finding ways of cutting costs to general aviation so that people could remain in it, and possibly look into expanding small businesses, with some beneficial effect on local economies.

I have another area of serious concern in terms of cost problems associated with private aviation. I am referring to the administrative burden which the Government of Canada places upon pilots. Anyone involved in the business is seriously concerned about safety. An individual who goes out on his own takes a chance. It is a serious problem if he does not operate by the rules. It is even more serious when he takes up a load of people. He jeopardizes their lives. Often people load their families and their close friends and take them out. They take responsibility for the well-being and lives of those individuals. There must be some serious conditions met with regard to safety. That was the purpose of the Dubin commission.

• (1740)

Somewhere things seem to have gone amok. The private aviation area has found itself burdened with administrative problems that do not relate to the key questions with which Dubin was dealing. People now seem to be imposing conditions that are not related to safety or accidents. Those conditions are activities on the ground level. It is difficult to tell where they come from.

I will use an example of an RCMP officer responding to what he feels is the needs of Dubin. He is at the airport,

someone has just landed, the person is checked. He may not have his pilot's licence, or the logbook entries may not be up to scratch. The logbook may not be there. That person may end up with a $100 fine. Normally that person would have to go to the local RCMP detachment within 24 hours to show that he is properly licensed. If that were a motor vehicle, that would certainly be the case. That is not what Dubin was getting at. This does indicate law enforcement statistic. However, when you look behind the statistics, those are not the things which he was looking at, and they do little for private aviation.

The second matter is flight training. I talked to a CFI the other day who had recommended two people for flight tests. Both failed. He has been teaching people to fly for 25 years. He is a good instructor, a former Designated Flight Test Examiner, and one of the most conscientious people that I have known in the business. I have had instruction from him.

This person said there is a real problem. The MOT has come into the area. They are doing the flight testing according to their standards. He told me that one of the people who went up was a good pilot. He said he may have been spooked with someone else in the airplane, made two serious mistakes and had to go back to the barn. Unfortunately, that goes on his instructor's licence. My understanding is that a licence can be downgraded with enough failures. It reflects directly on the instructor.

With regard to that particular flying club, I only recall two accidents in the more than 10 years I have been around that area. Both of those accidents involved former members of that club. The club had had one accident years and years ago in which two individuals were killed. A qualified flight instructor made an error and the two were killed. Those are the only two examples. Years after they left the club, two commercial pilots died in accidents related to the commercial field. To my knowledge, those are the only accidents that ever happened involving in any way that flying club and I have been closely associated with that club for years. I have also been associated with five other flying clubs.

It appears that the Department of Transport is loading on administrative problems, and there will be an increase. I understand they are looking at an additional five hours of instrument time. At $65 an hour, that will cost $325, depending on the kind of standards they insist on. If an instructor takes up a student whom he knows is competent to fly, but knows that the flight examiners are going to be checking his students and checking him and there may be problems, he will give another five hours in order to protect his licence. He will do that to make sure the student knows it inside and outside. That will add on another $325. That is only one example of additional costs that will occur. If a flying school had only one accident which had nothing to do with the Dubin problem or anything else, a very unique situation, should you continue to impose administrative requirements?

The Bill before us today is very general. It allows the Department to propose regulations to the Governor in Council in a broad range of areas. Ultimately those will go through. I guess the large groups like COPA, CALPA and some others will examine it. CALPA is not really concerned with trying to keep down the costs for private aviation. COPA should be more articulate in trying to work with the Minister. Possibly the Minister can give us some idea how to get those costs down.

I know there are others who want to speak, so I will leave it at that. Can the Minister indicate what is being done, if anything, to try and bring down the costs for private aviation, to see that they level off at some point? Can he indicate ways to try and bring the costs down?

Mr. Deputy Speaker: Questions and comments?

Mr. Hovdebo: I was going to speak, Mr. Speaker, but I will defer to the Minister and speak at report stage.

Mr. Deputy Speaker: Hon. Members realize that if the Minister speaks now, he will close the debate.

Mr. Hovdebo: We can direct questions to the Minister after he speaks.

Mr. Deputy Speaker: Yes.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I want to say to all Members of the House how much I appreciate their comments, goodwill, support and co-operation in moving this piece of legislation ahead. I will respond to as many points that have been raised as I can, recognizing that there is a disposition to have this Bill move to committee prior to the adjournment today.

I particularly appreciate the comments, support and the spirit of co-operation that was prevalent in the remarks of the Hon. Member for Papineau (Mr. Ouellet). He raised a couple of issues that I would like to talk about. He questioned the issue of the Gimli report. That has to do with the inquiry into the Air Canada Boeing 767 which was forced to land in Gimli because it ran out of fuel. That report has been referred to me. It is being translated at the present time. Under the normal course of events, it will probably be made public.

Respecting the specific question that the Member raised, which had to do with whether there was provision within this legislation to incorporate any recommendations that may flow from that report, the departmental officials have generally looked at that. It appears, based upon the terms of reference that were enshrined in the inquiry, there is sufficient latitude within this piece of legislation to incorporate any recommendations that may flow therefrom.

He also mentioned the technical briefing which we had talked about unofficially. I would leave that to the discretion of the committee. I can say to all Hon. Members, if it is the wish of the committee to have an informal technical briefing by Transport Department officials on the over-all aspects of the Bill, that could be arranged either informally or through the aegis of the committee structure through which everything would be on the record.

The Hon. Member for Regina West (Mr. Benjamin) raised a number of points. I want to preface my remarks with respect

to his intervention by saying that I appreciate the spirit of goodwill and co-operation that was evident in his remarks. He got off on a bit of a tangent talking about the views he holds with respect to economic regulation. We all know where he stands on that issue. I am sure there will be another appropriate time when we can get into that debate more fully.

• (1750)

I would like to reiterate that the major thrust of this Bill is an attempt to provide for a safe and secure environment for civil aviation in Canada. I think any regulation or legislation that is inherent in this Bill has one common goal and objective, and that is to enhance the environment for civil aviation from a safety and security point of view.

The Hon. Member spoke to a great extent about regulations. The Hon. Member for Comox-Powell River (Mr. Skelly) also alluded to regulations. If I interpreted the Hon. Member correctly, he wanted some assurance that the regulations that would have to accompany this Bill—

Mr. Benjamin: Draft regulations.

Mr. Mazankowski: —draft regulations could be made available to the committee. I cannot give an outright assurance on that, but I can say that in principle, I certainly have no objection to that.

I realize that the legislation provides rather broad enabling powers for the proclamation of regulations. Of course, the principle is enshrined in the legislation. The regulations are really the guts of the Bill. They are what makes it work. To the extent that I can, I will certainly co-operate with the committee, to the extent that regulations are drafted. Of course, I must say that in the context of the remarks of the Hon. Member for Regina West (Mr. Benjamin) I am sure he would not want me to present a fait accompli to the House. I cannot draft regulations on the basis of this Bill because that would be presuming there will be no amendments or changes to the Bill. Given the wisdom, good advice and counsel of the members of the committee, I think there may very well be some very valid amendments that may have to be considered. To the extent that we possibly can, we will try to co-operate with the Hon. Member and with other Hon. Members as well.

I really appreciate the tone of today's debate. Safety and security, whether it is in the air, on the sea or on the roads, is not a partisan issue. I do not think anyone in the House has a monopoly on good intentions to promote a safe environment for the transportation of people or goods in this country. I will provide all the information I can to make the work of the committee easier.

The Hon. Member took issue with the establishment of the tribunal. We took the position that this legislation, as with other legislation that emanated from the recommendations of the Dubin Inquiry, should be treated as a package. A clear and very integral recommendation was advanced by Justice Dubin. We thought that if we did not follow that particular recommendation, we would certainly be deviating from the basic thrust of his recommendations. We are looking at this legislation in terms of a total package.

The establishment of the Canadian Aviation Safety Board was another vital element of the recommendations that were advanced by Justice Dubin. If we were to take away those two very important elements of his recommendations, we would in essence be gutting the bulk of his recommendations.

I am not sure about this, but I think the Hon. Member suggested that the CTC might be a better body to act as a tribunal. I think there is the possibility of a perceived conflict of interest there, because to some extent the CTC does engage in regulation of aviation. Perhaps it does not deal with safety *per se*, but it does deal with forms of the regulatory environment of civil aviation in this country. I think we are really trying to set up an independent tribunal to ensure that the adjudication of safety is done in such a way that there is no real or perceived conflict of interest in terms of its handling.

The Hon. Member for Simcoe North (Mr. Lewis) wanted to know whether the legislation would provide for an independent review process with respect to the establishment of aerodromes. He specifically mentioned social and economic considerations. Fortunately, or unfortunately, this Bill does not provide for that. It basically provides for legislative and regulation authority with regard to all elements affecting safety in aviation and the safety of the public. To that extent, the legislation provides for some power over the location of airports and aerodromes.

A very interesting point was injected into the debate by the Hon. Member for Comox-Powell River. I sympathize with his comments regarding the high cost of aviation, particularly private or general aviation. I certainly have recognized the acceleration of cost involved in owning and operating an aircraft and in acquiring the expertise necessary to fly an aircraft and become licenced as a pilot. The Hon. Member would be the first one to tell the House that, from his point of view, private aviation is not a luxury. In many areas it is a necessity. In the area in which he lives, and in areas in the North, it is in many respects the only mode of transportation.

The Hon. Member asked that we consider ways and means of cutting costs and ensuring that the burden on the private pilot and general aviator is reduced. To some extent—and the Hon. Member may find it difficult to follow this logic—that is really what we are doing in this Bill. We are tightening up the procedures for collection. At any one given time, approximately $10 million is owing in overdue fees. Collections are not being made for services provided to people who use the airport system because there is no provision for the application of interest and, it is very difficult to collect. Of course, this Bill will tighten up that procedure. I think we would all support the idea that everyone should pay his or her own fair share. By providing a more effective collecting regime we may very well be able to reduce the burden on those who do pay.

We have to strike a balance. One of the ways of cutting costs is by cutting services. The Hon. Member has more knowledge about private or general aviation than perhaps anyone else here. I hope he will come before the committee as

often as he can. I know he is occupied in other areas, but I hope he will be able to come forth to give us the benefit of his own personal experience in these matters. I am certainly sympathetic to the private pilot, the private aircraft owner and the general aviator. I can assure the Hon. Member that we will do whatever we can to ease their burden.

The Hon. Member also spoke of the excessive growing administrative burden imposed upon air travel in this country. I think the Hon. Member knows me well enough to know that I by nature am not one who willy-nilly promotes more regulation and more legislation. In fact, it is quite the contrary. I think he recognizes that there has to be a balance; a certain element of judgment and a certain amount of common sense has to be exercised. We are really trying to put in place a mechanism or legislative framework that will provide for that kind of discretion, common sense and practical application of good rules of airmanship. We have to be fair, we have to be firm, and from the federal point of view, we have a responsibility. I recognize that we should not encourage harassment, but we should encourage the kinds of balanced judgment, fair play, common sense and practicality that are required. With that in mind, perhaps we could put the question.

Some Hon. Members: Question.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Mazankowski, seconded by Mr. Hnatyshyn, moves that Bill C-36, an Act to amend the Aeronautics Act, be read the second time and referred to the Standing Committee on Transport. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Benjamin: On division.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Transport.

Mr. Deputy Speaker: It being six o'clock, this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, April 18, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY FISCAL EQUALIZATION PAYMENTS 1982-87 ACT

MEASURE TO ENACT

Hon. Barbara McDougall (for the Minister of Finance) moved that Bill C-39, an Act to provide for the making of supplementary fiscal equalization payments to certain provinces for the period April 1, 1982 to March 31, 1987 be now read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

She said: Mr. Speaker, I am very pleased to bring before the House today Bill C-39, a Bill which relates to fiscal equalization, one of the country's most important programs. The unconditional payments which equalization provides to provinces which are relatively less well off than others make it possible for them to provide their residents with public services on a level that is reasonably comparable with other provinces. In this way, the equalization program provides an assurance to all Canadians, irrespective of where they live, that they may expect to enjoy a reasonable level of public services from their provincial and local Governments. It therefore meets an important objective of our nation and one that is recognized in the Constitution.

The expenditures which the federal Government makes under this program are large and have grown steadily over the years. Beginning at less than $140 million in 1957-58 when the program was introduced, they now total more than $5 billion annually in payments to six provinces. The growth in the program reflects the rising cost of financing public services in Canada generally as well as the persistence of disparities in the abilities of provinces to finance these services through taxation.

This Bill resolves a particular situation which has arisen in the equalization program, one with which this Government was confronted when it took office. It concerns the decline in equalization payments which some provinces are experiencing in 1985-86 and the strong interest which they and other provinces receiving equalization have expressed in obtaining additional federal Government assistance.

The Government's overriding concern in approaching this question was to ensure that its response would be guided by the fundamental principle of fairness. It is the principle of fairness which this Government believes must underlie its relations with the provinces and which provinces expect of us. It was with a desire to be fair that the Minister of Finance (Mr. Wilson) discussed this question extensively with his provincial colleagues over the past several months and listened to representations from interested Canadians in an effort to come to a reasonable solution.

Before addressing the contents of the Bill, it may be useful to elaborate briefly on the circumstances which give rise to this projected decline in payments. In particular it should be understood that in none of the four cases do these declines in payments occur as a result of an expenditure cut or any other action taken by this Government. Rather, they are a reflection of the payments generated by the current equalization program which was enacted in 1982.

There is a particular reason for these declines in payments. This involves the expiry in 1985-86 of the special three-year transitional guarantee provision which was added to the equalization program in 1982. This provision authorized additional payments to provinces over and above their basic equalization entitlements in order to help smooth the shift from one formula to another and give provinces a period in which to adjust to the new system.

As it happened, events differed from what was anticipated in 1982. Basic equalization payments fell considerably below original expectations at the beginning of that year. This was largely as a consequence of the severe economic recession, the effects of which began to be felt soon after the new formula was adopted. At the same time, the transitional guarantee levels remained high because they were based on the growth of equalization payments in the pre-1982 period. As a result, a large gap developed between basic equalization payments which were lowered by the effect of the recession and the guaranteed transition levels which were not. The consequence was heavy reliance on the transition provision by the provinces receiving equalization. These transitional payments have totalled $2 billion over the past three years.

Those provinces faced with declines in payments made representations asking if something could be done to provide continuing additional assistance. The Provinces of New Brunswick and Newfoundland, like the other provinces, have also been concerned about their fiscal situations. These requests for assistance could not have come at a more difficult time for this Government. Having inherited the problem of a very massive deficit which is expected to total more than $34 billion for the year just ended, the federal Government is faced with serious

fiscal difficulties of its own. This enormously constrains what it is able to do.

The fact of the matter is that all Governments in Canada, both provincial and federal, are under severe financial pressure. In these circumstances the federal Government had to take very difficult decisions. First, should it do anything at all to provide support to the provinces whose equalization entitlements would decline significantly in 1985-86? Second, if anything could be done, should it be restricted to these provinces, or should something also be done for New Brunswick and Newfoundland, whose capacity to raise revenues is, generally speaking, not as strong as that of other provinces?

• (1110)

Bill C-39 sets out the Government's response to these questions. It reflects the decision to provide additional payments, to be called "supplementary equalization payments", and a decision that these payments should be made to all six provinces qualifying for equalization. These payments are fixed, lump sum amounts which are set out in the Bill and total $285 million.

The amounts of these payments in 1985-86 are as follows: Manitoba, $50 million; Quebec, $110 million; Nova Scotia, $20 million; Prince Edward Island, $5 million; New Brunswick, $20 million; and Newfoundland, $15 million. In the case of Manitoba, a further $65 million will be paid the following year because current estimates show a further decline in payments in 1986-87.

The amounts of these payments were derived in two ways—one for those provinces confronted with significant declines in equalization payments in 1985-86, and the other for the remaining provinces which received equalization. The first group consists of Manitoba, Quebec and Nova Scotia. In each case the payment to these provinces is based upon current estimates of the amount of additional equalization that each province would receive if its basic equalization entitlements over the next two years were protected by a "95 per cent floor". This provision already exists in the equalization formula for other provinces.

Let me be more specific. The equalization program now protects provinces against declines in payments from one year to the next in a way which varies with their capacity to raise revenues. The highest protection, the 95 per cent floor, is given to those provinces which are not as strong fiscally as others and ensures their payments will decline by no more than 5 per cent from one year to the next.

What the Government is doing in this Bill is giving Manitoba, Quebec and Nova Scotia the benefit of this 95 per cent floor for the purpose of making a lump sum payment which will assist them in the remaining two years of the current program. This payment is also based upon the latest estimates of each province's equalization entitlements.

The second group of provinces consists of Prince Edward Island, which is confronted with a small reduction in 1985-86, New Brunswick and Newfoundland. These provinces have the lowest capacity to raise revenues from taxation. The Government could not exclude them from additional payments being made to provinces which are in relatively stronger fiscal positions.

Accordingly, the provinces in the second group will also receive lump sum supplementary equalization payments. Specifically, each will receive an amount which, in per capita terms, will equal the average per capita payments to Manitoba, Quebec and Nova Scotia. On this basis, Prince Edward Island will receive an additional $5 million; Newfoundland, $15 million; and New Brunswick, $20 million, all in 1985-86.

• (1115)

[*Translation*]

I have often had to explain the method used in calculating these payments, because people wonder why one amount is paid to one province and an entirely different amount to another province. The explanation is simple. The difference is due to the fact that the per capita value of the decline in payments varies according to province. It follows that the per capita value of supplementary equalization payments would be different in each province. For instance, Manitoba will suffer a much greater per capita decline than Quebec or Nova Scotia. For the same reasons, the per capita value of each payment will also differ from province to province.

In any case, payments to provinces that have suffered a considerable decline in their payments have all been fixed on the same basis. Payments to the other provinces were of course determined on a different basis, but that basis is identical for all three. Thus, the Government has done everything in its power to guarantee that supplementary equalization payments will be fair and equitable for the six provinces concerned.

[*English*]

The Government is also acting to ensure that the payments are made to provinces as quickly as possible. The Bill, therefore, provides that payments in 1985-86 will be made within 30 days of its passage. The additional payment to Manitoba will be made in the first month of the 1986-87 fiscal year.

These payments are substantial and should be of considerable assistance to these provinces. They are in addition to some $5.1 billion which the Government expects to make in regular equalization payments this year. Adding the supplementary payments together with estimated regular equalization entitlements, total payments in 1985-86 are expected to be as follows: Manitoba, $458 million; Quebec — which accounts for well over 50 per cent of all equalization payments — $2,920 million; Nova Scotia, $588 million; New Brunswick, $572 million; Newfoundland, $616 million and Prince Edward Island, $130 million. The new supplementary equalization payments will bring total federal expenditures on equalization in 1985-86 to approximately $5.3 billion. This is in addition to the very large amount which the federal Government also provides in transfers to provinces for such purposes as health care and post-secondary education.

Total cash transfers to provinces are expected to exceed $20 billion in 1985-86, accounting for close to 20 per cent or one-fifth of all federal expenditures. With the inclusion of the

value of federal income tax transfers to the provinces, the total reaches more than $27 billion.

Legislation is required to authorize the supplementary equalization payments because there is no existing basis upon which such additional payments can be made, nor is there any provision for these payments in the Main Estimates for 1985-86 or in the Government's present fiscal framework for 1986-87. The Government is not, through this legislation, attempting to address all of the questions which provinces and others may have about the equalization program. That is the function of the review of the program which takes place every five years and which will be getting underway shortly with a view to meeting the scheduled expiry of the current program in March, 1987.

The purpose of this Bill is to make fixed payments to Canada's less wealthy provinces to help carry them through the two remaining years of the arrangements. As I have said, these are payments which the Government did not have to make and which it is providing to provinces despite its own very serious financial position. While the amounts may not in all cases be as much as provinces had hoped to receive, they are the most that the Government is able to afford in light of its own serious financial situation. They have been calculated on a basis which is fair and reasonable.

In short, the decision has been taken in the spirit of co-operation and mutual understanding that this Government is endeavouring to develop with the provinces so that we may together build a stronger nation from coast to coast.

I earnestly encourage all Hon. Members to support this Bill.

• (1120)

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I would have liked to respond in a positive way to the Minister's invitation with respect to Bill C-39, but unfortunately, I cannot support this Bill, and, Mr. Speaker, I wish to make it quite clear at the beginning of my speech that the Official Opposition intends to oppose the passage of Bill C-39 because it believes that the Bill is, above all, inequitable for Quebec, unfair to Manitoba and inadequate for the Province of Nova Scotia.

During the few minutes I am allowed, I intend to explain why we are judging this Bill so severely and also to draw the attention of the public to the fact that in allocating the limited resources available to this Government, the Progressive Conservative Government has preferred to support the cash flow of the oil multinationals instead of supporting that of the provincial Treasuries.

I assume the Bill before the House today, like any other Bill, can be examined in a number of ways. In this particular case, and we have already had an example in the speech just made by the Minister, some Hon. Members will say that the shortfall experienced by several provinces as the equalization formula is applied in 1985-86 and 1986-87 is the result of mistakes made by the previous Government, and that Bill C-39 is an act of great generosity for which the Government deserves to be congratulated. That was exactly the tenor of the Minister's speech, which means I guessed right when I was preparing my notes, and it is probably the line of reasoning that will be followed by other speakers on the Government side.

Mr. Speaker, we in the Official Opposition maintain and will continue to maintain that in a democracy, the Parties that form the Government change from time to time, depending on the wishes of the electorate. However, the responsibility of those in power cannot be brushed aside by mere rhetoric, because a government, especially when it has a substantial majority, has the power to make changes. The best example of my premise that a government that wants to make changes can make them is the decision of the Minister of Energy, Mines and Resources (Miss Carney) who, supported herein by the Prime Minister (Mr. Mulroney), changed the taxes on the multinational oil companies so that in the years to come, these multinationals will be receiving from the federal Treasury a present worth $2.4 billion. Mr. Speaker, that was a very substantial change: giving $2.4 billion to the oil multinationals was not a decision made by a backbencher but by Ministers, and I would say by the Prime Minister himself. Mr. Speaker, it proves that when a government wants to make changes it can do so, even if it costs $2.4 billion. When the Government gave those $2.4 billion to the oil multinationals, the Minister of Finance (Mr. Wilson) did not protest that the public purse could not afford these presents to the multinationals. However, when the Minister of Finance announced on April 1 of this year that Bill C-39 would be tabled in the House, he said the supplementary payments could not be any higher and were the maximum this Government could spend, given the serious state of the Government's finances.

Mr. Speaker, some problems in this country are given more equal treatment than others. I find it hard to believe that the Federal Government has $2.4 billion to spare to refresh the cash flow of the oil multinationals and can find only $220 million to achieve a better balance of this country's wealth, the negligible amount it is giving to the provinces.

Before pursuing my detailed analysis of this Bill and its impact, I would like to say a few words about the line of reasoning followed by the Progressive Conservatives and the Minister of Finance himself, namely that the problems in applying the equalization formula in 1985-86 are to be blamed solely and entirely on the previous administration.

I shall, if I may, provide some historical context and we shall see whether, aside from the partisan rhetoric being dished up by the Government, there are other, more serious reasons, and to do so, we must go back a few years.

• (1125)

I am not suggesting that all decisions made by a Liberal Government are good and that all decisions made by a Progressive Conservative Government are bad, but I think that

now and then, when one wants to raise a serious argument, there has to be some give and take.

In 1980-81, the Government advocated a new equalization formula after analyzing the fiscal arrangements for 1982-87. Under the new formula, equalization would apply to 33 instead of 29 revenue sources as had been the case until then. In addition, and this is significant, equalization would be based on the full value of provincial oil and gas revenue rather than on only 50 per cent as was done before. This broadening of revenue sources used to set the amount of equalization payments to the provinces would inevitably result in much higher equalization payments, quite obviously. Some people went so far as to claim that, in certain cases, one of Canada's richest provinces—Ontario—might eventually receive equalization payments under the new formula.

Since the new formula and the wider equalization basis would result in what appeared to be an overly sharp increase, a change was made in the way equalization applied to the various provinces—there were to be 33 instead of 29 revenue sources—and it was decided that equalization would be based on the average of the same per capita revenue sources of five provinces, namely Ontario, Quebec, Manitoba, Saskatchewan and British Columbia, rather than on the national average. That is probably the major change in the equalization formula.

Since it is difficult to predict five or six years in advance the impact of such radical changes, the new legislation provided for a three-year special payment transition period to help the provinces adjust to the new formula and, more particularly, to have sufficient time to assess its consequences with respect to equalization payments. It was with that consideration in mind that the Government and the Minister of Finance introduced transitional payments which featured two elements, and I will have more to say about it later. As I just said, these transitional payments, which include two elements, were made in fiscal years 1982-83, 1983-84 and 1984-85 to the provinces of Quebec, Manitoba, Prince Edward Island, Nova Scotia and New Brunswick. According to the information I have, only the Province of Newfoundland got more money under the new formula than it did under the old one, without even having to ask for interim payments.

Mr. Speaker, I might add that, at the close of that three-year experiment, regardless of the political Party in office in early 1985, it was bound to tackle the issue in an attempt to offset, if necessary, any untoward consequence of having done away with the transitional payment formula. That is exactly what happened, and negotiations began last summer, as the three-year agreement was coming to an end, to see how corrections could be made.

In all honesty, Mr. Speaker, can anyone blame a Government for acting objectively and playing it safe? Who can blame a Minister of Finance who wants to know where he is going before giving eternal guarantees? Besides, the formula adopted in 1981-82 did not set a deadline and, now that the Constitution has been amended, the equalization formula would remain in force even though fiscal arrangements might be scheduled every five years. That is why transitional payments had been limited to three years, subject to review should adjustments be required.

Therefore, transitional equalization payments were limited just so the impact of the new formula could be measured. Anyone familiar with the complexity of equalization payment computations readily appreciates why the transitional payment formula had to be given a limited lifetime so that stock could be taken.

Having been directly involved, I recall that the federal Government had decided to revamp the whole tax structure in the early 70s—the famous tax reform of the early 70s. The Government had suggested a tax reform and some of the provinces were worried, especially those that have collection agreements and must use the same tax basis.

• (1130)

In view of the difficulty of forecasting the actual results of such a basic change, the Federal Government had at that time guaranteed the provinces that they would be compensated for any loss if the new taxation system were to produce effects totally different from those under the former system. After five years, the complexity of the calculations was such that it was difficult to carry out the necessary assessments, especially because of the changes made by certain provinces and other changes introduced on a yearly basis to the taxation system by the federal authorities. It had therefore become very difficult to continue to apply this guarantee provision. However, the same formula had already been applied under identical or similar circumstances.

With respect to equalization, as I have already said, the Federal Government wanted to move cautiously and this led people to believe that the transitional payments would have to be cut short lest the new formula or changes in the economic situation should have much more far-reaching results than expected. I do not see why the former Government should be blamed for having wanted to move cautiously so it would not now have to face up to its own responsibilities.

Experience has shown that at least three provinces were penalized by the new formula, but only beginning with the year 1985-86, and that these provinces would lose substantial amounts if provisional payments were discontinued on their behalf. Those provinces are Quebec, Manitoba and Nova Scotia. Mr. Speaker, I said at the beginning of my speech that we of the Official Opposition would oppose this Bill because it is unjust to Quebec, unfair to Manitoba and inadequate in the case of Nova Scotia.

If I may, I will try to use the figures I have here to show, first, why Bill C-39 is inadequate in the case of Nova Scotia. In 1984-85, the Province of Nova Scotia received $600 million in equalization payments, and this included a payment of $72

million under the provisional formula. As everyone knows, their transitional payments consist of two amounts. First, there is the provisional guarantee which assures an increase in minimum equalization payments compared with 1981-82. For instance, while I do not have the figures for Nova Scotia, under this part of the transitional payments for Quebec, the increase amounted to 11.7 per cent in 1982-83, 7 per cent in 1983-84, and 3.3 per cent in 1984-85. The other portion of these transitional payments is related to the basic formula, plus the guarantee I have just mentioned, and if there is a shortfall between this amount and the amount produced by the old formula, this shortfall is made up, and the two portions added together make up the transitional payments.

For Nova Scotia, Bill C-39 simply makes up the shortfall for 1985-86 and leaves the Province at the mercy of a decision by the Federal Government for the year 1986-87. Nova Scotia will have to come back on its knees to ask the Minister of Finance for what should be coming to it in 1986-87.

I would like to recall at this point, Mr. Speaker, that equalization payments are unconditional transfers to the provinces and that they must be made according to an equitable formula which does not put the provinces at the mercy of any arbitrary decision of the Canadian Government. If Bill C-39 remains in its present form, I maintain that it will not meet the very criteria of equalization and that it will be seen as a totally inadequate settlement for Nova Scotia.

If Bill C-39 is inadequate where Nova Scotia is concerned, the matter is even more complicated for Manitoba and the Bill is unfair to that province. Following the implementation of the new formula, the Province of Manitoba has received in 1982-83, $439 million, including $169 million in transitional payments, still consisting of the two portions I have already mentioned. In 1983-84, it received $466 million, including $163 million in transitional payments. In 1984-85, Manitoba received $479 million, including $138 million in transitional payments. With these transitional payments coming to an end, the equalization payments for Manitoba will go down from $479 million to $407 million, with a loss of $72 million. Even if we take into account another payment, this one provided for under Section 4(6) of the Fiscal Arrangements Act passed in 1982 which specifies that, for a province with a provincial per capita income in excess of 75 per cent of the national income, equalization entitlement cannot decrease by more than 15 per cent from one year to the next, as I say, even when this payment is taken into account, the loss for Manitoba is still more considerable. This loss figured at $72 million in 1985-86 would have been still more significant in 1986-87 since the payments specified for the last of the fiscal arrangements were supposed to be only $377 million, or $102 million short of the amount received in 1984-85.

The proposal contained in Bill C-39 shows how unfair this is to Manitoba, and the payments which will be made to the Province under Bill C-39 will be far from sufficient to make up the difference. Bill C-39 is simply a band aid measure and it should be amended to correct the injustice which will befall Manitoba. I think that in the case of Manitoba, the situation is even more obvious than that in Nova Scotia, since the figures and projections available for 1986-87 already show that it will be penalized, whereas in Nova Scotia payments could be inadequate, depending on the results of the economic development in that province.

Mr. Speaker, if Bill C-39 is inadequate for Nova Scotia and unfair for Manitoba, the withdrawal of temporary payments becomes an injustice as far as Quebec is concerned, an inequity which should be strongly exposed. All those who have followed the discussions over the years remember that Quebec has always disagreed about the equalization formula and especially about the withdrawal of temporary payments formula effective in the present financial year. As early as the first months of 1981, the pro forma statistics and projections provided by the Department of Finance in Quebec indicated what was going to occur in 1985-86 and 1986-87. The government of Canada stated that the temporary payments provided an adequate guarantee to Quebec, which was the case since those payments covered the losses and were even increased from one year to another. The government of Canada maintained that the temporary payments provided Quebec with an adequate guarantee to try honestly the new formula and, under the circumstances, for each of the years 1982-83, 1983-84 and 1984-85, the temporary payments varied for Quebec between $350 and $400 million. The figures are clear and the evidence is sufficiently specific. It indicates that the fears of Quebec were well-grounded and this is why Bill C-39 should permanently correct the distortion or at least extend until new negotiations begin in 1987 the enforcement of the clause dealing with the temporary payments due in 1984-85.

I will come back to the matter later because I would like to indicate to the minister right now that if subsection (4) covering the guarantee of temporary payments for 1984-85 is enforced and the percentage remains at one third, the equalization payments made to Quebec in 1985-86 and 1986-87 will only be increased by 3 per cent, which is below the present inflation rate. And it could not be said that those are extravagant payments.

Mr. Speaker, in 1983-84, the temporary payments, as I said, amounted to some $400 million, $399 million on a total of $2,976.6 million. The following year, in 1984-85, the temporary payments amounted to $392 million on a total equalization sum of $3 billion.

When I say that Bill C-39 is unfair for Quebec, you will understand, I hope, why I say so. Indeed, in 1985-86, according to the statistics disclosed by the Minister of Finance on April 2 last, and I know how qualified are the officials computing those figures and I do not doubt that if there are some mistakes of a few hundred dollars, the general tendency and the basic issue are surely correct.

Supplementary Fiscal Equalization Payments

● (1140)

In 1984 and 1985, that province has received $3,074 million in equalization payments, and in 1985-1986, that amount will drop to $2,784 million, a loss of $290 million. In 1986-87, according to the estimates, Quebec will get $2,902 million, a reduction of $172 million compared with 1984-85.

In view of the normal growth which should take place from one year to the next, Quebec's loss in the area of equalization payments is quite significant, and Bill C-39 will compensate Quebec for only 15 per cent of its losses in this area. And this, because of the ending of the transitional adjustment payment formula.

If I suggest that the solution proposed in Bill C-39 is unfair for Quebec, Mr. Speaker, it is also because the effects of the formula over the forthcoming years, not the past ones, will not be the same for every province which benefit from equalization payments.

According to the analysis prepared and published by the Quebec Department of Finance, an analysis which to my knowledge has never been contested, it is clear what this formula has meant for all the provinces: an unfair situation for Quebec which is quite different from the other provinces.

Let us take the case of Newfoundland . . . I am sorry, Mr. Speaker, I am trying to find my table. I have the figures somewhere else. I am going to quote them. I cannot find my table. In Newfoundland, over the five years the formula will apply, that is three real years for which the figures are already available and the following two years, that province will receive $100 million or $102 million more than under the old formula. In the case of Newfoundland, therefore, the equalization payment formula adopted in 1982 has been far from unfair, since it provided the province with more money than the old formula. And, unless I am mistaken, there have been no need for transitional adjustment payments.

For Prince Edward Island, for the three real years and the two years to come, the province will gain $52 million. Therefore, the formula is not unfair to that province; in fact, the new formula 1982-87 gives it a certain advantage over the 1977-82 formula.

In Nova Scotia, for the five years, the gain is $233 million, but it is mostly concentrated over the first three years because of the interim payments, but the situation becomes very drastic and difficult over the last two years.

In New Brunswick, if we compare again the results for the five year period, three real years plus two estimated years, the gain of the new formula compared to the old formula is $65 million. The formula, therefore, is not unfair for New Brunswick.

In Manitoba, because of the interim payments, the new formula has generated gains over the first three years, but with the ending of the transitional payments formula, the loss over the last two years will reach some $172 million, which will certainly prove unbearable for the Public Treasury of Manitoba. But for the five years altogether, the formula has still given positive results.

Quebec will be a net loser, because even taking into account the $110 million the Minister has just mentioned and which will be paid under Bill C-39, the net loss for the five years under the new formula compared with the old formula will total $750 million, most of it in 1985-86 and 1986-87, because of the ending of the transitional payments. Quebec is the only province which will be faced with a net loss over the five year period under the new formula as compared to payments that would have been paid under the old formula.

I apologize, Mr. Speaker, for my extensive use of statistics, but as you know this is a complex matter which needs more than words to be properly dealt with, and all through my speech, I have tried to demonstrate with supporting figures that Bill C-39 does not make sense and that after applying the new equalization formula for the last three years, experience clearly shows that if the transition payments I mentioned earlier which the province of Quebec received in the last two years are not maintained in 1985-86 and 1986-87, that formula becomes totally unjust for Quebec, more so from this year on, as I said earlier, because those famous transition payments are abolished.

Therefore I ask the government, the Minister, to delay the passing of this bill for two reasons. I do not make this request lightly. First, the Prime Minister of Canada, the head of government, stated publicly, after the tabling or rather the announcement made in this House by the Minister of Finance, that he was willing to carry on negotiations with the government of Quebec. Therefore, in view of the situation, if the word of the Prime Minister is to be taken seriously and if it means anything, I believe that the government has no right to use its majority in this House to undermine the additional negociations which have been announced by the Prime Minister himself. So we should wait, in my opinion, until further negotiations have been held between the Minister of Finance of Quebec and the Prime Minister of Canada, to see whether Bill C-39 could not be improved upon, right now, because once this bill is passed, even days before a budget is tabled in Quebec and weeks before one is tabled in Ottawa, I do not expect the Minister of Finance or the Minister of State for Finance to come back three weeks later with another bill to change the payments that have just been announced and barely represent 15 per cent of the losses Quebec will incur.

Mr. Speaker, I say that we must postpone the passage of this Bill and give the Federal Government a chance to check whether my information that extending the transitional payments formula applied to Quebec in 1984-85 . . . if this formula were to be extended in 1985-86 and 1986-87 . . . to check whether the figures I gave, indicating that the increase in equalization over these two years would be only 3 per cent. If

that is the case, it seems to me, Mr. Speaker, that an increase in equalization below the inflation rate, and the fact that the Minister of Finance told us recently, only a few days ago, that his budget would be inflationary, so that the inflation rate will certainly rise above 3.7 per cent, since that is where it is today... This means that an increase in equalization in 1985-86 over 1984-85, and in 1986-87 over 1985-86, an increase of 3 per cent, would be below the inflation rate, and I think we should postpone the passage of Bill C-39 to find out, from the negotiations referred to by the Prime Minister, whether the figures I referred to are correct. Mr. Speaker, it seems to me it would be only fair to have the guarantee formula for the last two years of fiscal arrangements, as it refers to equalization, maintained. During the first three years, experience has shown that in the case of Quebec, the transitional payments were indispensable and that for the last two years, the loss will be enormous: $750 million. No government can afford to experience a shortfall in revenue of this magnitude. I would therefore ask the Government to postpone consideration of the Bill to a later date. I am not going to propose a motion, because I do not want to prolong debate unduly, but I do wish to appeal to the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier), who is a Member from Quebec. As Parliamentary Secretary, he most certainly has access to the statistics and figures that were released by the Government of Quebec. If those figures are incorrect, I wish someone would point out any substantial errors. If we look at the results of the new formula, I say it is unfair to Quebec if transitional payments are not maintained, because even if transitional payments are maintained at the 1984-85 level, that is, by keeping one-third of the rate of growth over previous years, even if transitional payments are maintained at one-third, what does this give the other provinces per capita? The Minister referred to payments per capita. Leaving aside Bill C-39, this would mean that Newfoundland, for instance, would be favoured with an increase of $175 per capita under the new formula, over the old formula.

• (1150)

If we take Prince Edward Island, new formula over old, not including additional payments under Bill C-39, this amount is $422; Nova Scotia: $250 per capita; New Brunswick: $93, if we consider the 122 addition; Manitoba: $6, and this province is the worst off and because the transitional payments formula has been scrapped, this becomes negative, but Quebec is the only province where per capita payments have dropped $113, as a result of the expiry of transitional payments. By these payments beeing reinstated for the last two years, this gap can be corrected and Quebec's per capita payments can be brought up to the provincial average.

I wanted to mention these inequities, not necessarily to make a political point but to point out that I do not understand the "equities" referred to by the Minister in his per capita reports. I read the statement by the Minister of Finance, I examined it and I could not understand the meaning of the word "equity" in terms of the application of Bill C-39. Upon further analysis, I also realized—I had a chance to read what was said by the Quebec Minister of Finance in the National Assembly on April 2 of this year—that I was not the only one who did not understand and who objected.

This is what the Quebec Minister of Finance said in the National Assembly on April 2 of this year, and I am quoting Mr. Duhaime: "I am very disappointed," he said, in referring to the announcement made by the Minister of Finance, "because the Federal Government has obviously refused to recognize the inequities generated by the new program vis-à-vis Quebec". He also said: "I am surprised and in fact astonished at the complete absence of logic in the arrangement provided in Bill C-39. This arrangement provides for payments to provinces which, accordingly to the Federal Government's own forecast, will not experience any drop in their equalization entitlements in 1985-86 and which, furthermore, have greatly benefited from the changes made in the equalization program in 1982." Mr. Speaker, a few moments ago I explained how the new equalization formula had been beneficial except for Manitoba and Nova Scotia, for the last two years and in varying degrees, and that generally, the equalization formula adopted in 1981-82 had benefited all provinces except Quebec. As I said before, in the case of Quebec, it is because the Government has refused to extend transitional payments that were included in the formula in Bill C-97 that was adopted by this House. All Canadian provinces receiving equalization payments have benefited in various degrees which I indicated, with the exception of Manitoba for the last two years, and this was also because the transitional payments formula was dropped, but on the whole, even Manitoba has received more money under the new formula than it would have received under the old one. Only Quebec has been severely penalized by the fact that transitional payments were dropped, even allowing for Bill C-39, and I maintain that there is an inequity here that must be remedied.

And obviously, the Minister of Finance can try... At the outset of my remarks, I alluded to the comments of the Minister of Finance concerning the ability to pay, it was the best he could do. Things have to be set in the proper perspective, and I want to caution the public as well as the Parliamentary Secretary—I know he is a serious man and wants to uphold the interests of Quebec, I am sure—and the other Quebec Members in the House. As a group or as a Party you might try to blame the former Government. That will be easy. You will have to take a bow, your constituents will congratulate you, but Quebec will not even get a nickel. Again I say that Quebec was not penalized under the three-year formula including transitional payments, but from this day on, it becomes the responsibility of this administration, the Progressive Conservative Government. Blame the former Government if you want—as I said, you will have to take a bow—but that

is not going to redress the injustice and inequity done to Quebec by dropping transitional payments. I hope the Minister will get together with the Minister of Finance, the Parliamentary Secretary and the other Quebec Members who might take time to consider carefully the full implication of eliminating transitional payments beginning in 1985-86; get together, raise the issue in caucus, your Quebec caucus, and you will see that it does not make sense, that transitional payments must be kept in the law. I suggest that they be maintained at the 1984-85 level and, if you figure it out, you will find out that Quebec would not even get the full $750 million it stands to lose. It would be less than $750 million, but definitely more than the $110 million you recommend. As I see it, it would amount to something like $400 million or $450 million. But even at that, if the Progressive Conservative Government and the Members from Quebec examine the matter properly, and I urge them to do so, it is clear that with this formula Quebec will get less than any of the other provinces, on a per capita or nominal dollar basis, even if transitional payments are maintained at the 1984-85 level.

That is why I strongly urge the House to reconsider Bill C-39 in light of the facts I have just mentioned and keeping in mind that the Prime Minister of Canada said that the door was still open. However, once Bill C-39 has been given second reading, gone through committee stage and been stamped by the Senate, the door will be closed, padlock and all, and we will have to wait until 1987 before reviewing this matter.

In my opinion, Mr. Speaker, this is a basic question, a question of equity. Now that the Government of Quebec is considering the possibility of making proposals to the Canadian Government so that Quebec might become a full-fledged member of the Canadian Confederation, I think that if we look at Bill C-39 in that context, it is important and even imperative to reintroduce the transitional guarantee payments for the last two years. This way at least the equalization formula would not be a source of inequity as it is now, even though Bill C-39 will mean more money, but as a whole there would be more fairness, and I think that Quebec would then be on the same footing as the other provinces. Quebec is not seeking hand-outs or payments to which it has no right, it simply wants to have equitable per capita payments, with due consideration for the economic situation as described in the equalization formula whose principle is now entrenched in the Canadian Constitution.

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, I first want to indicate that I am glad that the Government has moved to increase the funding to some of the have-not provinces in Canada. I will say a few more words which are not nearly as complimentary, but I do congratulate it for implementing a move toward fairness in this country.

In doing so, I think we have to realize where the real blame belongs. That blame should lie with the previous Liberal Government. In 1981-82, the Liberal Government of the time knew that the equalization legislation it was bringing in would have the result of decreasing the amount of money that certain provinces would be receiving at this time. The transition payments about which the last Liberal speaker spoke so much were a step to cover the situation for a three-year period only. Liberal Government Members of the time knew that as of April 1, 1985, some provinces including Manitoba and Quebec would be receiving less money than they received in the previous year. That was something about which we and the Conservative Opposition Party told the Liberal Government. We do not want to say we told you so, but that is obviously the situation. The Liberal Government knowingly cut funding to some of the have-not provinces in this nation.

• (1200)

I do not think we can be completely nice to the Government of the day, and you would not expect me to be, Mr. Speaker.

Some Hon. Members: Why not?

Mr. Murphy: Some Conservative back-benchers are asking why not. The reason I cannot be completely nice to them throughout my speech is that it would be intellectually dishonest to do so. We do realize that the Conservative Government, when it was first elected, had no intention of moving on the equalization issue.

Mr. Peterson: You don't know that.

Mr. Murphy: We do know that because the Minister left his briefing notes in the City of Winnipeg. Those notes were not left around on purpose. An unkind wag said that the Minister left his briefs in Winnipeg and that his office tried to tape up the situation. Seriously speaking, what that did point out to the people of Manitoba, Quebec, Nova Scotia and Prince Edward Island was that the Government had no intention of moving on this issue. It is a fact that a number of meetings were held at the request of provincial Governments in order to get this Government to move. I have already congratulated the Government for moving at least a step in the right direction.

So that the people of Canada and particularly the people of the provinces affected know the situation, it is necessary for me to go into it in a bit more detail. The legislation before us at this time does not provide the have-not provinces with the same amount of money they received last year. It provides them with only 95 per cent of the previous year's funding from the federal Government. That does not even allow for inflation. If we allow for the increase in the cost of living and for the inflation that exists in this country, those provinces are obviously receiving less than 95 per cent of what they received last year.

In the second year of this Bill, although the Government speaks of the fact that Manitoba will receive an extra $65 million, Manitoba will only be receiving at most 95 per cent of what it will receive this year. There will be a downward incline with Manitoba first receiving 95 per cent of last year's allowance and then the next year receiving 95 per cent of this year's allowance. There is no guarantee in this legislation that if the

federal financial figures change, Manitoba will receive the full 95 per cent. By including a block amount of $65 million for next year, the Government seems to be indicating that if the economic situation in this nation changes, Manitoba is guaranteed only the $65 million even though it may end up being only 85 per cent or 90 per cent of what it receives at the present time.

When we get into committee, I would be happy if the Minister of Finance (Mr. Wilson) or his designate would indicate the Government's intentions for next year. Is this $65 million for the Province of Manitoba the only guarantee for the people of that province or will there be some indication that there will be a further piece of legislation if it is necessary at this time next year?

We also have problems with the very concept of funding that is 95 per cent of what was received in the previous year. In the original legislation that was passed in 1982, the intent was that the 95 per cent floor existed not for those provinces that were in further need but for those provinces that might improve drastically their economic situation within the nation. For example, it was thought optimistically that perhaps Nova Scotia and Newfoundland would have more jobs and more provincial revenues as a result of oil production in those provinces. The Government of the day indicated that if that were to happen, it would not drastically cut the equalization money overnight but would guarantee a floor of 95 per cent of the money received in the previous year.

That was a very reasonable attitude. It is an attitude I wish the Government would take when dealing with unemployment insurance and welfare recipients who begin to earn salaries after they have been laid off or unemployed for a certain length of time. There should be some guarantees for those people when they go back to work. The concept existed and it was a good concept but it was never meant for those provinces that had the same need or could demonstrate increased need.

With this legislation, the Government has taken that same concept of a floor which was only to be applied for provinces that were improving their situations and has indicated that that is the most that provinces that are in worse situations will receive. The document that was left in Manitoba by the Minister of Finance indicated that Manitoba was the province that faced the most difficult situation with regard to equalization yet the Government is only moving to provide 95 per cent of the money the province received in the previous year. I think the Hon. Member for Brandon-Souris (Mr. Clark) recognizes the truth of that. For the year 1985-86, the Government is not guaranteeing any more than 95 per cent of what the Province of Manitoba received last year, and for the year 1986-87, the Government is only providing 95 per cent of what is to be received in 1985-86. That is the actual situation.

Provinces that can demonstrate at least the same degree of need or increased need should receive at least 100 per cent of the money they received last year. As well, we should take into consideration the increase in inflation and the GNP when making funding awards to those provinces. To use the Minister's term, it is hard to talk about fairness when actually decreasing the amount of money those have-not provinces will receive.

The Government has implemented a compromise between the deplorable situation left us by the previous Liberal Government and what is just and fair in this nation. A compromise is quite often what happens when we have a fix-up piece of legislation like that which is before us at this time. That is understandable. However, in seeking this compromise, I think the Government and the people of Canada would have been better served if the Government had recognized that the provinces should have received fully 100 per cent of what they received the previous year.

• (1210)

I questioned the Minister of Finance a number of times about this situation prior to his indication that he would finally move on supplementary equalization. In one of his answers in the House he talked about the fact that the situation of the federal Government could even be worse than that of the have-not provinces. Obviously that is ludicrous. The federal Government has a huge deficit and certainly it has to look at that deficit in making its plans for the future. However, somehow the concept that the citizens of the have-not provinces must make the sacrifice does not make sense. If we want fairness, then the cuts should affect all ten provinces, not just the have-not ones. If the Government is to cut services, then those services should be cut throughout the land. It is not that I am advocating that as a solution but, in fairness, to take money from the have-not provinces because the federal Government has a deficit is not a very fair or just solution.

The idea of the Minister of Finance of cutting services—and that is what he is doing, even in this compromise Bill—to the have-not provinces works against the very concept of equalization. Equalization is enshrined in our Constitution. It is accepted as a fundamental principle of the nation. Any tinkering or lessening of the redistributive nature of that concept works against equality.

Equalization, although it is a very long word, has a very simple meaning. By definition, it is a recognition that Canadians, regardless of where they live in this land of ours, should have a certain level of services provided to them. That is what equalization is all about. It means that if Prince Edward Island is poorer than Ontario, things will not be equal—certainly a rich province like Alberta will be able to provide certain services and benefits to its citizens which P.E.I. and Nova Scotia cannot match—however, at the same time the citizens of P.E.I., Nova Scotia and Quebec should have the same basic level of services as any other Canadian. That is why this legislation is in front of us. That is why this concept is in the Constitution. That is why it is so important to many people in the land.

As part of the equalization program, we have agreed that the federal Government would take money from its tax sources and give that money to the have-not provinces. Of course we all debate what is the most appropriate formula, whether it should be a ten-province average of economic ability or a

six-province average of economic ability. We all disagree over what should be in the package, what taxes should be considered, or what potentials of the various provinces should be considered. However, I have never heard anyone argue against the principle that, if the provinces which provide services under the provincial sphere in our federal state do not have the funds themselves, the federal Government has an obligation to provide the funds so that the provinces can provide services to their citizens. In other situations which are not under provincial jurisdiction, often the federal Government provides direct services or tied funding, whether it be in medicare, hospitalization or something of that nature. For native and Indian people living on reserves, the federal Government either provides funds to the bands or directly provides services to the people.

It is interesting to discover today that the Government, in the paper which is presumably before Cabinet this morning, has decided to cut back funding to the reserves of the nation. Previously the federal Liberal Government decided to cut funding to the have-not provinces because of the economic situation. Now the federal Government is looking at a paper which indicates that for fiscal reasons it will be cutting back on money which is presently going to Indian people on the reserves of this land. I think the same principle is involved. This works against the very principle of equalization.

I am sure the Hon. Member for Brandon-Souris and others who are in the House at this time have visited reserves. They have seen no water supply or sewage systems, that the schools are quite often deplorable, that the federal Government program for building new schools is way behind, that the housing situation is completely inadequate, that there is a building backlog and has been a backlog for years, that the roads are almost never paved—in some areas of my riding there are no roads—and that the recreational facilities for young people in these communities are basically non-existent. If the federal Government goes ahead and takes the advice of the overview committee on Indian affairs of the Deputy Prime Minister (Mr. Nielsen), it will decrease any concept of equal services in this nation. That is not acceptable. I know that this matter does not deal directly with the legislation before us, but it deals with the principle of the legislation. If it is to cut back on funding to the provinces and to cut back on services to the reserves, the Government is saying that it will increase inequality in the nation. That is what is happening.

As I have said before, the Bill itself is an improvement over what we inherited from the federal Liberals. However, the principle behind the Government's move shows a reduction in services. The paper which is before Cabinet today also shows the same principle, that a reduction in services is behind the thinking of the Government of the day. If the Government needs more dollars to decrease the deficit—and it does—and if the Government needs more dollars to provide increased services, not decreased ones—and it does—it should make sure that all Canadians pay their fair share.

In the last election campaign we talked about a minimum tax to those people who were not paying any income taxes and about the need for tax reform. In the House we asked the Conservative Government to re-establish on a short-term basis the cuts in the levels of taxation paid by those people who receive the most. It is ironic that in the very same year that the Liberal federal Government cut back in equalization when it brought in legislation, it decreased the percentage of income taxes paid by people with the higher incomes. It was deliberately so. It said that it would cut 9 per cent off the income tax paid by those who make the most, 7 per cent off those who make fairly high salaries, 6 per cent and 5 per cent, on a sliding scale. What this meant is that the more one made, the more one saved in terms of actual income taxes paid. When the Liberal Government cut services to the have-not provinces, it also cut the amount of tax and percentage of taxes paid by those people who received and made the most in this nation. That is not fairness. To provide the dollars the federal Government needs, it should put those taxes back to the levels they were at in the late 1970s and early 1980s. Money can be raised from the people who have money. It should not cut services to those who need them the most.

It is obvious to Hon. Members on all sides of the House that the corporations are also in a situation where they are not paying their fair share of taxes. For that matter, it is evident that corporations are paying less and less, as time goes by, as a percentage of the total income tax collected. At one time we had virtual parity. Individuals, through income tax, paid about 50 per cent of the money received by the federal Government and the corporations paid the other 50 per cent. What has happened over the years is that the percentage paid by individuals—and not always the richest individuals—has gone up to 75 per cent of the money received by the federal Government through income tax, and the corporations' share has gone to approximately 25 per cent or 27 per cent. So by increasing the tax loopholes, the tax depreciations and all the rest of it, corporations are paying less and individuals—usually with low incomes—are paying more in terms of the total amount of money which is coming in to the coffers of the Government.

• (1220)

I see that the Minister of Energy, Mines and Resources (Miss Carney) is in the House. One of the interesting things which has happened with her so-called Western Accord is that there are going to be more profits made by companies like Texaco which did little in the way of exploration over the last little while.

Mr. Brisco: What about jobs?

Mr. Murphy: I will talk about jobs as well. It is the case that Texaco did almost no research or exploration in this country but because of the new formula negotiated by the Minister of Energy, Mines and Resources it is going to get a heck of a lot of money which is not going to be coming into the coffers of the people of Canada.

The problem is that there are certain people in this country who are not paying their fair share. The corporations are not paying their fair share. There is no talk about the windfall

profit tax on the profits Texaco is going to receive as a result of this Western Accord. This Government quite honestly can say, "We have a huge deficit and we are not getting much money in". It should take the money from those who can afford it, from companies like Texaco which did nothing to receive this windfall profit. All it did was it failed to do any research or exploration, but it is going to make the biggest windfall profit of any of the oil companies as a result of the new formula negotiated by the Minister. That is ridiculous. At the same time this Government is saying it cannot afford to give the same amount of money to the have-not provinces as those provinces received in previous years. Inflation is with us, costs have gone up, and this Government is saying, "The most we can give you, Manitoba or Quebec, is 95 per cent of what you received in previous years". That has to be ludicrous.

Yesterday was a very important day, Mr. Speaker, for this nation. It was equality day. April 17, 1985 was the date when the equality provisions of the Charter of Rights were supposed to come into effect. We know that nothing is going to happen overnight but it was a very important day. The Constitution has been amended as of yesterday concerning those sections which deal with equality. But it only deals with equality in terms of legal rights. What we are talking about today in this House is equality in terms of economic rights.

We have recognized as well in our Constitution that it is essential that all Canadians, whether they live in Nova Scotia, Quebec, Manitoba or elsewhere, receive equal services, at least to a certain degree. We cannot provide complete economic equality in this country because of the federal-provincial system we have. We cannot say that everybody everywhere in this country is going to receive exactly the same types of services. That is an impossibility in a federal state. But we have said that if a person is a Canadian, regardless of where he or she lives in Canada, he or she is entitled to a certain basic level of services. That is what equalization is part of. Where the provinces do not have the money, the federal Government is supposed to contribute some money towards paying for those basic services. That is what it is all about, Mr. Speaker. I would hope that in thinking about equality day yesterday, this Government would be a bit more generous.

Miss Carney: Where was your leader on equality day? He wasn't in the House.

Mr. Murphy: Here is the Minister of Energy, Mines and Resources, who occasionally visits this place—

Some Hon. Members: Oh, oh!

Mr. Brisco: Oh, come on! Look at the record.

Mr. Murphy: —deciding that our leader has to be here. I am not going to be deviated from what is a very important point. I think that if anyone looks back over the record they will find that our fight for a Charter of Rights was not supported by the Conservative Party at that time. So let us not hear any crap about who fought for equality provisions in the Charter. Remember that the Conservative Party, and most of the Conservative Governments across this land—

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. I would ask the Hon. Member to get back to the Bill, please.

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: I believe that the word used by the Hon. Member is unparliamentary. I would like to have a ruling on this, and if this word is indeed unparliamentary, I would like it to be withdrawn.

Mr. Deputy Speaker: I shall take this point of order under advisement and make a ruling in a few moments.

Mrs. Mailly: Thank you, Mr. Speaker.

[*English*]

Mr. Deputy Speaker: The Hon. Member for Churchill (Mr. Murphy) may continue.

Mr. Murphy: Mr. Speaker, if I did indeed use a word which is unparliamentary, I certainly will retract it and you can find out whether I did when you have a chance to check the rules.

The point I am making is that yesterday was a very important occasion, equality day. Yet we also have within our Constitution the equalization provisions. I would hope that this Government would recognize the significance of yesterday by amending this legislation in order not to provide just 95 per cent funding to the provinces in terms of money that they will receive next year and the year following *vis-à-vis* the money received in the past, but rather move to provide those provinces with at least an equal amount of money, at least 100 per cent of the money, that they received in years previous.

I have said earlier that this legislation is basically a fix-up of the deplorable situation we have faced in the past, and that there is a possibility that we are going to need a piece of fix-up legislation one year hence unless the Minister of Finance is willing to make significant moves when this Bill goes to the committee. I hope the Minister of Finance will make the necessary moves to be completely fair.

I would also hope that when this Government looks at the next five-year term, the 1987-1992 term, it will make sure that we do not have the same situation in which the Liberal Party left us, a situation similar to that when the Liberal federal Government of that day forced through equalization legislation which was completely unfair and was pushed through without the consent of most of the provinces. It was never a piece of legislation which could produce equality in this country; it was a piece of legislation which we all knew would result in the unfair and difficult situation which we face today. We

have this legislation in front of us today because in 1982 the federal Liberal Government of that day decided to create inequality through its equalization legislation. We are now doing a fix-up and compromise. I recognize that the Government is moving in the right direction. All I say to the Hon. Member for Brandon-Souris and other Hon. Members is, let us make it fair. Let us make it at least what the provinces should have received last year.

I do hope, Mr. Speaker, that the Government will move quickly to start the process to provide real equality when we negotiate the next five-year period.

Mr. Deputy Speaker: After having studied the point of order raised by the Hon. Member for Gatineau (Mrs. Mailly), the Chair rules that the words mentioned by the Hon. Member for Churchill (Mr. Murphy) are not unparliamentary.

Mr. Murphy: Then, obviously, I will not retract them, Mr. Speaker.

• (1230)

[*Translation*]

Mr. Deputy Speaker: I shall resume the debate with the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier).

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the purpose of this Bill is to authorize the Government to provide certain provinces with supplementary equalization payments, that is payments in addition to those already allowed to six provinces under the Canadian equalization payment program. As this program is one of the major features of our federal system, I would first like to examine its principles. I shall then explain why we have to consider allowing supplementary payments, and especially why the amounts provided for under this Bill represent an adequate solution to the problems faced by some provinces.

The purpose of equalization payments is to have all the provinces in a financial position such that they will be able to offer comparable public services at comparable taxation levels. This equalization program has received wide support since its implementation in 1957. All the provinces, including the three westernmost provinces, which have not obtained any payments for many years, and Ontario, which has never obtained any, are in favour or this program. Thanks to this support, we were able to entrench the principle of equalization in our Canadian Constitution. This means that equalization is now part of our national heritage and we have every reason to be proud of it.

It should be noted that equalization payments have always been unconditional. They do not aim at making provincial public services consistent or equal all across the country, but rather to allow the financially disadvantaged provinces to offer, only if they wish to do so, public services at a level deemed to be adequate as compared with that in wealthier provinces. As the provinces can dispose of these amounts with absolute freedom, it may be concluded that equalization substantially reinforces the financial independence of the less-favoured provinces.

Equalization payments have become quite considerable through the years. In 1957-58, when the program was implemented, they amounted to $140 million. This year, they are estimated at over $5 billion. One of the provinces which has benefited the most from this program is our own Province of Quebec. From 1980-81 to 1984-85, equalization payments to our Province increased from just over $2 billion to $3 billion. During the last three years, equalization payments have made up between 13 and 15 per cent of the total revenue of the Quebec Government.

Mr. Speaker, the Bill we have been asked to support tends to add a supplement to what we pay under the equalization program. Why this supplement? For the first time since the program was implemented, some provinces will have their entitlement to equalization reduced without their capacity to collect taxes being increased. This reduction, which affects mostly Nova Scotia, Quebec and Manitoba, is due to the fact that a special provision, called the transitional guarantee, expired last March 31. This provision is not an integral element of the equalization formula. Rather, it is a special and virtually temporary mechanism which has been developed to facilitate the transition from the old formula, which expired in March 1982, to the formula being applied since then. Indeed, this is why this mechanism was developed as a transitional measure to apply only during the first three years of applying the new formula.

Therefore, what is at issue is not the equalization formula itself, but a special provision expiring at the end of the year 1984-85. When this provision was developed in 1982, it was thought that its expiry would not cause any decrease in the entitlement to equalization payments. However, this forecast was based on the assumption that the rate of inflation, as well as the increase in provincial revenue subject to equalization, would be comparable to those at the turn of the last decade. Naturally, the recent recession invalidated this assumption. What happened is that the decrease in the inflation rate which slowed down the growth of revenues subject to equalization, also slowed down the growth of basic equalization payments, that is the payments determined under the original formula and excluding the transitional guarantee. The basic equalization payments have therefore been lower since 1982 than had been expected. However, the amounts paid under the transitional guarantee have been much higher, since they have totalled nearly $2 billion over three years, or eight times what was forecast in 1982.

In view of the foregoing, one can rightfully say that the federal government is in no way obliged, legally or otherwise, to compensate the reduction in equalization payments for 1985-86. However, for the sake of promoting a better climate of continuous federal-provincial cooperation, the government

has committed itself to contribute $285 million in supplementary equalization payments to the six provinces which are currently qualifying for equalization. Of this amount, Quebec will get $110 million, Manitoba $115 million—$50 million this year and $65 million next year—Nova Scotia and New Brunswick will get $20 million each, Newfoundland $15 million, and Prince Edward Island $5 million.

As the formula for computing these amounts has already been explained by the Minister of State (Finance) (Mrs. McDougall), I do not feel necessary to deal again with the matter. I should like to emphasize, however, that as far as Quebec, Manitoba and Nova Scotia are concerned, the supplementary equalization payments are equivalent to the current estimates which these provinces would have received in 1985-86 and 1986-87, to the minimum of 95 p. 100, the so-called floor, applicable to the weakest provinces from the fiscal point of view. The formula is therefore fair and entirely equitable.

The Quebec government has stated that the amount it will receive is not enough, because that amount does not compensate for the reduction in equalization payments in that province. It should be emphasized, however, that the amounts mentioned in the bill represent the greatest effort which the federal government can make, in view of its current financial situation. Supplementary equalization payments are not provided for in our tax system and will result in an increase of our deficit. Common sense dictates that we could not do more. We are not being as generous as the provinces would like us to be, but we are as generous, and perhaps even more generous than our finances would allow us to be.

Quebec, however, ranks first as far as equalization entitlements are concerned. It will get more than $2.9 billion in 1985-86, that is, almost 56 per cent of the total payments. Never before has that proportion been so high since the coming into force of the current formula. By paying $110 million in supplementary equalization payments, the federal government demonstrates that it is anxious to meet Quebec's needs while respecting its own financial constraints.

Finally, in addition to the $2.9 billion the Quebec government will get in equalization payments during the fiscal year 1985-86, it will get $3.3 billion in cash transfers under various other programs. To this must be added the major federal spendings provided for under the economic development agreement which was signed recently. It calls for the federal government to spend in that province $1 billion over a five year period.

Quebec's reaction to the $110 million offer is understandable in many respects. All governments are subjected to enormous financial pressures, the Quebec government being no exception, and neither is the federal government. We have put forward a solution, which, while not perfect, is just as fair and equitable to Quebec as to the other provinces.

In short, this bill before the House represents a major effort on the part of the federal government to help all provinces qualifying for equalization payments. I, therefore, recommend that the House should adopt it without delay.

Mr. Deputy Speaker: Any questions or comments? The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, I would like to congratulate the Hon. Member for his non partisan comments. He has reminded us that during the benefic years under the Liberal government, Quebec was favoured. I should like to raise one or two points because the Hon. Member stated that from a legal point of view, the Minister of Finances did not have to act. I think that from a moral point of view, it would have been quite bad to do nothing for Quebec. When he says that the Minister of Finance has chosen a fair formula for Quebec compared with other provinces, I entirely disagree.

• (1240)

In order to state my argument clearly, I would like to show him a short table. If it was fair to cover the losses incurred by the provinces, Newfoundland did not have any loss. It received just before the election a gift of $15 million. Prince Edward Island incurred a loss of $5 million and it was granted $5 million more; Nova Scotia had a loss of $58 million and got $20 million; New Brunswick had no loss but was given $20 million.

Mr. Lanthier: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Parliamentary Secretary to Minister of Finance on a point of order.

Mr. Lanthier: Mr. Speaker, I am not very familiar with the Standing Orders, but when a document is shown in this House, is it not the practice to table it?

Mr. Malépart: Mr. Speaker—

Mr. Speaker: It will not be necessary to hear the Hon. Member on the point of order. You may proceed.

Mr. Malépart: I just wanted to mention, for the benefit of the Hon. Member, that he received the document since it was sent to all Quebec Members.

An Hon. Member: That is right.

Mr. Malépart: It was a table, a paper prepared by the Government of Quebec that was sent to us by the Minister of Finance. So I hope that you took a careful look—

Now, New Brunswick, which did not suffer any loss at all, is getting a present of $20 million. I do not mind the other provinces getting money. But Quebec, according to the Government of Quebec, has a shortfall of $150 million—in fact, compared to previous years, it was a shortfall of $263 million—and it is receiving only $110 million to compensate.

Manitoba, with a shortfall of $72 million for the next two years is getting $115 million.

My question is whether the formula is fair to Quebec if Quebec happens to be the only province that loses out on the deal. Surely the Hon. Member, considering what was said by the Prime Minister during the election campaign, and I think all the Members of this House, and the Hon. Member as well, will agree that Quebec has a special and specific and in fact different status, surely the Hon. Member will agree that Quebec, as far as equalization is concerned, considering the $800 million lost as a result of cutbacks by the Minister of Finance (Mr. Wilson) and that the so-called billion-dollar agreement was challenged by a number of Members of the Quebec National Assembly, a development agreement spread over five years when you have just lost $800 million, considering the fact that coincidentally, the formula selected at random for reallocating the RRP program also penalizes Quebec compared to its impact on the other provinces, surely it would have been better, as was suggested by my hon. friend from Laval-des-Rapides (Mr. Garneau), to extend the original agreement for the next two years, in line with the decision made by the previous Government to the effect that the Province of Quebec would not lose a cent compared with the previous year?

Another point I would like to raise is where the Hon. Member mentions the deficit. I think it is rather amazing that where the multinational oil companies out West are concerned—companies that have made profits—the deficit was not a consideration. When a bank had to be saved, the deficit was not a consideration, but where Quebec is concerned, the deficit is always a consideration and there is always a problem. We have seen this happen with equalization payments, with Domtar it was the same thing again, there was no money, and the money they did get was part of a regional development grant. Since September 4, every time Quebec's interests were concerned, the deficit has been used as an excuse, and nobody is going to convince me that Quebecers are to blame for the deficit. We do not waste money any more than the other provinces do, and the Hon. Member ought to know since he comes from Quebec.

I would like to finish my speech on this note. Does the Hon. Member agree that the formula chosen by the Minister of Finance is unfair to Quebec, because as I showed in the table, provinces that suffered no losses obtained certain sums of money and it is normal that we should be discussing this Bill when the Prime Minister said that the door is open to negotiations?

Mr. Deputy Speaker: The Parliamentary Secretary to the Minister of Finance.

Mr. Lanthier: As so many questions are being asked in this House, I should have been taking notes. I have a few here and I hope that the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) will forgive me if I do not reply to all his questions for some of them have eluded me. He could repeat them later on.

If I may, I shall begin with the last ones. First of all, it is not because of the people of Quebec that we have a deficit. In this regard, it would be easy to say that a large number of Quebec Members of Parliament were part of the Government which caused this deficit. However, I shall simply say that we now have a deficit and that we have to face up to it, but since I was not here at the time, I unfortunately cannot comment on whatever caused this deficit. However, I believe that the people of Quebec, as all other Canadians and, their Members of Parliament, are partly responsible for the situation.

Secondly, the Member referred to a loss for Quebec. This is a theoretical loss based on an expired, not to say obsolete formula, as was recognized by both the Provincial and the Federal Governments. Let me explain. The obsolescence of the formula was confirmed by the transitional payments, which were added to the basic equalization payments, and secondly, the provincial Government and the Quebec Minister of Finance in their recent request did cut down on their expectations when they said that, theoretically, under the outdated formula, Quebec would be entitled to an increase of some $700 million, but that they would settle for $450 million. I therefore believe that the formula is considered generally as being obsolete. Coming back to the basic issues, I think that this is a theoretical loss based on a formula which everyone has recognized as no longer applicable.

Let us go back to my opening remarks. True enough, I was careful about what I said in my speech earlier, and the Minister of Finance has also said so, that the dice having been cast and the arrangements having been respected, we were no longer under any legal obligation. However, we went beyond that legal obligation. I believe that we also have a moral obligation and that the formula has to be fair to everyone and not be brutally and arbitrarily applied. It was developed in consideration of the needs of the provinces, and I believe that it faithfully reflects the ethics which inspired our decision.

Figures have been quoted and some charts have been shown. Needless to say, even though my remarks might not give a good idea of all the work I did in this field, I am not all that familiar with those charts. But unless I am mistaken about House rules, I do not think this is the proper forum to debate specific provisions and figures, although figures do not bother me. By training and through experience, I have become handy with figures, but I think we ought to be debating the basic principle. In both speeches, mine and that of the Minister a moment ago, the basic principle of equalization was the issue, and it might be a good idea if every Member—Mr. Speaker, do I have the right to read a short quotation from the constitutional statutes to explain the basic principle?

Mr. Deputy Speaker: I would only urge the Parliamentary Secretary to do so rather briefly, for there is very little time left for questions and comments.

Mr. Lanthier: I will read it if I am given time. As to the questions I noted, if I forgot a few which the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) thought were important, I will be pleased to consider them.

Mr. Garneau: Mr. Speaker, I too should like to emphasize the fact that the Parliamentary Secretary to Minister of Finance has chosen to keep the debate on a nonpartisan level and I intend to do the same. As a matter of fact, that is what I tried to do in the course of my remarks a moment ago.

I should like to thank him for the intellectual honesty he demonstrated when he described the climate which prevailed at the time the equalization payment act was adopted in early April 1982 and when he said that on the basis of the analyses which had been made—I do not know if I am using his exact words—the new formula was not expected to create major difficulties at the end of the transitional period. That is exactly what I tried to establish, namely, that the transitional payments under the guarantee and the rate of growth had affected the provinces diversely. I should like to ask him a two part question. Before suggesting that the House should adopt this Bill, should he not recommend that a more thorough study be made to determine whether the guarantee should not be extended, at least as far as Quebec and Manitoba are concerned, since the other provinces are not penalized? Should not the examination of Bill C-39 be suspended to allow for the consideration of this proposition, the more so in view of the statement made by the Prime Minister that the door was open to negotiations?

• (1250)

On the other hand, I should like to say that I disagree with him on the theoretical issues concerning the basic formula. In my view, the basic formula is very easy to use, and the transitional payments are very easy to compute, since they have been paid out for the past three years without the least difficulties. Why does he claim today that the loss which Quebec is talking about is only a theoretical one? That province is really going to lose $750 million, because the transitional formula will not be extended?

Mr. Lanthier: Mr. Speaker, the transitional formula . . . I said that what we were asked for was to cover the loss, although in theory. I do not know if we are talking about the same figures. Essentially the Quebec Minister of Finance was asking for an extension of either the transition payments base or the orginal formula. However those two formulas have expired. According to what the previous government had provided, there would no longer be any payments. We made the moral judgment that things could not be left that way considering there had been adjustments and drastic reductions in the equalization payments that were due, particularly to Quebec, but to all other provinces as well.

A third point was raised about whether or not a postponement would be appropriate. I do not have a very long experience, but that suggestion did surprise me because ever since I have been here, the government has always been accused of delaying action through consultation. I can assure the House that the decision we are putting before it has gone through all stages of consideration, that is to say that after having gone through the process of consultation and negotiation we arrived at a decision. I think that should reassure opposition members. When the time to negociate comes, we negotiate, when the time to consult comes, we consult, and when the time to decide comes, we decide. And that is the way it happened and this is our proposal. It is therefore not a question of delaying action.

[*English*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, it will come as no surprise to Members of the House that the debate on this Bill today is of vital importance to the Province of Manitoba and several other provinces. We are faced in very real, human terms with substantial cut-backs by the provincial Government in funds to our universities, our community centres, our hospitals and to the basic structure of our social services. Our educational system is being affected, not to mention the City of Winnipeg, the school boards and other areas of our province because of the problems related to fiscal transfers.

It has been a matter of concern to representatives of all parties. In the provincial legislature, I believe the Conservative Opposition and the NDP endorsed the notion of a full repayment in order to maintain the existing transfer levels. Let me also say that historically, that was a position we endorsed as the previous Government last spring. We clearly indicated at that time to the Government of Manitoba that there would be a review of the transitional payments, that that review and the figures would be made public in the fall and then properly negotiated at a federal-provincial meeting.

That process has not exactly been followed. While there may have been a review, it was an internal review. The figures have not been shared with the provincial Government and there has been no public disclosure to Members of the House or to the public of the recalculation by the Department of Finance. Therefore I believe it somewhat goes against the spirit of the commitment made by the previous Government to recognize that there had to be an adjustment made to the payment and a recalculation of the figures. It was important that that be an open and above board sharing so that there would be an honest and objective judgment of what the real figures were.

This would be in contrast to what the parliamentary secretary objected to, whereby the Quebec Minister of Finance would have a set of figures, the Manitoba Minister of Finance would have a set of figures and the federal Minister of Finance (Mr. Wilson) would have another set of figures.

I suggest that one solution to the dispute in this case would be to follow the advice of my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau), who indicated several times that it is not only important to share the information, but to bring the concerned parties together to determine what would be a fair and equitable solution for the major change in the formula that was arrived at in 1982 as a result of changed economic conditions.

This matter is of vital importance and it concerns many human and other sensitive issues in the lives of our respective provinces. Therefore we are asking that it be approached with the same level of sensitivity. We do not suggest that the Government should change its opinion, or that there should not be a new formula, but it should be one that is based upon a more accurate reading of what the actual facts and figures will be and it should particularly try to find a resolution for future reference.

The immediate interim solution is coming very late and, while it may provide some limited comfort to provincial treasuries, it provides little in the way of ability for the major institutions of the respective provinces to know what services will be available in order to make future plans. If there has been any guilt associated with several of the Governments, federal and provincial, over the last several years, it has been this type of obsessive preoccupation with cut-backs and spending reductions. As a result, we have neglected the fact that there are many individuals being affected by these cut-backs.

This raises another important point. This issue is not only of immediate importance to the respective provinces, but it also goes to the very heart of what Confederation is all about. If one looks at the basic agreements that were signed over 100 years ago, one can see that the federal Government was to act as a balancing wheel of Confederation to ensure that there was a sense of regional equity with no imbalance between regions because of economic advantage. Through the tax system, the federal Government would collect from all citizens and transfer funds back to those regions in which there was disparity or disadvantage. That has been a fundamental principle upon which this country is based.

There is a deep sense of anxiety that that principle is not being adhered to by the present Government. We have seen time and again examples of reductions in the economic positions of the various regions of Canada. One does not have to look far, only at the November 8 statement, where there were substantial cut-backs in the industrial and regional development program that provided direct grants particularly to those areas of the country that rely upon some form of public investment in order to develop their economic base.

Miss Carney: Politics of hate.

Mr. Axworthy: Politics of hate. The problem with the Minister of Energy, Mines and Resources (Miss Carney) is that she is so steeped in her own bile that she doesn't understand those who are approaching matters in a positive way. That is her problem. She judges people by her own standards and her own disruptive personality.

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: Order. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

WAR CRIMINALS

CALL FOR PROSECUTION

Mr. John Nunziata (York South-Weston): Mr. Speaker, today is Yom Hashoa or, as it is better known, the day of the holocaust. It is an annual day of mourning on which Jews in Canada and around the world remember one of the saddest tragedies of mankind when 6 million Jews, innocent men, women, and children, were sent to their deaths.

The sadness, the suffering, and the outrage linger on, with the knowledge that some of those responsible for these hideous crimes against humanity continue to live without being brought to justice. A number of the perpetrators are amongst us in our country. As a decent nation, a nation that believes in justice, we cannot continue to sit idly by. This Parliament, on behalf of all Canadians, must show its absolute and unequivocal repugnance and bring these people to trial.

The Liberal Party had introduced proposed amendments to the Criminal Code to enable Canadian courts to try and punish convicted war criminals. This is of the essence, Mr. Speaker, if war criminals living in Canada are to face human justice. Ultimately, they will have their day of reckoning, of that we can be sure. In the meantime I call on the Government to support the Liberal initiatives so that we no longer have those amongst us in our free and democratic society who have caused millions of deaths, billions of tears, and shame to humanity.

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TERRORISM

ONTARIO ARMENIAN COMMUNITY'S CONDEMNATION OF VIOLENCE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, on April 2 I received a letter. The following was the content, and I think it deserves the attention of the House of Commons:

Terrorist developments over the last week in southern Ontario have disturbed us tremendously. It is with utmost sadness that we had to face this situation.

As you know, Mr. Deans, the media has handled this situation poorly, failing to distinguish peace loving Armenian majority from the few extremists, if any. The Armenian community in Ontario has been accused and sentenced without trial by the media. Our image as peaceful citizens has been severely damaged.

As a community, we have always condemned violence as a means to achieve our goal. Under no circumstances the Armenian community would be associated with such a cowardly act.

We have worked very hard to gain some public support for our cause through peaceful means, to some of which you might have attended. It will now take us many years to redress what has happened to the Armenian image in general.

I think it is fair to say, Mr. Speaker, that the Members of the House of Commons would want to recognize that the Armenian community in Canada has made a valuable contribution to the growth of the country, and that the extremists to which the letter refers are the people the majority of us are dealing with when we make comments about the need to tighten security.

I think that with the support of the House of Commons we would want to commend the Armenian community in general for the good work it has done in Canada.

* * *

[*Translation*]

PUBLIC SERVICE

NEW AGREEMENT WITH UNIONS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I would like to refer to a most important agreement that has just been reached by the President of the Treasury Board with the Public Service unions of Canada.

The Government agreed with the unions to introduce in the Public Service a system of master agreement bargaining, a dental plan, a revised pension plan and improved workforce adjustment procedures. To improve government operations, the Public Service should be more responsive to the needs expressed and more efficient.

These new guidelines for cooperation, for consultation prior to decision-making and for setting common goals to settle important matters have been established to develop a sense of responsibility in all parties concerned and will be available as models for future labour-management agreements.

PIPS president thus termed the agreement "the most significant development in the public sector since 1967". The agreement will no doubt promote our economic recovery and improve the standard of living of all Canadians. The understanding will provide the terms of reference required to negotiate master agreements covering approximately 80 per cent of the working conditions now covered in individual collective agreements.

Mr. Speaker, after all those years of arrogance and autocratic rule under the previous Government, the Progressive Conservative Government has opened the way to a new era of understanding and faith in the years to come.

S.O. 21

[*English*]

EXTERNAL AFFAIRS

U.S.S.R.—VISIT BY CANADIAN PARLIAMENTARY DELEGATION

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, during the life of the Thirty-third Parliament we will be called upon to review all aspects of Canada's foreign policy. Part of that review should focus on the recent trip of the Secretary of State for External Affairs (Mr. Clark) to the Soviet Union. That trip, I believe, has accomplished several things for Canada. To begin with, it has raised Canada's profile with our fourth largest trading partner. The agreement of the Soviets to renew the grain agreement between our respective countries is a positive step forward. Increased co-operation in such areas as acid rain, and economic and cultural areas, will enhance our relationship for years to come.

The trip establishes a stable, business-like relationship with the Soviet Union in spite of our differences. As was pointed out by my colleague, the Member for Parkdale-Hyde Park (Mr. Witer) we did not hesitate to raise the existing areas of differences between our two countries. As a member of that delegation I can say to this House that the Minister and my other colleagues used every opportunity to raise the issue of human rights. We made it very clear that family reunification, Jewish emigration, and related subjects, are and will continue to be of great importance to the people of Canada.

I was very pleased, Mr. Speaker, to see the extent and the type of coverage this trip generated in the media. However, I am not surprised by the attitude taken by the members of the Liberal and New Democratic Parties. Sometimes silence speaks louder than words. It is significant, and a measure of the success of the Minister's trip, that four days since the reconvening of Parliament not one question has been asked of the Minister concerning his visit.

Mr. Speaker: I regret that the Hon. Member's time has expired.

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[*Translation*]

AGRICULTURE

FARMERS' SITUATION—GOVERNMENT POSITION

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, the Progressive Conservative government is lost in admiration for the American administration. The Progressive conservatives not only draw their inspiration from it, but they have also yielded to the Americans on all points, under the pretext that harmonious relations would result in jobs for Canadians.

I have yet to find one industry to which such ridiculous grovelling and shameful submission have been or will be beneficial.

Quite to the contrary, the consequences have been disastrous, particularly for agriculture. In fact, as a result of the

savage and unilateral decision of the U.S. to impose a special tax on hogs imported from Canada, Quebec producers now have no alternative but to sell their product at a price substantially lower than the production cost. Several producers face bankruptcy and if this situation keeps up, it will surely end in tragedy. What does the future hold for dairy producers? If one looks at the situation in the United States, which will probably be duplicated in Canada, there is also reason for serious concern, all the more so because there is serious talk of abolishing the Canadian Dairy Commission. Besides, dairy producers are still awaiting since April 1st the $1.40 per hectolitre promised to them.

The only happy people in the Quebec agricultural sector are the 129 notaries, friends of the Progressive Conservative Party, who will probably become members of the select "Mulroney Club".

Farmers refuse to fatten 129 notaries when they also need money to pay for seed grains at this time of year.

* * *

[*English*]

AIR CANADA

TREATMENT OF FEMALE WORKERS

Mr. Rod Murphy (Churchill): Mr. Speaker, as I am sure most Members of the House are aware, Canada faces an impending strike at Air Canada. Air Canada claims to believe in equality for women, yet here is a workplace where 76 per cent of its clerical workers and 71 per cent of its service workers are women, while only 3 per cent of upper level managers and 7 per cent of middle management people are women.

Yesterday Air Canada proposed to decrease drastically the starting pay for CALEA workers, most of whom are women. Air Canada also wants to eliminate many full-time jobs which have a decent wage and benefit package, and replace them with lower paying part-time jobs. Air Canada claims that it needs over 30 per cent of its work force to be part-time only. Today when we are concerned about the rights of equality in the Constitution, we cannot allow *de facto* inequality not only to exist but to increase within one of our Crown corporations.

The Government has recently demonstrated its willingness to use its jurisdiction over one Crown corporation, the Post Office. The Government must also intervene in the case of Air Canada before strike action commences.

* * *

● (1410)

EXPO '86

CANADA PLACE—INVITATION TO VISIT

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, visitors to Expo '86 in Vancouver next year will be able to stand on the shores of tomorrow as they meet at Canada Place, the spectacular national pavilion gracing the shores of Vancouver's harbour.

Canada's world exposition in 1986 will showcase the transportation and communications advances of tomorrow. Beneath the lofty sail-like roof of the host Canadian pavilion, visitors will marvel at an astonishing Canada, presented in a dimension that no one has ever conceived before, Canada, a nation that is wielding its high technology to explore new frontiers in the skies above and the oceans below.

Canada Place is more than just the most exciting pavilion at Expo '86. It is an architectural marvel, rising atop a massive pier on the waterfront of the world's most beautiful city. It is a world class trade and convention centre, and a major cruise ship terminal set against the backdrop of elegant Stanley Park, vibrant Burrard Inlet, and the splendid coastal mountains. Canada Place is a cosmopolitan hotel, a world trade centre, and pier side public plaza.

I invite all Canadians to come to Vancouver next year and meet the world at Canada Place.

* * *

[*Translation*]

AIRPORTS

FUTURE OF MIRABEL

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, following some recent statements by a few carriers who request the elimination of Mirabel Airport, I want to inform the House of the role played by Nationair.

Since its first flight, on December 19 of last year, this company has carried almost 50,000 passengers and has become, starting from scratch, one of the main users of Mirabel Airport. Nationair considers Mirabel as an exceptional airport and intends to use it as a base for its future growth.

It is obvious that established carriers ultimately aim at the closing-down of Mirabel. Therefore, how could they be committed to the cause of this airport?

According to Nationair, the attitude of established carriers clearly demonstrates that we cannot expect any cooperation from them for the development of the airport. Therefore, if Mirabel is to survive, we must encourage new carriers like Nationair to provide new services.

Nationair believes in Mirabel and suggests that if the Government shares its belief, then we can rely on the airline to commit all its energy and as Nationair is already doing, to increase traffic and give a dynamic image to this magnificient airport.

SOCIAL SECURITY

DISCRIMINATION CAUSED BY BILL C-26

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, yesterday was an historical day while some people drank champagne to mark the end of discrimination across Canada. But unfortunately, 80,000 needy senior citizens could not celebrate that day because of discriminatory provisions in Bill C-26. Moreover, the answer of the Minister of social injustice in Canada, the Minister of National Health and Welfare (Mr. Epp), proved clearly that the Minister of Employment and Immigration (Miss MacDonald) was only bluffing in her statement on behalf of the Government.

The Minister would not tell us why he will not amend his Bill which would create discrimination against 80,000 needy senior citizens, most of whom are women, simply because they are single, separated or divorced. He would not tell them why he denies the spouse's allowance to them. On top of that these elderly citizens will not be able to join for a membership fee of $100 the Quebec club of "smiley brilliant Brian" because they do not have the money to have their views represented in this House.

* * *

[*English*]

PARLIAMENTARY RESTAURANT

SERVING OF CANADIAN WINES

Mr. Allan Pietz (Welland): Mr. Speaker, during the election campaign last summer the Prime Minister (Mr. Mulroney), while campaigning in the Niagara Pensinsula, promised assistance to grape growers who were experiencing problems due to a surplus of grapes. In November, 1984, this promise was kept and 30,000 tonnes of surplus grapes were purchased for processing into various beverages.

However, on January 31, 1985, a delegation of farmers from Welland and the Niagara area came to Ottawa to meet with myself and other Members of Parliament. Upon visiting the Parliamentary Restaurant we were served the house wine, and were told that it was an imported foreign wine. This naturally raised concern among both farmers and Members.

Shortly thereafter I contacted the purchaser for the Parliamentary Restaurant to question why foreign wines were being served as the house wine in this most Canadian institution. Yesterday I was informed that, in response to my questions and other Members' questions, Canadian wines are now being featured as house wines in the parliamentary dining room. I was also informed that the rotation of the restaurant wine list will be arranged to represent every wine growing district in Canada on a monthly basis.

I would like to thank you, Mr. Speaker, and your administration, for these recent changes in policy. On behalf of all Canadian grape growers, particularly those in the Niagara area, I urge all Members of Parliament to do their part in support of our wine industry by ordering Canadian wines.

Some Hon. Members: Hear, hear!

* * *

FORESTRY

NEED FOR AGREEMENT WITH BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, knowledgeable foresters in British Columbia and across Canada recognize that there is a need to spend $300 million a year to bring the good and medium Not Satisfactorily Restocked forest lands back into production for future generations in British Columbia. An area larger than Prince Edward Island now lies idle in British Columbia due to the continued negligence of the Social Credit Government's policies on reforestation.

The Socreds, along with the 19 B.C. Tory Members, are playing a game of smoke and mirrors over this issue with the B.C. public. Let us keep in mind that both are in power. Last year the Canadian Forest Service offered $50 million per year as a contribution to help reforest British Columbia. Now the Minister responsible for industrial expansion east of the Rockies is offering $150 million over five years, for a joint agreement of $300 million for British Columbia over five years.

This agreement should be split off immediately from the over-all ERDA package so that those involved in planting the seedlings this year can get on with the job. Each day that goes by limits the potential success of these needed silvacultural projects. The game of smoke and mirrors over whether the total Canada/B.C. agreement should be $650 million or not should be concluded at the earliest possible date between the Prime Minister (Mr. Mulroney) and the Premier.

The fact that the agreement on reforestation is only one-fifth of what has been identified as needed is what the media in British Columbia should be reminding the public about.

ORAL QUESTION PERIOD

[*English*]

INDIAN AFFAIRS

FUTURE OF DEPARTMENT—TASK FORCE REPORT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister. For the second time in a month he has seriously embarrassed a Cabinet colleague. I want to ask the Deputy Prime Minister why he has undermined the credibility of his colleague, the Minister of Indian Affairs and Northern Development, by failing to advise that Minister of the preparation of a report calling for the destruction of his colleague's Department, the Department of Indian Affairs and Northern Development.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the fairytale preamble of the Right Hon. Leader of the Opposition is entirely inaccurate. The very competent Minister of Indian Affairs and Northern Development and I have had ongoing discussions ever since the work of the task force on the program review commenced. What has resulted today is the disclosure of some of the suggestions that are flowing from our work on the task force, suggestions that the Minister will be considering pursuant to a mandate which has been given to him by the Prime Minister to chair a committee of Cabinet to look into the whole wide range of aboriginal policies in order to take into account some of these and, I am sure, other very broad dimensional problems that he will add to the task as he pursues his work with his usual competence and diligence.

Some Hon. Members: Hear, hear!

MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister of Indian Affairs and Northern Development is smiling as widely as I am after that elegy—I was going to say elegos remarks—by his colleague, the Deputy Prime Minister.

I direct this question to the Minister of Indian Affairs and Nothern Development. The report calls for the mutilation of his Department. It calls for the mutilation of programs which assist our native and aboriginal people. It demonstrates, I believe, the hidden agenda of the Government. It illustrates once again that the Government really does not know through one Minister what another Minister is doing, or vice versa. The left hand does not know what the right hand is doing. If what the Deputy Prime Minister says is so, and of course in Parliament I cannot doubt that, will the Minister say to our native and aboriginal people that the report is without foundation and that he continues his commitment toward the continuation of his own Department and toward governmental policies in which he believes?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think I can do better than that for the Leader of the Opposition. He may know that prior to the House meeting, at about 1.30, the Prime Minister made a statement which is now public.

Mr. Turner (Vancouver Quadra): He just made it.

Mr. Crombie: I think he did a masterful job in re-enunciating and reaffirming all those principles which he stated so well at the FMC two weeks ago.

Some Hon. Members: Hear, hear!

• (1420)

Mr. Crombie: Those principles, of course, are consistent with the Government's desire to make sure that native people do much better than they did under 15 years of Liberal rule.

PROCEEDINGS AT FIRST MINISTERS' CONFERENCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that answer is not really in the style of a Minister I have known since he was a very good mayor of Toronto. The Minister has referred to the last-minute bailout which was just issued at 1.30 by the Prime Minister. I am obviously invited by the Minister to address a question to the Prime Minister. He refers to that report as having been written by bureaucrats. Of course it was not written by bureaucrats.

The Deputy Prime Minister had a committee composed of outside business colleagues, most of whom were ideological friends of the Prime Minister. It was not a committee composed of bureaucrats at all.

In a salvage operation, the Prime Minister has appointed the Minister of Indian Affairs and Northern Development to supervise a committee to direct the future of the aboriginal peoples, something which is already the responsibility of the Minister. In other words, he is being asked to head a committee which is supervising the matter overseen by his own Department. Would the Prime Minister give the commitment that the recent Federal-Provincial Conference was not a sham in light of what has been happening in a clandestine fashion under the aegis of his colleague, the Deputy Prime Minister?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I should say that that question is not in keeping with the style that the Right Hon. Member once exhibited as Minister of Finance some years ago. In point of fact we did not say that bureaucrats will do anything other than advise. The Government itself will make policy. There is nothing in here that said that the report—

Mr. Turner (Vancouver Quadra): They weren't bureaucrats.

Mr. Mulroney: I get the indulgence of my right hon. friend. It does not say that the report in question was prepared by bureaucrats. It was prepared by an outside advisory group. What I heard at the First Ministers' Conference on Aboriginal Peoples from the aboriginal peoples was this: "We have had it up to the teeth with the manner in which the federal Government has administered our lives over the last number of years and we want to listen to new ideas and new approaches that will benefit us and bring equality and justice to aboriginals across the country." We are simply saying that there may be some good ideas and, if they will benefit aboriginal peoples, we will listen to them and implement them in a spirit of fairness and decency.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Liberal Members should not be heckling the aboriginal peoples. They should be listening, because this is a vitally important question that the Minister of Indian Affairs and Northern Development addresses with great leadership and sensitivity at all times.

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, while we are on the subject of new ideas and fresh approaches, I would like to put a question to the Prime Minister. As he probably knows, yesterday Norway very wisely and with some courage made a statement indicating that it would not become involved in star wars research. It has turned down the American invitation to do so.

It is clear that this Government's own sense of uncertainty is only causing dissension in the government caucus, and deep anxiety in the country. It is also losing a chance for Canada to make a very important and effective statement on the whole question of arms control and disarmament. Taking into account the stand Norway has taken, and the fact that the West Germans and the French are also developing a joint position, I would like to ask the Prime Minister if he would now join our NATO ally, Norway, and clearly indicate, in a very polite and direct way, that we, as a country, also do not intend to become involved in the research and development program that would lead to that very highly dangerous and destabilizing initiative of President Reagan.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what we will do is what the Right Hon. Secretary of State for External Affairs set out with great clarity and dignity on January 21. We will support our friends and allies in regard to the research component of the concept inasmuch as the Geneva negotiations were weeks away from beginning. We will examine any other possibilities pursuant to the national interest of Canada.

We have received what has been referred to as an invitiation. We will make the necessary inquiries. We will take a look at it in Cabinet, and we will be guided by what we have done at the insistence of the Minister of National Defence, the Secretary of State for External Affairs, and myself, when we included, for the first time, a sovereignty clause in our defence agreements. We will protect the sovereignty, independence, and integrity of Canada, and we shall always act in the national interest of this country, as a friend and loyal supporter of NATO, and as a believer in freedom, justice, and democracy.

UNITED STATES INVITATION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, those are all values and purposes to which we can adhere. They key question is when will the Government make a decision in order to show us how it intends to keep those values.

I would ask the Prime Minister to confirm whether or not the country has now received an extension on that invitation from the United States, and whether or not there is some intention to send a task force composed only of Conservative Members of Parliament to Washington to discuss this matter with the Americans. I would like to get some kind of guarantee from the Prime Minister that, if there is to be such a task force, it would be a task force involving all Members of the House because we represent all Canadians, and that any extension would not result in the Government making a decision after Parliament has closed, at which time it would not have to face Parliament with what is a very critical decision in the history of our country.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this is coming from a Cabinet Minister who was a member of a Government that never once in its life ever brought a treaty to Parliament prior to signing it. It always signed them behind the backs of the Canadian people. He now has the temerity to rise and say what he has said.

What we are going to do is very simple and straightforward.

Mr. Turner (Vancouver Quadra): Not true.

Mr. Mulroney: I beg the right hon. gentleman's pardon. It is quite true. What we are going to do is ask a very distinguished, principled, and impartial public servant to make necessary inquiries on our behalf, and to report to Cabinet. We will consider these matters within our own time frame and not with regard to any limitations of time imposed by anyone else. We will consider them and, pursuant to that, we will report to the House. I know the Secretary of State for External Affairs is deeply committed to consulting with opposition Parties and to keeping the House and the Canadian people fully involved in and informed of our intentions and actions in this regard.

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INDIAN AFFAIRS

TASK FORCE REPORT

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. I am pleased to see that, when there is a crisis in his Department, this Minister at least has the courage to recognize his duty to be in the House.

The Minister has said that there will be no cut-backs in programs that count. Now we have a task force report calling for $169 million in cuts, for housing to be built to minimal standards, and for a means test for medical services. When did the Minister first become aware of the report and its contents? Does he endorse those contents?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I indicated earlier, the report of the study team contains a number of recommendations, some of which are good, some of which are bad; some of which are wise, some of which are unwise. I can assure the Hon. Member that all of those recommendations, and recommendations from other sources, will be dealt with by the committee over time, and its recommendations will be consistent with the principles that were established at the First Ministers' Conference held two weeks ago.

Oral Questions

POSITION OF INDIAN GROUPS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, as a result of the Minister's conclusion consultation with Indian people across the country, does he know of one single Indian group or nation that is in favour of having responsibity for medicare or education turned over to the provinces? Is there one single Indian group that wants that?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, there may be, but the Hon. Member is absolutely correct, there is a strong feeling in all Indian communities with which I have dealt that they have a special relationship was emphasized and acted upon at the First Ministers' Conference, and that continues to be the policy of the Government.

● (1430)

MINISTER'S POSITION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, will the Minister assure the House that he will oppose any transfer of powers over Indian people to the provinces, as long as Indian people oppose that, when we consider the record of the provinces, many of which oppose the whole concept of Indian self-government? Will he fight for the Indian people in that particular battle?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, at all times any policy initiative I have undertaken on behalf of the Government treaty renovation, block funding or community-based self-government—any of those—has always dealt with one principel, that is, grass roots community level consultation. That will continue, I can assure the Hon. Member.

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ENVIRONMENTAL AFFAIRS

TRANS-CANADA HIGHWAY CHEMICAL SPILL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of Transport. It flows from the negligence of the Ontario Government in failing to close the road immediately after the PCB spill was detected in Kenora, and failing to verify that the transformers were empty upon entering Ontario, and from the negligence of the Ontario Ministry of Environment in allowing unmarked boxes containing contamined PCB samples to be shipped via a passenger air line without its consent. What power does he have as Minister of Transport to stop Ontario Government mismanagement in handling the PCB question?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, it is quite obvious the Hon. Member wants to fight the Ontario provincial election on the floor of the House of Commons. Perhaps he is more interested in that than in the real issue, which is very serious, I might add. As I said earlier in the House, the federal Department of Transport and the Department of the Environment are collaborating very closely with the Government of Ontario.

Mr. Turner (Vancouver Quadra): Finally.

Mr. Mazankowski: No, not finally. It was within hours.

Mr. Turner (Vancouver Quadra): Within the last few hours.

Mr. Mazankowski: Within hours of the accident occurring, I might say to the Right Hon. Leader of the Opposition. As I indicated yesterday to other Hon. Members in the House, departmental officials and myself are exploring ways and means of implementing Section 28 of the Transportation of Dangerous Goods Act that would provide for a protection directive which would have the effect of applying regulations with respect to the movement of PCBs or other substances of a similar nature.

CARRIAGE OF PCB CONTAMINATED MATERIAL BY PASSENGER AIRLINE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, we on this side of the House have the protection and the safety of the people of Ontario at heart, contrary to what the Minister of Transport may think.

What action does the Minister intend to take with respect to the practice of Ontario environment officials allowing contaminated PCB samples to be shipped via passenger air line, as declared by David Edwards, who is quoted as saying: "We didn't ship these samples any differently than we usually do"? What action does he intend to take? That is his responsibility, isn't it?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am sure we all know that no one in the House has a monopoly on the protection and security of the citizens of Ontario. Certainly that commitment is shared by Hon. Members on this side of the House, as well as Hon. Members on the other side of the House. I hope that is very clear. With respect to the incident to which the Hon. Member referred, there have been discussions between transport officials and Department of Environment officials of the province of Ontario. I think the particular issue to which he referred has been cleared up.

GOVERNMENT'S KNOWLEDGE OF INCIDENTS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to either the Minister of the Environment or the Minister of Transport, depending upon who is really responsible for federal action in the area of this PCB spill. Is the Government aware that a Red Lake family, a husband, a pregnant wife, and two children, followed the truck for 25 kilometres, pulled it over, and were told that it was only mineral oil, to be cleaned with rags and gas? Is the Government aware that the provincial hot line in Kenora advises that car bodies be washed with paper towels and that they be placed in plastic bags and taken to the dump? Is it aware that the Quebec Government was lied to by the company with

respect to whether or not the transformer was full? Is the Government aware of all these things and, if it is, what will it do about provincial and industry incompetence in this area, and when will it take some responsibility for what has been going on around here?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, my colleague from the New Democratic Party is actually asking three questions. I am going to answer one of them.

Not only are we perfectly aware of what happened to that family, but we are in contact with the chief medical officer in Ontario. We offered him means of transportation, medical equipment and our laboratories in case he feels they should be used for this particular family.

[*English*]

REQUEST FOR INVESTIGATION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the Minister has not told the House or the Canadian people what the Government intends to do about the rank incompetence and negligence we see rippling out from this one event, both on the part of the provincial Government of Ontario and now on the part of the fedral Government itself. Is it going to investigate this incident? Is it going to find out who was lying to whom? Were the drivers lying to the people? Was the company lying to the drivers? Was the company lying to the province? What is going on? Don't you even care about this any more?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I wonder where my NDP colleague was in 1978 when PCB was banned, since he never once spoke up to ask for disposal sites to be planned according to the criteria he is talking about today.

* * *

[*English*]

INDUSTRY

WHITE FARM EQUIPMENT COMPANY

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion and it concerns the White Farm situation. I understand that in the last 18 months this company captured some 22 per cent of the market as compared with 7 per cent in 1983, employs 700 people, and provides some 400 to 500 jobs in parts supplies. Why is the Government refusing to assist White Farm, after it belatedly provided aid to Domtar and Petromont, and in view of the fact that Borg-Warner is willing to assume all the debt of that company? Will the Minister explain why he is putting these jobs in peril and is not willing to provide assistance to this company?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I hope the Hon. Member gets a better researcher. At no time has the Government indicated an unwillingness to help in the plight of White Farm Equipment. We met yesterday with Mr. Sinclair. We have met with and talked with representatives of Borg-Warner. We have indicated that if they feel we can help, if there is some way we can facilitate the company being re-established, we will do that. However, no firm proposal has been put to us at the present time.

We are very pleased to tell the Hon. Member that the deadline of Friday which was thought to exist is a much easier deadline than was originally indicated. If there is time to work, hopefully that plant can be saved.

PROTECTION OF TECHNOLOGY

Hon. Herb Gray (Windsor West): Mr. Speaker, if the Hon. Minister really intends to be so helpful, will he and his officials come up with a proposal which will achieve results with respect to saving jobs and the technology? In any event, if no proposal can be worked out, will the Government ensure that the technology developed by White will remain in Canada and that the workers trained in that technology will be able to keep working in that field right in this country?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, there is no problem in what the Hon. Member is indicating. Of course we will work toward saving the plant and the jobs concerned, and we will do our best to see that the technology remains in Canada.

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INDIAN AFFAIRS

ASSISTANCE PROGRAMS FOR NATIVES IN URBAN CENTRES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. I think it is sad and strange that in a week when Parliament and the people of Canada are talking about equality, a committee appointed by the Government should be recommending reductions in expenditures for the most disadvantaged group in the country, native people. I am sure the Minister knows that in cities such as Winnipeg, Calgary and Vancouver, to mention just a few, there is an ever increasing number of native people, both status and non-status, who are having great difficulty integrating into the life of those cities. Will the Minister give the House assurances that, in any discussions or proposals to reduce expenditures for native people, the programs now in place to help the native people who are living in our cities will not be reduced?

• (1440)

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I can give the Hon. Member that assurance. Indeed, in the statement to which I

referred earlier, the Prime Minister makes it clear that levels of funding for the programs just described by the Hon. Member will be maintained. So the assurance is unequivocally given.

ADVISORY COMMITTEE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Minister will know that virtually all of the discussions we have had with regard to native problems have focused on the problems of native people living on the reserves. Will the Minister look to the possibility of appointing an advisory committee of people who know something about the problems of native people living in the cities so that he can be briefed on those problems and we can begin to address and solve some of the major problems these native people have?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I might say that there is already an advisory committee dealing with Indian people living off-reserve. As the Hon. Member may know, that is a responsibility I share with the Secretary of State. Toward that end, I have met with mayors of major municipalities, including Winnipeg, Vancouver, and Toronto, and have indicated to them that it is time to turn the page and deal more appropriately with the plight of those people who live in those cities and who have not been dealt with in any significant or fair way over the past 20 years.

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NORTH AMERICAN AIR DEFENCE

REQUEST FOR COMMITTEE REFERRAL

Mr. Moe Mantha (Nipissing): Mr. Speaker, my question is directed to the President of the Privy Council. I am sure he can appreciate my interest, and that of my North Bay constituents, in a matter relating to Canadian-American co-operation in the air defence of the North American continent. On several occasions in the House, Hon. Members in both opposition Parties have asked the Government, in accordance with the 1980 Standing Committee on External Affairs and National Defence report, that this subject matter be referred to the committee at least a year prior to the renewal of the NORAD agreement. My question, Mr. Speaker, is—

Some Hon. Members: Oh, oh!

Mr. Mantha: Since the agreement was last renewed on May 12, 1981, can the Minister assure this House that a reference will be made at the earliest possible moment?

Some Hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the last questioner is as good a questioner in the House of Commons as he was a hockey player in his former incarnation.

The Hon. Member does raise a very serious question. As you will know, Mr. Speaker, we have been attempting to bring forward a reference to the committee of the renewal of the NORAD agreement. As a matter of fact, before Easter I communicated with the opposition Parties about this matter and asked for an immediate reference. I have to say that the New Democratic Party in fact agreed to have the matter go directly to committee so that the work could commence. We would be on with the job right now, but unfortunately the Liberals want to have a protracted debate on the floor of the House of Commons. If the Leader of the Official Opposition could get his Party together, we could get this matter to committee right away, today, and we would be pleased to proceed with this important issue.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

EMPLOYMENT

REPORTED HIRING OF FOREIGN ENGINEERS BY PRATT AND WHITNEY

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It relates to the hiring practices of Pratt & Whitney. Mr. Speaker, at a time when thousands of engineers are unemployed in Canada, we are talking about 7,000 or so, Pratt & Whitney is advertising in the British media to recruit personnel from that country. In the meantime, an official of her department says he is prepared to approve automatically the applications of those British nationals. In fact, in English the words are: We will rubber-stamp them.

[*English*]

Some Hon. Members: Question.

Mr. Guilbault (Saint-Jacques): I am getting there.

[*Translation*]

I want to ask the Hon. Minister whether she is prepared today to make the commitment to curtail that policy of automatic approval, of rubber-stamping of those applications for residence, and to assure us that the existing rules will be applied, namely that no foreigners will be allowed into Canada to fill those positions as long as Canadian engineers are available.

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, there is no question but that is the policy of the Government. There is no question but that while there are people in Canada who are unemployed, Canadian people who are without jobs in this country, the applications for jobs, whether it be engineers, the medical profession, or in any other level of work, will go to Canadians first.

AGREEMENT WITH AEROSPACE INDUSTRY

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to quote for the Minister the words of Wendy Cuthbertson of the United Auto Workers, who was reported as saying: "Not enough attention is paid to skills training of Canadian workers". She also claims that companies find it easier to import workers from places like Britain. Is the Minister ready to pursue the agreement which was reached some three years ago with the aerospace industry, and which called for joint planning of skills development, or has she dropped that program like she has dropped other worth-while plans?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I realize that the Hon. Member has not been in the House very much these past number of weeks.

Mr. Turner (Vancouver Quadra): Oh, come on!

Mr. Gauthier: That's a lie, and you know it.

Miss MacDonald: Nevertheless, I would have expected him to have been aware of the whole new labour market strategy which the Government has announced. In those fields there are areas to which funding has been committed on a multi-year basis for skills development, for job development, for skills shortages. If the Hon. Member has not read the labour market strategy, I will be very happy to send him a copy.

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ENVIRONMENTAL AFFAIRS

TRANS-CANADA HIGHWAY CHEMICAL SPILL—REQUEST THAT MEDICAL REGISTRY BE ESTABLISHED

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister responsible for the health and welfare of Canadians. It is reported that representatives of Kinetic Ecological Resource Group Ltd. advised an Ontario family affected by the recent PCB spill that they are more likely to be affected negatively by aspirin than by PCB contact. As the Minister knows, that statement is grossly irresponsible. I wonder if the Minister would not agree that since this is the largest, most publicly pervasive PCB spill in Canadian history, it would be appropriate for him to set up a medical registry immediately which would allow those people who came in contact with the spill to have a long-term medical evaluation done of any impact it would have on them?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that is a serious question and one, in light of what has happened, which has to be taken seriously. I would like to tell the Hon. Member that our Department has been in touch with Ontario health officials on site, especially Dr. Peter Friesen. We have been in contact with him pretty well on a daily basis.

There was a family vehicle following the truck which carried the transformers. That family had their vehicle sprayed with PCB and the carrier solution. Unfortunately, the gentleman who was driving the vehicle which was sprayed came into contact with the contaminants themselves, or the toxic substance, as well as his family. We are looking at certain conditions there. I do not want to frighten anyone. I want to say that it is being examined very closely and, as I said the other day in the House, any help we can give, obviously, we are ready to offer immediately, and have done so.

With respect to the question of a registry, I do not want in any way to reject it out of hand or say it is not a valuable suggestion. I will look at that suggestion in light of the—

Mr. Speaker: Order. The Minister may want to make a statement on motions.

Mr. Fulton: Mr. Speaker, I would hope that the medical registry would be set up. It would not cost anything.

INFORMATION GIVEN BY TRUCKING COMPANY TO QUEBEC AUTHORITIES

Mr. Jim Fulton (Skeena): My supplementary question is directed to the Solicitor General. It is also reported that Kinetic Ecological Resource Group Ltd. falsely advised Environment Quebec that the transformers were empty prior to this week's disastrous spill. Since the people of Canada have been criminally victimized by the negligence of this corporation, I wonder if the Minister would assure this House that those responsible will be immediately arrested, as they should be, and prosecuted under every possible statute, including the Criminal Code, because it is about time some of these environmental polluters, the bunch of bastards that they are, were put behind bars.

An Hon. Member: Right on.

Mr. Speaker: Order, please. I appreciate the gravity of the question but I must ask the Hon. Member to withdraw the offending word. The use of the language is unparliamentary. I am sure the Hon. Member can find a way to rephrase the question.

Mr. Fulton: I would be pleased to withdraw it, Mr. Speaker, but I trust they will be arrested.

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I can readily appreciate the indignation expressed by my colleague opposite, intemperate though it may be. I will take his question as a representation and look into it seriously.

Oral Questions

PETRO-CANADA

SALE OF COME-BY-CHANCE REFINERY—ASSESSMENT OF BIDS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. It concerns the Petro-Canada sale of the Come-by-Chance oil refinery. On May 1, Petro-Canada will open and begin to assess the bids which have been received for the purchase of the refinery. Will the Minister please tell the House and the people of Newfoundland what criteria will be used by Petro-Canada to assess those bids?

● (1450)

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, that is a matter for Petro-Canada to decide in an open bidding process. I do not think it would be useful to discuss the question of criteria when it is still open for tenders.

ASSESSMENT CRITERIA

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Minister knows that a bid which has as its objective the reactivation of that refinery is infinitely preferable to the people of Newfoundland, indeed I am sure to the people of Canada, then one which would simply see the refinery scrapped, so the question of criteria in assessing the bids is fantastically important. It may be the difference between long-term economic benefits and jobs in Newfoundland, and someone who simply comes in and scraps the refinery.

If the Minister will not discuss criteria in this House, will she at least assure us that she will instruct Petro-Canada to look at long-term economic benefits to the people of Newfoundland and long-term jobs in reactivating that refinery, rather than Petro-Canada's cash balance sheet?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I would remind the Hon. Member that we have done more for jobs to the benefit of Newfoundland in six months than his Party did in 16 years. I would further remind him that the Newfoundland election is over, and I have told him that all options for the future of the refinery are open.

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[*Translation*]

AIRPORTS

MIRABEL—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of State (Transport). Recently, some carriers spread uncertainty and confusion about the future of Mirabel. Some very dynamic carriers like Nationair consider Mirabel a remarkable airport, and they intend to develop new services there. Does the Minister intend to establish a development plan of the said airport to make the investments of Canadian taxpayers profitable?

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, I would like to reassure the Hon. Member. The Department of Transport cannot afford the cost of closing any airport be it Mirabel or even Dorval. It is obvious however that we are trying, mainly with groups from the Montreal area, to find solutions which would make it possible, on the one hand, to cover all the operating costs without incurring huge deficits and, on the other hand, to recognize the transportation needs in the Montreal area in relation to the needs of the country as a whole.

* * *

[*English*]

MINES AND MINING

FALCONBRIDGE INVESTMENT IN NORWAY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of State for Mines. On April 3 I asked the Minister in this House if he was aware of the fact that Falconbridge Mines Limited was preparing to spend $41.5 million in expanding a refinery in Norway to refine Botswana nickel while never providing a refinery in the Sudbury basin where Falconbridge is located. I asked him if he was prepared to approach Falconbridge to get the refinery built in the Sudbury basin. He said he was not aware of what was happening. Did the Minister contact Falconbridge and make representations to make sure that it put the $41.5 million as a down payment against a refinery and do something it has never done since it has been in Canada?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, I have already provided the Hon. Member with the written response which I assured him he would get after his original question. I have since learned, and I think the public announcement in the press today confirms that this particular corporation plans to spend five times as much money in the Sudbury basin as is proposed for its investment in Norway.

DEFERMENT OF TAXES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the Prime Minister. I ask him the question not to put him on the spot but because I know he is knowledgeable in the mining field.

Over the last two years Falconbridge was allowed to defer $150 million in federal taxes. Yesterday Mr. Bill James said at the annual shareholders' meeting that they have found a new technique for not paying taxes in Canada. In view of that, will the Prime Minister use his influence, and the contacts I know he has with the management and executive officers of Falconbridge, and try to persuade them that this is the time, when the company is turning around, to make that big investment in Sudbury which can get us out of forever shipping our resources

to be refined overseas, and give us a chance to recoup the 800 jobs we have lost at the Falconbridge nickel mine in the Sudbury basin?

Right Hon. Brian Mulroney (Prime Minister): I can only say, Mr. Speaker, what I think is widely known, and my colleague knows it at least as well as I do, that Falconbridge went through some extremely difficult times. There were many years of substantial, overwhelming losses, and a badly damaged balance sheet. It was the intervention, I think, of Bill James, a skilled management team, and excellent labour relations, which turned it around. I think all Members of the House should be saluting the management for what they did to save jobs in the basin.

With regard to any technique which may have been developed not to pay taxes, I assume that he was referring to loss carry forwards and things which are provided for under the Income Tax Act, because I can assure my hon. friend, knowing Mr. James and the leadership of that company, who are most honourable people, that this Government in any event will make sure that the doctrine of fairness applies and that everyone, including all corporations, pay a fair amount of tax.

Mr. Rodriguez: What about the refinery?

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CANADA POST CORPORATION

PAYMENT FOR RURAL POST OFFICE BOXES

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is directed to the Minister of National Revenue with respect to the Post Office. Bearing in mind that urban people can approach their post office box in any state of attire, reach around the corner of the door and get their mail absolutely free, does the Postmaster General consider it fair that in some rural areas people have to pay for their post office boxes and that there is an intention to have the room those boxes are located in closed at 3.30 in the afternoon?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I always look forward to getting these questions from my hon. friend. Let me start by saying that I am not the Postmaster General; I am the Minister responsible for Canada Post Corporation. As the Hon. Member knows, the Corporation has a rate increase application before Cabinet. Cabinet's role at the present time is to act as a regulator, and for the next 60 days we will be receiving representations from Canadians. I will certainly accept the representation made by the hon. gentleman and ensure that it is drawn to the attention of Canada Post Corporation.

[*Translation*]

AGRICULTURE

QUEBEC MILK PRODUCERS—GOVERNMENT POSITION

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, my question is directed to the Minister of Agriculture and deals with dairy policy.

Yesterday at the convention of the Quebec Federation of Milk Producers, all delegates were anticipating an announcement about the partial payment of $1.40 per hectolitre which was expected since the very beginning of April. Can the Minister tell the House when the payment will be made and what the amount will be?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the question and the concern expressed on behalf of the dairy farmers of Canada. I can only respond by saying that the matter is under very serious consideration at the moment.

[*Translation*]

REQUEST FOR DETAILS CONCERNING CANADIAN DAIRY COMMISSION

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, why is the Minister of Agriculture now considering the abolishment of the Canadian Dairy Commission which has been so useful to farmers during the past ten years, providing some stability and security in that important production?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think if the Hon. Member knew a little more about the dairy industry in Canada he would realize that indeed the request put forward by the dairy farmers of Canada is not shared equally or totally or to the same degree by producers in all provinces of Canada at this moment.

* * *

EMPLOYMENT

EMPLOYMENT EQUITY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Prime Minister. Yesterday we marked "equality day". At the same time as we were talking rhetorically about "equality day", the Conservatives on the Standing Committee on Regional Development voted down an amendment to take into account employment equity.

• (1500)

Mr. Speaker: Order, please. The Hon. Member may not know that matters that are before a committee may not be raised in the House.

Mr. Langdon: I am not raising that question, Mr. Speaker.

Mr. Speaker: What is the Member's question?

Point of Order—Mr. Gauthier

Mr. Langdon: The question, Mr. Speaker, is whether the Government believes, despite that vote, that it should exercise its influence—

Mr. Speaker: Order. I just indicated to the Member that he could not mention the vote of the committee. Does the Member have a question? I realize he is new.

Mr. Langdon: Does the Government believe that it should exercise its influence wherever possible to encourage employment equity for those so long disadvantaged in our society, such as women, native people, visible minorities, and the disabled?

Right Hon. Brian Mulroney (Prime Minister): Yes.

* * *

POINT OF ORDER

COMMENT OF MISS MacDONALD ON ABSENCE OF MEMBER

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I would like to refer to something that happened during Question Period. A comment was made by the Minister of Employment and Immigration (Miss MacDonald). It is well known that in the House we do not refer to the presence or absence of Members—

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Gauthier: Such are the Standing Orders of the House, whether we like it or not.

As far as attendance is concerned, Mr. Speaker, the Hon. Member for Saint-Jacques (Mr. Guilbault) has one of the best records in this House and the Minister could follow his example before making charges as serious as those she made today. I would ask her to apologize.

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, on the same point of order, if I have in any way injured or embarrassed the Hon. Member, I sincerely apologize. I really felt that, having posed those questions, it must have been his absence that inspired them.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. I think all Hon. Members know that there is a tradition in the House of creative use of language from time to time. I thank the Hon. Member for raising that point of order and would encourage all Members to refrain from mentioning the presence or absence of any other Member because, in fact, that is the rule of the House.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader, the distinguished President of the Privy Council (Mr. Hnatyshyn), what business he intends to call over the next week. In particular I would like to ask him, if he is so serious about having the NORAD agreement studied by committee, whether he would use his authority and responsibility to put it on the Order Paper, and call it for debate. He does not need the consent of the Official Opposition for that purpose. He may not realize, although he should as Government House Leader, that debate in Parliament has to have its focus on the floor of the House. He seems to be embarrassed by that but he is very wrong in that. Certainly if he does this he will find the motion will not receive protracted debate; he is quite wrong in suggesting that. It will have reasonable debate which will show the significant attention he should pay to this important subject.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, if I may be permitted, I would like to respond to the distinguished House Leader of the Official Opposition (Mr. Gray). I want first to deal with the business of the House for the coming week. I would like to assure the Hon. Member that I, representing the Government, have attempted on every occasion to consult fully with him and the representative of the New Democratic Party. I have tried to take into account their valid points of view and to argue them out of their invalid points of view. In that connection the Hon. House Leader of the Official Opposition made a request through my office this morning with respect to the business of the House next week. To show what a swell guy I am, I accepted his suggestion and have altered the business of the House for the next week in order to accommodate the Official Opposition.

Rather than having an allotted day tomorrow, we are going to deal with Government business. We will continue consideration of Bill C-39, which is an Act to provide for the making of supplementary fiscal equalization payments to certain provinces for the period April 1, 1982 to March 31, 1987. I hope that will be disposed of tomorrow after a reasonable debate as I think this is an important matter which deserves urgent attention.

We will then follow with a Bill entitled "An Act to dissolve the Crown Assets Disposal Corporation and to amend the Surplus Crown Assets Act and other Acts in consequence thereof", which is going to be introduced later this day by the Minister of Supply and Services (Mr. Andre).

To accommodate the Official Opposition, I propose to designate Monday as the third allotted day in the Supply period. Tuesday the House will begin consideration at report stage of Bill C-15, which is Investment Canada. When we finish that Bill on Tuesday we will move on to the report stage of Bill C-18.

On Wednesday, if we have not completed consideration of Bill C-18, we will continue with consideration of report stage and possibly get to third reading of that legislation which, I

understand, has now received very thorough consideration in committee and has the general support of all Members. After the consideration of Bill C-18 on Wednesday we will move to Bill C-40, which is an Act to amend the Customs Act. Mr. Speaker, I look forward to Thursday. In the event that we do not complete the consideration of Bill C-15 on Tuesday, I would propose to bring that Bill forward for further consideration on Thursday next.

With respect to the NORAD reference, the Standing Committee of the House of Commons has an unprecedented opportunity to consider this important treaty for one full year in advance of the renewal date. As the Hon. House Leader will know, I proposed to him and to the House Leader of the New Democratic Party (Mr. Deans) that this matter go immediately to committee for the purpose of allowing the committee to have a full year to consider, in the fullest context, every aspect of that particular treaty and its implications for Canada.

I received the consent of the New Democratic Party to have that matter go forward immediately. They were prepared to do that before Easter. Unfortunately, as I indicated in the course of Question Period, the Liberal Party insisted on having a full debate with respect to this matter prior to it going to committee. I think the Official Opposition has it all turned around backwards. We should first investigate and then have a debate with respect to the results of the investigation of the committee. I urge the Hon. House Leader to allow us to go forward with this reference. I am sure that all Members of the House are very interested in having this opportunity which we present, which was never given to us by the predecessor Government.

Mr. Gray (Windsor West): Mr. Speaker, although I am sure the Hon. House Leader is not intending to do so, in asking the Official Opposition to allow us to get on with the reference he is inadvertently creating a very misleading impression. The Government does not need the permission of the Official Opposition to put the motion to refer the matter to committee on the Order Paper. He does not need the permission of the Official Opposition to call that motion for debate. There are many provisions in the rules to limit debate if, in the opinion of the Government, the Opposition Parties are taking undue time.

Contrary to his recollection, I at no time said that we wanted to have a protracted or a full debate. I said that we wanted to have the motion called for debate and to have a limited number of speeches. I stand by what I said in that regard. If he would care to consult with me he will find a disposition, in line with my usual attitude of co-operation, to have the motion go forward relatively swiftly after a limited number of speeches. He must accept his responsibilities, put the motion on the Order Paper and call it for debate, it in fact he is serious about having the matter of the NORAD agreement go to committee for full study.

Mr. Speaker: Order. I will allow the Government House Leader (Mr. Hnatyshyn) an opportunity to respond. However, as previous Speakers have indicated, this period is for announcing business. The negotiations concerning that business should occur somewhere else.

• (1510)

Mr. Hnatyshyn: Mr. Speaker, I take the previous statement by the Opposition House Leader as a question and my response will be very brief. The reason why I negotiate with the Opposition Party leaders is that I want to make the fullest use of the very limited time we have available for debate on a number of important issues. I could move ahead unilaterally but then I would be criticized by the Hon. Member for proceeding with motions before discussing these matters with the Opposition Parties.

I am quite prepared to accept what the honourable House Leader said. I will pursue this matter with him and discuss it with my distinguished colleague, the Deputy Prime Minister and Minister of National Defence (Mr. Nielsen), who is anxious to get before this committee and answer all questions that the Hon. Member may want to pose.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would not be at all surprised if we resolve this.

In considering Government business, would the Government House Leader (Mr. Hnatyshyn) keep in mind that Motion No. 16 under Government Business refers specifically to the question of twin-tracking that is presently taking place through western Canada and the effect of that on native and other communities. Might he consider calling that motion for further debate at an early opportunity?

Mr. Hnatyshyn: Mr. Speaker, as you know, my colleagues the Minister of Transport (Mr. Mazankowski) and the Minister of Fisheries and Oceans (Mr. Fraser) have demonstrated sensitivity and concern with respect to this matter and have involved themselves in very considerable negotiation with the people of British Columbia.

I can only say that I will take the Hon. Member's remarks as a representation in terms of the desire of the Hon. Member to have that brought forward as an item for debate. I think there is a resolution coming with respect to the matter on the basis of consultation. If we can get co-operation with respect to other items of Government business on the Order Paper, this would help free some time in order to deal with this important matter.

Tabling of Documents

ROUTINE PROCEEDINGS

[*Translation*]

REGIONAL DEVELOPMENT

PRESENTATION OF THIRD REPORT OF STANDING COMMITTEE

Mr. Guy Ricard (Laval): Mr. Speaker, I have the honour to present in both official languages, the third report of the Standing Committee on Regional Development.

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

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[*English*]

DISASTERS

"OCEAN RANGER" ROYAL COMMISSION RECOMMENDATIONS—TABLING OF SUMMARY OF GOVERNMENT ACTION

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, under the provisions of Standing Order 46(2), I am tabling in both official languages the summary of action taken by the Government of Canada in relation to the recommendations of the Royal Commission on the *Ocean Ranger* marine disaster.

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FINANCIAL INSTITUTIONS

TABLING OF DOCUMENT ENTITLED "THE REGULATION OF CANADIAN FINANCIAL INSTITUTIONS: PROPOSALS FOR DISCUSSION"

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I hereby table in both official languages two copies of the document entitled "The Regulation of Canadian Financial Institutions: Proposals for Discussion".

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REFORM OF THE HOUSE OF COMMONS

TABLING OF GOVERNMENT RESPONSE TO FIRST REPORT OF TASK FORCE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to the provisions of the Standing Order 46(2) I have the honour to table in both official languages copies of the Government's comprehensive response to the first report of the Task Force on Reform of the House of Commons, as requested by the committee pursuant to Standing Order 69(13). I know that the distinguished chairman of that committee is in the House and I applaud him and members of the committee for their excellent work.

STATEMENT ON TASK FORCE REPORT RECOMMENDATIONS

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I have just tabled the response of the Government to the first report of the Task Force on parliamentary reform. I was very pleased to do so because my colleagues and I, under the leadership of the Prime Minister (Mr. Mulroney), have long held the view that the Government can only be a true instrument of the Canadian people if it is accountable to them through Parliament.

The Government was anxious to proceed with reform immediately following its election last fall. However, we recognized that Members of Parliament had to lead the effort for reform and that meaningful changes in the rules and structure of the House of Commons could only come about as a result of co-operation and consensus between members of all Parties. It was for that reason that the commitment to create a Task Force on the Reform of the House of Commons was outlined in the Speech from the Throne.

The members of the task force have taken their mandate to heart and produced a unanimous report which proposes significant changes to the rules of the House and the role of Members of Parliament. Therefore, I am pleased to tell the House that the Government supports the adoption of the majority of the task force's recommendations and we propose a trial period of one year in accordance with past practice with respect to the implementation of new and provisional rules.

As Members will know, reforms proposed in the last Parliament by the Special Committee on Standing Orders and Procedure formed the basis for the Provisional Standing Orders under which the House now functions. The Government believes that the recommendations contained in the first report complete the work undertaken by the special committee. For that reason, it is appropriate to adopt the recommendations contained in the first report of the task force at this time rather than waiting for a final report of the task force.

That having been said, the Government proposes to deal with all future reports of the task force as a package in order to avoid a piecemeal approach to parliamentary reform. As the final report of the task force is expected before the House adjourns for the summer recess, we believe this will not impose any delay in the reform effort.

Having outlined the general background, I would like to turn to a discussion of some of the specifics of those recommendations. The Government has noted its technical concerns about specific recommendations in the annex to the comprehensive response. In no instance have we found an obstacle that cannot be overcome. As you know, the task force has proposed that a change be made in the method of electing the occupant of the Chair. Although there is no reason to believe that there would be any need to elect a Speaker within the one-year trial period being recommended by the Government, we feel that this is an integral part of the reforms suggested by the task force and that the incorporation of this proposal in the experimental rules would send an important message to Members about our commitment to ensuring their increased participation in House affairs.

By agreeing to include Private Members and Members of the Opposition on the Board of Internal Economy, the Government will be asking Members to take responsibility for the management of the House of Commons, to meet the needs of Members and to make informed and accountable decisions about matters which impact upon public expenditures.

Independence in the management of the institution will be paralleled by an increased independence in the legislative operations of the House. The Government has and will continue to have the right and responsibility to initiate legislation, but Private Members must play a greater role in the legislative process. For example, we agree that the scheduling of Private Members' Business could more appropriately be done by the Table Officers than by the Government House Leader's office. Private Members should not feel that their right to initiate legislation is controlled by the Government or any Minister of that Government.

This is also the thrust of the recommendation that any four members of a House committee be permitted to initiate a meeting on due notice. In agreeing to adopt this proposal, the Government is taking a major step toward increasing real authority of the committees of the House.

More and more, the substantive work of Parliament will be done in its committees. By providing committees with greater independence and by increasing their budgets and staff resources, the Government hopes that Members of Parliament will apply their considerable skills not only to the study and improvement of legislation, but also to the analysis of major issues. When we create legislative committees, we will free the standing committees to devote their full time to the consideration of estimates, annual reports and special studies.

As well, it is the Government's hope that the removal of the automatic provision for questions of confidence on votable Supply motions will encourage the Opposition to bring forward substantive policy proposals for the consideration of the House.

Finally, we were pleased to see the recommendation that statements by Ministers be streamlined to ensure that time is not lost from the consideration of Government business. Contrary to the practice in recent years, this Government has made a conscientious effort to make major policy statements in the House and I believe there have been at least 20 occasions when major statements have been made by Ministers in the House. I might add that we have taken these steps at the expense of time which would have been available for Government business in the House. We believe the appropriate place to announce and debate policy is in the House, not, with the greatest of deference, in the National Press Theatre.

Since the task force report was tabled in the House, the Government has engaged in consultations with members of all Parties and a consensus in support of the task force recommendations has emerged. As I have said, the Government would like to see reforms introduced as a co-operative effort and I would like to thank my colleagues, particularly those in the Opposition, for the role they have played in this regard. The job is not finished. It is my intention to meet with the Opposition House Leaders in the very near future to discuss the timetable and method of implementation of the proposed reforms in accordance with the spirit that has prevailed up to this point with respect to consultation.

• (1520)

In closing, Mr. Speaker, I would like to congratulate the Hon. Member for St. John's East (Mr. McGrath), the Chairman—

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: —the Hon. Member for Papineau (Mr. Ouellet), the Vice-Chairman, and the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), the second Vice-Chairman of this committee.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: I know something of the hard work that has taken place in this committee. I know all of us in this House share the sentiment of appreciation toward these Hon. Members and the other distinguished members of the task force. I congratulate these members of the task force. They have produced an excellent report. I wish them success in their continuing deliberations and look forward to receiving their further reports and ultimately their final report before the summer recess.

Hon. Herb Gray (Windsor West): Mr. Speaker, I am sure that all Members who have been following the progress of parliamentary reform are pleased to hear today's statement by the President of the Privy Council (Mr. Hnatyshyn). A great deal of thought by the special committee on parliamentary reform in the last Parliament went into the report upon which the recommendations of the present task force were founded, and there is a general consensus that the ideas deserve a good trial.

I am looking forward to meeting with the President of the Privy Council and the Hon. Member for Hamilton Mountain (Mr. Deans) to discuss the details of the implementation of these measures and I hope that the Government will be ready with the specific proposals that will make it possible to clarify any minor difficulties that could exist.

We in this Party are quite prepared to endorse a different system for electing the Speaker, but we do not see much sense in putting in a new system for one year only in view of the very small likelihood of our having to elect another Speaker in this Parliament, unless the President of the Privy Council is trying to tell us something about which we have not been previously aware!

Some Hon. Members: Oh, oh!

Mr. Gray (Windsor West): Similarly, we do not see the need for a one-year experiment with regard to the composition of the Commissioners of Internal Economy. There is so great a consensus on adding Private Members, including Opposition Members, to the management council of the House of Com-

mons that I cannot understand why any experiment should be necessary.

Most other parliamentary jurisdictions have adopted an all-Party approach to such matters, and I would not think that we would be well served by delaying a permanent solution as recommended by the task force. Let us do this as soon as possible by bringing forward permanent amendments to the legislation in question, because as we know this requires a legislative change rather than simply having to amend our Standing Orders.

We welcome also the acceptance of the recommendations regarding statements in the House. I would say to the President of the Privy Council, however, that this change will work only if he insists that his colleagues adhere rigorously to his regime of giving ample notice of the statement, as well as providing copies of it, to the Opposition critics well in advance. I know that the hon. gentleman has tried to persuade his colleagues to co-operate, but on a number of occasions they have not done so. I want to commend those Ministers who endeavour to make that system work, even when it is decided to give a statement only shortly before the House opens. I could give a bit of a report card on those who have made it work and those who have not, but I think those to whom I could refer will know who they are. This procedure will work only if Ministers will co-operate and only in this way will an increase in the use of Minister's statements in fact enhance the role of this House of Commons.

The small alteration in arranging Private Members' Business certainly is acceptable to the Official Opposition, but the suggestion by the Government that a failure to provide 24 hours' notice results in the loss of Private Members' Business lends itself too readily to manipulation by a Government wanting to find a few extra hours of Government time. It is not unknown after all for Government back-benchers to respond readily to the Ministry's suggestions, if not outright direction.

The most interesting changes, of course, will be with regard to committees. The provision of budgets and staff is long overdue, but Members should remember that this places more demands on them rather than fewer. We must guard against creating committee bureaucracies. They must be instruments, tools, of service to the Members of Parliament in their work, not their masters.

With respect to the proposals regarding changes in the committee system, I must say I personally have some questions and there are questions that could be raised about the concept of legislative committees. In a House the size of ours, I believe that specialized committees are best suited to dealing with legislation; but our Party is certainly willing to see how the recommendations for legislative committees work for a one-year trial period. I am quite concerned, however, that the Government is already trying to dilute the effectiveness of the experiment by not agreeing to make Ministers members of legislative committees on their own Bills. This is a very serious departure from the concept of legislative committees and makes me wonder how seriously the Government is really prepared to take Parliament in this important area. After all, Mr. Speaker, there are already disturbing signs that Ministers of the current Government are not taking our current committees as seriously as they should when it comes to willingness to attend committee hearings, to stay at those hearings for the appropriate length of time and in fact to give due notice of when they are ready to come before a committee.

As far as dealing with tax bills in a committee other than a Committee of the Whole is concerned, I became convinced of the need for this many years ago when I had the responsibility of steering such matters through the House. I would hope that as far as possible most Ways and Means Bills would be considered in the same legislative committee because they are so interrelated.

To conclude, Mr. Speaker, I am not going to try and deal with all the recommendations but let me say that I welcome the willingness of the Government to try these experiments. I hope the Government will not succumb to any temptation to try to use the more complex committee system to diffuse the political process for its own objectives or to try to use the changes only to keep otherwise errant Government back-benchers busy. Most important, I hope all Members realize that these experimental rules mean more work, not less. New rules in themselves do not automatically make Parliament better; only the diligent work of Members can do that. In the meantime I await the call of the President of the Privy Council to discuss the details and terms of the proposed experiment.

I want to congratulate all members of the task force on their work. We await with interest their further reports and the Government's response to these reports.

This House of Commons and its committees are fundamental to the functioning, the very existence, of our democratic system of government. It is in the interest of all Canadians that we strive on an on-going basis to make the House and its committees as relevant and as effective as possible in terms of the needs of the country and its people. I believe the report will make a real contribution to achieving these objectives.

Some Hon. Members: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to begin by congratulating the committee. I know the hard work that went into the development of the report, both in the past and the report on which the committee is currently working.

I want to say something about the committee. The committee could well serve as a model for other committees. The way the committee has worked together, the way the committee has sought consensus, and the way the committee has worked in what I think could reasonably be described as a relatively non-partisan way I hope will be an example for the committees that will flow from the report we have before us here today.

• (1530)

There is no question that Parliament will be effectively changed by the recommendations being adopted which the Government House Leader indicated the Government is will-

ing to see implemented here today. We are going to see Parliament move from what has been a somewhat misunderstood institution, I suspect, into a reasonably modern age. With the change, however, there will be a shift in the focus of Parliament.

While much of the focus of Parliament, from a public point of view, has been here in the House of Commons until now, with the new committee structure, funding arrangements and staffing arrangements that will be made available, a lot of the work that previously was done here will now be done by the committees. Therefore, the public of Canada will also have to adjust to the changed focus of Parliament. In addition, if the committees do in fact take their lead from the special committee's example and if the chairmen of the committees that will be established can take their lead from the work of the chairman of this committee, I am confident that the work of Parliament will be enhanced by the recommendations being adopted.

Like many Members, I am somewhat apprehensive, but nevertheless willing to go ahead with the change. It was our view that this committee, having worked as it did, deserved to see its recommendations implemented. We ought not to adjust unecessarily any of the recommendations. It may well be that the question of having Ministers as members of committees studying their legislation is something that will require additional thought. Although the Government has indicated that perhaps it is not prepared to proceed with that change, after our discussions maybe there will be a way to incorporate it in the final recommendation that will become legislation and will become part of the temporary rules of the House of Commons come September of this year. It is to that that I want to address myself.

It is very important, now that we have the Government's response—a response which I might say I welcome and a response which I might say is pleasantly surprising—that we set about to work out the methods of implementation. We do not have a lot of time. The rules will have to be in place by this summer in order that those who are going to have the responsibility for administering, whether it be the Table Officers, the Speaker, the committee chairmen or the administration of the House of Commons, will have time to become fully aware of the changes that have taken place and to put in place the mechanisms necessary to allow for the changes to be effective.

For example, the request for ways to ensure adequate funding for committees will have to receive serious discussion about how that will take place, what methods will be used to determine budgets and who will be responsible for the final decisions on matters such as that. Therefore, those things must be put in place very quickly.

The other matter that strikes me as making very much sense is the proposal to include opposition Members among those who administer the House of Commons. It is quite clear that, since the Commissioners of Internal Economy deal primarily with matters relating to those things directly responsible to Parliament, Parliament itself has to be represented on that, all of Parliament and not just simply the Government side. Therefore, I welcome the proposal from the committee in the first place and the Government's acceptance of the proposal to establish a place for the Opposition.

I trust that the recommendation will be interpreted in such a way as to make sure that both opposition Parties will be represented. I would certainly find myself somewhat less supportive if that were not to be the case. For example, I would not like to see members of the Liberal Party left out. I want them there.

Mr. Epp (Provencher): Have you thought this through?

Mr. Deans: I thought it through. When we replace them as the Official Opposition, I will still want them there.

Mr. Axworthy: Can you get there in a wheelchair?

Mr. Deans: I may be able to get there in a wheelchair with the assistance of my friend. Having said that, I do think it is an important matter that has to be looked at.

The other reason for speed—not haste but speed—is that the rules of the House are again being reviewed by yet another standing committee of the House in addition to the special committee. It is in the process of reviewing the rules for technical changes. Clearly if that committee is to do its work, it has to know exactly what the disposition of the recommendations is to be.

I close by saying that I commend the Government for taking this step. I want everyone watching to recognize I have said that because frequently I have been told that never in my life have I congratulated the Government. Today I do. That is a momentous moment in the history of Parliament. I commend the Government for taking that step. Now the task is to get it into legislative form and do it quickly, not rush it through at the last minute.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I have a question for the President of the Privy Council (Mr. Hnatyshyn).

First, I should like to congratulate him on the Government's decision to accept the first report of the committee. In my opinion, this is the kind of encouragement of which the Chairman of the Committee on the Reform of the House of Commons, the Hon. Member for St. John's East (Mr. McGrath), is particularly deserving, but it is encouraging as well for all other committee members who have worked very hard under the able guidance of their chairman and who have spared neither energy nor time to draft these recommendations.

Here is my question: Can the Minister give us the assurance that these recommendations, which have been endorsed by the Government, will be implemented when the parliamentary session resumes, at the latest by next September?

Second, since the Minister knows that the second report was tabled and that it has to do with structural changes, particularly concerning the voting procedure in the House and better

facilities for parliamentarians in some committee rooms, would the Government agree to the proposed changes and carry out major projects this summer so that, when we return in September, the new voting system would be in place, if that is the wish of the Government? I imagine some of the structural changes will require some time, and I am concerned about the remarks of the Minister who seemed to imply that, with respect to the second and subsequent reports of our committee, the Government might wait to give an overall response to all our recommendations. I think an exception should be made at least in the case of those recommendations of the second report which might entail summer work.

[*English*]

Mr. Hnatyshyn: Mr. Speaker, may I deal with these matters raised by hon. friend in sequence. We certainly do intend to have a target date on the introduction and implementation of all the provisions in the first report, and which are the subject of the responses which I have tabled today, in place by the time the House resumes its business after the recess which takes place in July and August.

Obviously we are not oblivious of the fact that there has been a report of the committee. That report addresses itself specifically in terms of accommodation and structural changes that will be required with respect to the facilities of the House. I did not intend to give the impression to the Hon. Member or any other Member that somehow we are going to delay the implementation of any subsequent report. Indeed, the contrary is the fact. We will want to move quickly on giving a full response and indeed we look forward to hearing the final report of the committee so that we can look at it in its total context.

● (1540)

There has been a disposition by Members of Parliament represented by the House Leaders to move forward on these matters. As the Hon. Member will know, we had an unprecedented occasion on which all three House Leaders, arm in arm, cheek by jowl, shoulder to shoulder appeared before the task force. There was an amazing degree of unanimity in the presentation which we made. We discussed the matter and attempted to meet the various questions of the members of that task force. One of the things upon which we all agreed, I think, is that in accordance with the tradition that we have established, we should implement these matters on a provisional basis for a period of one year to iron out the kinks so that we can in fact review these matters at the end of that period of time and make improvements after we have had the benefit of experience.

In terms of the facilities of this institution, we will have to make accommodation for the new legislative committees and we will have to look at what we have to do in terms of making appropriate space available. I simply say to the Hon. Member that I hear from members of the committee that they have very great ideas and some very important initiatives they want to bring forward. They have talked about the precincts of the House of Commons and the creation of an intendant of Parliament with respect to its facilities. I do not want to make structural changes and find later on that I have offended the intendant who is subsequently appointed after consideration by the House of Commons, if that is the will of the House.

I assure the Hon. Member that we will carry out the spirit of the first report and make sure that there is full consultation. We will make sure that all Members of Parliament, through House Leaders and members of the task force, are consulted so that we will have something of which we can all be proud and something in the evolution of which we can all feel that we have taken part.

Mr. Blaikie: Mr. Speaker, I would like to take a few minutes to say that, having had the opportunity to serve on the Special Committee on Standing Orders and Procedure in the last Parliament and now serving on the Special Committee on Reform of the House of Commons, I am glad the Government has taken the initiative and indicated its support for the reforms that were suggested in the first report. I would say briefly that the Government could have gone a little further. It could have used some elements from the second report such as those that did not have to wait for subsequent reports. It could have acted all at once to bring in not only the reforms that were contained in the first report but also a handful of those contained in the second report. In any event, there were only a handful of reforms contained in the second report.

If the Government House Leader felt he needed to put off the recommendations *vis-à-vis* the intendant of Parliament which was recommended in the second report, that is fair enough, but I do not see that that was just cause for putting off some of the other relatively minor reforms that could have been implemented now without leaving the Government open to the accusation that it was engaging in parliamentary reform in a piecemeal fashion. I appreciate that concern. It is just too bad that the Government did not seize the moment to do a bit more than it has indicated it intends to do. I would encourage—

Mr. Speaker: With great respect, does the Hon. Member have a question?

Mr. Blaikie: Do I have a question?

Mr. Speaker: Yes, this is a question period. I appreciate the importance of the issue. It is, however, a question period.

Mr. Blaikie: Perhaps the Government House Leader has already indicated this, but I was not able to be here for the beginning of his remarks. I would like to ask him just what kind of time frame he had in mind for getting the House to act and to actually put these things into place so that they can be ready when he wants them to be ready.

Mr. Hnatyshyn: Mr. Speaker, in response to the Hon. Member's question, as we indicated to the task force when all three House Leaders appeared before it, we thought that an appropriate time would be the commencement of the sittings of the House in September. This would give us ample opportunity to make a number of adjustments in terms of ensuring

that the Standing Orders are in proper form, that facilities have been looked at and that there has been a reasonable interlude from the parliamentary life that we experience while the House is in session.

In terms of the observations made with respect to why we did not respond to parts of the second report, the answer is quite simple. It was not by virtue of any intention on our part to forestall consideration of these matters, but to get where we are today involved a consultative process. I could have returned to the drawing board and consulted with House Leaders again to make sure that everyone was on side with respect to additional recommendations. However, and I think other House Leaders would share this view, I wanted to do this on a basis that was not unilateral, however admirable or meritorious the report may be. Accordingly, we opted to respond to this report as requested by the committee and in the course of that we indicated that we would like to look at the final results of the task force to see where we are in the total context.

Again, I reiterate the fact that we on the government side are committed to early action with respect to items that find the approval of the House of Commons through the task force report. I do not say this in any partisan sense, but I do not think anyone who has listened to the Prime Minister (Mr. Mulroney) speak on this topic and doubt the will of the Government to move forward with respect to the recommendations of this committee. We hold the members of this committee and the process under which they operate in very high regard. We intend to use our responsibilities as a Government to support the task force in its excellent work.

* * *

PETITIONS

REFORESTATION PROGRAMS IN BRITISH COLUMBIA

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, I am presenting a petition from 561 of my constituents urging the Government of Canada to continue Canada Works funding for reforestation programs in the Province of British Columbia.

DEREGULATION OF TELEPHONE SERVICE

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have the privilege of presenting a petition signed by 81 members and friends of the Happy Handicapped Club of Thunder Bay who register their opposition to the CNCP application for deregulation of the present telephone system.

SEVERANCE PAY AND UNEMPLOYMENT INSURANCE CHANGES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have two petitions to present. The first focuses on the cutbacks which are taking place in unemployment insurance support and in particular severance pay and other changes. It is signed by over 1,700 residents of Essex-Windsor. The second petition focuses specifically on severance pay changes and early retirement and is signed by additional residents of Essex-Windsor.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I have the honour to table on behalf of 1,700 Canadian citizens exercising their rights a petition similar to that submitted by the Hon. Member for Essex-Windsor (Mr. Langdon). It is signed by 1,700 people, mostly from the Windsor area. It protests changes already made and yet to be made in respect to UIC benefits affecting working people. I have a second petition from Toronto protesting the actions taken with respect to severance and vacation pay as they affect UIC benefits.

* * *

• (1550)

[*Translation*]

RAOUL WALLENBERG HONORARY CITIZENSHIP ACT

MEASURE TO ENACT

Mr. Guy Ricard (Laval) moved for leave to introduce Bill C-234, to proclaim Raoul Wallenberg to be an honorary citizen of Canada.

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

Some Hon. Members: Explain.

Mr. Ricard: Mr. Speaker, as you have said, the purpose of this Bill is to make Raoul Wallenberg an honorary citizen of Canada in recognition of his humanitarian effort during the Second World War.

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

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read a second time? At the next sitting of the House?

Some Hon. Members: Agreed.

[*English*]

PRAIRIE FARM ASSISTANCE ACT

MEASURE TO REPEAL

Hon. Bill McKnight (for the Minister of Agriculture) moved for leave to introduce Bill C-41, an Act to repeal the Prairie Farm Assistance Act and to amend the Crop Insurance Act in consequence thereof.

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

Some Hon. Members: Agreed.

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

* * *

CANAGREX DISSOLUTION ACT

MEASURE TO ENACT

Hon. Bill McKnight (for the Minister of Agriculture) moved for leave to introduce Bill C-42, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof.

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

Some Hon. Members: Agreed.

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

* * *

CROWN ASSETS DISPOSAL CORPORATION DISSOLUTION ACT

MEASURE TO ENACT

Hon. Ray Hnatyshyn (for the Minister of Supply and Services) moved for leave to introduce Bill C-43, an Act to dissolve the Crown Assets Disposal Corporation and to amend the Surplus Crown Assets Act and other Acts in consequence thereof.

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

Some Hon. Members: Agreed.

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

FINANCE, TRADE AND ECONOMIC AFFAIRS

MOTION TO REFER DOCUMENT TO STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there are two orders of reference with which I want to deal at this point in time, on the basis of consent. There have been consultations with the opposition Parties and if Your Honour were to put these motions forward—they are references—you will find that there is unanimous consent. The first order of reference is to the Standing Committee on Finance, Trade and Economic Affairs and reads as follows:

That the document entitled "The Regulation of Canadian Financial Institutions: Proposals for Discussion," tabled earlier this day, be referred to the Standing Committee on Finance, Trade and Economic Affairs;

That the Committee examine and report on the proposals contained therein;

That the Committee be empowered to retain expert, clerical and secretarial staff as may be deemed necessary; and

That the Committee submit its final report to the House of Commons no later than September 30, 1985.

That reference has received the assent of all Parties and if you put it, Mr. Speaker, I think it would be adopted unanimously.

Mr. Speaker: Is there unanimous consent for the introduction of this motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is there unanimous consent for the adoption of the motion?

Some Hon. Members: Agreed.

Motion agreed to.

MOTION TO REFER BILL C-37 TO STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, again I think you will find there is unanimous consent for the order of reference to the Standing Committee on Finance, Trade and Economic Affairs, which reads as follows:

That the Standing Committee on Finance, Trade and Economic Affairs be empowered to consider the circumstances leading up to the support package offered to the Canadian Commercial Bank as approved in Bill C-37, the Canadian Commercial Bank Financial Assistance Act as passed by the House on March 28, 1985; and

That the Committee submit its findings to the House no later than May 31, 1985.

Mr. Speaker: Is there unanimous consent for the introduction of the motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is there unanimous consent for the adoption of the motion?

Some Hon. Members: Agreed.

Motion agreed to.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 141, 159 and 302.

[*Text*]

OECD DEVELOPMENT AID COMMITTEE MEETING

Question No. 141—**Mrs. Killens:**

1. Does the Minister for External Relations intend to inform the House of the results of her meeting with the members of the Development Aid Committee of the Organization for Economic Co-operation and Development which was held in Paris on December 3 and 4, 1984?

2. (a) What is the list of the delegation members (b) did other persons accompany the Canadian delegation and, if so, what are their names?

Hon. Monique Vézina (Minister for External Relations): 1. Ministers of the Crown are always accountable to the House for their activities, both during the Oral Question Period and in its committees.

2. (a) Mrs. Monique Vézina, Minister for External Relations, Mr. W. J. Jenkins, Ambassador, Permanent Representative to the OECD, Mr. J-G. St. Martin, Vice-President (Policy), Canadian International Development Agency, Mrs. A.-M. Doyle, Deputy Director, International Finance and Development Division, Department of Finance, Mr. A. Morantz, Director, Economic Relations with Developing Countries Division, Mr. C. Laverdure, Senior Departmental Assistant, Office of the Minister, Mrs. A. Leahy, Counsellor, Delegation to OECD.

(b) Michel Amar, Special Assistant to the Minister, Michel Dompierre, Special Assistant to the Minister.

EM&R—CUTS IN SCIENCE AND TECHNOLOGY PROGRAMS

Question No. 159—**Mr. Orlikow:**

Has the Department of Energy, Mines and Resources cut any projects in its science and technology programs in order to absorb the reduction in its expenditures required by the economic statement made by the Minister of Finance in the House on November 8, 1984 and, if so, what are they and what are the projected costs?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Yes.

Energy Research & Development Program	Expenditure Reduction from Reference Levels Approved in Operation Plan 1985-1986	Remaining Resources for 1985-1986 for Departmental/Sector Activities in Program
Energy Conservation:		
Industrial Energy Conservation R&D	$ 4,900,000	$ 4,000,000
Buildings	825,000	1,177,000
Transportation	310,000	409,000
Demand	224,000	—
Energy Systems	400,000	372,000
Supplementary Fiscal Equalization Payments		
Renewable Energy:		
Geothermal	500,000	395,000
New Liquid Fuels:		
Biological Processes	1,761,000	1,019,000
Fuel Processing	1,000,000	3,743,000
Fuel Use	700,000	2,717,000
Hydrogen and Energy Storage	353,000	360,000
Oil, Gas, Electricity:		
Geoscientific R&D	1,058,000	2,012,000
Marine Engineering	100,000	338,000
Enhanced Oil Recovery	456,000	675,000
Materials for Offshore Structures	296,000	2,370,000

BILL C-23—USER FEE AMENDMENTS

Question No. 302—**Mr. Gagliano:**

Did the Minister of State (Small Business) consult the Canadian Bankers' Association about the user fee amendments in Bill C-23, now before the House and, if so (a) in what location and on what date did the consultation take place (b) what was the Association's position on the amount of the fee, and on whether the borrower or the lender should pay the fee?

Hon. André Bissonnette (Minister of State (Small Businesses)): The Minister of State (Small Businesses) consulted with the Canadian Bankers' Association about the user fee amendments in Bill C-23, in Toronto on March 14, 1985 and in Ottawa on March 19, 1985. The Association advised that a one time up-front fee at the 1 per cent level would be equitable to all parties and that such fee should be paid by the borrower.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY FISCAL EQUALIZATION PAYMENTS 1982-87 ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall (for the Minister of Finance) that Bill C-39, an Act to provide for the making of supplementary fiscal equalization payments to certain provinces for the period April 1, 1982 to March 31, 1987, be now read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, in the warm-up just before the luncheon break, I was addressing the central principle and purpose of this legislation, which is to provide for a response to one of the fundamental responsibilities within the federal Government—to ensure a fair sharing of equity across Canada in terms of the distribution of benefits and certainly the distribution of economic opportunities. I was making the case that one of the serious transgressions and uncertainties which has become the hallmark of the recent Government is its lack of attention and sensitivity to those issues, and that in fact the whole thrust of its economic program is not a thrust at all, but a scattered, disorganized, chaotic, random set of actions which has no coherence as far as a regional development program is concerned. We only have to return to the November 8 statement for proof of that. It is recognized that those areas which are most disadvantaged suffer the most severely by federal government cut-backs. There is a direct relationship and axiom between the two. The Deputy Prime Minister and Minister of National Defence (Mr. Nielsen) has become one of the all-time slashers of history. In fact, it is a deliberate attack upon the regional foundations of Canada. We saw a clear example of this today in Question Period. His advisory committee was given the objective of trying to reduce the deficit and in fact chose an area of programming dealing with economic benefits for native people. That is the choice which it made as the basis for its so-called reduction. Once again, those least able to protect themselves and those most in need of economic opportunity will be the victims of this peculiar and ill-thought-out approach to economic matters in Canada.

Certainly we see it not only in the cut-backs in industrial development programs, in investments in public infrastructure, in transportation, in research and in the environment, but we see it, perhaps most seriously, in the erosion of other forms of transfer programs.

I should like to talk about one program in particular, the unemployment insurance program. The Minister of Finance (Mr. Wilson) has made it quite clear that he intends to transfer a large proportion of the present premium rate of unemployment insurance back to the tax rolls. This means that the unemployment insurance program, which probably nets a full $2 billion of transfers to the poorer regions of Canada to ensure at least some basic level of income stability, will not be subject to entitlements under the Unemployment Insurance Act, but to the whims and caprices of the Minister of Finance and his officials at tax time. In fact, we will see a total erosion of the program. We have already seen cut-backs in severance pay and on pension rights. Who does that hurt? It is not the well-to-do nor the members of the "Mulroney Club". It hurts people who are faced with economic disadvantage. Those are the ones who are affected by those kinds of cuts, not the friends of the Prime Minister (Mr. Mulroney) who are paying a hundred dollars for special access and special privilege. The ones who are really being hurt are those in the region.

Some Hon. Members: Oh, oh!

Mr. Axworthy: I see Conservative Members are coming to life. I suppose it is because they are not members of the club. They went through that awkward stage of getting themselves elected as Members of Parliament only to find out it is really the people who can afford it who get special access to the Prime Minister. That is the way the system works. I give my deep sympathies to members of that caucus that they have been so excluded from the privileged circle of access and information, but that is something that they will have to work out for themselves.

● (1600)

The point I am making is that this attempt by the Government to build one block upon another has become a major withdrawal of commitments to regional development. In my own Province of Manitoba the evidence is very clear. As a result of the November 8 statement, the minimum reduction of job levels in that province was 4,000 permanent jobs, to say nothing of the 2,000 summer jobs which were lost. That is clearly reflected in the substantially increased unemployment statistics for that province. The withdrawal of federal investment in a number of important projects, the slowing down of the Churchill program, the withdrawal from the rebuilding of the railway cars at Transcona, the stoppage of the downtown programs, are all beginning to eat into the responsibility of the federal Government to invest in regions which do not have the economic wherewithal. Now Government has added insult to injury by bringing in on top of that a further reduction in the equalization payments. The two-year program which is announced in this Bill in fact will result in approximately a $60 million reduction according to the figures which were provided by the Minister of Finance himself; some $22 million in this fiscal year and some $37 million in the next fiscal year.

I go back to my point and the point which was raised by my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau), who argued that the equalization is so essential an underpinning to the whole question of regional equity and regional sharing, that it should not be one which is arbitrarily decided by this Government alone. Surely, in the spirit of co-operation and consultation and all the fine sounding promises which were made, this is an area which should certainly be discussed, but it was not. There was no agreement with the provinces. They were simply handed a fait accompli. The only access to information they had is when the Minister of Finance left his briefing books on a coffee table in a Winnipeg hotel. That was the only way they found out what the Department of Finance and the Minister were really thinking. That is a very unique and curious way to transfer information back to the provinces. It certainly saves on stamps, but the fact is that it does not result in the kind of sharing of information which is essential to make this kind of program work.

If one looks at the various tiers of assistance, one finds the withdrawal of direct grants by the federal Government in terms of investment in federal programs. If one looks at the transfer programs to individuals such as unemployment insurance, one finds withdrawal. If one looks at the basic fiscal transfer programs, one finds withdrawal. I would suggest to

you, Mr. Speaker, that the total equation cannot be added up simply by taking a look at one tier. We have to look at the entire set of withdrawals, and we find that the poor regions of this country are becoming the real victims of the so-called economic renewal. And to be a so-called winner or loser in this society really depends upon where one lives and which kind of club one belongs to and whether one can afford it.

I also want to say, Mr. Speaker, that the provinces themselves cannot absolve themselves entirely of responsibility in this matter. I believe one of the most useful reports, one which has been dropped like a hot potato by the Government because it provides too much incriminating evidence on its friends, is a report on the funding of post-secondary education across Canada. It points out that over a period of time the federal transfers for post-secondary education were going up on an average of 13 per cent each year, and the provinces were not in any way matching those transfers. In fact, in my own Province of Manitoba in 1977-78, the proportion of funding for operating grants to provincial colleges and universities by the federal Government was 80 per cent. By 1984-85, it had reached 103 per cent. That example is repeated in several other provinces. I know that there have been provincial Governments, mainly Tory in origin, which have banged the table and said they were getting a raw deal. The fact is that these figures clearly point out that what was happening was that the federal Government was doing more than its share. In no way were those funds being matched by the provincial Governments. As a result, federal funds were in fact supplementing or subsidizing other provincial expenditures. It would seem to me that one of the clear priorities of the Minister of Finance must be a direct response to the facts and figures provided in this report. This report demonstrates dramatically how the provincial Governments have been camouflaging in terms of fair sharing.

We are not saying that the federal Government, when it gets into questions related to fiscal arrangements between the provinces and the federal Government, should simply put more money on the table. But it should at least adopt some kind of bargaining attitude. It should at least come together with a total package in mind. What is it going to do on higher education? What is it going to do on unemployment insurance or regional development grants? That is the kind of effective federal-provincial initiative which we would recommend and which my colleague who spoke first in this debate strongly promoted and endorsed.

I would say, Mr. Speaker, to Hon. Members opposite that they should recognize that this is one of the vital issues with which they will have to deal. If they fail to come up with a clear, concise and coherent answer and response to the question of how to deal with regional inequities, and fail to make sure that federal and provincial Governments share equally in the responsibilities in that area, we will have a serious problem down the road in not being able to provide for proper economic opportunities for all Canadians. Once we are in that situation, the very basic underpinnings and foundations of this country are in danger.

Mr. Winegard: Mr. Speaker, I would like to ask the member of the Opposition whether his Government since 1977 took any active pains to come to an agreement with the provinces about the use of federal funds? Having sat on the other side of the fence, I can say that I never heard very much about what that Party wanted in terms of a federal input into the higher education system. I thought that Party was content to transfer the money. The people who were transferring the money now, suddenly, have this new-found conscience.

Mr. Axworthy: Mr. Speaker, all I can do is to ask the hon. gentleman who said he was on the other side what he was doing on the other side. For the past two and a half years there have been a series of federal-provincial meetings between the federal Secretary of State and the provincial Ministers of Education at which very clear demands were raised and very clear questions were asked about what could be the new formula after the EPF program came to an end. A number of formulas and proposals were put on the table to try to get provincial Governments to at least match up to their obligations which were to maintain some consistent level of support. So there was no lack of concern being expressed both privately and publicly. There was no lack of formulas being put on the table and no lack of negotiating going forward. In fact, Mr. Speaker, I would suggest that by this time, if we had been re-elected, the solution would have been found.

The Acting Speaker (Mr. Paproski): Are there any other questions or comments?

Mr. Ouellet: Debate, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Before I recognize the next Hon. Member for debate, who is going to be the Hon. Member for Winnipeg-St. James (Mr. Minaker), it is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart)—Housing—(a) Decision to cut budget for housing renovation program. (b) Request that Government give supplementary funding; the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Enviromental Affairs—(a) Trans-Canada Highway chemical spill—Government's knowledge of incidents. (b) Request for investigation; and the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria)—Energy—(a) Notification of Ontario Premier. (b) Prime Minister's meeting with Ontario Premier.

• (1610)

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY FISCAL EQUALIZATION PAYMENTS 1982-87 ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall (for the Minister of Finance) that Bill C-39, an Act to provide for the making of supplementary fiscal equalization payments to certain provinces for the period April 1, 1982 to March 31, 1987, be now read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. George Minaker (Winnipeg-St. James): Mr. Speaker, it seems that every time I have the opportunity to speak in the House, you are in the chair, so I hope I will keep you interested today, as I have tried to in the past.

I would first like to commend the Minister of State for Finance (Mrs. McDougall) and her colleague, the Minister of Finance (Mr. Wilson), for bringing forward Bill C-39. On behalf of my constituents and those Manitobans who feel we finally found a Government which recognized equalization payments were not the size they should be, I thank the Minister and the Government for the extra $115 million Manitoba will receive in the next two years. This Bill is an example of the fairness and good will which our Government has with respect to the provinces and to our country. It is also an example of the way our Prime Minister (Mr. Mulroney) wants to see a fair and reasonable Government, and I commend the Government for taking the action it has taken in this particular Bill.

It is always interesting to see how the Opposition handles good legislation. I listened to the Hon. Member for Churchill (Mr. Murphy) and the Hon. Member for Laval-des-Rapides (Mr. Garneau). The Hon. Member for Churchill stood up and thanked the Minister for part of the money and then proceeded to try to pat the NDP on the back by saying that Manitoba got more money becauses of the NDP Government and the NPD Members in the House of Commons. Therefore, I would like to quote the Minister of Finance from *Hansard* of April 1 when he made the announcement of this further payment to the six provinces which needed those additional funds. He said:

> Mr. Speaker, I should first say that, unlike hon. members of the New Democratic Party who spend a lot of time crowing but get little action out of the noise they make, hon. members of the Conservative Party who reside in and represent Manitoba, have constantly dealt with me on a quiet basis on this issue. I can tell the Hon. Member that they were far more effective in their representations because they had substance and a good analytical basis for the statements they made, as opposed to the shrill rhetoric we received from the other Party.

I think that says it in a nutshell. It is not necessary to get up in this House and bombard us with rhetoric.

Mr. Epp (Provencher): He said "no equalization" at a Liberal meeting in Manitoba.

Mr. Minaker: We will get to the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) in a minute.

Mr. Ouellet: No!

Mr. Minaker: I think it is important to recognize that our Government did not have any legal obligation to extend these payments or to supplement the equalization payments. I have to remind the Hon. Member for Laval-des-Rapides and the Hon. Member for Winnipeg-Fort Garry that they were in the Government and sat around the Cabinet table and made the decision in 1981 on changes to equalization payments. Because of opposition from the Progressive Conservative and NDP Members at that time, they brought in these transitional payments. So that I find it very difficult to take the Hon. Member for Winnipeg-Fort Garry seriously when he talks about sensitivity. They did not make any decision that was, in my opinion, sensitive to the needs of the provinces in 1981. I also find it difficult to take a person seriously with regard to sensitivity when he increases his office budget to, I think it was, $3.2 million from $1.2 million. I call that very insensitive to the spending of taxpayers' money.

I would also like to advise the House that there was a degree of consultation with respect to the PC caucus members from Manitoba. We consulted with a number of people from Manitoba. We met with presidents of universities, government officials and the provincial PC Opposition as well who made a very good presentation on why Manitoba was unique. I thank the Minister for recognizing that Manitoba has a unique economic situation and for seeing fit to give our province an extra $115 million over the next two years.

As I said, it is always interesting to see how the Opposition reacts to something like this. I do not know whether the Hon. Member for Churchill intended to do it, but in his presentation he gave the impression that this was the only money Manitoba was going to get from the federal Government. I think it is important to clarify that because I know Manitoba, like other provinces in our domain, will be getting transfer payments. For Manitoba it is somewhere in the order of about $1.25 billion, of which the equalization payment is part. So when you consider the other programs coming forward this year, these transfer payments, along with the additional $50 million this year, mean that the total payments will be in excess of what they were this past year. For that reason I say that the Government is being very fair with us and we appreciate that.

I want to commend the Minister for bringing forward the Bill at this time. It is good legislation. It is fair legislation. I hope the House will see fit to pass it so we can obtain Royal Assent so that the provinces who need this assistance will have use of that money this year.

The Acting Speaker (Mr. Paproski): Questions or comments?

Mr. Ouellet: Mr. Speaker, I would like to ask the Hon. Member how, in congratulating the Minister of Finance (Mr. Wilson) for the legislation, he reconciles himself with the statement made by the Premier of his province to the effect

that his province will have a shortfall in the fiscal year 1985-86 of $263 million, and a projected shortfall of $80 million in the fiscal year 1986-87 if this legislation is approved without amendment? I find the Hon. Member really does not truly represent the interests of his constituents and the people of his province in supporting the Minister of Finance instead of siding with the Premier of his province.

Mr. Minaker: I thank the Hon. Member for raising that question because I would suggest that it is an NDP Government which is in power in Manitoba and which has seen fit to double the deficit of the province over three years. It increased the deficit from something like $1.23 billion to over $2.5 billion in three years. If it cannot spend within its means then I cannot endorse or support that type of Government in Manitoba. But that is for the people of Manitoba to decide. I feel we were treated fairly. The previous Government, of which he was a part, made a decision that would result in a shortfall of $72 million this year. We have been able to find some $50 million to try to compensate for that. But I would like to draw to the Hon. Member's attention the fact that the existing shortfall in the equalization payment represents less than 2 per cent of the total revenue transferred by the federal Government. When compared to the total revenue which the Government of Manitoba collects, it is less than 1 per cent of that. I cannot support a decision to overspend and have a large deficit because I think it is wrong.

• (1620)

Mr. Ouellet: Mr. Speaker, I gather from the remarks of the Hon. Member that he does not like the current Government in Manitoba. If we accept his line of argument, we have to conclude that the Conservative federal Government has the right to penalize the population of Manitoba. I think that is regrettable and unacceptable.

In answering my question the Hon. Member said that the NDP Government in Manitoba is spending too much. I submit that the Hon. Member does not understand what equalization payments are all about. I ask him to review the arrangements that have been in progress in Canada for a long period of time. In the process he might consult the Parliamentary Secretary who this morning gave a good history of equalization payments that are given by the federal Government to the have-not provinces in order to ensure equal services in the fields of education and health so that you can rest assured that wherever you live in Canada, because you are a Canadian, you are entitled to equal and fair services. I submit that the Hon. Member disregard the reasons that we have equalization payments. He is certainly not speaking on behalf of the people of Manitoba when he supports this legislation.

Mr. Minaker: Mr. Speaker, this is unbelievable. I do not agree with the policies of the present NDP Government and never will agree with the policies of over-spending to the point that it has over-spent. I believe a Government should have a conscience with respect to the future taxpayers of the country rather than spend willy-nilly because it feels it should.

I was the Minister of Community Services in the Province of Manitoba for several years. I am fully aware of what equalization payments are. I am also aware of the Canada Assistance Plan and medicare. I was trying to explain to the Hon. Member that the total equalization payment is part of the $1.25 billion in transfer payments. The $22 million shortfall this year that the NDP Government is talking about represents only about 1.7 per cent of that total $1.25 billion in transfer payments. I fully understand the equalization. I believe the $263 million he talked about was for the Province of Quebec rather than the Province of Manitoba.

Mr. Langdon: Mr. Speaker, I am provoked into entering this debate. I have some questions for the Member who has indicated that he could never support the policies which the New Democratic Government in Manitoba has put into effect. By this does he mean the policies that have established jobs as a priority within the budget-making process? Does he mean the policies that have made affirmative action a part of the encouragement policy to bring in foreign investors? Does he not support that? Does he also not support the attempt to provide, through hydro development, important export prospects for future income opportunities for the people of Manitoba? Does he not support the valiant fight that the Premier of Manitoba and his Cabinet have put on in order to force this Government, screaming and kicking, into accepting a somewhat fairer allocation of funds from the federal Government to that particular provincial Government?

Conservative Governments in British Columbia, while in search of restraint, have created huge levels of unemployment. The policy of emphasizing jobs in Manitoba has brought that province to a position where it has been recognized as the leader in job creation and job expansion across the country. During the period when the Hon. Member was a Minister in that particular province government policies led to an outflow of people. The new policies of the NDP Government have brought thousands of new people into Manitoba to take advantage of the opportunities and benefits of the progressive Government there.

Mr. Minaker: Mr. Speaker, I do not support a Government which has spent and spent until it has doubled the deficit in the Province of Manitoba within three years. Many of the policies are no different whether instituted by members of the NDP, by Conservative or by Liberals. Anyone who knew me in Manitoba as the Minister of Community Services would not argue that point.

If the Hon. Member will look at the StatsCan figures of the average number of those employed, he will see that within four years of the time that we took over government we had created 30,000 new permanent yearly average jobs. As of last December 31, the NDP had only created 14,000 new jobs, even with all the spending which the Hon. Member seems to support. Long-term jobs are not created strictly through Government spending money. Private industry must develop the jobs. That is the principle which I support.

Supplementary Fiscal Equalization Payments

Mr. Clark (Brandon-Souris): Mr. Speaker, I would like to ask a short question. I think the Hon. Member for Papineau (Mr. Ouellet) is either confused or is deliberately confusing the House. The Province of Manitoba is receiving $50 million this year and $65 million next year. Is it not true that, rather than in any way suffering from this deal, the Province of Manitoba is actually coming out in a better cash position than any other single province?

Mr. Minaker: Mr. Speaker, I believe the Hon. Member for Brandon-Souris (Mr. Clark) is correct in what he has said. The Province of Manitoba will be receiving more funding this year than it did last year under the former Liberal Government. If the estimates continue in the way that they have, Manitoba will be receiving more money in 1986-87 than it will in 1985-86.

The Acting Speaker (Mr. Paproski): The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie).

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, before I say what I had intended to say, I would like to remark on the most recent comments of the Hon. Member for Winnipeg-St. James (Mr. Minaker) who referred to the deficit in Manitoba solely within the category of spending. In the interests of intellectual honesty, the Member for Winnipeg-St. James ought to acknowledge that the deficit in Manitoba, as is the case with deficits in all the provinces in the country and in the federal Government, has as much to do with a shortfall in revenue due to the economic recession which we have just come through, as it has to do with government spending. Yet, we continue to hear this kind of rhetoric about spending from Conservative Members of Parliament, Conservative Governments, and Conservative MLAs, to the extent that one begins to wonder what kind of simple view they have of economics which allows them to talk about increased deficits without making distinctions between revenue shortfalls and increased government spending and between what money is and is not being spent on. The world is much more complicated than the Member for Winnipeg-St. James would have us believe. Perhaps the reason is that he and his colleagues do not realize the complexity of the issue. However, if they are going to speak about deficits they should take that into consideration.

● (1630)

Members, particularly those from the Conservative Party, should also talk about the balanced books that were left to the Progressive Conservatives who took over government in Saskatchewan in 1982. Conservative Members never recount the history of the balanced Budget in Saskatchewan and the fact that a Progressive Conservative administration not only suffered a general revenue shortfall after taking office in that province, as all Governments suffered as a result of economic conditions, but created a deliberate revenue shortfall by proceeding with its ludicrous promises about reducing certain taxes.

That province had a history of impeccable fiscal responsibility. It now has a deficit in the hundreds of millions of dollars. The Hon. Member for Winnipeg-St. James could have mentioned that in his remarks, but it would not have lent credence to his argument.

Let me deal specifically with the Bill which introduces supplementary equalization payments. I would like to share with Members who are present and those people who may be watching some of the history of this regime. I recall the time when Bill C-97 was introduced by the former Liberal Government. The intention of that Bill was to establish a unilateral change in equalization payments.

I represented my Party in the committee that studied that Bill. At that time I collaborated with the Hon. Member for Provencher (Mr. Epp) who I believe moved a motion which I seconded in a rare moment of unanimity between the Hon. Member and myself. We have subsequently had occasion to agree with respect to the Canada Health Act, but with respect to Bill C-97, in a rare moment of unanimity the Hon. Member moved a motion, which I seconded, calling for an amendment to Bill C-97 which would have had the effect of doing what the Government is only partially accomplishing now, that is, restoring that money to Manitoba. Both the Hon. Member for Provencher and I felt at that time that that money rightfully belonged to Manitoba but that it was being deprived of it as a result of that Bill.

Immediately after the election on September 4, I wrote to the Hon. Minister of National Health and Welfare to remind him of our collaboration in 1982 and to ask him if he would use his influential position as a Cabinet Minister in the new Government to ensure that Manitoba had its $72 million restored.

It took a great deal of time for the Government to announce this legislation and many people were involved in bringing it forward. The Manitoba Government should receive a lot of credit for its persistence in insisting that the federal Government come up with that money. I believe that I can say with absolute assurance that this legislation would not be before us today if there were a Progressive Conservative Government in Manitoba, because that administration would have been silent in the interest of Party unity and federal-provincial relations. It would have had very little to say about the injustice being done to Manitoba.

However, as a result of there being an NDP Government in Manitoba, it was able to stand up to the federal Government and demand justice for our province. As a result of that stand over the last six months we are able to speak to this legislation today.

This legislation comes about also as a result of the efforts of many Manitobans who wrote to their Members of Parliament, to Progressive Conservative Members in the Cabinet, and who wrote in support of the Manitoba Government's position to let it be known that the federal Government should take action to redress the situation that was visited upon Manitoba unilaterally by the Liberals in 1982.

This legislation will provide in the first year $50 million to Manitoba of the $72 million which everyone believes is owed

to the Government. However, as the provincial Government has said and we have said, we welcome this action. While we are not satisfied completely, it is a response to a perceived injustice, and the Government should be commended to a degree for doing that. No one has disputed that fact but the history of the situation should be understood.

The only people who cannot take any credit for this are the Liberals. They originally brought about that unilateral injustice. I notice there are none of them present in the House.

The Acting Speaker (Mr. Paproski): Order, please. I believe that earlier this day the Speaker advised Members of the House not to reflect on the presence or absence of Members in the Chamber. I believe there was an Hon. Member from that Party in the Chamber.

Mr. Blaikie: I am sorry, Mr. Speaker, if I was inaccurate in my remarks. I did not notice the Hon. Member at the front of the House.

In any event, it is only the Liberal Party of Canada that cannot take any political satisfaction from what is happening today because it is they who unilaterally brought about the injustice that is being partially corrected in this legislation. They are the ones who remained silent, for all intents and purposes, during the time when Manitobans of every political stripe were trying to persuade the federal Government to move in this respect.

I might say that it took some time to gain the support of some Manitobans. I am thinking of the Progressive Conservative Leader of the Opposition in Manitoba, Mr. Filmon. Although he aspires to be the Premier of the province, at that point, at least, he knew nothing of federal-provincial fiscal arrangements. At that time he was so naive as to suggest that the Manitoba Government had somehow agreed to this unilateral reduction. He did not know what he was talking about and I am sure he was advised of his mistake. Perhaps it was the Hon. Member for Provencher who had to tell him that this reduction in equalization payments for Manitoba was a unilateral action by the Liberals which the Conservatives as well as the Manitoba Government opposed at the time.

In fact, the Manitoba Government in the person of Vic Schroeder, the Minister of Finance, appeared before the committee to oppose that legislation. I am sure that Mr. Filmon was asked not to go around the province saying that the Manitoba Government agreed to that action because it would have been an embarrassment to the Conservatives to see that he did not know what he was talking about.

Some time later, the Leader of the Opposition in Manitoba must have been advised of the facts of the case and how this had really come about. Ultimately, Manitoba was able to present a united front with respect to the need for the federal Government to take this action.

I hope that background will be of assistance to those who want to know exactly what took place with respect to this issue and I hope that this legislation is an indication from the new Government that it intends fully to respect the principle of equalization which is enshrined in our Constitution.

I believe that a number of improvements can be made to equalization, some of which were recommended by the special Task Force on Federal-Provincial Fiscal Arrangements which reported in 1981 and on which I had an opportunity to serve. Those recommendations included an enriched equalization arrangement for those provinces that fall below a certain economic criterion. There are a number of other recommendations in that report concerning equalization that I would commend to the House for further study.

We know that in 1987 these will come up for renewal. I have suggested to the Minister of National Health and Welfare that he recommend to the Minister of Finance (Mr. Wilson) that perhaps Parliament should be involved in this review again, as it was prior to 1982, although the procedure did not work at that time because the Government operated unilaterally. However, there was a special parliamentary task force dealing with federal-provincial fiscal arrangements. Perhaps Members from all Parties should again be involved in a review of those arrangements. That might be a tradition well worth establishing and it would become a tradition if we did it again in anticipation of the 1987 agreement.

• (1640)

I hope the Government will give serious consideration to that recommendation which I am making now and which I have made before.

The Acting Speaker (Mr. Paproski): Are there any questions or comments?

Mr. Clark (Brandon-Souris): Mr. Speaker, I want to address my remarks to what the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) has just said and then I shall ask him a question. I have known the Hon. Member for a long time. I know he is a very knowledgeable person in his understanding of the political process. I am disappointed, however, that in his analysis of the history of this development, which is a very positive development for the Province of Manitoba and which is a development very indicative of this Government's trend toward its commitment to consulting with the provinces, the Hon. Member forgot—and I can only assume he forgot deliberately or perhaps for politically partisan reasons—that the key factor in this process was the presence in the Cabinet of four Members from the Province of Manitoba. They are four very significant Members, who I suggest are much more significant in the carrying of the message in the decision-making process than those whom the Hon. Member has identified. In the art of politics there is a public role and a private role. It strikes as being extremely fortunate that this problem arose at a time when the Province of Manitoba was so well represented in the Cabinet of Canada, which was not the situation in the previous Government. I am sure the Hon. Member will join me in being thankful that we were well represented on this particular and very important occasion.

Let me ask the Hon. Member whether he agrees that Manitobans are delighted that they are receiving a total of $115 million as a result of this legislation which is before the House, and that the Province of Manitoba is coming out of this in a better cash position in terms of total dollars awarded than any other single province. Does he not agree as a fellow Manitoban that this is a very positive step forward?

Mr. Blaikie: Mr. Speaker, I said earlier, and I do not know why the Hon. Member for Brandon-Souris (Mr. Clark) bothered to ask, that I thought it was a positive step. I simply said what else I thought might have been done and added certain qualifications. I assume that Manitobans are delighted that this happened rather than nothing. It is a step on the part of the Government that we welcome.

With respect to other things the Minister had to say about the great influence that the four Manitoba members of the Cabinet have, I will be a lot more impressed about the influence that they wield in that Cabinet when I see the VIA Rail maintenance and repair shop being restored to Winnipeg. I will be a lot more impressed when I see the box car rehabilitation program, which is supposed to be taking place at the Transcona shop, going ahead, a program that was put off by this Government. I will be a lot more impressed when I see the program for the development of a prototype grain hopper car at Transcona going ahead, and when the manufacturing of that prototype takes place in western Canada, particularly at Transcona. Then I will know that a lot of the rhetoric about western Canada being respresented in the Cabinet has actually some substance to it. That will be the real test, Mr. Speaker, to see if some of those things go ahead and to see whether the Progressive Conservatives were serious over the last 15 years about complaining on and on about how western Canada was getting a raw deal from the Liberals.

I have a hunch, although I hope I am wrong, that the same people are calling the shots and that western Canada is not going to get the kind of treatment from the new Government that many people hoped it would get when they voted Progressive Conservative. One of the first tests, as far as I am concerned, will have to do with transportation policy and with whether or not those programs scheduled for the CN shops at Transcona go ahead.

Mr. Ravis: Mr. Speaker, I would like to ask the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) a question. It concerns having Members of Parliament from Manitoba in the Cabinet.

Does the Hon. Member think that having four Members from one's province in the Cabinet is more influential or less influential than having people who sit in third Party Opposition who might be able to influence some of the decisions in Winnipeg that the Hon. Member just talked about? Does he think those things would ever happen in the City of Winnipeg as a result of Members sitting in third Party Opposition?

Mr. Blaikie: Mr. Speaker, with respect to the question put to me, this reminds me of the kind of question I got from my Conservative opponents in the last three elections. In the first two elections it turned out to be a very hypothetical question because the Conservatives did not form a Government, although in 1979 they formed a Government of a sort. In 1980 the Conservatives did not form a Government. This question now I suppose is, at least, in theory relevant. The fact is that all Members of Parliament, all political scientists, everyone who has given any attention to the political process whatsoever, knows full well—and you can find it in book after book and in analysis after analysis—of the contribution that opposition Members have made over the years in getting certain things done. One of the things to be remembered, and the Hon. Member for Saskatoon East (Mr. Ravis) is going to find very irritating after a while—he likes it here right now—is the silence that will be imposed on the Member as a government back-bencher. The Government will try to do things to his riding and he will not be able to say anything about it. The Hon. Member will sit there and suffer in silence. One of the things we do not have to do in opposition is to sit and suffer in silence. We can speak on behalf of our constituents. Often by doing so, we can get a lot more done for them than can government back-benchers who simply stand up when instructed to and vote as they are told by their Government House Leader. The Hon. Member should watch for it.

The Acting Speaker (Mr. Paproski): If there are no other questions, we will resume debate. The Hon. Member for Papineau (Mr. Ouellet).

• (1650)

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I wish to take part in the debate on Bill C-39 introduced by the Conservative Government and I wish to express my objections to this Bill. This morning, my hon. friend from Laval-des-Rapides (Mr. Garneau) referred to the Bill as being inequitable for Quebec, unfair to Manitoba and inadequate for Nova Scotia. In fact, the Bill does the exact opposite of what the Conservatives promised they would do if they formed the Government. It may look good to table a Bill that will provide lump sum payments for the six least advantaged and least fortunate provinces in Canada. However, although on the face of it the Bill seems generous because it gives certain sums of money to the provinces, there is unfortunately no mention of the sums of money the Minister of Finance (Mr. Wilson) should have given the provinces and is not giving them.

A while ago, I heard two Conservative Members who were asking questions to show the people of Manitoba that it was thanks to the presence of four Ministers from Manitoba in the present Conservative Cabinet that Manitoba was getting a certain amount of money. However, Manitoba will be getting less than the Government of Manitoba hoped to obtain. Even with four Conservative Ministers, the Province of Manitoba will be getting far less than it should.

Mr. Speaker, I would like to concentrate today on analyzing Quebec's situation, because I think the Province of Quebec stands to benefit least in terms of equalization payments under this Bill. I want to focus particularly on Quebec, because I am sure that our new Conservative Members from the Province of Quebec are once again going to remain silent on this matter.

Mr. Della Noce: Do not worry, you will hear from us!

Mr. Ouellet: I hear the Hon. Member for Duvernay (Mr. Della Noce) making noises. I think he would be better off keeping quiet in the House, especially since his Party has just given $2.4 billion to the multinationals which are going to raise the price of gas, after the Hon. Member promised voters that he would make the price of gas go down. It never has been as high as since the Hon. Member for Duvernay (Mr. Della Noce) was elected, and the Hon. Member has not said one word in this House against this increase in the price of oil or against the $2.4 billion handout to the multinationals while his own Province of Quebec is being treated high-handedly by the Minister of Finance (Mr. Wilson) and is not getting any support or assistance.

Mr. Speaker, I think it is important for us in the Liberal Party to oppose this Bill because it is totally unjust and unfair to Quebec.

During the electoral campaign, the Conservatives in Quebec were talking about promoting better understanding with the provinces and the provincial governments, especially the Government of Quebec. Everything was going to change; everything would be perfect with the Conservatives in power in Ottawa; they would work hand in hand with the Parti Québécois! In this regard, I would like to quote the comments of the Quebec Finance Minister, who is most eloquent about this Bill, much more than the Conservative Members from Quebec, who by the way have remained rather silent. This is what the Quebec Minister said:

"The Federal Minister of Finance (Mr. Wilson) announced yesterday the solution he has come up with to meet the requests of Quebec and certain other Provinces. All the Provinces receiving equalization payments will share $285 million over the next two fiscal years. Of this amount, $175 million will, strangely enough, be added to the $445 million already granted, for a total payment of $660 million to the Atlantic Provinces and Manitoba. But at the same time, the $750 million loss for Quebec under the new formula will be compensated to some extent by a payment of $110 million in 1985-86, leaving Quebec with a net loss of $640 million."

And the Minister of Finance added: "I must admit that I am very disappointed with this decision from the Conservative Government in Ottawa. During recent negotiations with the Federal Government, we discussed the difficult financial and budgetary situation inherited from the Trudeau administration and agreed to reduce our claims to a total amount of $450 million, or $300 million in 1985-86 and $150 million in 1986-87. However, the arbitrary and political settlement announced yesterday by the Federal Minister of Finance is far from satisfactory and is even impossible to understand."

Mr. Speaker, these are the comments of the Quebec Finance Minister, who clearly states that this Bill is unacceptable. What makes it even more unacceptable is the fact that the decision of the federal Minister of Finance is of a political and partisan nature, because when one considers the requests made by the Provinces, one realizes that, of the six Provinces who receive equalization payments, the two most seriously affected by the decision of the Conservative Minister of Finance are, by a strange coincidence, the two Provinces which do not have Conservative Governments. Indeed, the two Provinces most seriously affected are Quebec, where the Parti Québécois, not the Conservative Party, is in power, and Manitoba, which has an NDP, not a Conservative Government. While Prince Edward Island, New Brunswick and Newfoundland will have a supplementary bonus under this Bill and are being favoured because they are on friendly terms with the other Conservative Governments, petty politics are being played at the expense of the people of Quebec and Manitoba because they do not have Conservative Governments at this time.

I find this utterly unacceptable, because the Minister of Finance has the choice to decide how he is going to spend the taxpayers' money. Ever since my little fight with him, the Hon. Member for Duvernay (Mr. Della Noce) has kept quiet.

Mr. Della Noce: Your turn will come, Papineau.

Mr. Ouellet: But it is a fact that the Minister of Finance has arbitrarily decided to kowtow to the oil multinationals and give them some $2.4 billion.

Mr. Della Noce: Where were you when they murdered the petrochemical industry in Quebec?

Mr. Ouellet: And who are suffering in the meantime? The provinces which are the poorest, the least affluent, especially Quebec, which is being played a dirty trick by the new Conservative government.

This morning, Mr. Speaker, I listened to the fine remarks made by the Parliamentary Secretary; he explained to the House the historic background to this equalization program, where the Minister of Finance to some extent plays the part of a modern Robin Hood, stealing from the richest provinces to give to the poorest, taking money from the richest taxpayers to distribute it among the poorest. That is what is called the equalization system, the root of true federalism, which allows the Parliament of Canada to share equitably among the least affluent provinces the taxpayers' money, making sure that Canadians from all provinces receive adequate health care and education services. As a matter of fact, the Minister of Finance had the opportunity this year to review this formula. We have had for three years a transitional payment system which favoured the poorest provinces and especially Quebec, a

province which had not lost a cent under the formula which the Liberal government had adopted in 1982. That government had agreed to review, if necessary, the 1982 agreement. In 1982, nobody could be expected to foretell what the inflation rate would be now, what would be the current growth rate, what would be the extent of the recession in Canada and the economic problems facing a number of provinces. Well, if we had today a Liberal Minister of Finance, if the Leader of the Opposition was now Prime Minister of Canada, with the support on economic issues of my colleague the Hon. Member for Laval-des-Rapides (Mr. Garneau), I am sure, as I said, that a Canadian government under a Liberal Prime Minister would be more generous, equitable and favourable to Quebec than the present Conservative government.

I say, therefore, that members of the Progressive Conservative Party representing Quebec must, as a duty, follow the recommendations of the Hon. Member for Laval-des-Rapides and oppose these agreements, in order to extend the transitional period for a couple of years and maintain the interim payments. That is a proposition our Quebec colleagues must consider. I urge them to show some courage, to stand for Quebec's interests and oppose this bill.

• (1700)

Mr. Deputy Speaker: Order, please! It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

Mr. Deputy Speaker: Is there unanimous consent for the House to proceed to Item No. 92?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Before presenting to the House the motion of the Member for Montreal-Sainte-Marie (Mr. Malépart), the Chair would like to comment briefly on the subject of the motion. Recently, the House adopted the second reading stage of Bill C-26, an Act to amend the Old Age Security Act, which is currently being examined by the Standing Committee on Health, Welfare and Social Affairs. Section 5 of Bill C-26 concerns, in fact, the matter that the Hon. Member, through his motion, is urging the Government to reconsider. One could maintain that the motion is out of order because it is anticipatory. Nevertheless, I am willing to put the motion before the House, but I may remind all Hon. Members that they must speak only to the subject of the motion and refrain from speaking to Bill C-26, its provisions or any other matter arising from the Committee's proceedings on Bill C-26.

* * *

SOCIAL SECURITY

ADVISABILITY OF EXTENDING SPOUSES ALLOWANCE PROGRAM

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie) moved:

That, in the opinion of this House, the government should reconsider its intention to limit the eligibility of spouse allowance to needy widows and widowers between the ages of 60 and 64 and that it should extend the program to all persons of this age group living alone and having the same means, without taking their marital status into account.

He said: Mr. Speaker, I think this motion is very important, and I am convinced that all Members of this House will wish to rise above political considerations in discussing a motion that invites the Government to examine the feasibility of extending the spouse's allowance to all needy persons, living alone, between the ages of 60 and 64. Since the Minister of National Health and Welfare (Mr. Epp) is in the House, I am sure that he would rather not be called the Minister of social injustice in future and will therefore recommend that all Members vote in favour of the motion and make the necessary amendments in committee.

Mr. Speaker, I would like to explain. We have a situation where three people, three women, all the same age, namely 60, all living on the same income, which is very low in fact, they are living on welfare payments of $430 per month. These three people are identical as far as economics is concerned. The only thing that differentiates them is that the first person is a widow and has been for five years. The second has been separated for five years and the third is single. Unfortunately, if we use marital status as a criterion for eligibility, the second woman who has been separated for five years and the third woman who is single will not be eligible for this very important program. I do not think the Government has any excuse for opposing this amendment or rather, this motion. When it comes to funding, the Government keeps bringing up the deficit. I raised the issue before the Christmas holidays, but as soon as the House resumed sitting, the multinational oil companies had no trouble getting $2.5 billion. The Government says it was to create jobs, but the multinationals are already making a profit.

In the case of the needy elderly, it would mean $250 million extra that would go into the economy. This particular group would also create jobs, because the additional $100 would be used by them to purchase essential goods such as food and housing and such purchases would automatically create jobs.

Mr. Speaker, I do not buy that and I suggest that the Government is using the deficit as a smokescreen. Think of all the money wasted for defence simply to buy uniforms for the

military, they are now talking about sending more troops to Germany, and then the star war, it is altogether shameful that they cannot find $250 million to redress this injustice and make life easier for Canadian men and women.

Mr. Speaker, strong support has been expressed throughout Canada for the motion urging the Prime Minister to eliminate such discrimination—47 groups from every part of the country are behind us all the way. I received petitions from 180 ridings—Conservative ridings included—signed by people who urgently ask the Prime Minister of Canada to amend that legislation.

I should like to point out to the people who are listening, not only to Hon. Members, that they ought not to forget the procedure. I have no intention to speak the full twenty minutes allotted to me. Most people here know what the problem is, and they also know the solution. But still I want to caution our listeners—Government Members on the Conservative side will rise to speak, they will make nice speeches to say that they agree, but to our listeners I say this: Keep one thing in mind, they will rise to speak until six o'clock because they want to kill this amendment, deprive 80,000 Canadians of an opportunity to see an end to such discrimination.

Yesterday was a memorable occasion, guests were drinking champagne, but 80,000 senior citizens could not join in the celebration because the Progressive Conservative Government simply will not honour its commitments.

Mr. Speaker, I conclude my remarks because I am convinced that all Hon. Members, regardless of political affiliation, are aware of this problem, this injustice which affects women mostly in each an every riding, and I am convinced that a Member of each Party will speak and that the motion will be passed unanimously.

[*English*]

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I rise to support the motion put forth by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart). I do so as the sole speaker on behalf of my caucus. We too want to see what the response will be of government Members who, I am sure, have heard time and again from people in their own constituencies that there is a need for equality in this regard. I am sure they have heard that there is a need for the kind of excitement there was yesterday when we celebrated getting that much closer to equality in this country to make sure that all of those older adults aged 60 to 65 receive the same level of support from the Canadian taxpayers.

We are not talking about the Government's money, about the Liberal Party's money or about the New Democratic Party's money. We are talking about the money the people of Canada pay through their taxation system. I would say through you, Mr. Speaker, to the members of the Conservative caucus that what I have heard is that the people want their money to be used to support those people who are aged 60 to 65. In particular, they see a real injustice in the fact that women who, for whatever reason, chose to remain single throughout their adult lives are being discriminated against. They have the same needs—food, shelter and clothing—as women who choose to marry and, for whatever reason, whether through the death of a loved one or separation, find themselves alone. The same needs are there, the same costs are there. We as a society have a responsibility to provide the kind of protection to which the Hon. Member for Montreal-Sainte Marie (Mr. Malépart) referred.

• (1710)

Let us take a look at some of the costs. This week, Statistics Canada along with the National Council on Welfare issued a report indicating the poverty levels in the country. In our large cities it costs a single person $10,238 per year just to get by, just for the basics; in our medium-sized communities, one of which I represent, with populations of 100,000 to just under 500,000, it costs $9,763; in communities of 30,000 to 100,000, $9,121 per year; in communities of less than 30,000, $8,432 per year; and in our rural communities, where I think single women are even in more difficult situations, it costs $7,571 per year to survive. Surely $100 per month or $1,200 per year added to the existing incomes of these people makes a lot of sense. It is only humane. However, I find it amazing that in 1985, on the day after the equality provisions of the Charter were proclaimed, we are still fighting for this kind of justice.

I had the opportunity to have lunch today with three very outstanding Canadians who throughout their lives fought for justice for people and fought for women in particular to ensure that they had the same options, abilities and rights of survival. My luncheon companions were three former Members of the House of Commons—Grace MacInnis, Stanley Knowles and Tommy Douglas, fine Canadians who worked hard on behalf of Canadians across the land, not just for decades because when their years of service are added together they would probably total more than those of all of us who are present in the House this afternoon. Their commitment was a very substantial one.

In supporting this resolution we should keep those people in mind and make sure that we go forth and improve the lot of single women. I compliment the Hon. Member for bringing forth his resolution and conducting his campaign. However, on a somewhat negative note, I wish that in his previous incarnation as a member of the Liberal Government he and his colleagues had moved a little more quickly to implement the kinds of things for which we are trying to fight today.

I encourage Members opposite and those on the Conservative benches in either wing not to talk out this Bill. They should have one speaker rise and say, "Yes, we agree the time is now". Then let us get on with it.

[*Translation*]

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, I am pleased to have the opportunity to take part in this discussion and in particular to reply to the motion put forward by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) to the effect that the provision concerning the eligibility of the spouses allowance is too restrictive.

Ideally, the program should indeed go a step further, and I am quite willing to admit that the allowance will not be available to everyone. However, Mr. Speaker, the Government has to face the economic and social realities. One of those economic facts is the unprecedented deficit that the Government budget has been plagued with. This Government must therefore proceed with caution and try to alleviate that burden by implementing sound economic policies as well as promoting a responsible social and financial development.

It would of course, be irresponsible to promise funds when we are short of money. It would also be irresponsible for the Government not to make a commitment to share the funds available. So, Mr. Speaker, we took the only approach that was both responsible and cautious to that reform: we made a commitment to use the scarce resources available to help those people in our society who are most in need of help and protection. In other words, the spouse's allowance be extended to all needy widows and widowers between 50 and 64, regardless of the spouse's age at the time of death. Finally, this amendment will allow us to include in the spouse's allowance program those Canadians who have been left out since of the legislation was first implemented. And in my opinion, this proposal and the related increase are no different from most proposals put before the House of Commons.

In fact, a large part of the social legislation introduced in the House aims at improving social benefits gradually. Each amendment adds a little to the security net by extending the eligibility, increasing the allowances and adjusting the programs according to changing social realities.

Indeed, Mr. Speaker, the spouse's allowance program, like the old age security pension and the guaranteed income supplement, has developed gradually thanks to several improvements made to the original provisions. It is a well known fact, known even to the Members of this House. In fact, by the mere implementation of the guaranteed income supplement in 1967, the government of the day recognized that the basic old age security pension in itself did not provide an adequate income to people without any other source of income, more particularly if the additional income that future pensioners might expect under the newly implemented Canada Pension Plan were taken into account. The supplement subject to a means test was thus introduced to help the neediest pensioners.

However, the shortcomings of this supplement soon became apparent. In 1971, to take into account the various situations and needs of pensioners, both single and married, different and more adequate rates were introduced for the guaranteed income supplement.

As the economic situation evolved, it became obvious that the original provision limiting the indexation to 2 per cent inadequate to the extent that the purchasing power of the aged was being increasingly eroded. Therefore, in 1972 and 1973, more realistic provisions came into effect for quarterly increases in the allowances in line with the rise in the consumer price index. The progress of the supplement did not stop there. The monthly supplement paid to a couple of pensioners was increased by $20 in 1979 and by $35 in 1980.

We all know, Mr. Speaker, that this House and its Members have sometimes been accused of going around in circles. I must admit that there is a certain truth to the allegation. In 1984, we took measures to correct once again an injustice in the level of allowances paid to couples with only one pensioner as opposed to couples with both spouses being pensioners. In fact, in the first case, an increase of $50 was granted. Finally, new Canadians will be entitled to a basic minimum income equal to the allowance paid to Canadians who have been in the country for a long time.

● (1720)

I mention these amendments merely to prove without the shadow of a doubt that this Government has absolutely nothing to brag about because it proposed an approach based on progressive increases to enhance social programs. Indeed, the spouse allowance which we are discussing today was introduced to compensate for the shortcomings of the Old Age Security Program and the Guaranteed Income Supplement, for if the benefits paid under these programs were enough for couples where both spouses were pensioners or for single pensioners, they were simply inadequate in providing decent assistance to couples where only one of the spouses was a pensioner.

The allowance was therefore introduced in 1975, subject to a means test, to assist needy spouses aged 60 to 64 of old age security pensioners. It is a fact that thousands of needy spouses have been helped.

Unfortunately, the allowance was cancelled when the pensioner died. Thus, the spouse would lose not only the income of the pensioner, but also his or her own allowance, at a time when he or she actually most needed this assistance, when he or she was the most unable to cope with the situation.

Once more, Mr. Speaker, the safety net was made a little wider. In 1979, when our Party came to power, provisions were made to extend the allowance after the death of the pensioner until the surviving spouse reached age 65 or remarried.

In 1979, in 1980 and 1984, the spouse allowance program was again enhanced, more specifically by bringing in the same improvements as in the case of the Guaranteed Income Supplement, so that the allowance recipients would be treated equitably.

I think that I have established clearly that our proposal to extend spouse allowance eligibility to needy widows and widowers aged 60 to 64 is another step in the evolution of the program. Of course, we would prefer being able to help a greater number of needy Canadians, but the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) is only too well aware that what is preventing us from doing so is the extremely

disastrous financial situation in which we found ourselves on September 5.

The Hon. Member says that we are curbing the allowance granted to this group of needy Canadians, while we are actually extending eligibility to this group. While he has stated that we are excluding those who will not be entitled to the allowance, I would say that we are including those who will become eligible. Finally, while he says that we are penalizing those who will not be eligible, I say that we are offering long-awaited assistance to needy widows and widowers aged 60 to 64.

Mr. Speaker, if we analyze the comments made by the Hon. Member, we could summarize them as follows: If you cannot do everything, do not do anything. This approach may be defended in theory, but in actual practice, it results in inactivity and failure to help. For my part, I believe that we should be proud of doing our best at this time when we have the opportunity to do so.

In closing, I would like to quote these words from Cicero: "Let us be guided by reason rather than by public opinion."

Mr. Deputy Speaker: Is the House ready for the question?

The Hon. Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Hudon).

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I do not doubt for one moment that the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) is sincere in introducing this motion, and I am in a position to know how relentlessly he has pursued the matter. However, before going any further, I would like to make one thing very clear. The government is not limiting the eligibility to the spouses allowance, on the contrary, despite our own very serious financial position at this time we are proposing for the first time ever to extend to all low-income widows and widowers between the ages of 60 and 64 the protection offered by this important social program.

The spouses allowance, Mr. Speaker, is the monthly amount that is now paid to low-income spouses between the ages of 60 and 64 of old-age security pensioners, or to widows or widowers of old-age pensioners who were entitled to it at the time the pensioners died.

Therefore, Mr. Speaker, there are two different categories of needy people between the ages of 60 and 64 who get a guaranteed minimum income under the Spouse's Allowance Program. First, the spouses of guaranteed income supplement recipients, and second, the widows and widowers over 60 who were eligible to the allowance when the pensioned spouse died.

It is obvious that the Spouse's Allowance Program as it exists today leaves something to be desired. People in the same age group as the allowance recipients, for whom the cost of living is just as high, are still not entitled to an allowance. Are we to believe that the then government made a mistake when it established the program in 1975? Did the succeeding governments err in broadening the initial conditions of eligibility to the program? Unlike some people, I would be prepared to undertake a task although I might not be certain to see it through. Fortunately, many of the architects of the Canadian social security system did not wait for such certainty before they acted.

Mr. Speaker, I have read over with care the debates that took place some years ago and to which my hon. colleague from Montreal-Sainte-Marie (Mr. Malépart) participated, concerning the necessary changes to be made to the Widows' allowances and the Old Age Security Pensions, and with that knowledge, I realize that the criticisms were always the same. When it comes to improving a program, it is advisable to go all the way. I believe this is an important step. On the other hand, considering the determination of my hon. colleague in defending this proposition and this motion, I found it amusing to see the kind of accusations brought against Members of the Opposition who were also asking for changes. They were told that if they wanted some changes it was because they had an ulterior motive, being recipients of the Old Age Security Pension.

An Hon. Member: What about the other poor.

Mr. Hudon: All right. You are already discriminating between the rich and the poor. Your approach is discriminatory. We could discuss at length the subject of discrimination, but I must confess, my dear colleague that, that kind of rhetoric has little effect regarding the intentions the Government now has. We have a perfect example of this gradual approach in the way the Old Age Security Program has improved to the point that a basic pension is now paid to every Canadian having reached the age of 65, provided they meet certain residential requirements.

Mr. Speaker, there are significant differences between the Old Age Security Program as we know it now and the first pension plan introduced by the Government which in 1927 became our first Old Age Security Act. Of course I was not there.

Mr. Malépart: I am not sure of that.

Mr. Hudon: Oh! You are not! According to this legislation, only certain people were entitled to a pension, and they were subjected to a means test. Every real property or personal belongings were assigned a value and accounted for as revenue. Once all these conditions were met, the claimant was then declared eligible. The program, however, was very peculiar. At the death of a pensioner the provincial governments were allowed to reclaim from his estate all the moneys paid to him in the form of Old Age Security Pension, plus the interest. Of course the first pension program was far from being perfect. Actually, in 1945, only 37 per cent of the people 70 years old and above were receiving the Old Age Security Pension.

However it is important to realize that this program was an improvement for 37 per cent of those people. Obviously, it would have been better if the rest of them, or 63 per cent had not been excluded, but the previous government had recognized the importance of helping as many people as it could help and this is precisely what it had done.

● (1730)

Fortunately, the Old Age Security Act was implemented in 1952 as a result of which a universal pension was paid to people 70 years old and over provided they met residency requirements. It was a significant improvement. The Old Age Security Program was going to be improved many times over the years: for instance, as my hon. colleague has just mentioned, the Guaranteed Income Supplement, an allowance based on a means test, was introduced in 1967 and the Spouse's Allowance, in 1975.

Mr. Speaker, I realize that I spent more than a few minutes on the history of Old Age Security. In fact, the development of the program is similar to that of the Spouse's Allowance. A program that, initially, was far from being perfect was extended and made more generous over the years, as succeeding governments considered they could spend additional resources on it.

What we must ask ourselves is this: Should we stop trying to improve the Old Age Security Program until we can afford to make it perfect? Must the Government refrain from helping those it can help on the pretence that it cannot for the time being improve the lot of other needy persons? Certainly not! We must continue to seek steady financial and social improvements whenever and however we can. And in this respect, Mr. Speaker, I would like to remind my hon. colleague that the pension reform as proposed by the Hon. Minister of National Health and Welfare (Mr. Epp) is in line with the commitments we made during the last election. We are indeed too often blamed for not keeping our word.

And I also remember how vigorously at times that promise has been said to be ridiculous, that it did not make sense and yet, today there are people who say that not only does it make sense but that it should be extended. Like I said, in taking this step now we are moving in accordance with our promises and our means.

Another point was also important in terms of universality: Pensionable age could be lowered from 65—my hon. colleague knows that, it was also part of their political commitment—from 65 to 64 years of age. That is considered universal. That is a horizontal category. I know that possibility was scoffed at recently but we had to choose either a horizontal group or a vertical one among the neediest.

Mr. Malépart: You stopped half way.

Mr. Hudon: I beg your pardon?

Mr. Malépart: You only went halfway.

Mr. Hudon: So, extending the Spouse's Allowance Program to all low-income people between 60 and 64, without taking into account their marital status, would cost an estimated $1.5 billion in the first year. I say again that would cost $1.5 billion for the first year.

Mr. Malépart: Mr. Speaker, that is not true.

Mr. Hudon: Had you spoken longer, you could have disproved that figure.

Mr. Rossi: That gives you no right to use inaccurate figures.

Mr. Hudon: In view of the economic situation, we cannot afford new expenses of that magnitude. The government was in a position to . . . Therefore, Mr. Speaker, there were the two following options. First, not to change the Spouse's Allowance Program, under which only spouses and widowers or widows of recipients of the Guaranteed Income Supplement were eligible. This was the first option.

Or, following the recommendation made in 1983 by the Parliamentary Task Force on Pension Reform, which had an all-party representation, we could extend the Spouse's Allowance Program to all low-income widows and widowers between 60 and 64 years of age, thus recognizing that they form a priority group which needs more assistance.

Nevertheless, this resolution was made by the parliamentary task force in 1983 and we followed up in 1985 to an important part thereof. In doing that, we also recognized the efforts and work done by the members of the parliamentary task force.

Fortunately, we know that the only way to reach one's goal is sometimes to go step by step. This is why the Minister of National Health and Welfare (Mr. Epp), on January 25, has tabled Bill C-26, an Act to amend the Old Age Security Act. We do not claim that this Bill is perfect. It is not! Nevertheless, we should not excuse ourselves for providing as much help as we can to those who most need it.

As of September 1985—

Mr. Malépart: The uniforms would have been better used on older people?

Mr. Hudon: Anyway, I will say to my hon. colleague that people in the Armed Forces need a pair of pants, and whatever colour we may have chosen, we still bought them because you would have waged a real war in the House if they had walked about bare bottomed, I guess.

Some Hon. Members: Oh, oh!

Mr. Hudon: I don't know whether these terms are unparliamentary, Mr. Speaker?

An Hon. Member: They are parliamentary.

Mr. Hudon: They are parliamentary. Therefore, as of September 1985, almost 85,000 widows and widowers, whom I, unfortunately cannot name, will receive, should Bill C-26 pass, a minimum income which will help them face standard costs of living. This guaranteed income will be equal to what is received by the 6,300 beneficiaries of spouse's allowance.

Mr. Malépart: Do you know why a 60 year old person does not receive the same amount as a 65 year old?

An Hon. Member: Are we in question period?

Mrs. Mailly: You already spoke!

Mr. Hudon: The Government recognizes that many people between the age of 60 and 64, who are single, separated, divorced or married will continue to be deprived of spouse's allowance. We also acknowledge that if our resources where not so limited, we could be talking about very different issues. If the Government had not inherited such a deficit, if we had a balanced budget, and if our economy was going as well as we could expect, as well as Canadians would like, we might be able to introduce the kind of social benefits the Hon. Member is talking about, and even go beyond our electoral promises.

In the meantime, he is free to criticize the Minister of Health and Welfare and the Government who make genuine and responsible efforts to help the needy. However, I can guarantee him that his criticism will not prevent the Government from doing whatever is possible, when it is feasible.

Unfortunately, Mr. Speaker, the financial realities we face and our sense of responsibilities totally prevent us from improving further the spouse's allowance program. It is sad, but we should not, nevertheless, underestimate the importance of this benefit, which will start being paid to 85,000 more widows and widowers in September.

We can now see, Mr. Speaker, how legislation develops, how it changes, year after year. Parliamentarians can, when the time and the situation allow it, make the necessary changes, horizontally or vertically, but I repeat, the Government priority at the present time was to help the widows and widowers in their early sixties because, according to a parliamentary group, they were the most in need.

● (1740)

[*English*]

Mr. Moe Mantha (Nipissing): Mr. Speaker, I am pleased to speak on the motion presented by the Liberal Member for Montreal-Sainte-Marie (Mr. Malépart) concerning Bill C-26. The purpose of this Bill is to extend the Spouse's Allowance Program to all widows and widowers between the ages of 60 and 64, regardless of the age of their spouse at the time of death.

This, Mr. Speaker, is a very significant step in the battle against poverty since this age group is particularly affected. Women in this age group are rarely poor as a result of misfortune or other foreseeable events. For the majority, their poverty is the consequence of the role society has assigned to them, their difficulty in gaining access to the job market, the conditions they have had to work under if they did work, and the poor protection they have had under the Canadian pension system.

Society has assigned the responsibility for rearing children and doing unpaid domestic work to women and the responsibility for meeting families' economic needs to men. People of my generation will remember the social disapproval there was in the past of any married woman, but particularly those with children, who wanted to get a paid job. Most working wives then were forced on to the labour market by the difficulty of their family's economic situation. Since the role society has reserved for women went hand in hand with financial dependency, it is not surprising that they are without resources when their husbands die.

The low level of participation in the labour market by older women also contributes to their poverty. According to Statistics Canada figures, only 26.2 per cent of women between the ages of 60 and 64 were in the workforce in 1984. Women of all ages made up 53.5 per cent of the workforce at that time.

This low figure may be explained by the many obstacles older women face when they try to get into, or go back into, the workforce after spending a large portion of their lives at home. First, there is the problem of training. What they have learned is often either obsolete or inadequate for the increasingly specialized needs of today. There are training and refresher courses available to prepare them for entry into the job market, but those cannot keep up with the demand. Older women must also face certain prejudices when it comes to candidate selection. A number of employers prefer to hire younger people over those who will be taking retirement in a few years. It is a well known fact that employability decreases as a person gets older.

Access to paid employment does not necessarily mean that women will be protected against poverty. Some who do work do so under the most unenviable conditions. They are still concentrated in a limited number of often poorly paid jobs with the least advantageous working conditions.

The protection offered to surviving spouses under the Canadian pension system is another cause of the difficult economic situation a large number of widows aged 60 to 64 find themselves in. I would remind you that in the Throne Speech the Government announced its intent to engage in discussions with the provinces on a total review of the Canadian pension system. Survivor benefits will be among the points discussed.

As you can see, Mr. Speaker, those aged 60 to 64 deserve a better fate than the one in store for them at the present time. It is the duty of the Government to come to their assistance, regardless of the current economic situation. We are assuming that responsibility by proposing an extention of the Spouse's

Allowance Program to all widows and widowers between the ages of 60 and 64. Starting this coming September, some 85,000 people, 72,000 of them women, will be able to benefit from this measure. These 85,000 represent some 61 per cent of the total population of widows and widowers aged 60 to 64.

Essentially what we are offering to those people is the possibility of sufficient income to meet their basic needs. The Spouse's Allowance Program will guarantee them the same level of income as is currently provided to the surviving spouse of the pensioner who was in receipt of Old Age Security benefits before his death. At the moment, the maximum benefit is $536.26 per month. This figure will, however, be raised slightly in September since benefits are indexed every three months to the cost of living.

The Government is well aware that certain groups of the needy near-elderly will still be excluded from the Spouse's Allowance Program, but unfortunately we cannot go any further at this time given the current economic situation.

In closing, Mr. Speaker, may I express my sincere wish that the evolution of women's roles within society, the improvement of their working conditions, and the review of the Canadian pension system will mean that coming generations of women will be better off.

● (1750)

[*Translation*]

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, I am pleased to speak on that very important issue and I should like to congratulate the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) for his great kindness which leads him to consider that problem of our senior citizens. I should also like to say to the Hon. Member that I would be very happy if it was announced today that not only we would pay to our seniors in distress the amount now allotted to the surviving spouse but we would also grant them a pension which would bring them over the poverty level. As you know, Mr. Speaker, even with the pension now paid to senior citizens, a too great number—60 per cent of them being women—live in poverty. Those people who worked hard and paid taxes throughout their life, who have raised families, who have made Canada the great country it is today, those older citizens live in truly inhuman conditions.

Now I would merely like to indicate to the Hon. Member for Montreal-Sainte-Marie that the allowance to which he referred comes under a legislation aimed at spouses and providing them a spouses allowance. It is unfortunately impossible to use an allowance provided under a legislation meant for a certain group in our community, that is spouses in distress due to the death of the partner looking after his or her needs or merely contributing to the family income... It would be somewhat as if aged couples in distress would receive family allowances after their children have reached adulthood. What we need—

Mr. Malépart: What about the separated woman?

Mrs. Mailly: Mr. Speaker, I would like to continue without being interrupted. I did not interrupt the Hon. Member when he was speaking.

Mr. Rossi: Is it an order?

Mrs. Mailly: No, it is merely the wish of a member who has the same rights as you have. The Hon. Member for Bourassa (Mr. Rossi) is asking whether it is an order, Mr. Speaker, I merely ask the members opposite to let me enjoy the same rights as they have.

So, I was saying that it was necessary to find, as my colleague from the Conservative Party who spoke just before me has said, a way to rehabilitate these women in society and a small number of men as well, because more and more, we find couples where the man is the surviving spouse, and since his wife contributed a lot to the household revenue, once he reaches a certain age, he finds himself in the same situation as many women. So, I would like, as my colleague has said, this whole question of the quality of life for all senior Canadians be reviewed. Tonight, at six o'clock, I must leave to attend a dinner of the Gerontology Institute, in Hull, where the Parliamentary Secretary of the Minister of National Health and Welfare (Mrs. Bertrand) is scheduled to speak on this very subject of the quality of life of senior Canadians. She will address, I am confident, other aspects, apart from ways to alleviate current problems. She will speak about the future of Canadians, of those who are now on the labour market or, even, of those who just entered the labour market because it will take at least two or three decades before the situation described by my conservative colleague can change. When it does change, a woman will not have to totally depend on a man to survive, a woman will be paid the same as a man and, when she will reach a certain age and have to retire or cannot work anymore, she will be able to enjoy a fair revenue, a revenue above the poverty level and maybe even better if we have the chance to ensure the economic renewal which will allow us to improve the living conditions of all Canadians including our elderly.

Then, for example, there is the situation of people who are forced to retire. Many of our elderly live in poverty because, during their working life, they received a pay cheque which was maybe small, but was nevertheless large enough for their needs. They reach the age of 65 without any pension, because it is only recently that people have private pensions or they simply live on only the Government pension which, naturally, is not enough to give Canadians the same quality of life they enjoyed when they were on the labour market. Thus, forced retirement creates economic problems.

On the other hand, there is also the case, naturally, of people who would like to retire at 50 or 55. There is always a debate between these two groups of Canadians, the ones who would like to continue to work and receive the same revenue and the ones who think that once one has reached a certain age

and worked very hard for 30 or 40 years, maybe as a labourer, one should be able to retire. Therefore, those people should enjoy full retirement benefits and not get, as it is the case now, one third or one half of their pension if they retire before the compulsory limit of 65 years of age.

Retirement and sufficient income for people who would choose early retirement are all matters that need to be examined.

Mr. Speaker, in conclusion, I commend the Hon. Member for his deep generosity, but I would like to hear from him a real commitment to participating in any review on compulsory retirement for Canadians. I suggest that he considers the means to provide sufficient income for senior citizens so that they become more financially independent than they are now. In the past, 35 workers supported one individual unable to work. Today, that equation is three workers for each individual who is either too young, too old, handicapped or too ill to work. And according to statistics, that proportion could fall to one worker having to support one other person unable to work. Perspectives in that area are such that one must obviously encourage and help Canadians to secure now income for their old days so they could lead an independent life without being a burden for the government.

I thank you, Mr. Speaker, for this opportunity to speak on that subject.

Mr. Raymond Garneau (Laval-des-Rapides): As my colleague from Montreal-Sainte-Marie (Mr. Malépart) stressed at the outset of his remarks, Mr. Speaker, we did not plan to put up more speakers on this motion simply to see what approach the Progressive Conservative Government would take on such an important motion concerning 80,000 needy Canadian citizens who are either divorced or separated and who will be subject to discrimination with respect to the way the spouse's allowance is granted.

Mr. Speaker, having listened to the Hon. Member for Gaspé (Mr. Marin), the Hon. Member for Beauharnois-Salaberry (Mr. Hudon), the Hon. Member for Nipissing (Mr. Mantha), and the Hon. Member who has just resumed her seat—

An Hon. Member: The Member for Gatineau.

Mr. Garneau: The Hon. Member for Gatineau (Mrs. Mailly). It was a brilliant idea to introduce this motion, because we have just heard the most praiseworthy comments on policies adopted by the Liberals in the past fifteen years or so, particularly from the Hon. Member for Gaspé, the Hon. Member for Beauharnois and the Hon. Member for Nipissing. But if we analyze their speeches to praise the evolution of social measures which were implemented by the Liberal Party and by Liberal Governments, we come to the conclusion that the bottom line is just a question of money. We could come to an agreement if it is a question of money. What I am saying and what my colleague is saying is that we have to make a choice. We on this side do not understand, particularly the Hon. Member for Montreal-Sainte-Marie who has been interested in social issues for so many years and who, although not fully at ease in English, has received support from Halifax, Yellowknife, Saskatchewan and even from the Canadian Association of Gerontology where the Hon. Member for Gatineau will be having dinner this evening. He has received a lot of support. But all that is a question of choice.

I conclude my remarks because it is getting close to six o'clock. Notwithstanding the fact that the debt is huge, and we will get back to this issue later, the Progressive Conservative Government has decided to give away $2.4 billion to the multinationals, not only once but year in and year out. And now, what do we hear from the Hon. Member for Gaspé, the Hon. Member for Gatineau, the Hon. Member for Nipissing, the Hon. Member for Salaberry-de-Valleyfield? We have no money! Multinational oil companies will get $2.4 billion, and the government does not have the money to extend the spouses allowance to single or divorced people, as they did not have any money to improve equalization. They made a political choice. The hon. member for Gatineau who mumbles in her place should not tell us today that she has no money, that her government does not have any money, and that they blame us for the deficit when they give out $2.4 billion. If they have money to reduce taxes for multinational oil companies they should have the money for needy divorced or single people.

Mr. Deputy Speaker: The hour provided for the consideration of Private Members' Business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

HOUSING (A) DECISION TO CUT BUDGET FOR HOUSING RENOVATION PROGRAM. (B) REQUEST THAT GOVERNMENT GIVE SUPPLEMENTARY FUNDING

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I should have chosen answer to a question other than the one I chose this evening because I would have been able to reply and to show how disappointed I am with my colleagues who spoke earlier. Let us now come back to the subject of housing.

An Hon. Member: Well, it is as bad!

Mr. Malépart: Mr. Speaker, when Conservative Members start talking about social issues, they really do not know what they are talking about. They do not have a clue! In March I had a question for the Minister of Labour (Mr. McKnight), who is responsible for the Canada Mortgage and Housing Corporation. Mr. Speaker, after listening to the answers he gave me then, I said quite honestly that he did not know anything about the issue and that he was not even interested. And he knew even less about Quebec.

I think all Members of this House understand the importance of housing cooperatives and subsidized housing. There are three forms of subsidized housing. There is public housing, called HLM in Quebec or low-rent housing, which is financed by the provincial governments through the municipalities. We have non-profit organizations that are involved in residential construction and administered by a board consisting of five, seven or nine members. We have co-operatives whose members are all involved in carrying out the project.

To set up housing co-operatives, the Government finances interest payments. Co-operatives also help renew the supply of accommodation in working class neighbourhoods like in Sainte-Marie, and in towns across the country, where there are older homes that have to be renovated or restored. Usually, there are housing co-operatives organized by the tenants themselves. To help these people on moderate and low incomes to achieve something they would never be able to do without this formula, and become, collectively, the owners of their homes, they were allowed to take part in the Residential Rehabilitation Assistance Program, the RRAP.

A budget of about $5 million was allocated strictly to setting up non-profit housing co-operatives. This made it possible to reduce rental costs, to get decent housing and to help people on moderate and low incomes become homeowners.

Unfortunately, when I asked the question, the Minister wondered whether he was going to maintain this RRAP program and the $5 million it needs to upgrade housing through housing co-operatives.

● (1805)

The Minister was certainly faced with a very serious decision, but he is to blame for not having the guts to make his case with the Minister of Finance (Mr. Wilson) so he would not slack millions of dollars from the financing of social housing programs and the budget of the Residential Rehabilitation Assistance Program, or RRAP. He kept silent in his chair and let the Minister of National Defence get all the money he wanted and left his own budgets truncated. However, the Parliamentary Secretary will be responding to my question later on, and I would like to tell him that I myself was parliamentary Secretary before September 4, and I trust that he will not just read the text prepared by his officials and will give us a satisfactory answer and tell us whether CMHC or the Minister have reached a decision and whether the financing of housing co-operatives under the RRAP program will be abolished or maintained. I would like him to tell us how many housing units will be cut off the programs this year. The figure is 5,000 units in the area of social housing. I would like the Parliamentary Secretary to give us specific answers to these questions. I trust that he is aware of the impact of the decision made by the Minister and CMHC. If he cuts back the budget of the RRAP program for housing co-operatives, these will disappear all across the country because this will result in rent increases and people will no longer be able to form co-operatives or non-profit organizations to invest in existing housing.

Social housing programs that do not come under the responsibility of provincial or municipal governments will apply only to the building of new housing, and we all know how costly new housing is and this means that the rents will be too high for some people.

Mr. Speaker, I see that the time at my disposal is nearly over and I hope the Parliamentary Secretary will prove to be much more efficient than his Minister and will provide me with the answer to two questions: in the first place, has the Conservative Government decided to withdraw altogether the $5 million allocated the RRAP for housing co-operatives? Secondly, by how much will the number of housing units be reduced? The Parliamentary Secretary is aware that, in previous years, 25,000 housing units were built in Canada. How many units has the Government decided to cut back?

[*English*]

Mr. Joe Price (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I wish to respond to the matters raised in the House by the Hon. Member on March 14 of this year and the matters he has raised today. These matters concern the non-profit Residential Rehabilitation Assistance Program and the co-operative housing program.

With respect to the co-operative housing program, CMHC has put in place a competitive process. The intent of this process is to review projects, whether they be submitted by co-ops or non-profit groups, in an equitable and fair manner. The procedure is based on objective selected criteria. The selection process has been designed to improve the degree to which federal assistance is directed to those most in need and to reduce the over-all costs through the selection of well targeted modest proposals on a competitive basis. This reflects the Minister's commitment to help people most in need of assistance and to ensure that available funds are used effectively.

At this stage in the selection process, more than 50 per cent or more than half the projects selected to proceed to the next selection stage or decision stage are indeed co-ops. The important consideration here is that co-ops are being treated in a fair manner. Co-ops are able to compete for subsidy units on an equal basis with other worthy groups. In this House the Minister has put the process in its proper prospective, reminding the Hon. Member that such project decisions are a func-

tion of CMHC's competitive process and not, I repeat, not a matter of ministerial preference.

With respect to the non-profit RRAP program, I am pleased to say that funding will be available in 1985 for those projects which are successful in the current competitive project selection process. Non-profit RRAP funds will be used in specified circumstances to ensure project viability. The emphasis will be on the need to overcome to the extent that it is possible project viability problems in those market areas where existing housing activity is essential to meet the identified housing needs of the country.

• (1810)

The Minister is indeed sensitive to the housing needs of the country and to any cut-backs that may be considered or put forward by various groups. The Minister is dedicated to providing a sound, reasonable housing policy directed to those most in need and he will continue to be so dedicated in the years ahead.

ENVIRONMENTAL AFFAIRS—TRANS-CANADA HIGHWAY CHEMICAL SPILL—GOVERNMENT'S KNOWLEDGE OF INCIDENTS. (B) REQUEST FOR INVESTIGATION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like to follow up the question I put to the Government today as answered by the Minister of the Environment (Mrs. Blais-Grenier). I put my question to the appropriate Minister but I am not sure just which Minister is taking responsibility for the federal response to the PCB spill that occurred between Kenora and Ignace in northwestern Ontario. Transportation of dangerous goods legislation falls under the purview of the Minister of Transport (Mr. Mazankowski), but the Minister of the Environment released a news release yesterday reannouncing the coming into effect of the regulations under the transportation of dangerous goods legislation to which the Minister of Transport has referred the day before. We are not sure who is taking the responsibility for the federal response to this event.

I was just accused in committee by the Minister of Transport of not being patient and not waiting until all the facts were in. The fact of the matter is that we have to make decisions and evaluations on a day-to-day basis with respect to these kinds of events. I have been after the Government, not only with respect to the facts that we already know but with respect to what I consider to be its inadequate interest in finding out just what are the facts of the case.

What do we know? We know that the interprovincial transportation of dangerous goods is a federal responsibility, contrary to what the Minister of the Environment said the first day she was asked about this matter. On a personal level, we know of a Red Lake family comprised of a husband, a pregnant wife and two children that followed the truck for 25 kilometres, pulled it over because this stuff was spilling out onto them and were told by the driver that it was only mineral oil and that it could be cleaned up with some rags and gas and forgotten about. These people had to travel all the way to Winnipeg in a contaminated car before reading in the Winnipeg *Free Press* just what it was that had splashed all over their car. Their car has now been impounded and will be sent to Edmonton, I understand, for examination.

We know that the provincial hotline in Kenora advises those people who call with the suspicion that their cars may have been splashed with this substance to simply wash their cars down with water and paper towels and to put the paper towels in a plastic bag and take them to the dump. We know that the Quebec Government was led to believe by the company involved that the transformer was drained before shipment, and of course we now know that not to be the base at all.

We know that no one from the Department of Transport was on the scene for four days and that all that happened was that the federal Government made itself available to the Ontario Ministry of the Environment. No one was on the scene for four days, and even then no one from the Department of the Environment or the Dangerous Goods Division of the Department of Transport was present. The only person present was someone who did a very technical assessment of the transformer that leaked. These are the sorts of things we know. Another thing we know is that the RCMP has seized three shipments of improperly labelled soil samples that the Ontario Ministry of the Environment shipped on commercial airliners without the appropriate labelling.

I want to make clear what I have been saying all along, and that is that I think the Ontario Ministry of the Environment has really bungled this affair. I think the federal Government has taken a far too lackadaisical and uncritical attitude toward the Ontario Ministry of the Environment and the handling of this matter by the Ontario Government. They should not be so trusting of their colleagues in the Ontario Government. They should have had a desire to be on site to see what was going on. Indeed, the Government of Manitoba has already had two people on site for some time now because it wanted to know what was going on, for the sake of the people in that neighbouring province.

• (1815)

I suggested that there should be a moratorium on the further transportation of PCBs until all regulations pertaining to their transportation were in place. The Minister seems to be considering something of that nature, although every once in a while he tries to accuse me of wanting a total moratorium on the transportation of all hazardous substances. That is not what I suggested, at all. I was very specific in what I suggested.

I think there should be a public inquiry into the matter so that we can learn more about just what went on and ascertain facts in addition to the ones we already know. After that inquiry if we have one, or if we do not have one, in any event the book should be thrown at these people. The book should be thrown at these polluters, not just on the merits of this particular case, but so that a clear signal is sent out by the Government on behalf of the people indicating that Canadians will no longer tolerate polluters acting in the negligent way

they are in the habit of acting. We should draw the line and say that from here on in we will not tolerate this kind of behaviour. I think the Government could make an example of this particular company which would be useful for the environment and for the safety of the public for years to come.

Also I think the Minister should call for voluntary obedience under the regulations which will not come into effect until July 1. Those regulations are public. They have been gazetted. I had a look at them this morning. They are available to the industry. Why does the Minister not call upon those companies that will be transporting dangerous substances to voluntarily obey the regulations until they come into force?

The Minister should also make clear just what the regulations will do and will not do. I think too much has been made of the regulations. Even if they were in effect, all that would have happened is that the speed of the response to the event and the accuracy of the response to the event would have been improved. The leak itself would not have been improved because regulations concerning containers in which dangerous substances are to be carried will not come into effect until even later. They have not even been gazetted. Let us not have the Government, particularly the Minister of the Environment, make too much of the regulations which are coming into effect.

Finally, again with respect to the regulations, we will not change all of this just by regulations or laws, although I think in this case the Government should seek every avenue possible to throw the book at whoever is determined to be responsible. We will change it when we finally get around to asking some very serious questions about the extent to which our whole economy depends upon dangerous substances. That is a point which I made earlier this week and one that I wanted to reiterate before hearing the reply of the Hon. Minister.

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, my colleague has indicated that he does not know what are the areas of responsibilities of the various federal departments or how responsibilities are shared between the federal and provincial governments. I suggest that he should spend some time trying to find out how, in this country which is a confederation, responsibilities are shared between the federal and provincial governments.

The purpose of the federal legislation is to define common standards for all provinces, while provinces must take these standards and adapt them through legislation to their particular needs.

He told me that I should pressure the various provinces and companies into living up to the standards currently in force. That I have done and will continue to do. We have published a handbook which describes in minute details how to dispose of, transport and contain PCB. Most companies and several provinces have immediately agreed to apply these standards, so that, although the legislation has not come into force yet, Quebec is already applying these standards, and as soon as we were advised that PCB would be transported, we immediately advised the Quebec Department of the Environment, as it was our federal responsibility to do, that a dangerous substance would be transported, asking that an inspector be sent to supervise the loading of the PCB.

My hon. friend said that four days elapsed before we responded. In fact, we were involved from the very beginning, in a manner consistent with our mandate and jurisdiction. Moreover, as soon as we learned that some PCB had been spilled on the highway, I contacted immediately Mr. Kells, the Ontario Minister and advised him that our expertise was at his disposal, with all the technical support he could need. It is indeed the responsibility of the province to act when such a crisis occurs. On the other hand, Mr. Kells knows that he can count on the assistance of the federal government and, as a matter of fact, he has asked us to contribute to put together a plan to dispose of the PCB waste. We indicated to him that we would help him implement this plan to dispose of all the waste and other substances which had to be removed because of the spill.

We are therefore very present and very much aware of PCB hazards. If the Hon. Member is so concerned about these hazards, and since the use of PCB has been banned since 1978, why did he not stand up in the House on several occasions to demand that provinces agree once and for all on a disposal site, something which has been delayed since 1978.

• (1820)

[*English*]

ENERGY—NOTIFICATION OF ONTARIO PREMIER. (B) PRIME MINISTER'S MEETING WITH ONTARIO PREMIER

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, on April 2, I raised a matter in this House with the Deputy Prime Minister (Mr. Nielsen) involving the energy accord between Canada and the western provinces. The issue today, Mr. Speaker, is not whether we are discussing the east versus the west or anything like that. What I want to know from this Government is how much will the consumers of this country have to pay—not in oil prices—in excess taxes? My question involved taxes. I want to ask this Government how much the consumers of this country will have to pay in excess taxes because of the oil deal which was signed by the Minister of Energy, Mines and Resources (Miss Carney)?

What we on this side of the House, and what the people of this country also want to know, is why was the Premier of the largest oil consuming province of this country, the Province of Ontario, not consulted by the Government? I see that the Parliamentary Secretary is taking notes. He is probably going to answer that the Minister of Energy of Ontario was consulted. That's fine, Mr. Speaker, but that is not what I am asking. I want to know very specifically when the Premier was consulted. I asked that question on April 2 and, of course, the Deputy Prime Minister answered a totally different question. He has a right to answer whatever he likes but, as you know, Mr.

Speaker, he should at least answer the questions we are asking, which he did not do on that particular date.

According to estimates made by various people, the $1.3 billion lost by the federal Government in reduced revenues, if applied to the gasoline sales tax, would amount to an increase of 18 cents a gallon. You perhaps will recall, Mr. Speaker, that 18 cents a gallon is a figure which creates a certain adverse reaction amongst the Tories. Whenever they hear the words "18 cents a gallon" it really does something to them. But it is understandable. They were defeated the last time they tried to implement an 18 cent a gallon increase. What we want is the assurance that there will not be a disastrous 18 cent a gallon tax increase like the last time those Tories were in power. I am sure you recall vividly the disaster the last time they were in power.

• (1825)

If they can give us the assurance, and there is really only one means by which we can have that assurance, that there will not be a gasoline tax increase, I will be satisfied. But that is the only one way.

Two weeks from today there is a provincial election in the Province of Ontario. Why did the Minister of Finance (Mr. Wilson) of this Government not table his Budget, including or excluding any disastrous tax increases that he proposes before the Ontario election? It is not a coincidence that this whole country has to wait for the political gain of those Tories who are not strong enough, who do not have the fortitude to bring in their Budget before the provincial election? I suspect that the Premier of Ontario probably tried to delay both the Western Accord and the Budget. However, there must have been a saw-off some place and they agreed they would delay the announcement of the Budget, because that would likely be a total disaster in terms of the vote-getting ability of the Premier of Ontario. It is being proved now during this election that the Premier's campaign is a total disaster anyway. However, we did not know that at the time, so the Premier of Ontario was not consulted before the oil-pricing agreement was signed. Afterwards he came to Ottawa, called an emergency meeting with the Prime Minister (Mr. Mulroney) and pleaded his case.

Mr. McDermid: He was here anyway.

Mr. Boudria: I am told by the Parliamentary Secretary, and others, that there was no emergency meeting. Perhaps it was not an emergency, but let us say they called it in a hurry; on a few hours' notice they managed to have this meeting. Following the meeting we asked the Premier of Ontario what assurances he got. He replied, "well, I am told that we are going to do our best". Mr. Speaker, the Premier of Ontario was not consulted. He came to Ottawa in a hurry, came out empty handed, and this Government still refuses to bring in a Budget before the Ontario election.

We need to have the assurance that this Government is ready to put its money where its mouth is, and I challenge the Parliamentary Secretary to give us his assurance—put his seat on the line—that there will not be a gasoline tax increase.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, as you can see by my attire, I have another engagement tonight, but when I heard that the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) was raising a question concerning energy I had to postpone that engagement and come in here to listen to him. Having done so, I am sorry I did not keep the engagement and ask someone else to reply.

Mr. Boudria: Because you do not know the answer.

Mr. McDermid: I listened to you without interrupting and I would expect the same courtesy. You have seven minutes, I have only three.

Listening to what he had to say, it is obvious he has sugar plums dancing through his mind. His imagination is running away with him. He should have stayed in the provincial House. If he wanted to run in the Liberal campaign for a seat, he should have stayed there instead of fighting the election here in the House of Commons, because it is just not working.

I can tell him that the Western Accord reduced taxes for the consumers of Ontario. It has removed those taxes which were piled on, one after the other, by the previous Liberal Government. The Western Accord is removing those taxes, deregulating the industry, oil prices are falling on the world market and so will they here. That is what deregulation is all about and that is what the Western Accord is all about. It is also about getting the energy sector going again.

In my riding of Brampton-Georgetown I have 53 companies who service the oil patch directly with products, and probably more if I did a little more investigating. But there are 53 which I have been able to find that feed the oil patch directly. So if it is going well with them, so it will with industry in Ontario. Jobs are being created in Ontario and that is very, very important. He asked if the Government consulted with the Government of Ontario.

Mr. Boudria: No.

Mr. McDermid: Certainly it did.

Mr. Boudria: No, that is not what I said.

Mr. McDermid: The Minister of Energy, Mines and Resources (Miss Carney) was in constant contact with the Ontario Minister of Energy. The Prime Minister (Mr. Mulroney) has allowed the Minister of Energy, Mines and Resources to deal with the other Ministers of Energy. If the Ontario Minister of Energy informed the Premier of what was going on at all times, which I am sure he did, that is the way communications work. Maybe, just maybe, if the former Liberal Government had communicated a little more with the provinces we would not have had all the bickering we have experienced over the last little while.

Let me tell you that this Government is concerned about creating as many jobs in Ontario as is possible, and both the Atlantic Accord and the Western Accord are going to be good for all provinces in the country—not just the western provinces, not just Newfoundland, but all the provinces. It was done through consultation and without all the bickering we have seen in the last little while, which the Hon. Member seems to want to continue to promote.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, April 19, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

IMMIGRATION

SYSTEM OF RECOGNITION—STATUTE OF IMMIGRATION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, last April 4, the Supreme Court of Canada ruled that henceforth the Immigration Appeal Board would have to hear personally all applicants for refugee status. Following a first refusal, the future refugee could until now send his file to the Immigration Appeal Board, which reached its decisions on the basis of the transcript of an interview. From now on, all future refugees will be able to make their case in person.

Yesterday, the Deputy Minister of Employment and Immigration stated during a TV interview that a general amnesty was one of the solutions being considered to unlock the refugee status recognition process. Between 13,000 and 20,000 people are now trapped in this system.

Whether or not there is a general amnesty, I would like to point out that this should not prevent the Government from reviewing the system used for refugee status determination. In addition, everyone suspects that the Minister of Employment and Immigration (Miss MacDonald) has already received Rabbi Gunther Plaut's report but does not want to make it public. Canadian men and women are all anxiously waiting for the publication of this report, Mr. Speaker, for immigration matters are all vitally important for the future of our country.

* * *

[*English*]

APARTHEID

CONDUCT CODE APPLICABLE TO CANADIAN COMPANIES OPERATING IN SOUTH AFRICA

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I would like to speak to the House this morning regarding the Code of Conduct for Canadian companies in South Africa.

From Statistics Canada figures we know that there are 35 Canadian companies operating in South Africa, yet only 21 of the companies have been contacted by the Department of External Affairs to have the Code of Conduct communicated to them. Only six of the companies have ever reported under the Code, and only one company continues to report, Alcan.

I believe it is inexcusable for the Government to permit a code, which it says it takes seriously, to be treated so lightly by the companies involved. We call on the Government first, to strengthen the Code as the churches task force has suggested; second, to assure that all Canadian companies in South Africa are informed about the Code; and, third, we ask the Minister to use his moral authority to see to it that all companies report under the Code.

* * *

ADMINISTRATION OF JUSTICE

PROSECUTION FOLLOWING DEATH OF INFANT

Mr. Jim Jepson (London East): Mr. Speaker, the abortion controversy has been focused on the question of the rights for the unborn, and now it seems that the disgraceful, unacceptable treatment of the unborn has been extended to babies as well. Last fall a pregnant 19-year old high school graduate gave birth to a healthy six-pound, full-term baby girl, and subsequently left the infant to drown in a toilet bowl.

The trial took place last month. The Crown laid four charges: manslaughter, infanticide, neglecting to obtain assistance in childbirth and concealing a dead body, and finally, concealing the dead body of a child. Through the process of plea-bargaining, the Crown agreed to accept a guilty plea to the charge of concealing the body of a child, which was the lesser of the four charges. On top of this, the woman was finally given an absolute discharge, hinging primarily on the irrelevant claim that the mother did not know she was pregnant.

On behalf of all the parents who have lost a baby, or who have not been able to have one, on behalf of those who have been blessed with children, and above all, for those who recognize the sanctity and dignity of life, I would like to register my disgust and outrage that neither our political nor our legal system has taken any steps whatsoever to appeal the extremely poor judgment of the Crown prosecutor in this instance.

* * *

THE PRIME MINISTER

Mr. Alan Redway (York East): Mr. Speaker, every week when our constituents go to the grocery store they have to pay

their grocery bills. Unfortunately that has not been the case for the Prime Ministers of our country for many, many years.

Canadians understand that the Prime Minister does a lot of entertaining, and obviously must have some help in paying the bills for guests at 24 Sussex Drive. But that does not mean that the Prime Minister should not have to pay his grocery bills. Unfortunately, in the past that has not happened. Now, as of this week, we have a Prime Minister who is at long last prepared to pay his grocery bills and those of his family.

This week the Prime Minister (Mr. Mulroney) presented a cheque for $4,000 in payment of his family's grocery bills from September 17 to March 31. Finally, and at long last, we have a Prime Minister who understands the plight of average Canadians when they go to the grocery store, and the plight of average Canadians when the cost of food rises. Thank goodness for the present Prime Minister.

Some Hon. Members: Hear, hear!

* * *

ENERGY

GRAND CANAL PROPOSAL

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, earlier this week Robert Bourassa, the Quebec Liberal Leader, in his book, *Power From the North*, advanced a proposal called the Grand Canal. This idea for the development and export of hydro and water resources in the James Bay area has long been a dream of a resident of St. John's, Newfoundland, Tom Kierans. The proposal would amass great quantities of water in northern Quebec and, with the aid of increased hydro power, pump it to a height where it could flow into the Great Lakes water system and, indeed, further on west.

The idea appears to have received a very favourable response in the United States from businessmen and politicians. Indeed, in Canada a number of government agencies and a number of prominent Canadians have expressed enthusiastic support. Mr. Kierans believes it will be the greatest private sector-government initiative to take place in Canada since the CPR. For me, it could also be a key to unlocking the vast hydro electric potential of Labrador.

I know there are critics and opponents of this scheme. Yet it is said that the Grand Canal will provide more clean water, reduce acid rain, improve agriculture, encourage trade with the U.S., and last, but by no means least, create hundreds of thousands of new jobs. I want to know where the Government stands on this proposal. If it supports the proposal, why has it not promoted it in the U.S.? We as Members of Parliament should ensure that there is a full analysis and assessment of this proposal by the appropriate parliamentary committee as soon as possible

• (1110)

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—MORE PUBLIC ASSISTANCE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, Canadians have again been told that the Canadian Commercial Bank needs more of their money for more bailing out, to the tune of $685 million total. The Bank of Canada Governor, Gerald Bouey, yesterday promised $215 million more of public money to the CCB stating that he will put in "whatever amount of liquidity it may require". This bail-out comes from a bottomless pit. This is the new Bank of Bouey.

I note with interest that the Canadian Commercial Bank deals not with ordinary Canadian depositors but with large deposits from the chartered banks and large corporations. The press reported today that $2.7 billion of $3 billion in liabilities were in this kind of deposit. Therefore the chartered banks are not happy with the $60,000 limit which ordinary Canadians received when Pioneer Trust went under. Instead, they call on the Governor of the Bank of Canada to bail them out. This is what it means when a bank cannot fail in Canada. It has too many corporate friends with the right government connections to allow failure.

Surely we should rename the Canadian Commercial Bank the "Bank of Bouey". It operates by his fiat alone, it brings no return to the Canadian public that is supporting it, it is a testament to the public policy failure that props up the fat cats who have over-gorged themselves. And the Government totally backs this policy of public welfare for the rich.

* * *

NATIONAL DEFENCE

CLOSURE OF INUVIK RADIO SYSTEM

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, on April 17, 1984, the Minister of National Defence (Mr. Nielsen) announced the phased closure of the Canadian Forces Supplementary Radio System at Inuvik, Northwest Territories. Although this had been anticipated for some time, the announcement still came as a shock to the community which will likely lose some 800 people out of a population of 3,500. The military has been an integral part of the Town of Inuvik almost since its founding, and has brought stability to an area with a precarious resource based economy. The part played by military personnel and their families in the life of the town will be long remembered in a most favourable light.

The commitment given by the Minister that he will co-operate fully with the municipal and territorial authorities to reduce the negative impact of the closure is welcomed, and the prompt action of the territorial Government, particularly that of Mr. Dan Norris, the regional director, is to be applauded.

It is essential that all government Departments work together to find uses for the facilities to be vacated by DND. In particular, in keeping with his promise to strengthen northern defences, the Minister must utilize Inuvik to the fullest extent

in connection with the North Warning System and other military developments in northern Canada.

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[*Translation*]

FINANCE

INFLATION—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Minister of Finance (Mr. Wilson) recently suggested that his budget would be inflationary and he added that wage increases would be responsible for a higher inflation rate in 1985.

I would like to point out to the House that, after the tremendous success of the six and five program, inflationary pressures have gone down in Canada and the rate of inflation has fallen from 11 and 12 per cent to 3.7 per cent, bringing down wage settlements and major collective agreements to a lower level in 1984 without affecting the purchasing power of workers.

In the private sector, the average wage increase has been 3.2 per cent, as against 3.9 per cent in the public sector, according to the figures released last March 13.

Unless this Government forgoes completely its responsibility as concerns wage policy, it is unthinkable for the Minister of Finance to accuse Canadian workers of being the main cause of inflation at this time.

Why is the Minister of Finance now saying that his budget will be inflationary? Could it be because of the additional tax on gasoline, which will have a direct and immediate impact on the consumer price index? The Minister of Finance is attempting to blame Canadian workers for an upsurge in the inflation rate which he himself will cause with his consumer tax increases.

On the other hand, the statement made by the Minister of Finance to the effect that his budget will be inflationary at a time when the wage negotiation process is in full swing can only result in even greater confusion and uncertainty for employers and employees.

* * *

● (1115)

[*English*]

VOLUNTARY ORGANIZATIONS

IMPORTANCE OF WORK DONE BY VOLUNTEERS

Mr. Patrick Crofton (Esquimalt-Saanich): Mr. Speaker, this is National Volunteer Week and ceremonies and celebrations are being held in communities throughout the country to recognize the valuable contributions of volunteers. Without the countless hours of dedicated work by volunteers, the quality of life for many Canadians would be considerably diminished. When volunteers assist the poor, the disadvantaged, the sick and the aged, they make those persons feel that their problems can be overcome, that somebody does care.

Today's volunteers are often advocates of social change. Because they are so close to the communities they serve, they provide both a social conscience and a knowledgeable voice. The self-help movement in Canada has become the new wave of volunteerism. In this form of voluntary action, individuals join together in groups to support each other in dealing with problems which affect them in their daily lives.

I like to think of the example set by Lindy Fraser here in Ottawa. Her efforts to overcome a debilitating bone disease led her to start a self-help group, not only in her own city but across the country, to provide advice, support, and understanding to others facing the same disease. Her action testifies to the creative powers which can be unleashed through volunteerism. Lindy's example is particularly compelling since she was 90 years old when she set up this organization. Truly, volunteerism knows no limits. It is therefore appropriate that Hon. Members take this opportunity to recognize the vitality, strength, and importance of volunteering which is exhibited not only during National Volunteer Week but throughout the year.

ORAL QUESTION PERIOD

[*English*]

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE—
APPOINTMENT OF PUBLIC SERVANT TO REVIEW ISSUES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Secretary of State for External Affairs. I noticed that just before Question period began he was having a quiet consultation with the Prime Minister, and I suspect it was about this subject.

While it may be amusing from time to time for the House to watch Ministers fail to communicate with each other or pass along information, and we had an incident like that a week or so ago, it is not funny or fair for a senior public servant not to be informed personally before a public announcement is made of his appointment, as was done in the case of the appointment of Arthur Kroeger to review the American invitation on star wars and the Canadian reaction to it. Why was Mr. Kroeger not informed before the announcement was made by the Minister when he left the House yesterday, and, now that Mr. Kroeger has been informed, would the Minister be good enough to table in this House the terms of reference under which Mr. Kroeger is to operate, and advise us which specific issues Mr. Kroeger is to examine?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the Right Hon. Leader of the

Opposition would join with Members throughout the House in appreciation of the availability to Canada of public servants of the quality of Mr. Kroeger to undertake the kinds of sensitive examinations which will be necessary to allow the Government of Canada to come to a knowledgeable decision on the invitation made by the Government of the United States.

The decision to appoint a small, inter-departmental task force was taken at the Cabinet meeting yesterday morning. The process was begun, a phone call was placed to Mr. Kroeger's office to confirm that he would in fact be undertaking that responsibility. The question was raised in the House of Commons before there was an opportunity for a direct conversation with Mr. Kroeger. I am sure the Right Hon. Leader of the Opposition would understand that this Government has a sufficient respect for Parliament that we wanted that news to be communicated to this House as quickly as possible. That is the line of conduct we followed.

Mr. Turner (Vancouver Quadra): Of course the name of Mr. Kroeger was not communicated to this House; it was communicated outside the House and before Mr. Kroeger had ever heard about it.

Mr. Clark (Yellowhead): That is not true.

[*Translation*]

IDENTITY OF MR. KROEGER

Right Hon. John N. Turner (Leader of the Opposition): My supplementary is directed to the Right Hon. Prime Minister. To whom will Mr. Kroeger report? To the Minister of National Defence, the Secretary of State for External Affairs or to the Prime Minister himself? Could the Prime Minister help clear up some of the confusion by indicating who will have the main responsibility for the Star Wars file.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, first of all, I must clear up a very obvious misunderstanding. The Secretary of State and myself received from the Secretary to Cabinet, Mr. Osbaldeston, the assurance that we could announce Mr. Kroeger's fortunate availability for the job. So there was not the slightest doubt about this communication, and we wanted to release the news to the House and the Canadian people with all the celerity such circumstances demand. I can inform the Hon. Member that Mr. Kroeger and his colleagues will report to the Prime Minister and to the Privy Council, and that as soon as I receive their advice, opinions and information, I intend to share it with my Cabinet colleagues and also, probably very shortly, with all the Members of this House.

● (1120)

[*English*]

REQUEST THAT REPORT BE TABLED

Right Hon. John N. Turner (Leader of the Opposition): In that case, Mr. Speaker, would the Prime Minister undertake to table Mr. Kroeger's report, when it is completed, and the Government's response to that report? Would the Prime Minister go a little further than he suggested in response to the earlier question, and allow the House to review and debate the Government's reaction to the American invitation to participate in the research?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we will see what Mr. Kroeger, who is a man of great principle and unquestioned objectivity, will report, and what kind of advice he will give Her Majesty's Government. We will act in the public interest.

I know that the Secretary of State for External Affairs, since assuming office, has taken unprecedented measures in terms of making statements at all times in the House, and of appearing before House committees in a manner never seen in recent decades in the House. He has been open and fair in consultation, and will want to continue to be so. I think you can count on our doing that in the future.

* * *

ENVIRONMENTAL AFFAIRS

TRANS-CANADA HIGHWAY CHEMICAL SPILL

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Acting Minister of the Environment. It is with regard to the Ontario PCB spill. The Minister of the Environment has been attempting to wash her hands of this disastrous issue, claiming not to have authority, when of course she and her colleague, the Minister of Transport, definitely have the authority under the Environmental Contaminants Act and several other pieces of legislation.

Can the Minister tell us how many gallons of PCBs are missing? Can he also tell us where the leak started on the Trans-Canada Highway? I represent the riding where the Trans-Canada Highway begins in Ontario. Can the Minister tell us whether in fact the leak started in Thunder Bay or Ottawa, or was it already leaking when it entered my riding in Ontario?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, it is not true that the Minister of the Environment has not been involved in this issue. She has been very closely involved in this issue. Her departmental officials have been involved, as have the officials of my Department. The information that I have received indicates that the substances have been accounted for.

Mr. Boudria: How many gallons?

Mr. Mazankowski: I'm not sure about the number of gallons, but that is the report I have had. I will certainly recheck to make sure, and will perhaps get back to the Hon. Member.

Later this day, Mr. Speaker, I will be tabling a protective direction under the provisions of the Transportation of Dangerous Goods Act which empowers the Minister of Transport

to make certain regulations that are not in force at the present time to govern the transportation of certain dangerous substances.

REQUEST FOR INDEPENDENT INQUIRY

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my supplementary question is directed to the Prime Minister. In addition to any criminal investigation which may take place on this issue, would the Prime Minister immediately order an independent public commission of inquiry into the Ontario PCB spill so that we can all be assured that this kind of disaster will never recur in our country?

• (1125)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank the Hon. Member for his question and his observation. The Minister of Transport, the Minister of the Environment, the Minister of National Health and Welfare, and myself have, from the very beginning, been troubled by this incident and have given it full and urgent attention in co-operation with the Government of Ontario. We deeply regret the imperfections in our national system with the provinces that allow for this kind of tragedy to occur. Human errors will always take place, but it is the responsibility of government to guard against them to the extent humanly possible. We shall be doing precisely that.

I give the assurance that the Minister of Transport, who is as vigilant in this as he is in all things, will be coming forward with recommendations that I think will be of satisfaction to the Hon. Member and of reassurance to the people not only in northern Ontario where this particular incident occurred but elsewhere in Canada where it might very well have occurred. We want to make as humanly sure as possible that it never happens again.

REQUEST FOR ASSURANCE OF INVESTIGATION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question, which is directed to the Right Hon. Prime Minister, is pursuant to the question on the PCB spill in Ontario. It seems to me that what Canadians feel the other side of the House is lacking generally with respect to these kinds of events is the same sense of moral outrage that is shown at other events. A poor person could steal a quart of milk from a corner store and get two years in jail, yet people are allowed to demonstrate the negligence we have seen in this event and, according to a Department of Transport official, the most they can be penalized under the present law is $57 for not securing the load properly.

Will the Prime Minister give us his assurance that the appropriate investigation will take place and that, wherever possible, the book will be thrown not only at the industry involved but also since there is an investigation taking place with respect to how Ontario handled it, according to a Transport official, possibly at the Ontario Ministry of the Environment for that Department's attitude and negligence in the handling of this situation?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I acknowledge that it is difficult for me to compete with the Hon. Member in displays of moral outrage and indignation.

Mr. Blaikie: You are pretty good at it when you want to be.

Mr. Mulroney: We operate in a system of presumption of innocence. Even though it sorely tests our sense of fairness and honour from time to time, this country is governed according to a set of laws whereby we presume innocence. People must be given their day in court in a reasonable and serene atmosphere.

I can assure the hon. gentleman that we view this incident as deeply deplorable. It may be that there was human error involved which is excusable. However, it may be that there were violations of law and regulations and disregard for human life, in which case I can assure the Hon. Member that prosecutions will be made with vigour and to the fullest extent of the law.

COMPENSATION FOR VICTIMS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, if the Prime Minister listened carefully to what I said, he would have heard I asked for an investigation and then that the book be thrown at whomever might be responsible.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: You want to throw the book first.

Mr. Blaikie: The Government does not seem to be taking this seriously, once again.

Mr. Waddell: They are laughing.

Mr. Blaikie: It is not very funny at all.

Is the possibility of compensation for the people who have been affected by this spill being explored by the Government? There is a couple in Winnipeg who cannot get home because their car has rightfully been impounded because of contamination. What will these people do? What kind of assurances can the Government give these people, that they simply will not be left to fend for themselves with respect to the damages that have been inflicted upon them in the short and long term?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I apologize to the Hon. Member. Because of his conduct in the last couple of days and his statement today, I got the impression that he wanted to throw the book first and read the book later. You cannot do that under a judicial system. However, I understand the impulses of dismay that motivate my hon. friend. I know he will not presume either dilatory action or bad faith on the part of the Government. We are as dismayed and concerned about this as any other Member of the House of Commons. The Minister of Transport and all

other people involved have acted quickly within our jurisdiction, and we will give every assurance that this kind of incident never occurs again.

● (1130)

With regard to individual families who may be suffering unduly, apart from the tragedy itself, as a result of it, we will look at that, and where we can be helpful we will be delighted to come forward and provide facilities from the Government of Canada to assist them in any way we can.

CANCELLATION OF PCBS STUDY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a supplementary question for the Prime Minister. Could the Prime Minister also comment on the cancellation by his Government of an Ontario Government request for an NRC study on up-dated scientific analysis of the key issues in the assessment of PCBs?

One thing that is perfectly clear is that we do not know enough about PCBs and their effect. Yet one of the consequences of the November 8 statement of the Minister of Finance is that this very important study, requested by the very province that now finds itself in trouble in knowing what to do, was cancelled. In light of this event, would the Prime Minister ask the Minister in charge of the NRC to reconsider that cancellation and reinstate that program?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will be happy to take notice of the representation made by my hon. friend and to bring it forward quickly to my colleagues for their consideration. This is a most unusual and very harmful situation. I think all Members of the House will be seeking the assurance that it never happens again. If that representation turns out to be one way we can ensure that, Hon. Members may be certain that we will proceed.

* * *

ENERGY

GRAND CANAL PROPOSAL

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is for the Prime Minister. In his book *Power from the North*, the Liberal leader in Quebec, Mr. Bourassa, advances the concept of the Grand Canal, which, as the Prime Minister knows, is a scheme to accumulate quantities of water and hydro power in the James Bay area and to use them in Canada and the U.S. There are, however, critics of that scheme. If the scheme is feasible, it could have great benefits to Canada in terms of improved agriculture, a reduction in acid rain, and last but not least, the creation of hundreds of thousands of new jobs. For me, it could also be the key to unlocking the resource potential in hydro in Labrador.

Can the Prime Minister tell us whether the Government studied this issue? What is his position? Does he support it? If so, has the Prime Minister advanced the cause, and will he advance the cause in the U.S.?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have not had the opportunity of reading Mr. Bourassa's book in this regard. But in my book published three years ago, which I know sold like hot cakes in my hon. friend's riding—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —I put forward a proposal which I thought would be fair to Newfoundland and Quebec, which would allow for the development of those rivers flowing into the St. Lawrence, particularly from Labrador west, which would provide unique benefits to Newfoundland and Labrador and to the lower St. Lawrence and eastern Quebec. In fact the project as we set it out would have cost about $25 billion in 1979 dollars and created thousands of jobs and new opportunities for Labradorians and Quebecers.

With regard to this specific point, I have met with Premier Levesque and I have met with Premier Peckford. I have offered the full services of my office and myself to see if we cannot find a tri-partite mechanism whereby the three Governments can proceed to the development of this enormous resource which will benefit both provinces and create thousands of new jobs.

Mr. Speaker: With great respect, I must interrupt. The Hon. Member for Grand Falls-White Bay-Labrador.

Mr. Rompkey: Mr. Speaker, I appreciate the Prime Minister's enthusiasm for that hydro development in Labrador. I want to tell him also that we do read his book in Labrador. We go across to Manicouagan and buy it in Quebec. It is cheaper there. We have read it.

Some Hon. Members: Oh, oh!

REQUEST FOR COMMITTEE REFERRAL

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I have a supplementary question. The project on which I wanted the Prime Minister to focus was the Grand Canal. It is not only for Labrador but also, more important, for the James Bay watershed. I hope the Prime Minister will look at this seriously. If he considers it of benefit to Canada, and worthy of at least serious investigation, would he ensure that the Government puts forward an order so that it could be studied by the appropriate parliamentary committee and that all parliamentarians could have a chance to assess and analyse the benefits for Canada of the Grand Canal concept? Would the Prime Minister give that undertaking?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am not offended about where the book is bought, just as long as people keep buying it.

Some Hon. Members: Oh, oh!

Mr. Gauthier: We will wait for the movie.

Mr. Mulroney: I want to give my hon. friend the assurance that I view the prospect with enthusiasm. In fact I can tell him that I am working on draft terms of reference whereby the federal Government might properly involve itself in co-operation with the Government of Newfoundland and Labrador and the Government of Quebec in developing these kinds of resources for the benefit of the citizens of those two provinces and Canada. I thank the Hon. Member very much for his interest in what is a very important issue for both provinces.

CROWN SHARE OF OFFSHORE ON DEVELOPMENT—PRIVATIZATION PROPOSAL

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is for the Secretary of State for External Affairs. He will be aware that under the National Energy Program the Crown takes a 25 per cent share of the actual development of off-shore oil and gases, otherwise known as the back-in, because this is thought to be a reasonable return to the public for past tax incentives. The Minister is also aware, I think, that the Minister of Energy, Mines and Resources has decided to privatize this 25 per cent Crown share, offering at least a first option to Canadian companies which will be called the Canadian share.

Has the Secretary of State for External Affairs written to the Minister of Energy, Mines and Resources mentioning the international implications of this change, which still continues the discrimination against American oil companies, this time in favour of private Canadian oil companies?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member will know that that matter is under active consideration by the Government of Canada. He will understand that international as well as domestic implications of any action that we might take are being considered.

Mr. Waddell: The Minister is ducking the question, Mr. Speaker. I just simply asked him whether he wrote.

INTERNATIONAL IMPLICATIONS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, let me ask the Secretary of State for External Affairs a supplementary question. In his letter, did the Secretary of State for External Affairs draw the attention of the Minister of Energy to the international implications? Did he suggest a discussion before a final government decision? Did the Secretary of State for External Affairs suggest—if you can believe this, Mr. Speaker—that the Americans get a look at the proposal to change the Canadian law before it goes to Cabinet?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I repeat my answer to the Hon. Member that the question is under consideration in Cabinet and that we are considering domestic and international implications.

I suspect that the Hon. Member may think that he has a copy of a piece of correspondence that arrived in a brown envelope. If he has, let him be forthright about it and show it to the House.

Mr. Hnatyshyn: Where's the beef?

* * *

[*Translation*]

INTERNATIONAL TRADE

EXPORTATION OF ELECTRICITY TO THE U.S.—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Last week, the Leader of the Quebec Liberal Party, Mr. Robert Bourassa, had a meeting in the United States with a number of U.S. governors and financiers to propose a $25 billion project that would cultimate in massive exports of power to the United States. Can the Prime Minister give the House the assurance that he is prepared to support Mr. Bourassa in his representations to the Americans, U.S. senators and State governors and U.S. financiers and help realize this project which will create jobs in Quebec?

Right Hon. Brian Mulroney (Prime Minister): I believe that during his visit to Washington which ended yesterday, Mr. Bourassa mentioned that he was still trying to decide on the actual scope of these projects. Generally speaking, I would be in favour of any export project of this type which would indeed be very important for Quebec, and if the Federal Government can be of any help, we will be delighted to oblige.

POSSIBLE FUTURE MEETING OF PRIME MINISTER WITH MR. BOURASSA

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a supplementary. Does the Prime Minister intend to arrange a meeting with Mr. Bourassa to get more information on his plan and to find out what kind of help the Government of Canada could provide, either in the form of technical assistance or through the Prime Minister's own contacts with the United States, and also to see whether any financial assistance will be necessary to help realize this important project for Quebec?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I meet Mr. Bourassa quite frequently, and we have discussed various problems and issues. However, for the time being, this is a project he is submitting as Leader of the Opposition in Quebec. Elections will probably be held in due time, and until then, we are dealing with the duly elected Government of Quebec, and as a Quebecer and a Quebec taxpayer, I am of course very interested in any proposal likely to create jobs in our province. I think Mr. Bourassa is particu-

larly knowledgeable in this field, considering his involvement in the James Bay project, and I listen to what he has to say on the subject with a great deal of attention and respect.

* * *

● (1140)

[*English*]

NATIVE PEOPLES

FUNDING OF ORGANIZATIONS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Secretary of State who has been given notice of it. The Métis and non-status native organizations in Manitoba, Alberta, and British Columbia are still awaiting their funding, and we are well into the fiscal year. This is holding up vital work for native people, and it is also holding up the funding which goes to these organizations from the provinces. The Minister knows that these contracts have been on his desk for at least a month and that there was a commitment a full year ago to fund these organizations. Why is there a hold up in funding for native organizations in western Canada? Is this a part of the Nielsen task force strategy of cut-backs in funding for native groups?

Hon. Walter McLean (Secretary of State): Mr. Speaker, I thank the Hon. Member for giving me notice of the question and for raising this important matter. As the Hon. Member will know, we are in the final year of the programming in relation to support for these groups. I am setting in motion a review mechanism for the future. At the moment, given the evolution of new groups and many demands, I have been having intensive discussions with the Minister of Indian Affairs and Northern Development, and I expect to be making a decision, as I said in committee yesterday, in the very near future.

TIMING OF ANNOUNCEMENT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, native people have been in western Canada for a long time, and funding for native organizations has been in place for at least a decade. I do not know to what new evolutions the Minister is referring. Will he tell us exactly when he will make this money available, since the contracts are already on his desk and since he knows that if the underfunds these groups it will simply be a transfer of the cost to the provinces and an implementation of the Nielsen strategy of cut-backs to native groups?

Hon. Walter McLean (Secretary of State): Mr. Speaker, as the Hon. Member knows, there is no anticipated diminution of the level of funding for groups. As the Hon. Member also knows, as a fact of the evolution of native groups across the country there are now many regional groups competing for the same dollar levels. The Minister of Indian Affairs and Northern Development and I are trying to address the legitimate needs of people, particularly non-status people in cities and in areas such as the one the Hon. Member represents. We are trying to find a solution and will be announcing a decision for this last year of the program, as I said, in the very near future.

* * *

HEALTH

TESTING OF TOXIC HORMONE TO CONTROL COCKROACHES

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Minister will know that his Department is currently testing a low toxic hormone called "hydroprene", which is being used quite effectively in the United States for the control of cockroaches. Cockroach infestation is a major problem for apartment dwellers across the country. Could the Minister advise us when this testing will be completed and when hydroprene will be available on the Canadian market?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I cannot give the Hon. Member any indication of the date that hydroprene will be licensed and used in Canasda. The matter which he has raised is a serious one. He is aware, also, of recent publications regarding cockroach infestation. I will get further information on it and get back to him.

* * *

[*Translation*]

FINANCE

UNEMPLOYMENT—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I had a question for the Minister of Finance. I do not know whether I should direct it to the Minister of State (Finance) or to the President of the Treasury Board. Yesterday we saw a television report from Halifax were six people applied for job openings and, worse still, 1,000 applicants for a non-specialized job in Cape Breton.

Here is my question: Can the Minister of Finance or his stand-in tell us if they will address this unemployment problem by implementing the suggestion made by the Chairman of the House of Commons Standing Committee on Finance, Trade and Economic Affairs, the Conservative Member for Mississauga South, who advocates a $5 billion deficit cutback and a $2.4 billion increase in gasoline tax?

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I do not want to accept for one moment the proposition or the inference of the Hon. Member about the consequences of prudent management in government. In the absence of the Minister, I will simply say that I take the question as notice and will ensure that the Minister gets back to the Hon.

Member with an appropriate answer that sets the record straight.

[*Translation*]

RECOMMENDATIONS OF CHAIRMAN OF STANDING COMMITTEE—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): A supplementary question, Mr. Speaker.

To set the record straight, the *Globe and Mail* of April 18 attributes the following remarks to the Chairman of the House of Commons Standing Committee of Finance, Trade and Economic Affairs, a man who holds a very important position:

[*English*]

"I think the caucus would be unhappy if he"—that is the Minister of Finance—"didn't cut the deficit by $5 billion. I think he would like to go farther but he can't because so many people are out of work". I would like the Government House Leader to bring that to the attention of the Minister.

[*Translation*]

At the same time, would the House Leader ask the Minister of Finance whether he has also decided to follow up on the recommendations of the Chairman of the House of Commons Standing Committee on Finance, Trade and Economic Affairs, the Progressive Conservative Member for Mississauga South, concerning the abolition of the Federal Business Development Bank, the abolition of the Export Development Corporation, and the abolition of the Canada Deposit Insurance Corporation?

Right Hon. Brian Mulroney (Prime Minister): Obviously, we want to cut down the deficit, and so did the Leader of the Opposition when he was running for the leadership of his Party. Unless I am mistaken, he said he would cut the deficit by half within a few short years. In the course of the French TV debate between him and me, he also stated that billions of dollars were being wasted here in Ottawa.

Hopefully with your support, we will try by every reasonable means to save taxpayers' money and handle every dollar collected by Ottawa with utmost care and attention. One of the problems is that there has been outright abuse in the past and, together, we are trying to set the situation straight. I know that the Hon. Member, as Quebec's former Minister of Finance, will give us full support. Surely he knows that a chairman of a House committee does not speak for the Government, the Minister of Finance does and will be doing so through the upcoming May Budget.

[*English*]

INDUSTRY

WHITE FARM EQUIPMENT COMPANY—REQUEST FOR LOAN GUARANTEE

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The future survival of White Farm Equipment is at stake today because the receivers are starting, through the dealers, to provide cut-rate sales of the equipment, despite the fact that the company itself has been making operating profits and has raised its market share from 7 per cent to 22 per cent over the past 18 months. Will the Minister commit the Government today to saving the 370 jobs involved, by joining with the banks and the Ontario Government that have assessed this company as viable? Will he see to it that a guarantee is provided for the $17 million in further bank loans which will help the company to survive?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member will recall, yesterday there was a similar question directed to myself with respect to White Farm Equipment. The fact is that we had discussions with the various Borg-Warner officials, with Mr. Sinclair, and with union representatives. We are hopeful that something can be done to save this company. The rather pessimistic view the Member is taking about sellouts at the present time is, I think, being over-stated. There is a hope that over the next few weeks something can be done as far as White Farm is concerned, preferably by the private sector.

• (1150)

DAILY MANAGEMENT

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, in fact the receivers are starting to sell off equipment. If that happens, the confidence of farmers across the country will be destroyed. During this period of time when the Minister is working out financial arrangements and discussing the matter, will he personally intervene to have the day-to-day control of the company put back into the hands of the Canadian management for a period of 90 days, in order to permit financial arrangements to be organized and these jobs to be secured?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, once again I only wish the Hon. Member would check his facts before he makes these statements in the House. The fact is that the receiver is not selling off equipment today, as indicated by the Hon. Member. I think there is a generally co-operative spirit on behalf of the union representatives, the Borg Warner people, and the existing management of this company. If there is a way to save it, hopefully it will be found.

[*Translation*]

CRIMINAL CODE

LIMITS OF DEFINITION OF THE WORD "PREGNANT"

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, my question is directed to the Minister of Justice. Considering that Wednesday last was a memorable day as clause 15 of the Canadian Charter of Rights and Freedoms came into force, can the Minister tell the House whether he intends to amend sections 251 and 252 of the Criminal Code dealing with abortion that is discriminatory to women since it now reads as follows: "A female person who is pregnant." It could be replaced by "a person who is pregnant." Mr. Speaker, have we once seen a pregnant male? Does the Minister intend to amend that part of the legislation?

[*English*]

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I will certainly do whatever I can to prevent men from becoming pregnant, although I believe there was a mayor of Montreal who came dangerously close.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I will review the Section in question, Mr. Speaker.

* * *

PUBLIC SERVICE

MASTER AGREEMENT BARGAINING CONCEPT—RIGHT TO STRIKE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the President of the Treasury Board. I did give him notice of my question. On Wednesday the Minister told the House that he had signed memoranda of understanding with two major Public Service unions, maintaining the new approach of bargaining on a master agreement basis and thereby indicating to us that 80 per cent of the items under negotiation would not be subject to the right to strike. It appears that the Minister's comments in regard to the impasses which would not be settled by the right to strike are misunderstood either by public servants or by the unions themselves. Perhaps the Minister could clarify to the House, the Canadian public, and the public servants, if indeed the right to strike on the major items concerning the master contracts will be maintained or withdrawn.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, in answer to that question I certainly hope that my hon. colleague opposite has listened to the comments of the president of one of the unions, comments which gave rise to this controversy. We did sign the memorandum of agreement. It is a memorandum in which details will obviously have to be worked out.

As my hon. colleague knows, these contracts are complex. He certainly raised a question of interpretation. Could he ever go back to the old system? The agreement is clear. It states that on the issues that are mutually agreed upon to be discussed at the master table, the method of conflict resolution will be one of binding conciliation, and that is an agreement in principle that has been reached by both parties.

There may be questions of interpretation as to which items fall into which categories, but the statement I made in the House the other day was a statement that was thoroughly discussed with the unions over the last six months, and one that reflects thoroughly the position of both to move on to a formal agreement which is to be presented to the House in the very near future.

EXPANSION OF AGREEMENT WITH UNIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Notwithstanding the expression, "binding conciliation", which is not very clear to many of us—

[*Translation*]

Just to clarify the matter and avoid any confusion, could the Minister table the memorandum of understanding so that we on this side of the House can read it, public service employees may know what commitment their union made on their behalf and everyone may better understand exactly what is involved?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, let us start with the concept of binding conciliation to which I referred the other day, in fact when I replied to a question of my hon. colleague. I explained it then. I explained the method of conciliation board appointment and pointed out the differences between this formula of conflict resolution and the one that existed in the Act. If at this rather early stage of the discussions union members would like to know more about the terms and conditions their union leaders agreed to, I would think it is up to them to get the information from their union leaders.

As for us, I stated clearly the agreements in principle the government is going to implement over the next few months, on the one hand, to fulfil the election commitments that were made and, on the other hand, to improve, for the first time in more than twenty years, as was mentioned by one of the union leaders—

[*English*]

Mr. Speaker: I regret to interrupt the Hon. Minister but this is becoming a Statement on Motions.

FORESTRY

REFORESTATION IN BRITISH COLUMBIA—SEEDLING PLANTING SEASON

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. A year ago the federal Government offered $50 million per year for a reforestation agreement with British Columbia, and British Columbia refused to sign that agreement. Because of that we lost a much needed year of tree planting in British Columbia. As the Minister knows, the temporary reforestation agreement expired three weeks ago.

Since the planting of seedlings in British Columbia can only occur during a very limited number of weeks and since that period of time is now upon us, will the Minister agree today to sign that part of the ERDA related to the Canada-B.C. reforestation agreement, which includes $150 million of federal money and $150 million of provincial money, so that the planting of the seedlings can go ahead this year since it did not last year?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as we have indicated to British Columbia, we would be willing to sign the $300-million forestry agreement to which the Hon. Member refers. We have indicated that that would certainly be the highest amount to which we would go, and we are waiting for the reply of the British Columbia Government on whether or not that agreement, and certain other agreements, might be signed.

REQUEST FOR EARLY SIGNING OF AGREEMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, the Minister's colleague, the Minister of State for Forestry, has indicated to me that there is nothing in law or in practice stopping the Minister from signing the B.C. reforestation agreement now. The B.C. Government has made it clear that it is prepared to come forward with $150 million. The Minister has made it clear that he is prepared to come forward with $150 million. Why does he not sign the agreement today so that those who want to get the seedlings in the ground, and the nurseries under way, can do so? There is an area that is larger than Prince Edward Island that needs to be replanted in Canada's most important forestry province.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as far as we are concerned there is absolutely no problem with signing the agreement but, as a rule, one signs agreements with other parties.

* * *

ENVIRONMENTAL AFFAIRS

TRANS-CANADA HIGHWAY CHEMICAL SPILL—FUNDING OF DEPARTMENT'S EMERGENCY BRANCH

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Prime Minister. I would like to return to the matter of the PCB tragedy in northern Ontario. In the Department of the Environment there is a section dealing with environmental emergencies and the interprovincial transport of dangerous wastes. Why, in the current estimates, has the Prime Minister's Government cut the budget for that section by some 25 per cent, or more than $1 million, from last year's funding? Does this not show a serious lack of concern for Canadians and the Canadian environment? It is certainly something that is not consistent with protecting Canadians from tragedies like the northern Ontario PCB spill.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker I think it is quite unfair for the hon. gentleman to try to tie a given budgetary measure to the serious accident that could or could not have occurred but unfortunately did occur in northern Ontario. In any event—

Ms. Mitchell: Can't hear you, Brian.

Mr. Mulroney: That is because you are used to the shouting that comes from your colleagues next to you.

An Hon. Member: You damaged your ears.

• (1200)

Mr. Mulroney: Your ear-drums are damaged, Margaret. I want to ensure that my hon. friend hears me, and I apologize.

Ms. Mitchell: I listen intently. Let's have some sense while you are at it.

Mr. Mulroney: Well, there may be something wrong with her ears, but there is nothing wrong with her voice.

I would say to my hon. friend that the Minister will be filing regulations with the House very shortly. But, in any event, I know that my hon. friend, who was a Minister in the former Government, will agree that the Government of Canada has acted in complete co-operation with the Government of Ontario. I salute the Minister of Transport and other colleagues who, under very difficult circumstances, have done an outstanding job in being helpful to all concerned. They will continue to do so.

REQUEST FOR RESTORATION OF BRANCH STATUS

Hon. Herb Gray (Windsor West): Mr. Speaker, my supplementary question is also directed to the Prime Minister. Can he explain to the House why the section of the Department of the Environment which deals with environmental emergencies and the transport of dangerous wastes has been downgraded by his Government from a full branch to simply a division of another branch? Will the Government commit itself and move immediately to restore the status of that division to a full branch as it was previously, and to restore the budget of that division of the Department to what it was previously? If the Government does not do that, then its words, with respect to its concern about the environment and Canadians and preventing occurences such as the tragedy of the PCB spill, are hollow and empty.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member's comments are most unfair. The fact of the matter is that the Government has taken some very major initiatives with respect to the transportation of dangerous goods. The promulgation of the regulations has been accelerated to July 1 and, as I said previously, we will table further regulations today. There is close co-operation with the Department of the Environment in all of these aspects. I think we all agree that when we can put in place the kind of legislative and regulatory framework which governs the transportation of dangerous goods, which we are trying to do—and which process has been accelerated in co-operation with the industry and the Province—it will be a much safer environment for the movement of all dangerous substances.

Some Hon. Members: Hear, hear!

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of three, presented by Hon. Members on Thursday, April 18, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) on long distance telephone services, and the petitions presented by the Hon. Members for Essex-Windsor (Mr. Langdon) and Windsor-Walkerville (Mr. McCurdy) on proposed changes to the Unemployment Insurance Act, do not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORTATION OF DANGEROUS GOODS ACT

TABLING UNDER SECTION 28

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, pursuant to the provisions of Standing Order 46(2), I have the honour to table in both official languages Protective Direction No. 1—the first time it has been instituted—under the authority of Section 28 of the Transportation of dangerous Goods Act, relating to the handling and transportation of dangerous goods in Canada.

* * *

PETITIONS

PEACE CAMP ON PARLIAMENT HILL

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I would like to table a petition which is signed by some 1,300 Canadians, who are exercising their rights as Canadian citizens. They believe that the ugly tent on Parliament Hill is a fit reminder of the prospect of ugliness of a war fought with nuclear weapons.

COAL DUST EMISSIONS

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I have the honour to present a petition to the House which is signed by a number of senior citizens from the community of Agassiz, British Columbia. The petition concerns the emission of coal dust from coal trains which use the CPR rail lines. Their petition asks that the Government take the necessary steps to reduce the emission of coal dust, and also to reduce the speed of trains which carry hazardous material near residential areas.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 2, 267 and 293.

[*Text*]

CANADA POST—CORPORATE COMMUNICATIONS BRANCH

Question No. 2—**Mr. Ellis:**

1. Is there a Corporate Communications Branch of Canada Post Corporation and, if so, in (a) Ottawa (b) Canada (i) how many executives and staff are employed (ii) what was the annual branch budget (iii) what was the aggregate amount spent on salaries?

2. Are any staff or executives earning more than $50,000 per annum and, if so, what is the (a) name (b) responsibility (c) location of each individual?

3 (a) Are there regional vice-presidents of the Corporation and, if so, in each case, what is his/her (i) name (ii) responsibility (iii) location (iv) salary (b) do they have personal assistants and, if so, in each case what is the (i) name (ii) responsibility (iii) location (iv) salary?

Hon. Perrin Beatty (Minister of National Revenue): The Canada Post Corporation informs me as follows:

1. Yes. (a) (i) 133 employees including two executives, (ii) The total budget for fiscal year 1984-85 for Corporate Communications Head Office was $13.3 million, (iii) 4.3 million to January 31, 1985.

(b) (i) 82 employees, (ii) The total divisional budget for Corporate Communications for fiscal year 1984-85 was 6.5 million, (iii) 2.8 million to January 31 1985.

2. It is the policy of the Corporation to protect the confidentiality of salary information concerning its employees. In so doing, the Corporation seeks to comply with the Privacy Act which precludes the release of specific salary information. Accordingly, the Corporation can only confirm that there are 16 employees who earn more than $50,000 per annum.

3. No. (a) and (b) N/A.

AFFIRMATIVE ACTION PROGRAM

Question No. 267—**Mr. Young:**

1. Did the Treasury Board request all departments to provide it with their action plans in relation to the Public Service Affirmative Action Program and, if so (a) have the plans been received (b) what date has been set for the implementation of the plans?

2. Will the Government amend the Program to include persons with a mental disability?

3. Will the Government initiate a policy whereby companies that receive contracts from the Government would be required to show that they intend to make positive efforts to hire persons with a physical or mental disability as a pre-requisite to receiving such contracts?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by Treasury Board and Employment and Immigration Canada as follows:

1. Yes. Thirty-nine departments and agencies were asked to submit a multiyear (3 years) Affirmative Action plan while 14 small agencies (with less than 100 employees) were asked to submit only an annual report on their situation and a description of the activities undertaken to improve the representation of the target groups members within their organization.

The action plan submission date for four of the five Affirmative Action pilot departments (Employment and Immigration Canada, the Treasury Board Secretariat, the Secretary of State and the Public Service Commission) was established in light of each department's planning cycle and vary from March 31, 1985 to October 31, 1985. (a) To date, 20 plans have been received. (b) April 1, 1985.

2. The Program, as it now exists, does include individuals who are mentally handicapped.

3. As the Minister of Employment and Immigration announced in the House on March 8, 1985, "This Government will require Crown corporations, federally-regulated businesses, and contractors providing goods and services to the federal Government, to implement employment equity" and "Businesses seeking Government contracts for goods and services of $200,000 or more will have to show their compliance or stand to lose their right to compete for Government business."

Employment equity applies to women, disabled persons (including physically, psychiatrically, developmentally and learning disabled persons), Native people, and members of other visible minorities.

MEMBERS OF REFUGEE STATUS ADVISORY COMMITTEE

Question No. 293—**Miss Nicholson:**

1. As of March 12, 1985, what were the names of all persons serving on the Refugee Status Advisory Committee?

2. How many were full-time employees and what was his/her salary in each case?

3. What was the per diem or other arrangement for part-time employees?

4. For each individual, what was the date and term of his/her appointment?

Hon. Flora MacDonald (Minister of Employment and Immigration):

Order Paper Questions

1.

W. H. Barton	J. Kage
Y. Beaulne	K. Kaplansky
F. B. Bird	K. Lawson
K. Boyko	J. McCaffrey
S. Davis	E. B. Meredith
H. Evelyn	S. Rusu
Rev. P. Fernandes	J. Santos
S. Gerley	H. Tellier
R. L. Hutson	R. Terrillon
A. Kafai	J. Stern

2. Seven full time employees: S. Davis, H. Evelyn and R. L. Hutson are paid at the equivalent of GIC-04 ($54,710 to $64,390). J. Stern, Chairman, is paid at the equivalent of EX-03 ($63,000 to $74,050.) K. Boyko, S. Gerley and E. Meredith are seconded from Employment and Immigration Canada. They are paid at their public service salary: K. Boyko (AS 7—$46,857 to $54,537), S. Gerley (SM—$50,350 to $59,229), E. Meredith (PE 7—$46,450 to $63,870).

3. All private members are paid an honorarium of $294 for each panel session they attend. This includes the work they do in preparation for the panel session.

4.

Name of Member	Date appointed	Expiry of term
W. H. Barton	December 20, 1984	December 31, 1985
Y. Beaulne	July 3, 1984	July 3, 1986
F. B. Bird	March 15, 1983	March 15, 1985
K. Boyko	November 1, 1982	November 1, 1985
S. Davis	October 1, 1983	October 1, 1985
H. Evelyn	August 13, 1984	July 12, 1987
P. Fernandes	March 29, 1984	March 31, 1985
S. Gerley	November 15, 1982	November 15, 1985
R. L. Hutson	May 10, 1984	May 10, 1987
A. Kafai	September 1, 1984	September 1, 1986
J. Kage	July 13, 1983	July 13, 1985
K. Kaplansky	August 31, 1984	August 31, 1985
K. Lawson	August 31, 1984	August 31, 1985
J. McCaffrey	June 8, 1983	June 8, 1985
E. B. Meredith	April 2, 1984	October 2, 1985
S. Rusu	December 20, 1984	December 31, 1985
J. Santos	August 1, 1984	July 31, 1986
H. Tellier	July 3, 1984	July 3, 1986
R. Terrillon	March 1, 1984	March 1, 1986
J. Stern	May 1, 1982	April 30, 1997

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SUPPLEMENTARY FISCAL EQUALIZATION PAYMENTS 1982-87 ACT

MEASURE TO ENACT

The House resumed, from Thursday, April 18, consideration of the motion of Mrs. McDougall (for the Minister of Finance) that Bill C-39, an Act to provide for the making of supplementary fiscal equalization payments to certain provinces for the period April 1, 1982 to March 31, 1987, be now read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I welcome this opportunity to rise in the House today to speak to a Bill that, while it is very important to the country as a whole, is particularly significant because of the resulting inequity in its treatment of Quebec. Mr. Speaker, the purpose of this Bill is to provide for the making of supplementary fiscal equalization payments.

I would like to say first of all why I am opposed to the Bill, and at this point, I want to express not only my own opinion as the Member for Montreal-Sainte-Marie, as a Member from Quebec, but also the views of the Government of Quebec, and I would like to recall for Hon. Members what was said by the Quebec Minister of Finance, Mr. Duhaime. I shall, if I may, give a summary of the statement made by Mr. Duhaime in the Quebec National Assembly.

First of all, Mr. Duhaime explained that the Premier of Quebec and himself had made representations to the Federal Government, urging it to provide an equitable solution to the problem created by the 1982-87 formula that will result in a drop in equalization entitlements for Quebec. The Government felt that two points were particularly important and, in fact, fundamental. First of all, Quebec could not accept the reduction in equalization entitlements for 1985-86 and 1986-87, compared with 1984-85, considering that the province does not expect any significant improvement in its economy compared with the other provinces, and the reduction thus contradicts the whole philosophy of the equalization program.

The second major point for Quebec, still according to the Quebec Minister of Finance, is that the Federal Government should consider the more general problem caused by the anticipatory aspect of the new equalization program for the five years in the period 1982-87. According to Mr. Duhaime, Quebec is the only province getting less out of the 1982-87 equalization than it would otherwise have obtained. Quebec's loss is very substantial, according to Mr. Duhaime, and was estimated at about $750 million, while the other equalization recipients were gaining a total of $445 million under the formula.

Mr. Duhaime went on to recall that during his meetings with the federal Minister of Finance (Mr. Wilson) he pointed out that the Federal Government's device for providing supplementary equalization payments for the year 1985-86 meant that lump sum payments would go to six provinces receiving equalization, namely, $110 million to Quebec, $50 million to Manitoba, $20 million to Nova Scotia, $20 million to New Brunswick, $15 million to Newfoundland and $5 million to Prince Edward Island. In 1986-87, no payments will be made except to Manitoba which will receive $65 million. Thus, all provinces receiving equalization payments will share $285 million over the next two years. Out of that amount, a sum of $175 million, according to Mr. Duhaime, is being added to the $445 million already received, making a grand total of $620 million for the Atlantic Provinces and Manitoba. At the same time, Quebec's loss of $750 million, under the new formula, is being corrected, but only very partially, by a payment of $110 million for 1985-86, leaving Quebec with a net loss of $640 million. Mr. Duhaime went on to say that, in his discussions with the federal Government, he had given due consideration to the federal Government's precarious financial and budgetary situation. I think that the Government of Quebec, particularly the Minister of Finance, and the Premier of Quebec did show restraint in this case since the Government of Quebec agreed to reduce its initial request for $750 million to $450 million, $300 million in 1985-86 and $150 million in 1986-87. According to Mr. Duhaime, however, the unilateral and political settlement announced by the federal Minister of Finance is far from satisfactory, it is even beyond comprehension.

• (1210)

Mr. Duhaime pointed out that, under the solution advocated by the federal Government, Quebec's equalization rights this year will be close to $200 million less than last year's. He stated: "I am surprised and astonished, but I see no logic in the proposed settlement. It allocates funds to some provinces which, according to the federal Government's own forecasts, do not stand to lose any equalization rights in 1985-86 and which are already favourably dealt with as a result of changes to the 1982 equalization program." Be that as it may, Mr. Duhaime said that the file remains open as far as the Quebec Government is concerned, and that they are waiting for further discussions with federal officials with a view to obtaining fair and equitable compensation based on the very principle of equalization rather than on unilateral policy as stated, unfortunately, by the Minister of Finance of this federal Government.

Mr. Speaker, it is easy to understand what is going on. I think that all Members of the House, particularly Quebec Members, have received a document from the Quebec Minister of Finance. All explanations in the file were crystal clear. Yesterday I showed the Hon. Member for LaSalle (Mr. Lanthier) one of the documents contained in the file of the Minister of Finance, and I dare hope that all Quebec Members

will look over the chart showing that the Province of Newfoundland, which had not incurred any losses, was given a $15 million gift on the eve of the election. As we all know, they have a Conservative Government. Prince Edward Island had a loss of $5 million and got $5 million, Nova Scotia lost $50 million and got $20 million, New Brunswick—another province headed by a Conservative Government, no losses, according to the federal Government—received a $20 million gift so Mr. Hatfield might spruce up his image. As to Manitoba, a loss of $72 million last year, a gain of $50 million this year and $65 million more next year.

I would suggest that the Members from Quebec would be well advised to examine the Quebec figures in the document sent by the Minister of Finance. Quebec has a loss of $750 million but gets only $110 million. Why did the Government fail to react positively to the proposal or suggestion made yesterday by the Hon. Member for Laval-des-Rapides (Mr. Garneau), the compromise offered by the former Liberal Government? Interim compensation over the next two years would have enabled Quebec to get the same amount as before, it would not have been penalized. In the meantime, the federal Government could have had discussions with Quebec with respect to such contentious issues as population figures and the overall total. In my opinion, Members of the Quebec caucus could have been wiser, and I hope they will be on the ball and raise the issue at next week's caucus and urge the Minister of Finance to maintain the transitional payment formula for the next two years. Why did he not do it for Quebec, and why not do it now? Second, why this attempt to push the Bill through? Why does the Minister of Finance want to give us that hand-out? I was disappointed yesterday when it was a Member from Quebec, the Parliamentary Secretary to the Minister of Finance and Member for LaSalle (Mr. Lanthier), who said: That is all we have. We must therefore try to find out who is telling the truth in that party opposite. In a statement made in public at a press conference, following a meeting with the Premiers where the Quebec Finance Minister was also present, the Prime Minister of Canada (Mr. Mulroney) said that the door was still open and that negotiations were still possible even though the Minister of Finance had closed that door. We do not have to take the Minister at his word however because it is often possible to have him change his mind. In any case, I trust that the Prime Minister himself can keep his word, otherwise, everyone will know that he cannot.

If the Prime Minister said that he was willing to resume negociations with Quebec, why are they in such a hurry to pass this Bill? Why not wait? Would it not have been wiser for the Quebec Premier to meet with the Prime Minister of Canada, as the Prime Minister was willing to do, and review this file and at least listen to what Quebec had to say and make the necessary changes?

I presume all Quebec Members have seen in the newspapers the headline "Equalization: Duhaime will keep after the Quebec Conservatives". He helped you during the last campaign, but I will say he is beginning to regret it.

"Wilson: Quebec must recognize that the Federal Government could not do any better in the present situation." The Parliamentary Secretary and the Minister of Finance keep talking about the deficit, but it was not the same tune when it was time to negotiate $2.5 billion for the West. I can see the Minister of State for Transport (Mr. Bouchard), who carries the luggage for the Minister of Transport (Mr. Mazankowski) and who is saying that all this is not serious as far as Quebec is concerned. I can hardly wait to see him rise and speak for Quebec.

I have here another article entitled "Equalization: Ottawa is willing to listen". Are the Prime Minister's statements made at press conferences mere rhetoric? Or mere bluffing? "Mulroney is willing to re-open the equalization debate on a more comprehensive level." This means that what the Prime Minister said was untrue because, today, his Party is trying anxiously to get this Bill through post haste and in an underhanded manner without continuing to negotiate.

But Duhaime is not cringing! At least, he has guts. He could inspire others. According to Jean-Louis Roy, this is a flawed compromise as far as equalization is concerned.

Mr. Speaker, I think it would be helpful and wise... Normally, when you are right in the middle of negotiations, and I believe that any ordinary Canadian will agree, when a tenant and a landlord are negotiating a rent or lease, the landlord does not write out the lease forthwith, but waits until negotiations and discussions are over. But now the Government is trying to impose this. Have any pressures been applied by Ontario or Western Members, since the Quebec Members in the Party opposite all seem to be sound asleep? This Bill will be passed quickly and the money will go elsewhere. I do not know about that. Well, then it is not too bad.

Some Hon. Members: We are awake!

Mr. Malépart: Mr. Speaker, I am happy to see that they are trying to wake up. But it is not in this House that I am asking you to wake up. Just a moment, I see the Minister of Transport. It is about time he should wake up. I am told he could do better. From his performance rating, it is time for him to wake up in Cabinet, to put his feet down, to muster up his courage and go at it. This is what it takes! People want to see men and women who know how to fight. They do not want chickenlivered people like the Minister of State for Small Business (Mr. Bissonnette), who says: We are not here to defend Quebec. We can see that he used to be in the chicken business as he is still behaving like his feathered friends.

Mr. Speaker, it is a fact that Quebec is being conned by the Mulroney Government. I can give another example which

shows that the equalization formula is penalizing Quebec and favouring the Provinces that have Conservative Premiers. On November 8, the Minister of Finance (Mr. Wilson) announced cutbacks in major job creation programs. Quebec lost nearly $800 million. What did we see then? All the Quebec Members rose and applauded. They were all so happy. They were all so satisfied. Even the leader of gas station owners in Quebec, the Hon. Member for Duvernay (Mr. Della Noce), said on television: "I will dare the multinationals!" Since he has been sitting in this House, the multinationals have made better money than ever, Mr. Speaker.

● (1220)

Recently, there was another $800 million cut. Why? Could a Progressive Conservative member or minister justify a $10 million cut in the National Capital Commission budget strictly made in Quebec? Ironically, the Minister of Public Works (Mr. La Salle) is from Quebec. I know that he has been put under the supervision of his private secretary who is the real boss but can someone explain why, at the National Capital Commission, a $10 million cut strictly applies to projects which were to be carried out on the Quebec side while those to be carried out in Ontario are maintained. Precisely, the Hon. Member for Saguenay-Lac-Saint-Jean . . . the move of the marina, the old Montreal port, $3.5 million. It means less jobs and more unemployed. I understand that on November 8, you were all new around here and still did not know where the rest rooms were, but seven months have elapsed and it is about time some of you woke up. A sum of $85 million, again in the Chicoutimi area for the construction of natural gas branch lines has been cut. Two important projects in the Trois-Rivières area: a pharmaceutical laboratory and a botanical research centre in Victoriaville. Just imagine, the slasher of the Treasury Board, another guy who is supposed to be from Quebec, has made the cut and all the Quebec members rise to applaud him.

I remember that when they were elected, the Conservative members, especially those from Quebec, were schooled, they were not free. What happened at their first caucus? The party in power was compared to a football team: the Prime Minister is the quarterback, the ministers are the offensive and the defensive and then the members rose—

Mr. Deputy Speaker: With due respect, I would ask the Hon. Member to speak to the Bill.

Mr. Malépart: Mr. Speaker, I will speak to the subject under discussion, but I want to show how Quebecers are being hoodwinked by this government. I will carry on with my explanation.

Then a backbencher stands up and says: Yes, but what is our role in the football team? You have chosen the quarterback, the offensive line, the defensive line; what is left for us to do? He is told that as do the girls who lead others in cheering for the team between each quarter of the game, the role of Progressive Conservative members is to act as cheerleaders.

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau is rising on a point of order.

Mrs. Mailly: I believe that you have already warned the Hon. Member that his remarks were far from relevant. But he keeps on doing it, and it seems to me that he should—

Mr. Deputy Speaker: I think the Hon. Member has made her point and that the Hon. Member in view of his experience, got it.

Mr. Malépart: Mr. Speaker, I gave that explanation precisely to show that this is an opportunity for Quebec Members to ask for more time to consider the bill as to ensure fairness. I am glad to see that the Minister of Labour (Mr. McKnight) who is responsible for the CMHC, is in the House. There again, Mr. Speaker, as if by chance, the formula chosen by the Minister responsible for the CMHC under the housing renovation and rehabilitation program penalizes Quebec in comparison with other provinces. As Hon. Members have seen in the municipalities of their own riding, and the Minister should agree with me on that, this year, under the housing renovation and rehabilitation program, Quebec is losing $17.8 million while Ontario is losing less than two million, that is 35.7 per cent compared with 9.3 per cent. I challenge the Minister to say those figures are wrong because they come from his department and his office. He is the one who sent them to me.

So, Mr. Speaker, this is another instance where Members from Quebec should stop being cheerleaders and start asking for results. Another one is the agreement with the petroleum multinational companies of Western Canada . . . What is this going to do for jobs in Quebec? Who is going to pay the piper? The people of Quebec. Quebecers want jobs. Today at least I had reason to congratulate the Prime Minister who supported Mr. Robert Bourassa in approaching people in the United States in connection with his energy project.

Mr. Speaker, for all the reasons I have just mentioned, I believe that we in the Liberal Party cannot support this Bill, even if it is advantageous for other provinces. As a Quebecer, I find this injustice unacceptable, and furthermore, I am astonished that the Conservative Members are about to make their leader . . . —I am not supposed to say it but you know what I mean—for having said: The door is open, I am ready to negotiate. He has the Minister prepare a dossier, the Quebec Minister of Finance is going to bring down his Budget, and now the Prime Minister is asking the House to pass this Bill, and he has not even finished his negotiations. This is outrageous. This is not how the Minister of State (Transport) used to conduct negotiations, I am sure of that. And the Member who was in your riding before would not have stood for it

either. He would at least have risen from his seat, and he would have made a terrible scene. This is outrageous. If we consider the agricultural sector and the dairy policy, it is a disaster.

I am therefore going to conclude this debate on the issue—

Mr. Garneau: How about the $2.5 billion they gave the multinationals? They say they do not have the money!

Mr. Malépart: My hon. friend was kind enough to remind me about the $2.5 billion negotiated with the multinationals in Western Canada. When a western bank was in trouble, it did not take long to spend a couple of million. No hesitation at all. But when Domtar was in trouble, that was a Quebec project and what is Quebec, after all! I have a sneaking suspicion the Minister responsible for Regional Industrial Development does not even know where Quebec is. He says the Government does not have to give anything because they are making a profit. Why should we give a grant? The multinationals are making money too: $2.5 billion. There is just no logic in what these people are saying. And here I am quoting the Quebec Minister of Finance. These are not my words. Even the Premier of Quebec, Mr. Lévesque, and I cannot say he is one of my great friends since he is one of the people who helped to get you re-elected. And today you have betrayed him. Mr. Speaker, that is all I have to say.

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Gatineau (Mrs. Mailly).

Mrs. Mailly: Mr. Speaker, first of all, I would like to draw the attention of the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) to the fact that at least two projects in Ontario have been either cancelled or postponed, and I am referring to the bicycle path and the Eastern Parkway. What the Hon. Member said earlier was false. Second, on the Outaouais side, three or four projects that were on the National Capital Commission's calendar have been maintained, including the boulevard de la Vérendrye in the City of Gatineau, in my riding. It is therefore just not true, that this $10 million cutback in spending penalized Quebec or that the cutback was aimed at specific projects and included a substantial part of administrative costs. That is my first comment.

My second comment refers to the Domtar case which the Liberal Opposition seems to want to bring up every time, because there does not seem to be anything else on which they can get any political mileage. I may remind the Hon. Member that an agreement was concluded. Additional funding will be granted, but it will come out of the regional development budget . . . Yes, because our Government, unlike—

Mr. Malépart: What about the bank in Western Canada?

Mrs. Mailly: Will you keep quiet! You are always shouting when someone has the floor.

As I was saying, unlike the previous administration, this is a responsible Government that is concerned about how the taxpayers' hard-earned money is being used. Instead of wasting money and using funds to get re-elected in our ridings like the Liberals have been doing for 20 or even 100 years, we want to administer the money we get from Canadians in a responsible and reasonable manner, and we want to use that money where it will create jobs. Domtar will be able to proceed with its project with money from the budget for regional development. The Quebec Government, which owns part of Domtar, was satisfied with the agreement. It appreciates our situation because it is facing the same problems in Quebec where the taxpayer has a very substantial tax burden.

• (1230)

And another comment.

An Hon. Member: Is it a comment or a speech?

Mrs. Mailly: I will have another question at the end, if only you will shut up! It is unbelievable that the Hon. Member for Montreal-Sainte-Marie should speak of treason on the part of a Conservative Government which at long last has managed to foster a spirit of concertation in—

Mr. Malépart: That is not what Mr. Lévesque is saying!

Mrs. Mailly: Will you shut up, please! In the regions . . . I am about to raise a question of privilege, I have the right to speak as a Member. This is the comments and questions period. I have comments to make on remarks by the Hon. Member for Montreal-Sainte-Marie which border on truth—border on lie, I should say, because truth is something he has long since forgotten.

Mr. Malépart: I will get up and show how many times you lied to the people here in the House.

Mrs. Mailly: As I was saying about the question of treason against Quebec, I think that the 58 Conservative Members who represent Quebec have already shown to their constituents, in a very tangible way, that they can agree with all levels of Government, and that explains why things are going smoothly in our ridings.

There are things like Mirabel, for instance. There are things like the issue of Public Service unions' rights—

Mr. Malépart: You are having a hard time finding things!

Mrs. Mailly: —things which had been on the back burner for quite some time and which have been progressing thanks to this spirit of concertation.

So we have no lesson to take from the Hon. Member for Montreal-Sainte-Marie who, during the previous administration, was very divisive and promoted confrontation.

Finally, Mr. Speaker, I would like to ask him a question, if he is still with us, or if he wants to read his . . . I have no idea what he is reading. So, to the Hon. Member for Montreal-Sainte-Marie . . . It is . . . I beg your pardon? Pardon me? Mr. Speaker, I would like to know . . . No . . . Fair enough. I would like to ask him a question. Why this renewed attempt at creating a climate of dissension between Quebec and the

federal Government now that, finally, we have succeeded in creating a link between Quebecers and Quebecers, be they at the federal of provincial level? What is the Hon. Member trying to do? What is the purpose of all this?

Mr. Deputy Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

An Hon. Member: His microphone is off.

Mrs. Mailly: He does not need one!

Mr. Malépart: Mr. Speaker, as I said, I found the Hon. Member's intervention rather brilliant yesterday, but today I find it rather less so.

To answer her last question, we should not speak without rhyme or reason. She asked: Why create those divisions? If only she had read her papers rather than having fun in the House. The paper from which I quoted is by the Quebec government. The comments which I quoted were not made by Liberal members but by René Lévesque and by the Minister of Finance Mr. Duhaime. He said that you had disappointed him. We did not express that view. Mr. Speaker, the Hon. Member should read her papers; I think that she did not read them.

She suggested that what I said about the National Capital is not true. Well once again, she has not read Mr. Wilson's paper on page 87, with respect to the National Capital, it is written in black and white. The National Capital Commission is not an isolated case . . . the $10 million, the cuts have strictly been made in Quebec.

Mrs. Mailly: It is untrue.

Mr. Malépart: Is there a messenger? Can she read? A messenger to bring her . . . She cannot read, Mr. Speaker. The truth is that it is written in black and in white, $10 million. It is really a pity.

Mr. Speaker, I learned something when I was playing hockey. You do not hit weaker players and I will add nothing else about the Hon. Member because she really knows nothing.

Mr. Deputy Speaker: The Hon. Member for Beauharnois-Salaberry (Mr. Hudon). Questions or comments.

Mr. Hudon: Mr. Speaker, I wanted to ask whether there was a doctor in the House because I was afraid the blood pressure of my colleague for Montreal-Sainte-Marie (Mr. Malépart) might get dangerously high. I was thinking: "There we are. Something is going to happen in the House of Commons today."

Mr. Speaker, I am happy that the Hon. Member for Montreal-Sainte-Marie has quoted an excerpt from a Quebec Government document because I believe it is the first time something from such a document has been quoted by a Liberal Member in this House. This is good and it could have been otherwise.

Mr. Speaker, the reply to the question asking why this Bill must be passed so quickly is quite simple. It is because the Provinces need the money and we promised to do it. You never made any such commitment yourselves. You had the truth at the time, but as concerns your equalization formula, you never made any such commitment. The answer is therefore quite simple, Mr. Speaker, and I can tell my hon. colleague from Montreal-Sainte-Marie that it is only because the Provinces need the money.

Mr. Malépart: Mr. Speaker, I would like to tell the Hon. Member that if we want the negotiations to go on, it is because the Prime Minister said that the door was still open. The Hon. Member used to sit on school boards and he never accepted a settlement before the negotiations were over. I recognize that the Hon. Member is a man of ability and intelligence, but it was your Prime Minister, not mine, who said right on television, and it was reported in the newspapers . . . I see that the leader of the gas station owners is back in the House. Did you know, Mr. Speaker, that he purchased a Mr. Muffler franchise and has had 58 mufflers installed in this House? To come back to the question asked by the Hon. Member, I think that while the negotiations are still in progress it is important for the Government to say: Let us pass that part of the Bill which deals with the other Provinces and wait for the negotiations to be completed with Quebec, at least to comply with Mr. Duhaime's request. His budget will be brought down on April 24. I think that the Hon. Member will agree that we should give them a chance, because if this Bill is passed before, there will be a "conservative" tax in the Quebec budget to compensate for the injustice created by your Government. The Hon. Member nods his head in agreement. If you agree not to defend Quebec, it is fine with me.

We were referring to Domtar a little earlier, Mr. Speaker, and there is the mapping service also. This money had already been allocated by the Government. However, when the Government took $2.5 billion, this money was not for regional development, but it was new money for the oil multinationals. And the money for the Commercial Bank, there is nothing new in all that. This is why I say that, where equalization is concerned, Quebecers are being tricked by the Mulroney Government and they have lost nearly $1 billion because of this Government since September 4. They deserve to be treated fairly this time.

Mr. Deputy Speaker: The period for questions and comments is now over. Debate continues with the Hon. Member for Saint-Jacques (Mr. Guilbault).

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to speak briefly to Bill C-39, a Bill introduced by the Government to provide for the making of supplementary fiscal equalization payments to certain provinces for the period from 1982 to 1987. First of all, I would like to say that our Party thinks the Bill is unfair to the Province of Quebec. In fact, that is why a number of my colleagues have spoken out quite vigorously on the subject.

Of course, I could enumerate the payments that will be made to the various provinces, but since this information is already on the record, I would rather elaborate on the specific

case of Quebec which I feel is getting very little in the way of equalization payments under the new formula since the new Conservative Members from Quebec seem reluctant to comment at all, being content to praise and approve the Government's proposal. Mr. Speaker, Quebec's loss has been estimated at about $750 million, while other provinces are actually receiving payments totalling about $445 million. When I said $750 million, these are the very figures used by the Quebec Minister of Finance. Our Party cannot support this legislation, not because it gives money to the provinces, Mr. Speaker, but because we believe it does not give enough and is in fact unconstitutional. Last Wednesday, the Prime Minister spoke about equality. We are far from this equality enshrined in Section 36 of the 1982 Constitutional Act, which says the following about equalization and regional disparities:

● (1240)

36(1) Without altering the legislative authority of Parliament or of the provincial legislatures, or the rights of any of them with respect to the exercise of their legislative authority, Parliament and the legislatures, together with the government of Canada and the provincial governments, are committed to:

And then there are three commitments:

(a) promoting equal opportunities for the well-being of Canadians;

(b) furthering economic development to reduce disparity in opportunities; and

(c) providing essential public services of reasonable quality to all Canadians.

Of course, these three commitments in the Canadian Constitution underlie the whole equalization system in Canada. For my part, Mr. Speaker, I find this Bill unacceptable because it does not completely satisfy the three conditions I have just mentioned. Under the present formula, Quebec's equalization entitlement will probably be $200 million below the level of the payments for the last fiscal year.

On the one hand, amounts are being allocated to provinces which had already benefited from the changes made to the equalization program in 1982, and, on the other hand, a large portion is being taken away from Quebec, which seems to be the only province that has to pay for what I would call a poor decision made by the Conservative Government. This is a political decision considering which provinces will be losing. We have Quebec, on the one hand, led by a Parti Québécois Government, and not by a Conservative Government, and Manitoba on the other hand, which has also rejected the Conservative Party and elected a New Democrat Government. By accident, these are the only two provinces to lose out in the little game of equalization.

In my opinion, what should take place at this time is a public review of the equalization system rather than under the table negotiations with selected governments to quieten those that make too much noise and keep the friends of the Government happy.

As it was said in this House, some people want to blame the previous Government for the current equalization formula. Moreover, they want to do this while ignoring the economic situation. You will recall that, when the previous equalization program was established in 1981, very few Canadians could have forecast the economic problems that would befall Canada. Naturally, because of this economic situation, certain provinces did not receive as much money. Today, blaming the former Government is easy but at the time the legislation was passed in this House, no one could forecast that the years 1982 and 1983 would be disastrous economically, not only in Canada, but throughout the world. Yet, the agreement reached in 1981 was signed in good faith by a responsible Government. If it is felt that the time has come to review the agreement, let us do so! Indeed, by looking at the agreement and making certain changes, the Conservative Government could have been more generous. If it decided not to do so, it is its own decision and its own responsibility, and it seems to me that it would be difficult at this time to blame the previous Government, which is the strategy regularly used by this Government to extract itself from the difficulties it gets into from time to time.

My comments will be brief. I shall simply and unhesitatingly say that a Liberal Government under the present Leader of the Opposition (Mr. Turner) and advised by some of us, especially by my colleague from Laval-des-Rapides (Mr. Garneau), would have been a lot more generous than the Conservative Government has been to the Province of Quebec, and would also have been a lot more respectful of the rights of all the Provinces in providing their citizens with equal and equitable education and health services.

Where are the Conservative Members of Parliament when we speak about equalization and the punitive way in which this Government has treated Quebec? No one can say that they have been very forceful. I hope that they will have the courage to take more solid positions and to defend Quebec instead of approving their Minister of Finance, who is unfortunately trying to solve his deficit problems at the expense of Quebecers, and partly at the expense of Manitobans.

Mr. Speaker, I have tried to briefly explain to you the reasons why we, on this side of the House, find it difficult to support this Government bill, a bill which we would be pleased to support if the amounts allocated, in particular to the Province of Quebec, were more generous. So, when the question is put and you see us oppose this bill, you should not conclude that the Liberal Party of Canada does not want that additional funding to be given to Quebec; on the contrary, we find that the increase granted to Quebec is not enough.

Mr. Deputy Speaker: Questions or comments. The Hon. Minister of State (Transport) (Mr. Bouchard).

Mr. Bouchard: Mr. Speaker, I am impressed with the way the Hon. Member links the generosity towards Quebec with the financial situation, knowing full well that it is because the previous government has badly used, insofar as Quebec and the other provinces are concerned, the funds it had at its disposal, to make sure that the present situation facing us, given the financial situation of the country as a whole, does not favour Quebec nor any other province. The Minister of Finance has been quite clear, he could not give more . . . thus he granted to Quebec the equalization payments.

I think that at the present time, Hon. Members from Quebec, the Government Members, are very proud to support what is essentially a very realistic position. It takes into account essentially the funds we have at our disposal, be it for Quebec or for any other province. The Hon. Member and his colleagues are constantly linking the notion of generosity with a spending spree which has led us, once again, on the verge of bankrupty, of disaster, but that Party has, for many years, misappropriated public funds, and it continues to act in the same manner even in the Opposition, at the very moment where the Government tries to straighten out the very serious situation which, once again, was on the brink of disaster. That Party still maintains the same spending spree philosophy, under the pretext of favouring Quebec.

An Hon. Member: It is true!

Mr. Bouchard: The minute the Government of Quebec was making a request, one year ago, it was considered irresponsible. But suddenly, because that party is in the Opposition, it discovers it has some things in common with the Government of Quebec that was banished and for which they had harsh words, under the pretext of being generous, Mr. Speaker, to the people of Quebec.

I think that was very clear on September 4 and it still is. The best way to be generous toward the people of Quebec, is to manage public funds in an intelligent and reasonable way. The Government of Canada gave to Quebec only what it could give. It did not act against the governments of other provinces. It would be naïve to think that because the Government of Quebec is not a Conservative Government . . . on the contrary, you have criticized us because of our too good relationship with the so-called Government of Quebec. One must be serious. We are administering public funds. The equalization entitlements and payments allocated to Quebec were essentially arrived at taking into account the availability of funds, and proportionate to the amounts allocated in other parts of the country. You may call us whatever names you wish; Liberals got used to this name calling when they were in power, and unfortunately, in the last 8 months, they have not parted with the habit of constantly trying to humiliate members across the way. But it does not matter to us. Members from Quebec are happy with the computation made by the Minister of Finance. We think that Quebec has been treated with fairness and that what Quebecers want is a fair share of the available funds, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I have listened to the minister's remarks and I can say that he has honestly stated the position of his party and that is to limit government spending. He refers to a solution that is realistic, fair and that takes into account the availability of funds, then he repeats the same old story we have been hearing since September 4, and even before, that is that funds are limited because of the previous administration.

• (1250)

Indeed, they are fair and they do what they can by giving out less money. For the time being, we will still take notice of the Minister's remarks, but I only wish to tell him and his colleagues that as this Parliament lives on—only six months may have gone by out of a four-year mandate—they will probably have to change their tune because they will not always be able, after two or three years in government, to blame the previous administration for all those evils. I merely want to warn you about that. While you may now find that solution fair and realistic, the fact is that the Quebec Cabinet is still not satisfied. It is all so easy to criticize Liberal Members for the representations they do on behalf of our fellow-Canadians, but we have been elected here to do just that. And let me remind you, for instance, that it was because of the continuing pressures applied in this House by my party that some assistance was given to Domtar. We were told exactly the same thing, that you inherited a mess, that you were left with little money, with an empty purse but, once representations from those areas became strong enough, you finally had to admit that the request was reasonable and you agreed to it, while saying that if you were unable to do it it was because of the previous administration. But eventually you saw the light and you agreed to help them. That is what happened.

Mr. Deputy Speaker: The Member for Laval-des-Rapides (Mr. Garneau) for questions or comments.

Mr. Garneau: I have one question and one comment. Mr. Speaker, I carefully listened to the speech of the hon. Member for Saint-Jacques. I want to commend him for representing the interests of the province of Quebec in a sober and honest fashion, thus fulfilling the mandate given to him by his constituents. Of course, I wish to emphasize one point. The Minister of State for Transport (Mr. Bouchard), who has just made a comment and put a question to the Hon. Member for Saint-Jacques, emphasized the matter of distribution and the way the Province of Quebec was treated by the previous government in terms of equalization, the subject matter of the bill before us. Before asking a question to the Hon. Member for Saint-Jacques, I want to remind the House that in 1982-83—and the Hon. Member will perhaps elaborate on this—provisional payments made under the equalization formula have brought in $354 million to the Province of Quebec. Those are the amounts that were paid, since the Minister of State for Transport wants to deal with that matter, $354.5 million were paid as a provisional payment to the government of Quebec by a liberal administration; in 1983-84, a provisional payment of $399.3 million was made by the previous liberal government and in 1984-85, $392.4 million were paid. Now, we are proposing a payment of $110 million whereas the Province of Quebec is losing 750 million.

Therefore, one could consider other cases as well and stress how the matter was handled in the case of Domtar, for instance. They simply took some funds that had already been granted to Quebec for regional development in an attempt to bail out Domtar through a special agreement on the develop-

ment of pulp and paper companies. Finally, the Province of Quebec will have to pay 100 per cent of the costs for Domtar. I want to ask the Hon. Member for Saint-Jacques, who made an excellent speech, whether in his opinion, it would not be more profitable and fair to the Province of Quebec, instead of giving it $110 million as proposed in this bill—an amount arrived at by God knows what means and that the Minister of Finance of Quebec, Mr. Duhaime, called unfair and unjust, saying that it was irrational since some provinces did not loose anything under the present formula and nevertheless are granted additional funds—does the Hon. Member for Saint-Jacques not believe that it would be a better idea to extend the provisional payments formula, thanks to which a balance was achieved during the first three years of implementation of the new equalization formula and that was developed to check whether this formula would have the expected results; the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) in his speech yesterday, and I remind it to the hon. member for Saint-Jacques, stressed that to start with, in 1982, when the new formula was implemented, officials of the Department of Finance had not forecast such a serious economic crisis. That is why the formula was implemented for three years in the hope that it would yield results and that after that period, the situation would get back to normal. I want to ask the following question: Would it not be more profitable to maintain this provisional formula whereby equalization payments to the Province of Quebec would only increase by 3 per cent from last year? Would it not be better to maintain that formula rather than to apply an ad hoc formula, draw a number at random and ask later: That's all?

Mr. Guilbault (Saint-Jacques): Mr. Speaker, obviously it would be better to extend the transitional payment formula because, at least, it is a sound and fair method. While the Quebec government reacted to the political settlement that provided it with $110 million by saying that it was unfair and inequitable, I would rather describe it as arbitrary. Someone simply picked up $110 million out of a hat according to some unknown formula. That is why in my remarks I called it a political settlement. The Hon. Member from Laval-des-Rapides (Mr. Garneau) is right. Had we used a well-known formula we could at least see that those figures were based on some computation. But here we have a settlement intended to pacify people I suppose, but which completely fails to meet its purpose.

[*English*]

Mr. George Baker (Gander-Twillingate): I will be very brief, Mr. Speaker.

An Hon. Member: Take your time.

Mr. Nickerson: We doubt if you will be very brief.

Some Hon. Members: Oh, oh!

Mr. Baker: I just have a couple of words. I wanted to speak briefly to put on the record that whenever we talk about equalization payments and supplements to equalization payments or an increase or a decrease in equalization payments, we are always talking about dollars as they relate to this or that province.

To be perfectly honest about it, I think every place in the equalization payments Bill where it refers to X number of dollars—take for instance the $15 million to the Province of Newfoundland—it should rightfully read "$15 million to the Government of the Province of Newfoundland". I say that because of the actual and true intent of equalization payments. If you go back to the original legislation, the original intention was to give poor provinces that could not raise their own revenues some semblance of equality in Canada whereby the federal Government or the richer provinces in Canada would give money indirectly to those poor provinces so they could have services considered to be normal and expected in all parts of Canada.

That is where the entire intent falls down, Mr. Speaker. The money is simply given as a lump sum to a provincial government with no strings attached whatever. If a provincial government wants to build arterial and access roads into its one or two cities with that money, it could do so. Even when a province had sufficient access roads to its cities, it could still continue to build roads on stilts over roads presently going into those cities. In other words, it depends upon the benevolent attitude of the government in power at the time in a given province whether the actual intent of this legislation is fulfilled.

I will give you one example of what I was dealing with this morning, Mr. Speaker. I was trying to figure out how to get some government somewhere to put some money into supplying a water system to a community which had all its applications for wells rejected because all the health reports stated the water was unfit for human consumption. In the process of trying to do that, I checked with the provincial department of health in Newfoundland. I discovered there were numerous communities in a similar situation. In my area alone, 40 or 50 communities are affected. On the one hand we talk about $600 million or $700 million, loads of money, being given to a government to equalize services in this country, and on the other hand I have to tell these poor people: "No, there is no way that you can get any money so you can have pure drinking water for your school children".

I will call it one o'clock, Mr. Speaker, and continue after lunch.

Mr. Deputy Speaker: Order. I being one o'clock I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Supplementary Fiscal Equalization Payments

Mr. Deputy Speaker: When the House rose at one o'clock, the Hon. Member for Gander-Twillingate (Mr. Baker) had the floor.

Mr. Baker: Mr. Speaker, I would like to conclude my remarks on the Bill before the House today, an Act to provide for the making of supplementary fiscal equalization payments to certain provinces for the period April 1, 1982 to March 31, 1987.

Before we adjourned for lunch, I was making the point that the actual intention of equalization payments was to provide help to lower income provinces to make it possible for them, along with their local governments, to provide reasonably comparable levels of public services at reasonably comparable levels of taxation. When we talk about public services, normally in high unemployment areas we immediately think about infrastructure in the form of water systems, sewer systems and roads. These are the very areas where there are incredible discrepancies in levels of service across the country. In the case of my Province of Newfoundland, about $600 million or $700 million this year will be passed over in the form of unconditional grants to the Government of Newfoundland to provide comparable levels of public services to those existing in other provinces. Of course the "have" provinces have the taxation base from which to be able to provide those services to the general public.

When we total all the equalization payments over the past few years, we arrive at an incredible figure. That money was supposed to go toward providing services for the general public. However, as I have pointed out to the House, there are 40 or 50 communities in my riding which do not have water systems. How could that be when the intent of these equalization payments was to correct such inadequacies? Why is it that the roads are not paved in a great portion of my riding, if the purpose of equalization payments, as the Act indicates, is to provide comparable levels of public services?

The point is that the money does not go to provide the services outlined in the Act and in the agreements. It does not go to assist communities which want water. Today, in 1985, there are school children who do not have the benefit of uncontaminated drinking water. If we ask medical doctors in certain parts of the country about major problems, of course they will talk about the inadequate quantity of drinking water. I have seen little slips from the Department of Health indicating the water is unfit for human consumption. Whenever I see a Bill such as this one coming before the Chamber, I think about the fact that this money is not used for what it was intended.

These communities try to obtain federal grants which are available. I suppose they will be available next year after the Minister of Finance (Mr. Wilson) has his say in the Budget and after the Minister of Employment and Immigration (Miss MacDonald) decides what she will do as far as short-term job-creation programs are concerned. The majority of this money should be spent on providing water and essential services to small, isolated communities.

As far as the intention of the Government is concerned, we need only look at the publication entitled *A New Direction for Canada* to find the implementation of the strategy on page 84, where the following is indicated quite clearly:

> To achieve the target will necessitate a careful examination of all federal expenditures—economic and regional development, social programs, federal-provincial transfers, . . . to develop an orderly plan to slow their growth—

That is the intention of the Government. The Government will not increase expenditures over a period of time. There will not be the same level of increases we have seen over the years. It will slow the growth of these payments. It then says, "while reshaping their composition to minimize the effects of contraction on the economy". I would suggest that one of the measures the Government should take if it is going to cut back on these payments to the provinces is to ask the provinces to be accountable for where that money goes. In other words, if it is the intent of legislation to provide public services in a province that are comparable to public services in other provinces in Canada, then that provincial Government should have to indicate where the money went. That seems only logical.

• (1410)

It is fine to talk about equalization payments and about how much more money will go to provincial Governments. The Premier of Newfoundland has said that under this Government, we are receiving increased equalization payments. The Government of Newfoundland has received increased equalization payments every single year. The fact of the matter is that the formula is rather unfair. We are being told Newfoundland is going to be a rich province because of all the offshore oil out there. The fact of the matter is that energy revenues mean a reduction in equalization dollar for dollar.

The new Government indicated that for the first five years of oil production in Newfoundland, the diminishing return on equalization payments will be slowed down. If the provincial treasury were to get $10 per barrel on a billion barrels of oil, it would receive $10 billion over a period of 20 years, the time it will take for the offshore oil to be developed. When talking about equalization payments, $10 billion is peanuts. The province is already getting $700 million per year over 20 years, and that would come to much more than the revenue that would be received from the oil. The point is that in the case of the Province of Newfoundland as it relates to equalization payments, we should ask why the money is not being used to provide the services that are supposed to be provided.

If we were only discussing money and if the entire offshore accord with the Province of Newfoundland meant money and only money, we would have to come to the conclusion that under this particular piece of legislation Newfoundland ends up with zero. When the province makes money from energy, it loses on equalization payments.

The so-called poor provinces should be looking at a change of direction in provincial Government policy regarding the utilization of the money provincial Governments receive. We should ask what we can do to foster industrial development so we will then have a tax base and will not need to receive

equalization payments. Why was that not considered when the offshore oil agreement was signed? Why did the agreement contain the clause that none of the oil from the offshore could come into Newfoundland to develop refineries and petrochemical industries there but rather that it had to satisfy the demands of the eastern Canadian refining and industrial capacity? In other words, the agreement was all about money going to the provincial treasury. It was about an amount of money that is not as great as the equalization payments would be over the life of the development.

In conclusion—

Mr. Boudria: Oh no, we want to hear more.

Mr. Baker: The Hon. Member behind me says he wants to hear more. I think my time is pretty well up. I do, however, have a few minutes left.

When thinking of equalization payments, one always thinks of the other transfers that are made, including transfers for post-secondary education, health services and the like. We can see what happens when money is transferred to a provincial treasury without any strings attached.

When block funding came into the Province of Newfoundland, the provincial Government froze the development of all senior citizens' homes and nursing homes in the province. They put the matter under study for four years. That payment is made on a per capita basis and has a built-in escalation. Therefore, money was going into the provincial treasury for the purpose of providing 75 per cent of the cost of the retirement of the debt on senior citizens' homes and nursing homes after individuals had paid and CMHC had brought the mortgage rate down to 2 per cent. That amount of money was increasing every year but no senior citizens' or nursing homes were being built until the matter was studied for three or four years. Where did that extra money go? It certainly did not go to senior citizens' homes and nursing homes.

When looking at the financial papers of these senior citizens' and nursing homes, one begins to realize that every time the Minister of Health and Welfare (Mr. Epp) announces an increase in the old age pension, no one who lives in a senior citizens' or nursing home in this country sees that increase. We see what happens when a provincial administration is given a bunch of money with no strings attached other than a general intent to increase the level of public services. Some provincial Governments will spend the money where it is supposed to be spent but a great many of them will not do so. In fact, when examining the expenditures of the Government of Newfoundland, we can see where waste exists and where the Government has not been following through on the intended use of the money that was being transferred.

It is indeed unfortunate that when looking at the formula that controls this Bill, one must realize that the bottom line is zero in certain administrations. The bottom line is zero as it relates to Hibernia. The bottom line is zero as it relates to the Government of Newfoundland. The bottom line would not have been zero if there had not been the clause in the agreement indicating that the offshore oil would be used to satisfy existing industrial capacity throughout Atlantic Canada. I still believe that part of the intent of that was to satisfy the Petromont industry in the Hon. Speaker's riding.

• (1420)

Mr. Guilbault (Saint-Jacques): Mr. Speaker, the Hon. Member for Gander-Twillingate (Mr. Baker) knows that the purpose of the equalization formula is to distribute funds across Canada. The formula has been modified by the present Government in an attempt to bring about the agreement of some of the provinces with respect to the payments which will be made this year.

The Hon. Member comes from a province which is in a very peculiar situation. The revenue of his province is likely to vary substantially over the years because of the oil situation. What is the effect of a fixed equalization formula on a province such as Newfoundland in which revenues are likely to increase in a very substantial fashion? Does he believe that his constituents will be able to live with a formula which is set in concrete, when the income situation will vary greatly in that province?

Mr. Baker: Mr. Speaker, as far as energy revenue is concerned, if there is a development which is to last for a period of 20 years, the province would arrive at a point in the first five or six years when equalization payments would disappear. They would disappear almost totally. However, if the development in Newfoundland was to be stretched out over a 20-year period, then equalization payments would never disappear. There would always be some difference on the bottom. What is important is that there must be a constant increase to the provincial Governments in the equalization formula. A constant increase was always the intent of the legislation as growth occurred in that particular fiscal arrangement. However, if it is limited, for example, to $670 million this year, and that limitation was to be in effect for the next ten years, then the difference in the income from energy revenues and what is owed through equalization payments would be less.

To answer the hon. gentleman's question, it would be much better for the Government of Newfoundland to have equalization payments increase drastically.

Hon. Members will note that I said it was very important to the Government of Newfoundland. I do not accept the wording in this legislation which says that the payment will go to the Province of Newfoundland. Also, I do not accept it when it is said that the payment will go to the people of Newfoundland, or to Newfoundland. It is the Government of Newfoundland which decides where the money will go. Too often, the decisions of the Government of Newfoundland are not very good. Sometimes I wonder if it is interested in governing the province, or if it just wants to hang out a carrot as it does during every election campaign. It hangs out the carrot and says that all the people of Newfoundland will be rich. However, the carrot gets rotten after a while.

Mr. Deputy Speaker: In resuming debate, I will recognize the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Supplementary Fiscal Equalization Payments

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to speak briefly on Bill C-39. I would like to begin by congratulating my colleague from Gander-Twillingate (Mr. Baker) for his eloquent remarks. I hesitated in rising to speak this afternoon because I wanted to give the Conservative back-benchers from the Province of Quebec an opportunity to speak.

[*Translation*]

Although I waited for a few moments, Mr. Speaker, I failed to see the Hon. Member from Duvernay (Mr. Della Noce) and other Hon. Members rise to speak on behalf of their constituents and ask the very questions they should have raised in the House this afternoon. I must say that I am somewhat disappointed, because I was looking forward to hearing the Hon. Member for Duvernay who undoubtedly would have made a very eloquent speech, perhaps he will choose to do so when I am finished.

Mr. Speaker, when discussing fiscal equalization payments, we should remember the promises that were made to the Canadian people last fall.

[*English*]

When the Conservative Government was elected last fall, I do not recall that it said it would short-change the Province of Quebec or any other province, not even the Province of Ontario, which also qualifies for equalization payments. The Province of Ontario should not qualify for equalization payments, but it has been so poorly run over the last number of years that it is in the situation in which it does qualify. The Province of Ontario definitely needs a change.

The Prime Minister (Mr. Mulroney) will be campaigning in Ontario for the next few days to give a hand to Premier Miller. Perhaps the Prime Minister is right in doing that because the Premier needs all the help he can get. As the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) is from Ontario, he will know that the Premier's campaign is flat and that he is not doing very well. The Prime Minister is setting a precedent in helping the Premier, and I hope that he will campaign on the same theme on which he campaigned last August—time for a change. It would be nice to hear the Prime Minister say that during the election campaign in Ontario. Perhaps he could also raise the issue of equalization payments and indicate that the Province of Ontario has been so poorly run over the last number of years that it now qualifies for those payments. But the province will not take the equalization payments because that would indicate that it is not in as good a financial situation as it was before, and Ontario Tories would never admit to their shortcomings. That would be admitting that a change is needed in Toronto. Of course, we all know that a change is needed. I hope that the Prime Minister will campaign on the same theme as he did last summer and say that it is time for a change. After 43 years, it is time for a change.

Why is it that we are a little short right now in providing the provinces with the payments which they need? There may be several reasons. The Government spends 80 per cent to 90 per cent of its time telling us that it cannot fulfil its election promises because of the previous Government. That strategy is wearing thin. The Government has been in power for eight months. Government Members seemed to have had the resources to fulfil just about anything before they were elected. They made 338 promises. However, in none of those promises did they say: "Vote for me and I will cut your payments". Perhaps it was an oversight on the part of the Government.

Let us look at the areas in which the Government has cut its funding to the provinces. Not only do we know that the Province of Quebec and others will be losing many millions of dollars worth of equalization payments because of the actions of this Government, but we also know, for example, that as a result of the cut-backs which were announced on November 8, black Thursday, the Province of Quebec will lose $770 million because of the book of cut-backs. Those are the cut-backs which the Minister of Finance (Mr. Wilson) inflicted upon the people of Canada. They range from cuts in agricultural programs to cuts in capital expenditures and construction and all kinds of other reported cuts. The cancellation of the census is even included but, of course, the Government changed its mind on that.

• (1430)

Incidentally, Mr. Speaker, I am sure you are aware that the information in the census was necessary in order to establish the equalization grants, to which the Minister of Supply and Services (Mr. Andre), who is here right now, would attest. The provinces probably shook the Minister of Finance hard. The Minister of Supply and Services must have given him a few shoves himself. And it was only because of those actions that the Minister of Finance changed his mind and reinstated the census, ensuring somewhere in the order of 6,000 full-time jobs, plus about 40,000 part-time jobs, which had been lost as a result of this particular cut-back. A vast amount of funding has been cut by the federal Government throughout those same areas of the country which are once again suffering because of the lowering of the equalization grant.

I must also take a moment to discuss what the Government is doing with the funds it has. Of course, one of the reasons it cannot provide these grants is because it is spending—or should I say "wasting"—the money elsewhere. What is it wasting its money on? Let me start by stating the fact that we have the largest Cabinet in the history of this country. It is not just 1 per cent or 2 per cent larger than we had before, not even 10 per cent larger. The Cabinet we have now, Mr. Speaker, is about 25 per cent if not 30 per cent larger, than the Cabinet of the previous Government. The population of this country did not explode by 30 per cent overnight when this Government was elected. They are the same people who were here prior to September 4. But the Conservatives, in order to run this country, needed a Cabinet which was one-third larger than the Cabinet of the Liberals. Perhaps that is because the Conservatives are only two-thirds as efficient as the Liberals and needed a larger Cabinet in order to get the same results.

There may be another reason, Mr. Speaker. Perhaps the Conservatives needed a make-work program. One would think that a make-work program would address itself to the general population. However, in the case of this Government, the make-work program really addresses itself to members of the Conservative Party who had been elected—and some who were not who needed something to do. So the book-ends, or "surfers" as we call them, those who came in with the tide, needed something to do and, of course, the Government decided to appoint a much larger than necessary Cabinet. There were 40 Cabinet Ministers. We are seeing a gradual reduction in the size of the Cabinet as Ministers resign; however, it is still a 39-member Cabinet. There are 39 limousines, or 40 limousines if the Minister who resigned kept the limousine he had. The west door of the Parliament Buildings looks like a used car lot. I have never seen so many cars in all my life in any one place. The other day I had a hard time getting into the parking lot with my automobile, Mr. Speaker, because a lot of limousines were blocking the entrance, waiting for Cabinet Ministers to come out of their meeting or whatever it was they were doing in the building at that particular time.

On top of those 40 limousines and 40 Cabinet Ministers for which the people of Canada have to pay, we have to have 40 political commissars. These are the people in the office who apologize and write letters of refusal for the Ministers. Of course, the Minister himself writes a letter of acceptance whenever he gives out money and the political commissars sign the letter whenever he refuses. I've had experience with that in letters I have received from Cabinet Ministers. Some of them are signed by the political commissars, but whenever a letter says "We are glad to agree with you", in most cases it is signed by the Minister.

The Government seemed to have plenty of resources when it came time to reward its own. The Government has made approximately 1200 political appointments since the election of last September. I am sure that every Conservative back-bencher must be ashamed of this record, Mr. Speaker. Not only did the Government appoint 1200 people, but a large number are defeated Tory candidates. Not 1200 Tories were defeated, of course, but I will say that most of the high-paying jobs were given to defeated Conservative candidates. There is the case of Lawrence Hanigan who was defeated by my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau). Mr. Hanigan was running the Montreal Urban Transit Commission and was doing a fine job. There were only 20 strikes in ten years. Now that particular gentleman is hired to run our railway system at $100,000 a year. And once he was appointed to that position, it was determined that that salary wasn't enough. How could the poor guy live on $100,000 a year? So he was given a $25,000 or $30,000 salary increase so that this defeated Conservative candidate could make ends meet.

So we wonder, Mr. Speaker, why it is that we have no money to run the necessary programs we must have. It is small wonder, Mr. Speaker, if we waste money in that way. I see the Conservative back-benchers across the floor nodding and agreeing with me. Do you know why that is, Mr. Speaker? Some of them must be almost disappointed that they were elected. They would have had higher paying jobs had they been defeated along with Lawrence Hanigan and others who received large pay increases. They were justly rewarded for having lost the election. In that Party winners become the losers and losers become the winners, providing they are friends of the Prime Minister.

An Hon. Member: What about Lloyd Francis?

Mr. Boudria: The Hon. Member opposite talks about the 1 per cent or 2 per cent of political appointments which were not given to prominent Conservatives, but the fact still remains that this Government has appointed one prominent Conservative every three hours since it was elected last summer. And this is a Government which promised not to partake of patronage and not to waste the Canadian taxpayers' dollars which are so necessary in order to run the valuable programs for which the Government is saying it does not have the required funds. This is the same Government which said it would only appoint people who had a willingness to serve and who had a high degree of competence. This is the same Government which turned down the reappointment of Senator Florence Bird who is one of the most competent people in this country. That is acknowledged by Amnesty International and all the refugee groups in this country. They have all given their support to the reappointment of Florence Bird. Why was she not reappointed, Mr. Speaker? It was because the Minister wanted to imprint her own style on her Department.

This is not a Government of substance, this is a Government of style. We have political commissars to hide the Ministers. We have style when we appoint new people. Whatever happened to substance? What is wrong with substance instead of style? We have the Prime Minister starting his own fan club. At $100 a throw, people can actually become members of the fan club of the Prime Minister, "The Brian Club", I believe it is called.

An Hon. Member: Of course, it beats John Turner's club.

Mr. Boudria: We hear an Hon. Member who is pleased. He probably bought one or two memberships in the fan club of the Prime Minister in order to make his way from the back row where he sits to a row closer to the front, in Cabinet. Perhaps he will succeed by buying a membership in that fan club, but maybe not. I do not want to speak too long on this Bill, Mr. Speaker, but I would like to return to the issue of equalization. For a moment, as I am sure you noticed, Mr. Speaker, I was dwelling a bit on patronage. But it is all linked. This Government is wasting money on unnecessary things, and then has none left where it makes a difference, where it counts, in helping out the people of this country who need it the most. Why does the Government not have the money? Because it spent it on other things. Because Members opposite partook of patronage. They wasted taxpayers' dollars by redecorating their offices on Parliament Hill. They rented limousines. They delivered a Budget using a Government jet. All these and other

kinds of things they have been partaking of since last September.

• (1440)

Why don't I hear Conservative Members from Quebec standing up in this House and making a speech, saying that their province needs more equalization payments? Why don't I hear Conservative Members from the Maritime Provinces standing up and speaking on behalf of their constituents in this House? They should be standing up demanding the funds from that Government. They should be putting their seats on the line if they have to. But we do not hear that from the Conservative back-benchers. They are nice and silent here. Even the Member who wanted to abolish the tolls on the Champlain Bridge is not moving. His colleague over there is not doing so either. They were talking of lower gas prices, abolishing tolls and all those other issues, and now they are not doing anything. They are content and happy to just sit there and wait just in case they get their turn to be called to the front row and join the executive of the Brian fan club as opposed to being just regular Members, which is what they are now. Well, we in our Party are not satisfied with that.

[*Translation*]

What Liberals want, Mr. Speaker, is to promote equal opportunities for all Canadians in their search of well-being. What they want is to enhance economic development so as to reduce disparities. They want to provide all Canadians with an acceptable level of equality and essential public services. They also want provincial governments to stop wasting taxpayers' money. We know, Mr. Speaker, that several provincial governments, when they were given, with no strings attached, the power to manage federal funds, squandered that money and did not spend it the way they should have. I am sure my colleague opposite who shares my opinion will agree with me that we should get rid of all those Conservative provincial governments that are now in power.

[*English*]

In the Province of Ontario, for instance, just to give an example of how those funds have been used, 97 per cent—well, this better be good.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) is rising on a point of order.

Mrs. Mailly: I wonder if those remarks are relevant. The previous subject was dear to the Hon. Member's heart, and he is now starting on another. It seems to me provincial elections have nothing to do with the equalization matter now before us.

Mr. Deputy Speaker: If the Hon. Member deals with the Ontario government's policy regarding equalization, that could be relevant. But I believe the Hon. Member is getting the point which was made by the Hon. Member for Gatineau and that he will act accordingly.

Mr. Boudria: Thank you very much, Mr. Speaker. I agree entirely, as I usually do, with the impartial ruling you have made on that matter.

Mr. Speaker, let us refer, for a moment, to the government of Ontario.

[*English*]

In relation to the funds being awarded to the Government of Ontario by the federal Government, and its investment particularly in the area of housing, right now the programs we have are such that 97 per cent of the funds for public housing in Ontario come from the federal Government and 3 per cent from the province. This is only one example of a program in a province which was supposed to have a two-government component. Once we removed that condition and gave it to a provincial Conservative Government, they wasted the money.

Mr. Deputy Speaker: The Hon. Member's time has expired. On a question or comment?

Mr. McKnight: Mr. Speaker, if I can ask the Hon. Member a question, is he at all familiar with the Canada-Ontario rental supply plan and the 50/50 sharing of that plan between the federal and provincial Governments? This will provide something like 2,800 units to the people of Ontario through the auspices of the previous Minister of Housing, Mr. Bennett, and now through the auspices of Mr. Timbrell.

Mr. Boudria: Mr. Speaker, yes—

Mr. Guilbault (Saint-Jacques): Point of order, Mr. Speaker. I would like to bring to your attention the fact that the Minister is asking a question of a Member which is irrelevant to the Bill before us, namely equalization payments.

Mr. Deputy Speaker: I rule the question pertinent because the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) brought the matter up by what he said concerning the use of equalization payments by the Government of Ontario.

Mr. Boudria: Yes, Mr. Speaker, I am familiar with the rental supply program. I am also familiar with the municipal non-profit housing program and all the other programs we have in relation to housing in Ontario. I am also aware how, if you take those programs, combine them together and divide the federal and provincial components, you end up with 97.2 per cent federal money and 2.8 per cent provincial money. Most of these programs were designed for an equal contribution from both levels of Government.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is as follows: Mrs. McDougall, for Mr. Wilson (Etobicoke Centre), moves that Bill C-39, an Act to provide for the making of supplementary fiscal equalization payments to certain provinces for the period April 1, 1982 to March 31, 1987, be now read the second time

and referred to the Standing Committee on Finance, Trade and Economic Affairs.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

CROWN ASSETS DISPOSAL CORPORATION DISSOLUTION ACT

MEASURE TO ENACT

Hon. Harvie Andre (Minister of Supply and Services) moved that Bill C-43, an Act to dissolve the Crown Assets Disposal Corporation and to amend the Surplus Crown Assets Act and other Acts in consequence thereof, be now read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Mr. Speaker, it is a pleasure to begin debate today on this very important legislation, especially as it is the first piece of legislation I have had the opportunity to introduce.

Mr. Boudria: It is your second.

Mr. Andre: Yes, it is my second; I stand corrected. I do not think I had a chance to debate the first one.

In any event, although this is essentially an administrative or bookkeeping Bill, it is important because it directly reflects this Government's commitment to fiscal responsibility, deficit reduction, leaner government, increased accountability and a reduced role for Crown Corporations. I will return to those points in detail in my later remarks, but first I thought it would be useful for the House to have a brief history of the Crown Assets Disposal Corporation and the events which have precipitated the introduction of this Bill today.

The Corporation was created by the Government in 1943 under the name War Assets Disposal Corporation. Its purpose was obviously to dispose of excess materiel from World War II. In wartime all kinds of materials are purchased in pursuit of the war effort, not all of which are consumed in war. Those not consumed are of course unnecessary in large part after the restoration of peace. The Corporation carried on this activity until 1949, when its name and mandate was changed by the Surplus Crown Assets Act. As the name implies, at that point the Governor in Council granted to the new corporation responsibility for disposing of all surplus Crown assets, not only those relating to the war effort. It also gave the corporation responsibility for disposing of surplus assets of foreign powers located in Canada.

• (1450)

In those formative years the corporation performed its function effectively and efficiently. Unfortunately, in the 1970s I do not think that efficient and effective would be two adjectives that one would use to describe the performance of that Crown corporation. If our late colleague, Mr. Tom Cossitt, was still with us, he may have had a pretty long list of activities of the corporation of which he would wish to remind the Canadian public. Those who are interested might look at some of the questions which Mr. Cossitt put on the Order Paper in 1978 and 1979 which were never answered. However, perhaps the past should stay in the past.

In any event, Mr. Speaker, Crown Assets Disposal was not unique in that regard. There were many aspects of government performance, both within Crown corporations and otherwise, that were subject to scrutiny and probing questions by Mr. Cossitt, a great many other Members of the House, and members of the public which precipitated the establishment of a royal commission on financial management and accountability called the Lambert Commission. That commission recommended a number of quite important and profound changes to the way in which government functioned in an effort to improve accountability and financial management to save the taxpayers money and ensure that the taxpayers know how their money is being spent and their assets are being disposed of. It attempted to restore some degree of political accountability in keeping with the traditions of our parliamentary democracy.

One of the recommendations of the Lambert Commission was that the activities of Crown Assets Disposal should in fact be placed directly within the operations of government as a common service. In 1982 this occurred and the disposal activities of Crown Assets Disposal were moved into the Department of Supply and Services and have been a part of the operations of my Department ever since. It was decided that there were no advantages to retaining the arm's length relationship that a Crown corporation implies and that there would be improved accountability and responsibility and a better deal obtained for the taxpayers by having the activities conducted within government. In addition, the management and administration of the corporation was taken over by the Department of Supply and Services. These changes were implemented by Order in Council in 1982 and have been phased in. At that time all employees of Crown Assets Disposal Corporation were offered employment within the Department of Supply and Services. No one's employment was terminated outright. The vast majority of employees did accept employment with the Public Service and are so employed today.

Consequently, we have a situation in which we have a corporation in form only. There are no employees. Its activities are undertaken entirely by the employees of my Department. However, there is a legal requirement for such a corporation to exist. It must have a board of directors, hold annual meetings, produce annual reports, and maintain separate accounts which

must be audited. For three years we have had these unnecessary expenses carrying on.

However, as the Member for Glengarry-Prescott-Russell (Mr. Boudria) knows, it has not been a total loss. There have been opportunities to appoint directors. Outstanding Canadians from coast to coast have been sitting on the board of directors. I'm sure the Member would know most of them personally because they were quite active in his political association. It was certainly enjoyable for them to come to Ottawa from time to time to attend annual meetings and collect a *per diem*. The taxpayers of Canada enjoyed the opportunity of subsidizing some very honourable and hard-working members of the Liberal Party. In October, after being sworn in as Minister, I had the sad duty of terminating some of those appointments.

Mr. Guilbault (Saint-Jacques): Now you've got enough Tories.

Mr. Andre: No, as a matter of fact we replaced them with public servants who reside in Ottawa and receive no *per diem* for attending meetings. Therefore, that expense has been cut out, but there is still the expense of maintaining separate books, producing annual reports, et cetera. This legislation is introduced to clean up that situation by removing this corporation from the books. Instead of having 438 Crown corporations we will now have 437. That is a start on the road toward reducing this unconscionably large list of structures and organizations that have been put in place over the last 20 years.

The substantial portions of Bill C-43 are dealt with in Clauses 1 to 6. I'm sure Members will have noted that Clause 5 allows any business transaction which is still in progress involving Crown Assets and outside parties to carry on. Therefore, no one will suffer personal, financial or legal consequences of these changes. The remaining 10 clauses of the Bill are consequential amendments to the Surplus Crown Assets Act and are administrative in nature. The final section is a schedule outlining consequential amendments to Acts other than the Surplus Crown Assets Act.

This is a straightforward, uncontroversial piece of legislation. For that reason I urge the House to give it speedy second reading and expeditious reference to the Standing Committee on Miscellaneous Estimates. I would like to take this opportunity to look beyond the technical aspects of this legislation and recognize its profound symbolic importance. I am deeply committed to the principle of this legislation, as is the Government. I spoke earlier of several principles which guide the Government's action.

First, the Government is committed to fiscal responsibility. Bill C-43 is fundamentally designed to eliminate duplication of effort in the Government of Canada and to formalize a process which has already saved $600,000 for the taxpayers of Canada and will result in an annual saving of that amount. In the figures we deal in around here of millions and billions, it may not seem like much, but if you look after the thousands, the millions and billions will look after themselves.

The Government is firmly committed to the principle of deficit reduction. The legislation has as its underlying premise the perpetuation and improvement of a regime which successfully recovers for the Crown some $23 million annually from surplus assets. The administration is committed to a leaner, more efficient Government. In his statement last November 8 my colleague, the Minister of Finance (Mr. Wilson), indicated that of his four-part strategy for economic renewal one was to have less government intervention. This is one small step, but I can assure my colleagues opposite that there will be many more in the future. When the electors, or more likely old age, require us to move on, we will definitely be leaving behind a leaner, more efficient, and more effective Government than that which we inherited after 20 years of Liberal rule.

● (1500)

The Minister of Regional Industrial Expansion (Mr. Stevens) has announced a number of very important initiatives that will attempt to clear the mess left by his predecessor. My colleague, the President of the Treasury Board (Mr. de Cotret), has indicated the Government's intention to consider the privatization of a whole range of Crown corporations. Furthermore, those that will be retained for good public policy purposes will be more accountable to the House and the Canadian public and will operate in a more responsible fashion than has been the case in the past.

I have stated that accountability is the cornerstone of this Government's mandate. Therefore, we do not accept the use of the arm's length relationship of Crown corporations to avoid that accountability and responsibility. In a democratic society, we do not find reasonable and proper the previous Government's habit of removing the day to day scrutiny of activities by leaving it to the Crown corporations when those activities are part of the Government's ongoing activities. We will be increasing accountability and the responsibility of Ministers of the Government to the House on a daily basis which will be combined with the very important initiatives being recommended by the Task Force on Parliamentary Reform. This will lead to a much more democratic procedure which will assure the electors of Canada that they know what the federal Government is doing with their money and that their representatives in the House can hold the Government accountable. It is only through such change that we will begin to reverse the trend of 20 years of Liberal rule and restore a reasonable kind of Government to this country.

Although this legislation is not profound in itself, it will save money. It does establish the trend. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) laughs. Much time is spent in the House worrying about appointments to directorships of Crown corporations and other positions which he believes is a concern. I suggest to him that he should be applauding loudly because we are eliminating some opportunities for such appointments through this legislation. I am making the commitment that we will continue to do so. Our Government is firmly committed to the privatization of Crown corporations when it is no longer necessary for the Government to own them. It is firmly committed to winding up those

Crown corporations that no longer serve any useful purpose. Therefore, the Hon. Member should be applauding us for removing these opportunities for political patronage.

In the meantime I can assure him, with respect to those Crown corporations that are retained for good public policy reasons, that we will continue to maintain our current practice of appointing the best people possible to those positions. He can be assured that the taxpayers and electors in his riding will be well served by the Government of Canada even though they may have chosen not to elect a representative of the right Party in the last election.

I welcome the support of my Cabinet colleagues who I know support the aims of this legislation. I urge members of the Opposition, whom I know to be thoughtful and honourable, to support this worth-while initiative.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, on behalf of my Party and as official critic I am pleased to respond to Bill C-43 which was moved by the Minister of Supply and Services (Mr. Andre). The Minister is slightly guilty of plagiarism in his comments. He should have at least acknowledged that the previous Government had begun the process of dismantling the Crown corporation. Of course, the Minister forgot to mention that.

The Minister's remarks left me with the impression that he was reading his address in reply to the Throne Speech rather than introducing a small, administrative Bill to eliminate a redundant corporation. Understandably, our Party is in agreement with the Bill since we had begun the process pursuant to the report of the Lambert Commission to which the Minister referred earlier. The Lambert Commission had also recommended the unification of the two arms of the Department of Supply and Services, which has already taken place as a result of the last shuffle of deputy ministers.

I was pleased to hear the Minister refer to a reduction in the number of people who are appointed through political patronage. He stated that there would be less political patronage as a result of the elimination of the board of the Crown Assets Disposal Corporation. However, I wonder if this is an indication from him that there is division within the Cabinet as far as Crown corporations are concerned because I am sure the Minister will recall that his colleague, the Deputy Prime Minister (Mr. Nielsen), indicated his desire to form a new Crown corporation to take over the Cyprus-Anvil Mine in the Yukon, in his riding. I am sure that difference of opinion between the Minister of Supply and Services, who wants to do away with many Crown corporations, and the Deputy Prime Minister, who wants a new Crown corporation to serve a specific interest in his riding, will eventually create a rift within the Government of Canada.

Our Party supports the dismantling process of the Crown Assets Disposal Corporation. The Minister gave us the assurance a few moments ago that no one will lose his employment as a result of this dismantling. The Minister also informed us previously that the corporation itself had very few people, if any, left on staff because it had essentially been united with the Department.

However, I want to reiterate that we believe the functions of the Crown Assets Disposal Corporation should be united with those of the Department of Supply and Services because the Minister should be in charge of all activities within his Department. We have no difficulty with this legislation, other than our wish to receive the assurance that I requested earlier.

The Minister concluded his remarks by saying that he wanted the best people to serve on Crown corporations. I am pleased that he said that. I am sure that the Prime Minister (Mr. Mulroney) reads *Hansard* regularly, and that he will read the Minister's speech. After taking a copy of *Hansard* and reading the Minister's speech, he will probably immediately remove from the board of Air Canada Gayle Christie, the former defeated mayor of the City of York and the former defeated candidate for the Conservative nomination in that riding. The Duchess of York was appointed to the board of Air Canada and was interviewed afterward by a journalist. The journalist asked Mrs. Christie how she felt she qualified to be on the board of Air Canada. Her reply was, and these are not my words but hers: "I know how to drive a car". Those are the qualifications of the Duchess of York.

• (1510)

They are similar to the qualifications of other Conservatives appointed to various positions by this Government since the last election. Perhaps some of the people were even less qualified than Mrs. Christie. I referred earlier today to the appointment of Lawrence Hanigan, and I have referred to several other people who have been appointed by this Government to sit on various corporations whose qualifications seem to be that they held a membership card and had a prominent position within the Conservative Party.

Mr. McLean: They are outstanding Canadians.

Mr. Boudria: I am glad that the Minister has said he personally does not want to partake in that practice and he will fight in Cabinet to ensure that the appointment of political hacks to boards of Crown corporations will be terminated. I am glad to see that at least one member of the Cabinet is on my side in this issue in the person of the Minister of Supply and Services and probably the Minister of Labour (Mr. McKnight) who is heckling right now. He should be heckling. He should be upset at the fact that so few women have been appointed to these Crown corporations.

Mr. McKnight: You just criticized the last appointment.

Mr. Boudria: He is—

Mr. McKnight: I rise on a point of order, Mr. Speaker. The Hon. Member has talked about the appointment of women to Crown corporation boards. He has just now personally criticized the last appointment, one of an outstanding Canadian by the name of Gail Christie who was appointed to the board of Air Canada.

Mr. Deputy Speaker: With respect, I do not believe that is a point of order.

Mr. Boudria: Not only is it not a point of order, Mr. Speaker, but it is not even a good point, as you have recognized. I have only described the qualifications which the individual attributed to herself.

If Hon. Members want to talk about outstanding Canadians sitting on boards, let me talk about Florence Bird. Why was she not reappointed? She is an individual with outstanding qualifications. I know the Minister of Labour is concerned about the status of women and is probably fighting right now to get her reappointed. I hope he succeeds because Senator Florence Bird should be sitting on the advisory refugee board. I give the Minister of Labour all my support when he wants to get more qualified women to sit on these Crown corporations and fewer of the likes of Mr. Hanigan and the others who have been appointed by his Leader.

Mr. McLean: There have been more women appointed than ever. Take a look at the record of your Government.

Mr. Boudria: I am right behind the Minister of Labour, Mr. Speaker, but I am not behind the Secretary of State (Mr. McLean) who fired Geraldine Copps. Geraldine Copps did her job. Geraldine Copps' daughter, a member of this Parliament, criticized the Government and for that reason her mother was not reappointed. I am not behind that Minister, Mr. Speaker.

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, I rise on a point of order. First, the Hon. Member has already alluded four times to the attendance of members and ministers particularly. Secondly, the case he mentioned has already been disposed of in favor of the Secretary of State. So, I doubt he can make comments on that very subject in this House.

Mr. Deputy Speaker: The Hon. Member for Gatineau would be right on her first point of order. As I know the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), I am sure he will take note of it. As far as her second point of order is concerned, I suggest that it is rather a matter of debate.

The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) has the floor.

Mr. Boudria: Again, Mr. Speaker, I thank you very much for having ruled in such a way on the minor point of order raised by the Hon. Member. You noticed of course that I asked some ministers to intervene, but I don't think I made any comment regarding whether they were or were not present in this Chamber, Mr. Speaker.

Anyway, I will be brief because I am almost finished with my remarks on this Bill. However, I want to say this to the Secretary of State who spoke earlier. Even if I agree with his colleague, the Minister of Supply and Services (Mr. Andre), who wants to depoliticize Crown corporations, and as well with other Ministers, for instance the Minister of Labour (Mr. McKnight), to whom I give credit hoping he will continue to make sure qualified women are appointed to the boards of many Crown corporations, I sometimes find myself in disagreement with the Secretary of State of this country who decided at one time to deal in his own way with a candidate related to an opposition member of this House.

[*English*]

Thank you, Mr. Speaker, for allowing me to participate in this debate on behalf of our Party. Our Party is in favour of this Bill. We want assurance that any employees who may be remaining in the corporations do not lose their employment on account of this change. We are in agreement that the Minister of Supply and Services should be running the Department in its entirety and that this change was recommended and was already in process when the previous Government was in office. This is a continuation of what had already been stated. I applaud the Minister for continuing a previous Liberal initiative.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have the opportunity to speak on Bill C-43. It is an appropriate piece of legislation to be brought before this House. It is quite clear that the corporation itself has served its day. My understanding is that there may be only one actual employee. There is a board of directors but there may be just a bookkeeper associated with this Crown corporation.

There is a point I want to make in relation to this Bill that I think this House should take into account every time a Bill comes before this House. Very recently, during the last Parliament, I do not know whether it was an accident of numbering, but Bill C-44 which came before this House was an amendment to the Yukon Quartz Mining Act which had a very deleterious effect on one person whose name happens to be John Turner. He actually lives in Vancouver but is a prospector in the Yukon. That piece of legislation has had a very serious and harmful impact on him.

I draw that to the attention of Members because if Members look at Clause 5 in Bill C-43 they will see there a protective mechanism placed in the Bill that should be put in every piece of legislation to protect those who are involved in litigation or who are in the process of initiating litigation against the Crown or against corporations associated with a piece of legislation. Clause 5 says very clearly:

> 5. (1) Any action, suit or other legal proceeding in respect of an obligation or liability incurred by the Corporation, or by the Minister in closing out the affairs of the Corporation, may be brought against Her Majesty in any court that would have had jurisdiction if the action, suit or other legal proceeding had been brought against the Corporation.

It is a very important principle for those members of the public or, in terms of this corporation, I suppose for other countries because this corporation over the years has acted as

a disposal agency for foreign nations which have assets to dispose of in Canada. In the case of Bill C-44, the rights of at least one Canadian and perhaps a number of Canadians were quashed by this House by the lack of provision of proper, full and adequate information to Members of this House, including myself.

I am sure Members on that side know that I am in the process of dealing with this matter with the Prime Minister (Mr. Mulroney). The John Turner in question has been dealt a serious blow by an action taken by this House without consideration having been given to his right as a Canadian citizen in the legal process in which he was involved in the Yukon.

A second part of this Bill which I am very pleased to see is clause 5(2) which reads:

(2) Any action, suit or other legal proceeding to which the Corporation is party pending in any court on the coming into force of this Act may be continued by or against Her Majesty in like manner and to the same extent as it could have been continued by or against the Corporation.

That is very important, Mr. Speaker. The basic duties of the Crown Assets Disposal Corporation are being transferred to the Department of Supply and Services. I think all Hon. Members of the House recognize that that Crown corporation is basically a dummy corporation. Its employees have been transferred to the Department of Supply and Services. They are public servants.

● (1520)

Earlier today I was advised that six public servants have been appointed to the board of the corporation, including the chairman. Four of them are from DSS, one is from DND, and one is a former Assistant Deputy Minister of DSS who was seconded, apparently, from the Calgary Olympics Board. Our contact earlier today was with one of the auditors in the Auditor General's Department. The conclusion was that they saw no reason to retain this corporation, considering that all its work is now done by DSS. By eliminating the corporation, as the Minister pointed out, Canadians will in fact save money, such as the administrative costs, audit costs and so on. As long as the corporation was retained as a legal entity, the Auditor General's Department had to report on it and, of course, the board and the hollow corporation had to respond as well.

In his press release the Minister concluded that there had been a realized savings of $600,000 so far and that there may be future savings as well. I certainly laud him for this, and I think all Hon. Members who take the time to look at this Bill will do so as well.

I should like to refer to some of the history in this regard. In 1943, this corporation was set up and was called War Assets Disposal. Six years later its name was changed to Surplus Crown Assets Disposition, for getting rid of the assets of all Crown agencies and for disposing of the assets of foreign powers as well. In April of 1982, an Order in Council was passed moving almost all the functions of the Crown corporation into the Department of Supply and Services.

I should like to deal with some questions which I hope the Minister can answer today so that we could conclude consideration of the Bill or, should it go to committee later this afternoon, so that the committee could be provided with the information. As is often the case when Bills come before the House, there are housekeeping matters associated with them. Albeit this is a housekeeping Bill, there are housekeeping matters associated with it which should be dealt with clearly and openly by the Government so that those who have historically been employed by Crown Assets or have recently left its employ know that their rights are protected, and that the public is protected, as I believe it is, at least in terms of litigation by Section 5.

I notice that in 1981 and 1982 there were some 95 employees, according to the annual report of Crown Assets Disposal Corporation. In 1983 there were 104 employees. However, I draw to the attention of the Minister, in the hope that he will be able to provide the House with some information this afternoon or once the Bill is in committee, to figures which I have taken from his own Public Accounts of Canada, Volume III, 1984. I note that the salaries and allowances in 1983 for those 104 employees were $2,463,978 and the employee benefits were $355,548. I would like some explanation from the Minister in terms of the movement of those employees into the Department of Supply and Services. Either this afternoon or in committee, could the Minister provide the agreement on the transfer of employee benefits and associated fiscal matters, along with any outstanding concerns of former employees and the notification of any expected or present litigation?

I ask for this information because since the passing of the special Order in Council in 1982, the winding down of this corporation has occurred quite quickly. On looking at the financial statements of the Crown corporation, it is unclear exactly what happened to the extraordinary items at which the Auditor General has also taken a look. I should like to put on the record just exactly what is in the notes on the financial statement of March 31, 1984. I think Hon. Members should have the answers to these questions very clearly in their minds before this Bill extinguishing that legal entity is passed into law. In part it is indicated that in prior years it has been the policy of the corporation of accrue vacation and termination benefits due to corporation employees and to record these amounts as liabilities on the books of the corporation. As a result of the corporation's employees being transferred to the Department of Supply and Services, the employee-related liabilities established on the books of the corporation as at March 31, 1983 are being reversed in the current fiscal year as extraordinary income. In the future these liabilities will be paid by DSS and charged to the corporation in the year they are paid. Further, a lump sum amount was paid in settlement for the cancellation of the Montreal Office accommodation lease. This office was relocated to that of the Department of Supply and Services.

Many matters have been put before the House by the Minister in terms of the winding up of this corporation. They should, at the very least, be put before the committee so that they can be made very clear. On page 147 of the public

accounts on March 31, 1984—that was the date the statement was made and in fact is the date of the public accounts published by the Minister—the following amounts are indicated in terms of this extraordinary income. For example, reversal of vacation pay liability, $131,262; reversal of termination benefits liability, $125,492; and the extraordinary loss, which is the lump sum settlement regarding the Montreal office accommodation lease, $95,000, for a total of extraordinary income in the amount of $161,753. I hope the Minister brings the House up to date on how that is being handled by DSS. I think it is important that we have an update. I think we should know what has happened in terms of the transactions related to the 104 former employees and what has happened in terms of the leases.

The next section in the Minister's public accounts points out the long-term receivables. I think we can get clarification on that because long-term receivables include mortgages relating to land and buildings sold prior to 1974 and loans outstanding from the sale of major equipment. The receivables mature in 1984-85 and on up to 1999, for a total of $1,630,151, less the current portion of $263,000, giving $1,367,035.

Perhaps the Minister could clarify where those mortgages and the sale of land and buildings stand. I assume all that money will move into DSS and will be seen within its accounts receivable. That is unclear in the Bill. The Bill does not specifically deal with it, other than the unwinding of the corporation. I have not found any section of the Bill dealing with the movement of either the extraordinary income or the long-term receivables. It may be that within the legalese of this Bill there is wording to deal with it, but I have not found it.

There are two other matters related to that—"Due to Canada and others—Agency Account" and "Commission to agents", for example, Vebeg, an agency of the Government of the Federal Republic of Germany which retained $19,652 from the proceeds it remitted to the corporation. I think the Minister can clear that up quite quickly. I understand that it is related to the sale of goods related to the Embassy of the Federal Republic of Germany. Perhaps we could get clarification of that, because again there is no specific wording in Bill C-43 to deal with it.

Then there is "Lease commitments". I think the House should know whether or not those have been increased or decreased. We are dealing with three fiscal years here. We are dealing with 1983-84 and on up to 1986-87. There is almost $200,000 in these commitments. Could the Minister simply clarify whether or not DSS will pick up those lease arrangements? I think the general regional agreement now is that those Crown Assets Disposal sites have simply moved their operations into DSS locations. We should have clarification of those lease commitments.

Then there are the contingencies upon which I touched. I give the Minister full marks. He may not have heard my concerns regarding Bill C-44 which passed in the last Parliament, but that was a dark day for the House. I think the Prime Minister will take extraordinary steps to see that the prospector John Turner is given his proper due because he was done a very ill deed by the former Parliament through Bill C-44.

• (1530)

Clause 5 very clearly deals with litigation and gives those who are in the process of litigating or who may litigate in regard to something that is just happening right now the opportunity under Clauses 1 and 2. Perhaps the Minister could respond either today or in the committee regarding Clause 10 on contingencies. That Clause indicates that claims aggregating approximately $266,000 in respect of contractual obligations, accidents, alleged misrepresentation of assets sold and sundry other matters in dispute have been received by the corporation but are not reflected in the accounts. In the opinion of management and legal counsel, the position of the corporation on these claims is defensible. However, the final outcome of such claims is not determinable. Settlements resulting from the resolution of these claims are expected to be accounted for in the year in which the settlements occur.

I would solicit the views of the Minister on this, but I would hope that we do not find ourselves in the same situation as we did with Bill C-44. In that situation, someone who had a contingent liability or was involved in litigation regarding falsification of the age of something acquired from Crown Assets Disposal was precluded from obtaining redress from the Crown. I know only little bit about the law, but my unpractised reading of Clause 5 would lead me to believe that the public is covered in that way, but I am concerned about the wording that is contained in public accounts under contingencies. Legal counsel to the corporation indicate that the claims are defensible. However, they do add the rider that the final outcome of such claims is not determinable.

Again, on a reading of Bill C-43, I do not find a clause that would allow greater assurance to the public and to any of those who may be involved in litigation or considering litigation that their rights are not being precluded. The John Turner case from the last Parliament will, over time, come to be a very well known case in this country because it was a terrible error on the part of Parliament to have blocked his opportunity to complete litigation before the legislation was passed by the House.

Let me deal with a few other matters related to Bill C-43. The matter my friend the Minister raised is one that irks me to a great degree. It flows from the directors' meetings costs. In the annual report it is indicated that in 1984, the meetings of the directors cost $14,390, whereas in 1983, they cost $695. Perhaps the Minister could advise the House as to why there was such an enormous jump from 1983 to 1984. I notice as well that there is a listing of what is called other costs. It appears on page 145 of the financial statement of the Crown Corporation and indicates $23,000 in 1984 and $54,000 in 1985 for other costs, immediately after directors' meetings costs.

For a long time, the Canadian public has been concerned about the random and often irrational appointments of people associated with politics to boards of directors, and particularly

so in this case which dealt with a dummy corporation. There was no longer anyone working within the corporation. All of the employees except one had been transferred to the Department of Supply and Services. One can only wonder why, in an election year, board of directors' meetings costs should go from $695 to over $14,000, and why there was such a dramatic increase in other costs when there are no employees. I am sure the Minister would want to make some comments on that.

Again, I seek the views of the Minister and the Government. When an agency of the Government got rid of surplus commodities, it cost the corporation $240 per report in 1982 and $226 per report in 1983. Coming from a rural area, I am a great attender of farm auctions and rural auctions. I solicit the Minister's view, and I think we might be on the same wave length on this, but it seems to me that it might make more sense in many areas of Canada to dispose of assets by way of auction rather than by going through the great costs of reporting back on these particular surpluses.

If there are six desks that need to be disposed of from the RCMP offices in Terrace, British Columbia, it might make more sense to have the provision under another Act for their disposal by auction if the articles are valued below a certain amount. A government official could simply phone a local auctioneer and say, "Look, I have six desks, five chairs and three lamps that are four years old. The desks have six broken legs and a bunch of cracks. You pick them up and auction them off". Rather than incurring enormous bookkeeping costs of $200 to $250 per lot for the disposal of small numbers of low-valued items, we as taxpayers and Members of the House would be better off to use local auctioneers.

I think the Minister has a sharp pencil. He might want to give Members of the House an answer to the following question. As indicated in the annual report, there were 104 employees in 1983. Salaries were $2,463,000, employee benefits were $335,000 and accommodations were $558,000. Perhaps the Minister could clarify those employee benefits and how the accommodation section that is noted within the audited report fits in. It is obvious that it does not deal simply with the leasing of premises for Crown Assets Disposal. I wonder whether or not that accommodation section relates in some way to accommodations for employees. It is unclear. It does not deal specifically with that of which we are disposing in this Bill but it is simply a point of interest. I wanted to find out what was going on.

Having dealt with those items, I would like to finish going through the Bill. Members of the public may wonder what we are doing this afternoon by dissolving the Crown Assets Disposal Corporation. Members have made it clear that there may be one employee left. There is a board composed of public servants who will not be displaced. The Minister will respond either this afternoon or in committee regarding what is happening to their benefits, vacation pay and so on so that Members of the House are assured that there are not any outstanding matters of which we should be aware. One of the duties I intend to take upon myself, having been one of those who was burned on Bill C-44, is to make sure the Government provides publicly any information regarding outstanding contingency liabilities, lawsuits, grievances of employees and so on so that we do not make errors in passing a Bill on Friday afternoon, a Bill that should have a greater degree of scrutiny.

I have brought to your attention, Mr. Speaker, my concerns over what I see as being things that may be missing within the Bill. There may be ways in which the Department of Supply and Services could deal with things like contingent lease liabilities and so on. I think it is important, though, that Bills contain clauses directly relating to points that have been raised either by public accounts or by the Auditor General.

In conclusion, let me say that I support the Minister's actions today. I do not think we should have dummy Crown corporations on the books. I do not think we should, at any time in the future, allow any Government to set up a Crown corporation with a board of directors and allow directors' meetings costs to go up about 1500 per cent in an election year. It is a remarkably repugnant situation.

● (1540)

I am pleased that the Minister has brought this Bill before the House. It is good legislation, it is appropriate and it will save the public money. The legislation appears to have a proper protective mechanism which should also be included in Bill C-44, but perhaps that could be done retroactively. Clause 5 seems to provide that mechanism.

My concerns with regard to the rest of the Bill are more related to the affairs of past employees and the present employee, contingent liabilities and the possible litigation which may be ongoing. The Minister may be able to provide that information this afternoon, and then we could pass the Bill.

I believe that I have raised all the principal concerns which the public might have and today would be a good day to get rid of what might be considered a contingent liability for the taxpayers of Canada.

Mr. Andre: Mr. Speaker, I rise on a point of order. I am asking for the unanimous consent of the House to undertake an extraordinary procedure, in the sense of attempting to respond to the questions which the Hon. Member for Skeena (Mr. Fulton) has raised, with the hope that if I can respond to his concerns, perhaps there might be a disposition, by unanimous consent, to proceed with committee stage and third reading this afternoon.

Mr. Deputy Speaker: Does the House realize that if the Minister speaks again he will be closing off debate?

Some Hon. Members: Yes.

Mr. Baker: Mr. Speaker, I have a few brief concerns which I would like to raise with respect to the remarks of the Minister when he introduced the Bill, and I would like to set the record straight.

The activities of this Crown corporation were wound up about two and a half years ago and integrated with his

Department. There is little doubt that the Crown Assets Disposal Corporation will be busy during the coming months and years of this administration if the recent actions which were taken by this Government are any indication.

It is interesting to note that the corporation has the responsibility to sell practically everything that is determined to be in excess of government need, with the exception of land.

With reference to the Minister's statements, I would like to point out to the House that his Department took steps to cut back on its operations. In the Expenditure and Program Review which was presented in November, it was indicated that steps would be taken to improve administrative efficiency and that regional centres would be closed. In closing those centres, the savings would amount to $14.2 million. It also indicated that the disposal of surplus properties by the Department of Public Works would save $27.2 million and that the disposal of those properties would be accelerated. The list goes on and outlines the sale of assets, cut-backs in government Departments and increases in public fees. These include the user fees in national parks; berthage fees for fishermen; parking fees; commercial rents and toll bridge fees. As well, projects involving the redevelopment of federally-owned waterfront land were cancelled, and certain capital projects were terminated. Car parking rates at airports were increased, as were rental rates for airport lands and buildings. Tariff structures were revised. The list goes on. Then the Minister rose in the House and said that the Government wanted to get rid of Crown corporations because they cost too much money. However, another section of that document outlines saving measures. The document indicates that CN Marine will be established as a separate Crown corporation to respond more effectively to the needs of Atlantic Canada to reduce administrative costs. That will amount to a saving of $21.5 million. How does that jibe with what the Minister said a few minutes ago? The Government did it in a very sneaky way. It jacked up the rates in a particular activity in eastern Canada so that families will now have to pay $200 or $300 to get from one province to another via the ferry system. Then the Government turned around and said that it would save a further $21.5 million by establishing a separate Crown corporation.

It is not very difficult to pick holes in the speeches of the Ministers of this administration. The Minister of Supply and Services (Mr. Andre) gave a speech a few moments ago as if one of the primary actions of the Government were to cut back on Crown corporations when that change had already taken place. He justified the change, he told us why the change was taking place, but the change had already taken place. It will only save doing up two sets of books instead of one.

With those few words, I will bow to the Minister's explanation of how he can, on the one hand, say that the Government is getting rid of Crown corporations and, on the other hand, create Crown corporations, as was stated by the President of the Treasury Board (Mr. de Cotret), "to respond more effectively to the needs of Atlantic Canada, and to reduce administrative costs". I wish they could get their act together.

Mr. Fulton: I rise on a point of order, Mr. Speaker. The difficulty which we might run into—and I would solicit the views of the Minister on this—is that it is not a situation in which there could be a question and answer period. If something has been left out to which he has not been able to respond, or if he has not been provided with something by the Department—

Mr. Andre: There will be a second round.

Mr. Deputy Speaker: I will recognize the Minister of Supply and Services (Mr. Andre).

Hon. Harvie Andre (Minister of Supply and Services): Thank you, Mr. Speaker, I will attempt to be brief.

The Hon. Member asked me a question privately about the fee to Vebeg which is an agency of the West German Government. I am informed that we have a memorandum of understanding with the German Government and that, in essence, it is acting as the Crown Assets Disposal for us in Germany having to do with assets respecting the Canadian military in Germany. We, in turn, provide the same function for it in Shilo when the German forces are in Canada. That acts as their commission or brokerage fee.

With respect to the question regarding contingent liabilities, those are contingencies for the potential litigations which exist. When the accounts were published, there were 11 cases. Three cases have been resolved and eight are outstanding. Seven of those cases are against the Crown, and the eighth case is the Crown against the customer. In total, it amounts to a contingent liability of $266,000. It is the opinion of officials that there is no change in the legal opportunity to the companies as a result of this Bill, and that Clause 5 will protect them absolutely. Of course, we are all interested in having that accomplished as quickly as possible.

With respect to the $161,000 worth of extraordinary items, I am informed that there have not been any further extraordinary items since the public accounts were put in place. The reason for the extraordinary items being placed there was that the initial estimate of adjustments, because of employees moving from the Crown corporation to the Public Service, was high. Those items represent that difference. It is a one shot thing. Now that the employee situation has been straightened out, the officials can see no other such extraordinary items arising in the future. It is listed as an extraordinary item because it does not naturally fit into the accounting procedures.

● (1550)

With respect to the question of more efficient ways of disposing absolutely, the interesting thing about this Department, which I have enjoyed working with, is that we work on cost recovery. We charge, in essence, a brokerage fee for our service. That gives us, in a sense, a bottom line—and I am sorry to use that corporate jargon—which means we can measure efficiency and effectiveness.

We are exploring constantly for ways in which we can do what we do cheaper. The suggestion of the Hon. Member that in some remote areas it may be cheaper over-all to delegate an auctioneer to dispose of the assets and so on is a good suggestion. If we are not doing it, we ought to be doing it. I certainly hope we can pursue that in other areas. I am attempting throughout, both in our buying function and in our disposing function, to move toward giving more responsibility to regional offices which are closer to the source of the action, so that we buy closer to where it is used and we sell closer to where it is disposed of, again for reasons of economy.

I do not know whether I have answered all the questions of the Hon. Member. But if perhaps he has other questions, he might put them now.

Mr. Fulton: In terms of the extraordinary items, Mr. Speaker, the Minister has touched on what they were. Those were for the transition, I take it, of 104 employees from the Crown corporations to DSS. In the same way as with the contingency, he has touched on the outstanding cases and he was advised that Section 5(1) and (2) will cover those people. The litigation is not going to stop. They are going to be able to find a resolution to it, which pleases me, because I do not think we should ever close the door again as we did on Bill C-44.

On the transfer of the employees, are there any other outstanding items related to the employees of which this House should be aware, or has this basically resolved it, that is, paying the differential between the employee benefits, which was a point I raised with you? It seemed amazing to me that where the Department is paying $2 million in salary, it is paying $355,000 per annum in employee benefits. I have had an opportunity to look at enough Public Service contracts to know that that is rather substantial, especially when you add somewhere in the neighbourhood of $500,000 in accommodation. We are looking at a fairly substantial package there and I am just wondering whether or not these extraordinary items which are listed in the public accounts cover all of the differential? The Minister said it is a one-shot payment to cover all of that, but are there any which are still outstanding? Are there any employee matters of which we should be aware which are not dealt with by this? I take it they would still be dealt with by the Public Service. Are there any outstanding matters?

Mr. Andre: I am aware of a couple of individuals who feel that they have not been properly dealt with. They are going through due process now as members of the Public Service. Whether the Bill is passed or not does not affect their position because the Order in Council of 1982 established that they are moved into the Public Service if they so chose, and that was the procedure. So this Bill does not affect that in any way. I am told that except for one or two what are described to me as minor situations, which should be accommodated through due process, the transition has been made and there are no further employment matters.

I neglected to mention under extraordinary items the question of the Montreal office accommodation. Given that DSS, as other Departments of Government, is now a tenant of the Public Works, it was necessary to take care of the leases, and what have you, which Crown Assets had. So to dispose of the Montreal lease, if you will, and move into a Public Works accommodation, a payment was made, and that is cleared up and done. I do not know what it was. The Hon. Member mentioned the cost of directors' meetings and so on, and I can say that we are of a like mind.

Mr. Fulton: I have one final point, Mr. Speaker. I agree that the matter of the amount the directors were taking for their meetings right before the election is rather disgusting.

Under "Dissolution", I just want to make one point clear, that in Section 6 in the Public Accounts of Canada, Volume III, the $1.6 million and the $1.37 million, which are long-term receivables, I take it that the dissolution section of Bill C-43, subsection (4), deals entirely with that. That amount in excess of $1 million is simply transferred to receivables of DSS. That is all I have.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Andre, seconded by Mr. McKnight, moves that Bill C-43, an Act to dissolve the Crown Assets Disposal Corporation and to amend the Surplus Crown Assets Act and other Acts in consequence thereof be now read a second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I believe there have been discussions and there may indeed be a disposition to deal with this matter through all stages in the House this afternoon, including Committee of the Whole. I meant to rise before you put the motion, Mr. Speaker, but even though you have, it may be that, by unanimous consent, we can carry on with this Bill and deal with it in all stages in order to give the Senate something to do next week.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, with respect to the comments made by the Hon. Government House Leader (Mr. Hnatyshyn), I must say that I did not know about the suggestion that we should go through all stages this afternoon. Perhaps the Hon. Government House Leader would let us know who he has dealt with in our Party. That comes as a surprise to me.

Mr. Hnatyshyn: I just came in myself, Mr. Speaker, but I had understood that the Minister and the opposition critic had had an informal discussion with respect to this matter and that there was—

Mr. Boudria: I have no objections.

Mr. Hnatyshyn: I apologize. I was just informed of this. I know the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) has been sitting here all day. I know there was no serious objection to the legislation and there was a possibility of getting it through all stages this afternoon. I apologize for not communicating with the Hon. Member because I had not

heard about it until I walked in just now. But if there is such a disposition, we can deal with it now. I apologize and I will make it up to the Hon. Member in some other tangible way, if he can accommodate us today.

Mr. Guilbault (Saint-Jacques): We certainly have no objection to the substance of the legislation and I made that point to the Minister earlier. I am simply surprised that the Hon. Government House Leader would have the idea that there was agreement. I do not think there was any agreement. We can try to develop one on the floor of the House. However, I would hate to see agreements being put to us when they have not been concluded. This being said, it would be nice, this being a TGIF Friday.

Mr. Fulton: Perhaps I can clear the matter up a little, Mr. Speaker. I did have brief discussions with the Government House Leader (Mr. Hnatyshyn) and with the Minister. I do not object, alghough I have not been privy to the discussions which were held between the Opposition House Leader and my own House Leader. I think the agreement was that the Bill would go from here to committee, but from what we have heard this afternoon, I believe the Minister has answered the concerns which have been raised in the House this afternoon and, at least speaking for myself and my colleagues, I do not object to our proceeding. I think it is a good Bill.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, let us deal with it in Committee of the Whole and let us forget about the clock. Perhaps we could get unanimous agreement to go a few minutes past four o'clock so that we can deal with it. Perhaps we can have the agreement of the Hon. Member who is coming up with Private Member's legislation.

Mr. Deputy Speaker: Mr. Andre, seconded by Mr. McKnight, moves that Bill C-43, an Act to dissolve the Crown Assests Disposal Corporation and to amend the Surplus Crown Assets Act and other Acts in consequence thereof be now read a second time and, by unanimous consent, referred to Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

• (1600)

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the Chair.

Clauses 2 to 18 inclusive agreed to.

Clause 1 agreed to.

Schedule agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Mr. Deputy Speaker: It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

Mr. Deputy Speaker: Is there unanimous consent for the House to proceed to Item No. 169?

Some Hon. Members: Agreed.

* * *

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

Mr. Fernand Jourdenais (La Prairie) moved that Bill C-221, an Act to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Employment and Immigration.

He said: Mr. Speaker, I welcome this opportunity to rise in the House today and speak to my first Bill, which consists in amending certain sections of the Unemployment Insurance Act, 1971.

I had very specific reasons for proposing this Bill. First of all, the Bill is aimed at correcting a situation which, I feel, has led to a double standard. Let me explain. Today, when a person applies for a course with his Manpower counsellor, they take his application form and invite him to an information session where they start off by telling him he should not expect to be on a course the next day.

It's true! I know someone who applied two years ago and is still waiting. Then they tell him that if he does not have an income, he will get about $85 a week or more, depending on his status. He will also be told that he may work. If he does not work more than 25 hours a week, he may earn as much as he wants. If he is unemployed, he will be given what he is entitled to and the course will be paid for by the Employment Centre.

I know someone else who was working as a waitress without tips, who was on her feet all the time and had a constantly changing schedule. Her doctor strongly recommended that she stop doing this kind of work, for health reasons, and she wanted to get a better job. For her, the answer was to take a course in a subject that would suit her, such as typing and work processing. Her boss refused to let her change her hours, so that she could work and take a course at the same time. She left her job to take this course, which is from 11:45 a.m. until 3:45 p.m.

This woman, who is paying $1,000 for her course and who is still looking for another job has lost her unemployment insurance benefits and is being penalized because she had the courage to leave her job to take a course and make a better life for herself.

Under Section 39(1) in the present legislation, a legacy from the previous Government I may add, and I quote:

For the purposes of this Part, a claimant is unemployed, capable of and available for work during any period he is attending a course or program of instruction or training, or other courses or programs designed to facilitate the re-entry of a claimant into the employed labour force, to which he has been referred by such authority as the Commission may designate.

I propose that Section 39(1) of the Unemployment Insurance Act be repealed and the following substituted therefor:

For the purposes of this Part, a claimant is unemployed, capable of and available for work during any period he is attending a course or program of instruction or training, or other courses or programs designed to facilitate the re-entry of a claimant into the employed labour force:

(*a*) paid for and authorized by the Commission; or

(*b*) paid for and chosen by him, with the approval of the Commission;

I repeat, with the approval of the Commission.

Although I do not agree with the interpretation, even after checking the present section, I am convinced that the proposed amendment will improve its clarity and accuracy.

This Bill entitles a person attending a course or program of instruction or training chosen and paid for by him to receive benefits under the *Unemployment Insurance Act, 1971* subject to the approval of the Commission—

—and I repeat, subject to the approval of the Commission.

Such a person, unlike those attending courses paid for by the Commission, is not entitled under the present provisions of the Act to receive unemployment insurance benefits because he is deemed unavailable for work.

As a result of this amendment, a person who wants to quit working to attend a course will have to get prior permission from the Commission, which is intended to avoid possible abuses. Should the employment counsellor refuse, the person will still have the right to appeal to the board of referees, as is the case under existing legislation.

Mr. Speaker, let us figure out what it costs now and what it would cost under my amendment.

Let us take the case of a man who earns $200 a week and who is eligible for unemployment insurance benefits after having been authorized to attend a course by the Commission. His gross benefits will amount to 50 per cent of his salary, or $120 a week. In addition, the Commission will pay $1,000 for tuition fees, if I take the example mentioned earlier. Assuming the course lasts eight weeks, the State will pay $1,000 in tuition fees plus $960 in benefits, for a total of $1,960.

Now then, under the proposed amendment, if the same man is authorized to attend the same course, the Commission will not have to pay the tuition fees, only the benefits of $960, so it is easy to figure out that the State will save $1,000.

Mr. Speaker, here is what officials have been saying:

The mere fact that a person quits his or her job proves that he or she is interested in attending a course, not in returning to work.

Must we conclude that any beneficiary who attends a course paid for by the Canada Employment Centre is interested only in attending courses, not in working?

In my opinion, Section 39(1) as it reads now discriminates against people who want to be self-sufficient. Here is another example which illustrates the situation.

Last September, a single woman aged 35 with three children was without a job and drawing unemployment insurance benefits. She looked for work, but invariably she was asked whether she could speak English. Since she did not, she had a hard time finding employment. So she decided to take evening English courses, at her own expenses, while continuing to look for a job. Believe it or not, her benefits were cut off because she had taken the initiative of attending a course. And yet, Mr. Speaker, this was supposed to make it easier to return to work and, in any case, she did not have much else to do. So I asked a qualified person from my office to represent that woman before the board of referees. Fortunately, the ruling was in her favour. If she had stood alone in her fight, I am not sure that she would have won. She had a number of problems, especially during the holiday season.

Mr. Speaker, the amendment I have introduced tends to correct this deficiency and to be fair to all those who want to improve their lot. This is often their only recourse.

I am sure there is not one Member in this House who does not have at least one constituent who was put in such a situation.

As to the amendment I am proposing to Section 103, it simply says that, where a claim for benefit is allowed by a board of referees, benefits will be payable from the day of the initial claim if it is filed pursuant to Section 55. The reason for the change I am suggesting to this section is that, when a claimant appeals to the board of referees, one month may have gone by since he received his notice of disentitlement and another month may go by before his case is heard.

● (1610)

The best example which comes to my mind is the first one I mentioned. The claimant filed his claim on March 5, 1984, received a notice of unavailability on March 29, 1984, and appeared for the first time before the board of referees on May 23, 1984. This means that close to two months went by before the claimant was able to make his point. In this case, the board of referees allowed the benefits to be paid from the day it heard the appeal. This means that, under an amended Section 103, whenever the claimant has established that he was available at an earlier date than the day the case is heard, he will be paid from the day of his initial claim or from the day his availability was established.

If this section is not amended as requested and if the appeal is heard by the board of referees three months after the initial claim, the claimant will be penalized by the system.

Mr. Speaker, I think that I have explained the purpose of this Bill rather clearly. Naturally these two sections are not the only ones that need to be amended. The whole legislation

should be changed and I know that this will be done. Until then, I would like the Unemployment Insurance Act and Regulations to be applied more humanely.

I am convinced that if some officials had more compassion and understanding for taxpayers, some cases such as the one which I have just described could be avoided.

You know, Mr. Speaker, that young people who deal for the first time with the big machinery of unemployment insurance and are the victim of such unfairness, find it discouraging and lose confidence in our institution, so serious is the wrong done to them. Some adults are also facing the same fate under that discriminatory clause. I say it over again: there is a double standard.

I hope that my colleagues in this House will agree with me and that we will redress as soon as possible that wrong which has lasted for too long.

[*English*]

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I enjoyed listening to the Hon. Member's reference to that particular case. Most Members of Parliament get involved with appeals of decisions of the Unemployment Insurance Commission. One sees many cases in which a person worked and qualified for unemployment insurance and then did something. He may have gone to school, taken part-time work, become self-employed, or helped someone build a house. In other words, he did something other than remain next to his telephone and was thereby judged to be not looking or not available for work.

I am surprised to hear a government Member disagree so vehemently with the Minister of Employment and Immigration (Miss MacDonald). The Minister of Employment and Immigration, through the instructions of the President of the Treasury Board (Mr. de Cotret), has said publicly that she will cut $200 million or $300 million from the unemployment insurance fund. In fact, she said publicly many times that she agreed with the Canadian Federation of Independent Business and with Mr. Bulloch that there were many jobs available which people were not taking because they were on unemployment insurance.

The fact of the matter is that when people who are on unemployment insurance wish to better themselves, they are afraid to do anything. They are afraid to work, go to school, or take a part-time job. In fact, the Unemployment Insurance Act says that you can make 25 per cent of what you are receiving in unemployment insurance without claiming it. We have all seen cases in which the investigators hired by the Unemployment Insurance Commission have automatically cut off benefits indefinitely, forcing people to go through appeal procedures, even though they were only making 10 per cent of what they were drawing on unemployment insurance. The list goes on and on.

A common case is that of students attending trade school or university who gained unemployment insurance stamps by working evenings at a gas station, by baby-sitting, or by working at a take-out restaurant. They thereby qualified for unemployment insurance. When they go to school they indicate to the Manpower office that they are available to work in the same positions they previously held, but between the hours of 6 p.m. and 6 a.m. When asked what they will be doing for the rest of the day, the students indicate that they will be going to school trying to improve themselves. They are then told that they do not qualify for unemployment insurance.

The decision is not made by the local unemployment insurance official, although some people believe it is. The person in the local unemployment insurance office sends a notice to the Department of National Revenue asking for a determination of entitlement for benefits. That is the form that is used. Someone in the Department of National Revenue makes a judgment on whether that person should receive unemployment insurance. He may make a judgment that that person must pay back unemployment insurance for as many as three or four years. That judgment is sent to the individual in question. The individual, who is perhaps going to trade school, college or university, wonders how he will pay back $5,000.

He therefore appeals to the board of referees. Over board members' right shoulder is the investigator of the Unemployment Insurance Commission. Over the other shoulder is someone with the Unemployment Insurance Act and the determination is made by the Department of National Revenue. In 99 per cent of the cases the board of referees follows the original judgment made by the Department of National Revenue upheld by the Unemployment Insurance Commission.

● (1620)

Of course, that student can then appeal to the Minister. Once that appeal is turned down, the Minister makes a judgment, and if the student really wants to go further, he can go to the Federal Tax Court of Canada. Last year, the umpire, who was similarly a federal judge, would hear the case. Many judges have made judgments concerning part-time and full-time students. One can read the many judgments that have been made over the years.

The basic is that one is not allowed to do anything while collecting unemployment insurance. Even if you leave your home telephone number in order to go looking for work elsewhere and someone finds out about it, you can be cut off for the time you have been gone.

Let me give an example of one of the most ridiculous aspects of our system. One can find, in those institutions that provide upgrading courses or courses in new occupations, people who are on what is called a manpower seat sitting next to a person who is not receiving any money at all. It is a situation in which they are taking the same course, have worked at the same job and finished their work at the same time. They have the same rate of benefit, but one is getting paid and the other is not. There could be someone on what is called a provincial seat. This leads to a situation where someone could find out how much a provincial seat pays for training and choose that, if that person qualifies for such an allowance from that particular province. It is entirely unfair that someone is receiving

unemployment insurance and taking a course while the person in the next seat is not getting a penny.

This has nothing to do with income but with the way the lists are distributed. Currently, there are new rules for deciding who gets the manpower seat. The new rule is: first come, first served. For example, someone could be on that list for three years while another person might apply this year for a course because of his or her prospect for employment in that occupation. Although that person may need the course more than the one who has been on the list longer, the rules state that it is is first come, first served.

What should happen in the case of unemployment insurance? I believe that if somebody qualified for unemployment insurance and is available to work outside the normal retraining hours, he should be able to draw his unemployment insurance without any interference from the Unemployment Insurance Commission.

It is unfortunate that the changes being made by the Minister of Employment and Immigration are detrimental. Recently, she changed the mobility allowance. The Government announced that it was going to cut back on that allowance, but now one must exhaust one's unemployment insurance in order to get it.

I watched the news on one of the national networks in this country the other night. There was an item dealing with all the jobs available in Banff, Alberta. At that time I was staying at a home on one of the islands in Newfoundland where everyone in the house was unemployed. After this report about all the available jobs in Banff, the reporter said that there is even federal assistance available to move people to Banff to fill these jobs. Every one of those unemployed people in the house knew that was a complete fabrication of the truth because they knew of the requirements to get a mobility grant. In order to get a mobility grant, not only is it necessary to have a job that lasts for more than one year, the nearest Manpower office to that job must list that job for a specific period of time. It then must go to the next closest place to be posted again. Mobility is approved on the authority of the local Manpower office closest to the job, after you have a signed declaration from the employer guaranteeing work for over one year.

I suppose that there are people who do not understand what it means to be unemployed. They may sit in their homes and criticize people for being lazy for not taking those jobs. There are people throughout this country who are anxious to go there if they only had enough money to take the train. If the Department of Employment and Immigration decided to hire a VIA Rail car and provide meals along the way for people travelling, there would be plenty of employees in Banff.

The reason for this inequity is quite simple. There are people who have never drawn unemployment insurance and therefore do not qualify to go to work on any federal job scheme. That is the law because one must have exhausted one's unemployment insurance in order to qualify.

Now, people do not qualify for mobility grants unless they have exhausted their unemployment insurance. Let us consider the case of those over 18 years of age who are living at home and have lost their family allowance. If they have never worked before they cannot get welfare in four provinces in this country. If those people are living with someone else, they qualify for welfare in some province. In Newfoundland, it is $71 a month. The point I am making is that as a result of the Government's recently passed measures, it is really putting the nail in the coffin and giving no hope at all as far as the Unemployment Insurance Act and the Minister of Employment and Immigration are concerned.

The other day I asked the Minister a question concerning 210 people in Newfoundland who are judged to owe her Department between $5,000 and $7,000 as a result of an audit of a certain company. The Minister's response was that she responded to a telex from the Premier, a telex from the Minister of Fisheries and one from someone else. She said that her Department will go very easy on the collection of the money. However, it was a mistake in the company's books. That indicated to me that the Minister of Employment and Immigration knew no more about those cases than the man in the moon. She only knew what she was advised by her advisers in Ottawa and in the regional office in Newfoundland. Of course, their advice was that the company had made a mistake, as they saw it.

The fact is that the benefits from funds paid out to the Unemployment Insurance Commission by a company depends on the occupation and when work is performed for the company. Let us take the case of a fisherman. He is judged to have an unemployment insurance benefit when he sells fish to the company. Let us assume that he sold the fish to a company once every two weeks. The books would show that he worked for the week in which he sold his fish.

The Unemployment Insurance Act states that if that person worked the previous week, in order to get that particular product he was selling to the company the following week, that company can issue two unemployment insurance stamps. In other words, it is work for two weeks but it is not on the books of the company because audits are made according to what is on the books. What is on the books of the fish company is shipments of fish.

The Minister said that the company made the error in issuing those unemployment insurance stamps. I suggest that no one made an error. None of those fishermen should be paying back that money and receiving attachments. The people who made the error were the bureaucrats who advised the Minister to instruct her unemployment insurance officials and the Department of National Revenue to go over the books of these companies. That is who made the error. In other words, that will go, as the Minister said, to the board of referees. The board of referees will side with the Department of National Revenue, and then the case will go to the Deputy Minister of National Revenue on a second appeal. The Deputy Minister of National Revenue will side with the people who performed the audit. Then the case will go to the Federal Tax Court of Canada in about two years' time. Meanwhile people cannot collect their unemployment insurance.

● (1630)

What will happen in the court? A judge will sit on that case and he will say that if there is reasonable doubt, then the Minister of National Revenue (Mr. Beatty) is wrong. We will go through this entire procedure for two years and at the end a federal judge will say: "There is doubt here because these are the facts". Meanwhile, what have you done? You have put all these people through all this misery, and the Minister gives a simple answer. She said: "The company made an error". That is what is wrong with the direction of the Government. It is trying to cut back on unemployment insurance. The Government does not want to give unemployment insurance to the fellow going to school. The Government is not going to correct that. The Government will not do what part of this Bill says. The Government is going to save money in the unemployment insurance fund. The Government will cut back and will look good to some of the employers in the country. The Government is going to look good to people who say that everybody on unemployment insurance is lazy. That is what is going to happen.

As I said before, what should happen is that anybody who wants to up-grade himself or herself and attend a trade school or a course of instruction should be able to draw his or her unemployment insurance, because as it exists today half the people in the class are drawing unemployment insurance and the other half are not.

[*Translation*]

Ms. Carole Jacques (Montreal-Mercier): Mr. Speaker, I am very pleased to have the opportunity to express my views on Bill C-221. I must congratulate my colleague for introducing in the House this Bill to amend the Unemployment Insurance Act. With the proposals he has set out, we have the opportunity to examine closely the said Act and the way it is applied to the Canadian people.

Today I will only talk about the proposed amendments to section 39 which sets out the requirements a claimant must meet to receive normal unemployment insurance benefits while attending a training course recognized by the Canadian Employment and Immigration Commission.

Mr. Speaker, we are talking now about the use of the Unemployment Insurance Fund for innovative purposes, a provision of the Act which has been in force since 1977.

In order to be able to assess the impact of the proposed amendment to section 39, I think, Mr. Speaker, that it is essential to understand fully what are those innovative uses I have just mentioned.

During the next minutes I intend to make a summary of the objectives of section 39, in its present form, and to explain how the provisions are applied.

Under the innovative uses of the Unemployment Insurance Fund, trainees who receive unemployment insurance benefits can continue to do so while they participate in programs designed to improve their employability. The purpose of section 39 of the Unemployment Insurance Act is to simplify the provisions relating to income support as far as the claimants who are attending occupational training courses are concerned.

This process supports the following objectives: first, to accelerate professional re-entry of the claimants; secondly, to multiply the training opportunities for the claimants; thirdly, to mesh the objectives of the Unemployment Insurance Act and of the National Training Act for claimants. Fourthly, to increase the number of manpower training courses offered to the unemployed, taking into account the needs of the labour market.

Trainees who receive an income supplement from the Unemployment Insurance Fund belong to two different categories: those who attend training courses approved under the National Training Act, and those who attend approved classes at their own expenses or at the expense of a province or some other agency. Trainees may receive unemployment insurance benefits during the training session and six weeks thereafter in order to look for a suitable job.

Supplementary allowances to live outside their home, to look after dependents, to travel or to commute may be paid in accordance with the National Training Act or from funds earmarked for the mobility program. These supplementary allowances cannot be paid to those who finance their own training.

Selection and recommendation of trainees is done in the usual way by employment counsellors using the normal process for information gathering.

Trainees entitled to unemployment insurance benefits lower than the training allowance they would receive, can receive other benefits to bring the total to an amount equivalent to the training allowance.

To receive benefits under section 39, the trainee must be eligible to unemployment insurance benefits. Furthermore, he or she must be selected by an employment counsellor for an approved training program. Trainees which are sent to an approved vocational training course at their own expenses are entitled to unemployment insurance benefits as long as they have not exhausted their entitlement and the course is geared to the needs of the labour market.

Trainees who pay their own way must attend courses in trades of national or regional importance. Provisions have been established by members of target groups. Trainees can also attend language classes if their lack of knowledge of one or the other official languages prevents them from finding employment.

The total amount allocated under section 39 for every calendar year is established by order in council. Maximum payable benefits as well as unemployment insurance premiums are revised every year. In 1984, the maximum weekly benefit was $255; in 1985, it is up to $276, an increase of 8.2 per cent.

Mr. Speaker, according to the statistics provided by Employment and Immigration Canada, 56 per cent of trainees will take those courses under section 39. Those courses will last an average of 16 weeks. And their costs are estimated at $234 millions for the fiscal year 1984-85.

Eligible trainees receive unemployment insurance benefits as income support for the duration of the course. The government assumes part of the costs and the employers and the employees the other part with their contributions. But the government alone pays the entire cost of any extension of benefit granted to a trainee to conclude his training as well as the supplementary extension up to six weeks allowed to seek employment. It is a large sum of money. But it is a sound investment in our human resources and an efficient mean of preparing our unemployed for the labour market.

Mr. Speaker, let us now refer to the proposed change to section 39. In its present wording, section 39 deals with the attendance of beneficiaries to training courses which correspond to their needs and may help them to increase their earning capacity as well as their "employability". The submissions are based on the labour market criteria established under the National Training Act.

● (1640)

Bill C-221 would bring one change: instead of attending a training course paid for by the Commission, a claimant would simply be authorized to take a course. It is possible to link courses trainees could take at their own expense with the conditional enrolment policy.

According to that policy, a claimant may, under certain circumstances, attend a training course and receive unemployment insurance benefits provided for in Section 25. Here are the conditions:

1) an employment counsellor certifies that the claimant cannot be enrolled in a course under Section 39;

2) the claimant cannot find a suitable job in a reasonable length of time;

3) the training course suggested would increase his chances of finding a job;

And those are cumulative conditions, Mr. Speaker—

4) he would leave the course if he were offered a job.

Pursuant to this Bill, claimants to whom Section 39 applies can receive unemployment insurance benefits or training allowances, whichever are the highest. Moreover, the period of payment can be extended to 104 weeks if the trainee is attending a course.

The proposal is innovative. It is a step forward in that area. We want to make sure that unemployment insurance funds are used in the best way possible.

It also recognizes that training and retraining are vitally important to allow our citizens to participate in the economic upsurging.

Mr. Speaker, as Hon. Members know, since last December the Minister has been holding extended consultations concerning the improvement of the Government's training and job-creation programs. Several interesting suggestions have been received from all sectors of society. With his Bill, the Hon. Member is making a valuable contribution and is keeping us abreast of the times.

In fact, the Bill and its consideration by the House will be a very useful contribution to the review of the Unemployment Insurance Act that was announced on November 8, 1984 and to the improvement of training programs throughout the country.

[*English*]

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I congratulate the Hon. Member for La Prairie (Mr. Jourdenais) for introducing this Bill. I regret that the Government has not taken the steps which it promised to take on numerous occasions over the last few months. We heard rather extensive discussion on the part of an Hon. Member on the Liberal benches which seemed to me to be a discussion aimed at prolonging the debate and making sure the Bill was talked out. However, I think the Hon. Member for Montreal-Mercier (Ms. Jacques) made a valuable contribution. She spoke for a sufficiently brief time to indicate that it was not her effort to prolong the debate nor to talk the Bill out.

Anyone with municipal council experience knows of unemployed constituents who have attempted to take initiatives to improve their education and training and, if on social assistance or unemployment insurance, have found themselves threatened with disqualification. If it should happen that under the National Training Act they have to make a choice, they will find that the benefit under that Act will provide them with allowances which are less than social welfare payments. The unemployment insurance arrangements are somewhat better. However, the Hon. Member pointed out one of its significant defects. There seems to be an inclination to deprive the individuals involved of an opportunity to make their own choice with respect to what kind of training or education they will pursue.

I do not propose to take very much time. I just want to point out how consistent the Bill is with a document which was produced by the Minister of Employment and Immigration (Miss MacDonald) last December. It is really quite a marvellous document. Most people who read it will find that it contains a number of quite exciting ideas in respect of providing opportunities for those Canadians who want to work. I think most people would agree that most Canadians want to work and should be provided with opportunities to obtain training and education to provide themselves with the wherewithal to qualify for available jobs. However, I regret that the document which resulted from the discussion of this consultation paper, that is the agreement between the Government and the provinces, while high on rhetoric is slight on specifics. There is very little reference to many of the excellent ideas proposed in the document of the Minister in which key ques-

tions were posed. How can the unemployment insurance system be best used to promote training and prepare the unemployed to find jobs? Are arrangements under Section 39 of the Act sufficiently flexible to provide income for all who can profit from training? How can arrangements under the Canada Assistance Plan best support a co-ordinated country-wide skills development strategy? The document indicated that part of the answer would be an extension of training for those in receipt of unemployment insurance, including training in courses not directly sponsored by the Government. It would seem clear to anyone familiar with this document that the Bill before us today is a singly resourceful effort to prod the Government along the path it appears bound to take. It would be unfortunate and indeed hypocritical if Hon. Members in the House today did not express their support for the Bill by referring it for third reading.

Mr. Alan Redway (York East): Mr. Speaker, it is a pleasure to have an opportunity to make a few comments in connection with Bill C-221, an Act to amend the Unemployment Insurance Act, 1971. I, too, would like to congratulate the Hon. Member for La Prairie (Mr. Jourdenais) for bringing the Bill forward. It is an excellent initiative by a private Member and one that certainly should be applauded.

The Unemployment Insurance Act is one of the cornerstones of our social security system. This is what gives me particular pleasure in having an opportunity to say a word or two about it. Years ago, as we are all aware, there was no such thing as unemployment insurance. Anyone who was faced with the tragedy of losing his or her job was forced on to the dole or general welfare assistance. Before then there was not even that type of assistance to look after someone who lost his or her job. I suspect that everyone in the Chamber today, and perhaps every Member of the House, has had that type of experience in their own family circle or in their circle of friends. We have had that type of experience in my own family. Before there was anything like unemployment insurance or general welfare assistance, my family had the tragic experience of unemployment. I can recall stories my parents and relatives told about members of the family having to struggle in that sort of a situation, and I can recall quite clearly the stories of members of my family who lived out the final years of their existences in complete and absolute poverty because of that sort of problem.

• (1650)

Fortunately for all of us, this sort of thing does not exist any longer. The unemployment insurance concept is one which recognizes that anyone who loses his or her job does not do so through his or her own fault. It provides people a method of providing for themselves and their families through a system to which they themselves have been able to contribute. That allows them to carry on with a great deal of dignity and a feeling of self-worth. A lack of self-worth is probably one of the worst problems associated with losing one's job. It is obviously not nice to have one's income suddenly cut off, but above and beyond all that is the dreadful feeling that one is not quite as worthy as one's neighbour who has a job. Certainly this type of legislation has made sure that that sort of problem will not exist.

In spite of the fact that the general principles of unemployment insurance are universally accepted, there are a good many problems with the details of the Unemployment Insurance Act. Over the last several years, there have been a number of such instances pointed out by a good many people. There has been a lot of debate and concern about a variety of different aspects of the Unemployment Insurance Act. Just to name two or three such aspects, there is obviously a concern about the waiting period that exists before benefits can be collected. There is some question over whether or not, if one leaves one's job voluntarily, there should be a lengthening of the waiting period rather than the waiting period which now exists. As well, concerns have been raised about the amount of time one should have to work before qualifying for benefits. That too has been a matter of a great deal of concern and debate over the last few years on the part of those who feel that the unemployment insurance system has been abused from time to time.

In addition to that, there is the concern of employers and particularly small business employers over the contributions they must make to the fund and the feeling that those are out of proportion to the earnings they can generate within their own businesses. Because of that, there have been recent suggestions for changes to the Unemployment Insurance Act. It has been suggested that we could take some of the employers' contribution provisions out of the Act and pay those contributions out of general tax revenues or the Consolidated Revenue Fund. All of those items are items at which we must look seriously.

The concern set out by the Hon. Member for La Prairie in Bill C-221 is another concern at which we must look very seriously with a view to amending the Act to make sure that there is equity and fairness in the provisions of the Unemployment Insurance Act. A number of Hon. Members have referred to the purpose of this Bill. It is the intention of this Bill that a person attending a course or program of instruction or training chosen and paid for by him or her should receive benefits under the Unemployment Insurance Act subject to the approval of the Commission since such a person, unlike those attending courses paid for by the Commission itself, is not now entitled under the present provisions of the Act to receive unemployment insurance benefits because he or she is considered to be unavailable for work. That is certainly an admirable proposal and one which I suspect every Member of the House endorses. It would seem that people who propose to pay for their own training and education in order to improve their employment chances should not be in a worse position than those who rely on training courses set out by the Commission itself. I endorse that proposition wholeheartedly.

The wording of the Bill itself, as I understand it, however, causes at least one technical difficulty in the administration of the Act. That has to do with the appeal provisions. As I understand it, the revised Section 103 would provide that where there was an appeal and the appeal was granted in a

situation with more than one claim for unemployment insurance benefits, one of which was not under appeal and the other of which was, a claimant would receive benefits if his appeal were granted not only for the period of time it was under appeal but for the entire period dating back to the day the initial claim for the benefit was made. I do not really believe that that is what the Hon. Member intended when he put forward this Bill. I am sure he did not want to see someone getting a benefit to which he was not entitled. He wanted to make sure that people who should be receiving benefits would get them. With that in mind, it seems to me that the Bill does need a little polishing up before it is enshrined as part of the Unemployment Insurance Act.

Hopefully, the Government will bring forward very shortly a proposal incorporating the Hon. Member's proposal but one which would solve that small technical difficulty included in Bill C-221. At the same time, I hope the Government will put forward a number of other proposals that will improve the Unemployment Insurance Act while at the same time continuing to enshrine those general benefits all of us wish to see continue.

While I am one who believes that considerable changes should be made to the Unemployment Insurance Act, I hope at the same time that before we make those changes, we can produce a great many more jobs than exist right now. Any changes in the Unemployment Insurance Act, apart from the one put forward by the Hon. Member, may very well reduce the benefits to potential claimants rather than enhance them. If that is the case, it would certainly work a hardship on people if it were to be done at a time when there were one and a half million Canadians unemployed. I know the Hon. Member would not want to see anything like that occur in his own riding.

While I applaud the Hon. Member's proposal and would like to see it incorporated in the Act and while I applaud many of the other proposals that have been made from time to time by small business and by individual Canadians across the country, I would really like to make sure that we put all Canadians who want to work back to work again before we run the risk of disentitling any of them from these benefits. Having said all that, I would like to applaud the Hon. Member for doing an outstanding job. I am sure that as time goes by, the concept he has outlined here will be enshrined in the Unemployment Insurance Act of Canada. I am sure such an amendment would be a glowing tribute to the Hon. Member and one of which he could be proud in the future.

[*Translation*]

Mr. Deputy Speaker: Order. Private Members' Hour has now expired.

It being five o'clock, this House stands adjourned until Monday next at eleven o'clock a.m. pursuant to Standing Order 2(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, April 22, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—PROTECTION OF THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport) moved:

That, in the opinion of this House, the Government has displayed negligence with regard to the protection, maintenance and improvement of the environment as manifested in its ill-advised reduction in services, its complacent attitude toward controlling potential hazards and its complete abdication of any leadership in the protection of the environmental health and safety of Canadians.

He said: Mr. Speaker, you may ask why we have moved this motion today. Our answer to you, of course, is that there is a mounting dissatisfaction on the part of Canadians. What the Tory Government has boasted about achieving during the past six months, Mr. Speaker, was only possible because of the work done by successive Liberal Governments until September, 1984. In other words, the food was ready to be served. What was ready to be put on the table was the agreement with the provinces on acid rain; the provision of funds for the clean-up by way of modernization of the non-ferrous smelter industries, the car pollution controls; the laws and regulations on the transportation of toxic chemicals and the water inquiry. The groundwork was done. The foundation and momentum were provided by successive Liberal Governments. The Tories may not like to hear that but it is a fact.

What must be addressed today is what the Progressive Conservative Government has neglected to do with respect to the environment. That is what we call in our motion "abdication of leadership". It is abdication of leadership, for instance, when the Prime Minister (Mr. Mulroney) in Quebec City fails to impress on President Reagan Canada's 50 per cent reduction program on acid rain; the Prime Minister allows himself to be sidetracked by President Reagan with the appointment of William Davis as the acid rain envoy. It is abdication of leadership when the Government of Canada abandons our international role on acid rain instead of intensifying it this spring in the months leading to the Helsinki agreement which is to be signed by the ECE nations of which Canada is a member, having launched the Ottawa Club in March, 1984. At that time there were ten nations taking part. They have now become 20. It would be extremely important to ensure by international and diplomatic initiatives that we get the United Kingdom to sign, or to declare itself ready to sign. That would make quite an impact in Washington. It is extremely important also to get Greece, Turkey, Spain and Portugal to join because this is the way in which, hopefully, we can get the United States administration to sign up in Helsinki in July of this year.

With respect to PCBs, Mr. Speaker, the Government failed to recognize immediately the federal role and responsibility both on the question of interprovincial trucking and on the question of controlling air transport of contaminated samples until it was pushed by the Opposition. I must say, Mr. Speaker, it took long and hard work to arrive at the Transportation of Hazardous Goods Act because of its complexity, the regulations and the consultations which were needed with industry.

Now that it is all in place, I submit to you, Mr. Speaker, that the key word on this is "toughness"; toughness with regulations, penalties and with preventive measures. I say this because we must remember as a basic principle that the health of Canadians is the most important asset we have and we must protect it. The solution to the management of PCBs and, for that matter, other toxic substances is not through transportation arrangements across Canada but through a safe disposal policy, short transportation distances, safe methods of elimination, a well informed public, and provinces which have and must have the political guts fully to discharge their responsibilities, particularly in Ontario and Quebec.

• (1110)

While we are on the subject of transportation, I might ask what leadership is the Minister of Indian and Northern Affairs (Mr. Crombie) giving with respect to his responsibility to protect the ecologically fragile north from proposed tanker routes across Lancaster Sound? His silence on this issue as well as on the recommendations contained in the task force on northern conservation published in December of 1984 has been deafening.

Another Minister who seems to be silent on a crucial matter of interest to Canadians, that of pesticides, is the Minister of Agriculture (Mr. Wise). Despite reassurances, he still has yet to move, despite all the work done in 1983 and 1984, on permitting public participation in the registration of pesticides and in arranging for a pesticides management advisory board. What we see instead is what I would call negative leadership. Let me explain.

Negative leadership is the ignoring of the plea by thousands and thousands of Canadians who still oppose the wildlife cuts, the amount being saved by that cut representing an infinitesimal fraction of 1 per cent of the deficit, while the social and

economic loss is immeasurable. There is negative leadership in cancelling the Guelph Toxicology Centre, a centre of excellence which would have given Canada a lead role in the world. Would that centre have been cancelled if it had been planned in the Prime Minister's riding? I wonder. There is negative leadership in cancelling renewable energy research at the National Research Centre and the energy saving and conversion programs, while at the same time continuing with a very expensive system of grants to oil companies exploring for conventional energy in the Arctic. That does not make sense.

By looking at this kind of activity, one can also see a failure to confirm the policy in national parks, an established, long-term policy whereby Canadians know that what comes first is the conservation role of national parks and, secondly, tourism. What we see is what I would describe as inaction and wrong decisions. For instance, it was a wrong decision for the Minister of the Environment (Mrs. Blais-Grenier) to go to Stockholm instead of attending an international conference on acid rain in Quebec City. That was inaction.

It is inaction when the Minister prefers to sit in her office checking whether she is getting work done by officials instead of getting out into the communities to listen and to learn. For instance, after eight months in office she has not yet visited the Niagara River. She has not given leadership on the recommendations published last October by the Niagara River toxic chemicals committee. It is a situation that cries for attention, action and leadership, but all we get from her are pious press releases. Although in office for eight months, the Minister has not yet met with the EPA on this crucial matter. She has allowed the cancellation of the toxic chemicals management program, a badly needed $2.5 million program to protect the health of Canadians with respect to water in the Great Lakes. Why has she done that, Mr. Speaker?

The Government's obligation of leadership, which is the body and spirit of our motion, is to be found also in fundamental, basic levels of policy-making. There is a failure on the part of this Minister and the Government to recognize that the environment is the foundation of our health. There is a failure to understand and recognize that the environment is the foundation of our economy. Therefore, there is a conceptual incapacity to understand that the environment, health and the economy are one and the same.

● (1115)

In justification of environmental cuts the Minister of the Environment (Mrs. Blais-Grenier) and the Government speak about "getting our economic house in order first". In doing so they abdicate leadership because they fail to recognize the inescapable reality that our health, the economy, and our lifestyle depend on a well managed environment.

Canadians will not be fooled by the false notion that we must look after the economy at the expense of the environment. Canadians are light years ahead of the Government in their view of the importance of the environment. The economic views uttered by the Minister of the Environment are backward, simplistic, and sheer nonsense. Canadians want the close relationship between the environment and the economy recognized by the Government. They know that neglect or postponement of preventive and clean-up action in the environment inevitably leads to greater costs in the future. That is economics, Mr. Speaker.

The support that the Minister has in this country can perhaps be counted on the fingers of one hand. She has not yet understood what her job is all about. Canadians want her to be an advocate of the environment. They want her to give a sense of direction at the provincial, national and global levels with non-governmental organizations and volunteer groups. They want her to be an impassioned speaker for our right to live in a healthy environment and to preserve it for future generations. They want to see her out of her office fighting for the environment and advocating the protection of our health, our water, our air and our economy in the long term.

In recent days we have heard a lot about the Charter of Rights. It ensures everyone the right to life, liberty, integrity and security of the person. The time has come to enlarge the interpretation of the notion of the security of the person to mean the right to a healthy environment. It should be declared as a constitutional right of every Canadian. To this end we will soon present a Private Member's Bill. The ineptness and lack of action of the Government in a variety of issues related to the environment is jeopardizing the inherent right of Canadians to health and safety as spelled out in our motion today.

It is becoming clear that Canadians have been fooled by this so-called Progressive Conservative Party. That Party, despite its name, is neither for progress of society as a whole, nor for conservation of our natural environment. The Government does not seem to realize that as long as it thinks about the economy as an entity separate from the environment, the economy as well as the environment will be in jeopardy. That is why the Minister of the Environment is on the wrong track when she talks of putting our economic house in order first. What does she mean by that? She does not know what she is talking about. It is such thought that was manifest 50 years ago when we were not facing scarcity and industrial waste at the rate and proportion we are facing today.

● (1120)

The Minister and the Government seem unaware of this basic, fundamental reality. Human health, the economy and the environment are one and the same. They form a single subject which cannot be separated. I suggest that it is an abdication of leadership not to realize that. Reducing services and eliminating programs is an abdication of leadership. Sitting in an office on the 26th floor of a tower across the river is also an abdication of leadership.

Enough time has elapsed for the Minister to understand the importance of the advocacy role. We all know that in every Government department one must speak for the interests of that department and fight for it. Not performing an advocacy role with passion and commitment at all possible levels is another form of abdication of leadership.

We have placed this motion on the Order Paper today with profound regret. We would rather be commending the Government for doing its duty with respect to the environment. We would be glad to applaud the Minister of the Environment and the Prime Minister, but the fact of the matter is that once we remove that for which the Government has been taking credit in the last six months—which is food prepared by the previous Government—one can see a horrendous vacuum.

We can see an intellectual bankruptcy and emotional emptiness. The environment, perhaps more than any other assignment in government and politics, is one that requires passion, commitment and a strong sense of leadership which shows a direction for this nation that will not be deflected by federal-provincial niceties. There is a time when Canada is more than just the sum total of each provincial Government. There is a moment when the health of Canadians is a national concern. That is the theme we are putting before the House and that is why we are so upset about the lack of leadership, indeed the abdication of leadership, on the part of the Government. For those reasons, Canadians are increasingly being turned off by the PC Government. It will not return as the Government, at this rate, come the next election.

[*Translation*]

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Saint-Jacques (Mr. Guilbault).

[*English*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, during his remarks my colleague referred to the Niagara River toxic pollution problem. He expressed his doubts about the work the Government has done on this particularly tough issue. Would he give us his opinion as to what the Government should do now to improve the situation in the Niagara River?

Mr. Caccia: Mr. Speaker, the Government should implement the recommendations contained in the report by the Niagara River toxic chemicals committee that was published last October. There are some 26 or 27 recommendations that were jointly arrived at by the Canadian and American sides. However, only two recommendations were on the American side.

It is a very serious departure from past practices. Evidently there is a political message when only two recommendations are put forward by the American side, which are stalling-type recommendations. Evidently, the Minister must meet with the Environmental Protection Agency, speak up on this matter and take action. She must give her officials the courage and inspiration that they need in order to be effective in negotiations south of the border on this matter of toxic chemicals.

I was stunned to learn that as of April 1, 1985 the $2.5 million program for toxic chemical management no longer exists. It is gone. I hope the Minister will address that matter.

● (1125)

Mr. Lewis: Mr. Speaker, I listened with absolute amazement to the former Minister of the Environment who was an acknowleged bankrupt in terms of getting anything done during his term of office. It was acknowledged on all sides of the House that no progress was made during his tenure as Minister of the Environment. It was an acknowledged fact that his Ministry, his Government, could not get along with the provinces and that was the reason there were no agreements signed on the transportation of dangerous goods. It was an acknowledged fact that the Canadian Government, under the Liberal Party, fought with the United States and thumbed its nose at the United States at every opportunity, and that was the reason nothing was done. Perhaps the bureaucrats were working hard, but there was absolutely no political will in the Liberal Party to get along with anybody. The Liberals wasted years of opportunities to do important things about acid rain, the environment and the transportation of PCBs. The House should recognize that the fault lies with the lack of political will by the Party that was intellectually bankrupt when it came to matters concerning the environment.

Mr. Gauthier: That is distorting the facts.

Mr. Caccia: Mr. Speaker, I would be glad to set the record straight concerning some of the questions raised by the Hon. Member. First, the Hon. Member for Simcoe North (Mr. Lewis) spoke of no progress having been made. The fact is that on March 6, 1984, in Ottawa, the federal and provincial Ministers of the Environment arrived at a federal-provincial agreement at that time. They decided to go it alone setting themselves the target of a 50 per cent reduction in pollution by 1994.

The Hon. Member spoke about the fact that we could not get along with the provinces. We got along with the provinces famously, Mr. Speaker. The former Minister of the Environment for Ontario and I worked together 100 per cent all the time. He was a great source of strength to me. I want to recognize publicly his immense role in bringing about that understanding on March 6, 1984. Two weeks later we had the "Ottawa club" being formed when nine European nations came to Ottawa and made a commitment to cut acid rain by at least 30 per cent by 1993. Three months later in Munich, on June 19 approximately, those ten nations became 20, nations that say that by 1990 they will cut acid emissions by 30 per cent.

As for the last allegation of the Hon. Member that we fought with the United States, we spoke plainly with our neighbours. We told them that as Canadians we cannot tolerate waste being dumped on our side of the border because we are downwind to the United States. The United States produces 26 million tonnes of sulphur dioxide every year. We had good reason to be legitimately indignant about that. As a good neighbour one does not dump stuff into one's neighbour's back yard; not even the Hon. Member for Simcoe North would advocate that theory. We said to the United States, come and join us, we will work together because we know that we produce this nasty stuff to the extent of one-sixth of what the United States produces. We said since our waste is damaging the United States because the northeast of the United States is

downwind of Canada, and since Canada is downwind to 26 million tonnes of U.S. waste, let us come to a treaty. This treaty was spelled out as an incipient concept in 1980 when the memorandum of intent was signed between Canada and the U.S. by a Canadian Liberal Government and a U.S. Democrat Government.

It is best to speak plainly with your neighbour, Mr. Speaker, and to put forward Canadian interests instead of crawling on your belly, going down on your knees with ashes on your head. This is what the Prime Minister did in anticipation of the Shamrock meeting when he said: "We are the culprits; please forgive us. *Mea culpa*". It was nonsense. It gave away our bargaining position. We have a 50 per cent reduction program in place; the Americans have none. We have a commitment to cut by 30 per cent by 1993; the Americans have none. We are delivering the goods; they are not. What is the point of being on our knees when we have a legitimate national, domestic interest?

• (1130)

Mr. Keeper: Mr. Speaker, could the former Minister of the Environment let us know how we can take seriously his new-found piety in the area of the environment, given the fact that when he was in office he had an opportunity to put in place effective regulations which would deal with the transportation of dangerous goods and would have prevented the PCBs disaster that has just taken place? How can this former Minister stand and talk in a self-righteous manner about the environment?

Mr. Caccia: Mr. Speaker, I will be glad to answer the question. It comes from someone who has never been in government and will never be in government. He does not know the reality of obtaining support for a very complex piece of legislation and then drafting regulations which will be acceptable to 10 provincial Governments, to the two Territories, and to the industry itself which just last week was still complaining about inadequate consultations. It was a very difficult process. It was under the jurisdiction of one of my colleagues who pushed very hard for it, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). If the process took a long time, it was because it was a complicated one. However, it was achieved. It was brought to a conclusion. There is no double standard on this. The fact of the matter is that we have the law and the regulations. Now we have to wait for the provinces to catch up with us by July 1.

Mr. Keeper: Mr. Speaker, the former Minister said that he took action on the environment. Sure, he took action, but that action was ineffective. How could he talk about taking action which allowed for the PCB disaster that we have just experienced? How could he call that action effective?

Mr. Caccia: The Hon. Member is not listening carefully. The action was effective because it produced a law. The action was effective because it produced a set of federal regulations. The action will be effective once the provinces dovetail their regulations with ours. The goods have been delivered, although it took a long time.

Mr. Deputy Speaker: The period for questions and comments is terminated.

[*Translation*]

Debate resumed. The Minister of the Environment (Mrs. Blais-Grenier).

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I do not think I really have to comment on what the former Minister of the Environment said, since his credibility is not very high as it is and the events are self-explanatory.

Mr. Speaker, the incident at Kenora which resulted in the spilling of PBCs on the highway over more than 70 kilometers, and which involved a number of individuals including a young couple with two young children, was quite dramatic, especially since it could easily have been avoided. There was probably some human error involved, but I like to think that there was no criminal negligence. However, I would not want to anticipate the conclusions of the special investigators or any other authorities who will be asked to give their assessment.

I have already said publicly that within hours of this dramatic incident, I got in touch with my Ontario counterpart, the Hon. Morley Kells, Minister of the Environment. I have remained in constant touch with him in order to evaluate on an ongoing basis reports of the various intervenors in this case, although it is mainly a provincial responsibility.

I have also given instructions to my departmental officials to communicate with the principal health officer for the Province of Ontario and offer any assistance my department might be able to add to what is being done by the Government of Ontario, either to the family or to experts already involved in this case or to other individuals who might have come into contact with the PCB's. Later on in my speech I intend to elaborate on the action taken most recently by my department in this case. At this point, Mr. Speaker, I merely wish to say that notwithstanding the claims of the Opposition, this action has been frequent and always in accordance with our specific responsibilities.

In fact, the role and responsibilities of the provinces and the Federal Government in such situations are clearly defined in our emergency procedures, and it is therefore, both desirable and essential that each party act according to these procedures and stick to its assigned role to prevent any confusion in a situation that requires quick, sensible and effective action. The procedures are aimed at keeping the number of individuals on the spot, in case of an emergency, at a minimum, for efficiency's sake. The principal role in this particular situation is played by Ontario, which has acted with the requisite speed and taken charge of the emergency procedures, as was indeed its responsibility.

Mr. Speaker, at this point, I think a few words are in order about the role played by the Opposition, especially by the Member for Danverport (Mr. Caccia) and by the Leader of the Opposition (Mr. Turner) in this matter, and I would qualify their conduct as shameful. All last week, Mr. Speaker, we have heard a series of charges directed at me and my department, on the action that we should have taken and the action we omitted to take, all of this proferred in the vociferous style adopted by the Opposition since the beginning of the new session, a style that the Hon. Member for Davenport wields so well. These charges, Mr. Speaker, are all preposterous and absurd, even allowing for the fact that the Opposition is trying to score political points. In fact they need to score a couple of points if we look at the polls. In this House we have become accustomed to the kind of absurdities that are being spread around and that are merely fodder for the sensationalist type of press and are not an attempt to inform the public objectively about situations on which it must form an opinion. However, this vociferous style and these erroneous allegations have not had the desired effect on Canadians since September 4.

Mr. Speaker, when the Members of the Opposition, including their party leader, the Leader of the Opposition in the House, play on the sentiments of the Canadian public in order to score political points, and I said it before and I say it again, their conduct is absolutely shameful. Let me give you an example of their behaviour. The Right Hon. Leader of the Opposition directed the following question to the Prime Minister on April 16 of this year, and I quote:

[*English*]

Will the Prime Minister consult with the Minister of the Environment to ask her to come before this House and admit that under the Environmental Contaminants Act, a federal Act, she has a primary responsibility, not diluted by provincial jurisdiction, for the prevention and cleanup of spills of dangerous chemicals?

• (1140)

[*Translation*]

Mr. Speaker, is it possible that the Right Hon. Member, the Leader of the Liberal Party and the Leader of the Liberal Opposition in the House, who is himself a member of the legal profession, is it possible that he does not know or understand the scope of the legislation to which he is referring and put his foot in it, all in good faith of course? Can he possibly have acted this way in good faith? Is it possible that a professional lawyer whose own Party was in office when that legislation was adopted—I am referring to the Environmental Contaminants Act—is it possible that a lawyer and Party leader does not know the application and scope of the law? Mr. Speaker, the Right Hon. the Leader of the Opposition refers to the Environmental Contaminants Act and rakes us over the coals for failing to intervene in Kenora pursuant to that Act. Is it possible that the Leader of the Opposition is so badly informed or advised by his environment critic, the Hon. Member for Davenport, that he does not realize that in this specific case, the Kenora incident, that Act does not apply? Mr. Speaker, I leave you to draw your own conclusions on the ignorance—obviously crass ignorance in this case—or malicious intent of the Opposition. Mr. Speaker, that is reprehensible behaviour whereby the people are held to ransom instead of being given the information they need to make their own objective judgement on the events in Kenora.

So as to enlighten the Right Hon. the Leader of the Opposition, I will give him a summary of the purpose of the Environmental Contaminants Act to which he erroneously referred in this House on several occasions last week. According to the Act, no person shall, in the course of a commercial, manufacturing or processing activity, wilfully release, or permit the release of a substance specified in the schedule or any substance that is a member of a class of substances specified in the schedule. It does not cover an incident like that in Kenora. It does not cover the use of dangerous substances in business and industry. Therefore, the Act to which the Right Hon. the Leader of the Opposition referred many times does not apply in this case. Mr. Speaker, I would suggest that the Leader of the Opposition and his environment critic go back to the basics for further study and better understanding of the scope of the various pieces of legislation now in force in Canada.

The Act which might have applied in this situation is the Transportation of Dangerous Goods Act. Unfortunately, this Act could have been made operative under the former Liberal Government, but it has been lying on the shelf for five years and, owing to the inaction of the former Minister of Environment, the Hon. Member for Davenport, nothing has been done, as the NDP spokesman said earlier. Five years went by without the Liberal Government doing anything to make the Act operative. Having strongly criticized the use of PCBs in 1980, the former Government did not see any point in legislating on their transportation, storage and disposal. Of course, constant bickering between the former administration and the provinces made it impossible to reach the federal-provincial agreement required in this respect. It was the Conservative Government that had to tackle the issue shortly after taking office. It was the Conservative Government that took the initiative of amending the Act in the early days of its mandate and make it operative. Thanks to the intervention of my colleague the Minister of Transport (Mr. Mazankowski), Canada's Parliament now has the tools required to control transportation of dangerous substances and to draft the relevant regulations which will be in force as of next July 1. Following the Kenora incident and in view of the urgency of the situation, however, the Hon. Minister of Transport (Mr. Mazankowski) availed himself of a specific provision of the Act to implement the regulations on April 19, thereby hastening the coming into force of the legislation scheduled for next July 1. That is the attitude which the opposition is trying to describe as inertia. Well, Mr. Speaker, I suggest Canadians

have enough facts at their disposal to judge the performance of both the Progressive Conservative government over the past seven months, and the previous Liberal administration which had been in power for 15 years.

Now, Mr. Speaker, I should like to deal with the sharing of responsibilities in Canada. We are living in a Confederation. There is therefore in some areas a double jurisdiction. For the information of the Right Hon. Leader of the Opposition who seems quite confused about this matter and in his interpretation of the relevant legislation in this country, I must say that the federal government clearly must assume a general responsibility in the area of the environment, but that it is up to the provinces to implement the legislation, to make the regulations operative by setting up their own legal framework within the confine of their own needs and jurisdiction. Thus, the provinces have the necessary power to administer most natural resources, including non renewable and forest resources, and to decide environmental issues within their own boundaries. And for the information of the former Minister of the Environment who does not seem to understand our Constitution, I suggest he should peruse Sections 91 and 92 of the Constitutional Act, 1867.

Unless the Hon. Leader of the Opposition is dreaming of rewriting the Constitution, Mr. Speaker, this sharing of powers is essentially what determines the interventions of the various jurisdictions. In the case of the Kenora spill, therefore, the Ontario government was the first to take action as it was its duty to do under the Ontario Environmental Act and they take charge of the situation. Hence, my department had only an auxiliary, complementary and supportive role to play.

Mr. Speaker, these provisions are consistent with a certain logic or rationale. When a disaster occurs in a given location, it is clear that a leader must take charge of the situation and coordinate action and thereby avoid total confusion.

Now, concerning the involvement of my Department in this matter, I said earlier that our interventions have been quite numerous and within the limits of our responsibilities.

On April 9, 1985, through its Alberta office, my Department advised the various provincial offices that four trucks operated by the Kinetic company would be carrying PCB wastes from Quebec. A description of the trucks was also provided. On April 11, 1985, a description of the PCB waste consignment which the four trucks were to transport was sent by my Departmental office in Edmonton to regional offices of my Department in the various provinces.

My Department's Environmental Protection Service in the Quebec area was notified by the Alberta office and in turn informed the Quebec authorities on April 9 and 11, 1985, so that the latter could enforce the regulations concerning the transportation of dangerous goods which exist already in the Quebec jurisdiction.

An inspector for Environment Quebec, Mr. Legault, checked the shipment before the trucks left on April 11 of this year. Kinetic Ecological Resource Group Ltd. also advised Environment Quebec directly, before the goods were shipped, that is, before April 11.

Mr. Speaker, many authorities were involved in acting on this emergency. I shall name only a few. When the incident occurred in Kenora on Saturday, April 13, 1985, it was immediately reported to the Ontario Provincial Police, which got in touch right away with Transport Canada's emergency center. The following parties were then immediately activated to play their specific role. The Kenora police, health officers in the Kenora area, the Emergency Measures Organization in the Kenora area, the Ontario Department of the Environment in Thunder Bay, the Ontario Department of Transport and Communications, the Ontario Department of Northern Affairs, Environment Canada and the Environmental Protection Services' emergency department. In accordance with the agreed plan for intervention in case of disasters, Ontario acted as chief emergency coordinator in the field and obtained advice, services and support from other services including the federal departments concerned. At the present time, we are keeping in close touch with our Ontario colleagues to provide for the transportation of the hazardous materials to their destination and to assess the extent of the contamination that occurred.

Mr. Speaker, I believe it is important that Canadians realize that since this Government was sworn in, there has been a high degree of federal and provincial solidarity and of respect for shared powers and jurisdictions, so that we are able to act quickly in case of a crisis. I submit, with due respect, that we were very quick to act, not only in this particular emergency situation but also to set up effective legislation that will help us protect Canadians when hazardous materials are being shipped. That is more than the previous Liberal Government ever did in the 15 years it was in power.

● (1150)

[*English*]

Mr. Caccia: Mr. Speaker, I would like to thank the Hon. Minister for devoting half of her speech to my leader and myself. However, she has not answered the question which deals with the cancellation, as of April 1 of this year, of the toxic chemicals management program. That program is vital to the long-term health of Canadians. It is my understanding that as of the first of this month the program no longer exists. If that is correct, I would ask the Minister to give us a thorough explanation as to why that program was cancelled.

[*Translation*]

Mrs. Blais-Grenier: Mr. Speaker, I must say that the Liberal environment critic has been spreading all kinds of erroneous information around the country. One example is what he said in the House a few minutes ago, namely that I had yet to meet with the representative of the U.S. Environmental Protection Agency. He knows perfectly well that the

Agency director's appointment was confirmed at the end of February 1985, and since then, as the Hon. Member ought to know, I had an initial meeting with Mr. Lee Thomas of the Agency, the director whose appointment has now been confirmed, on March 18, and with members of his staff.

Mr. Gauthier: Mr. Speaker, it is clear the Minister did not answer the question. In fact she never answers questions. She attacks. She attacks and I do not know why, she is worse than a kid at school.

Mr. Speaker, I have a question for the Minister. She said: I am going to deal with the problems that concern Canadians.

Well, we have seen $38 million in budgetary cutbacks. The Toxicology Centre in Guelph has disappeared, the National Research Center ... The Renewable Resources Research Program has been scrapped, the Wildlife Service—

[*English*]

The Canadian Wildlife Service has been reduced. The toxic chemicals management pgrogram, to which the Hon. Member for Davenport (Mr. Caccia) has just referred, has also been cancelled. That program addressed the question of toxic materials in Canadian drinking water, mostly in the Great Lakes area. The Minister did not answer that question. She did not answer it because no one wrote the answer for her. She reads well, but she can hardly answer a question of such importance which is put to her. I want to ask the Minister—

[*Translation*]

—the following question concerning PCBs or polychlorinated biphenyls. Here is the question. Access to Alberta's storage facilities is now being denied. We have been told that such toxic substances will fall under provincial jurisdiction. The Minister is undoubtedly aware that the residents of Pointe-Claire in Quebec are up in arms at the prospect of storage facilities being located in their area. What does the federal Minister intend to do to co-ordinate a program for the disposal of these extremely toxic products with the provinces so as to give them the leadership she is talking about? Will she at long last show leadership and urge the provinces to discuss the major issue of water and air pollution? I point out to the Minister that it is important. She ought to refrain from making partisan politics as she has been doing for half an hour.

Mrs. Blais-Grenier: Mr. Speaker, I should think that I have no lesson to take from the Opposition on partisan politics, because its performance is indeed far below any level of partisan politics. As to the disposal of PCBs, we will co-operate with the provinces as we have been doing from the beginning instead of berating them as you did during your last five years in office when you could have regulated the transportaiton of PCBs and set up storage facilities but did not.

[*English*]

Mr. Keeper: Mr. Speaker, I would like to ask the Minister a question about the PCB spill in Kenora. In her speech she mentioned that she felt her Department and her role as Minister were auxiliary in this matter and that she was satisfied with the performance of the provincial Government. Canadians and the people of Ontario expect leadership from the Government. They do not expect the federal Minister to be auxiliary to the provincial Government, which Government has been ineffective in its actions.

The Minister said that she acted immediately upon the crisis occurring, but in the area of environment protection we need preventive action. We should not have to wait for a crisis for the Government to act. There should be legislation, programs and plans in place to prevent such disasters.

Finally, she said that there was legislation. However, this Government has a very poor record in terms of legislation. It has brought forward very little legislation in the House. There is no excuse for having ineffective legislation to deal with incidents such as the PCB spill in Kenora.

I would like the Minister to tell the House and Canadians why she has not provided adequate leadership with respect to PCBs, why she has not taken preventive action, and why effective legislation is not in place to protect Canadians from PCB spills.

[*Translation*]

Mrs. Blais-Grenier: When we talk about PCB disposal, Mr. Speaker, it is obvious that we have to find solutions concerning disposal sites. The way things stand now, people do not want to hear anything about PCB disposal sites in their neighbourhood. The matter of finding suitable sites must be settled with the provinces, and that is why I have asked that it be considered as urgent in the next few weeks so that we might for once make decisions about the disposal of this dangerous substance. If every province does not want to have anything to do with PCB burial within its territory, we will simply have to find adequate means to take our PCBs far enough for storage. There are two aspects to this question: either each province agrees to acknowledge its responsibility with respect to disposal sites, or we will have to settle the PCB transportation issue which is now raising so many objections.

• (1200)

[*English*]

Mr. Lewis: Mr. Speaker, in the short time we have been in office we have reached agreement with the provinces for a 50 per cent reduction in sulphur dioxide emissions; we have announced tougher automobile standards; we have provided an assured budget for the science of monitoring; we have created an acid rain control office; we have appointed an acid rain control diplomat; we have given a budget of $150 million to the smelting industry—which is very important to the Sudbury area—and we have provided a budget of $70,000 for technology in the use of coal. Yet the former Minister of the Environment and the former Government were unable to do any of those things despite four and a half year in office; they were completely bankrupt. They had no ability to get along with anyone or achieve anything—

Mr. Keeper: For 16 years.

Mr. Lewis: I appreciate my colleague from the New Democratic Party agreeing with me. I am sure that there are some members of the Liberal Party not here today who would also agree that there have been four and a half years of complete inaction by the former Government.

I admit there are things to do in the transportation of PCBs, and when we have a disaster like the recent spill, we have to examine the matter carefully and make decisions as to how we should proceed in the future. And we are all going to work together on that. I would like to ask the Minister how she accounts for the fact that she and her Department, and this Government, have been able to achieve so much when the Liberals, who were in office for four and a half years, were unable to achieve any of those things.

[*Translation*]

Mrs. Blais-Grenier: Well, Mr. Speaker, I think the Liberals spent all their time arguing with the provinces. They wanted to centralize all responsibilities in Ottawa—and that, of course, flies in the face of Canada's Constitution—whereas we tried to take a different approach by sitting down with the provinces to settle our problems. However, everything cannot be achieved overnight and negotiations do take some time, particularly given the utterly corrupt situation of federal-provincial relations when this Government assumed the leadership of the nation.

The Liberals did not do anything in the environment sector during their last five years at the helm, but now they are telling our Government that all the necessary Acts, provisions and policies were already in place and that we did nothing more than use them. If everything was in place, including the Transportation of Dangerous Goods Act and the overall policy on the fight against acid rain, then I am wondering why the Liberals failed to act and come up with the kind of legislative provisions that would probably have prevented the Kenora incident!

[*English*]

Mr. Deputy Speaker: Resuming debate.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise on behalf of the New Democratic Party to say a few words in this debate. As I listened to the Minister give her answer to that relatively tough question, I thought of Dr. David Suzuki, the great scientist, geneticist and television personality from British Columbia, who gave a speech this weekend which was carried in the newspapers. He really communicates about the modern problems of Canadians. Dr. Suzuki gave us heck, if you like, a slap on the wrist, this weekend when he said that parliamentarians, Hon. Members of the House of Commons, are not really understanding when they deal with modern issues.

Part of this debate deals with a very serious spill about which there are allegations of negligence. We still have not got to the bottom of these allegations. We are dealing with cut-backs in the Minister's Department and in her whole tenure, whether she is going to survive as environmental Minister. But what do we get in answer to the motion? We get: "Blame it on the Liberals". I do not belong to the Liberal Party and, goodness knows—

Mr. Nunziata: You are welcome to come on over.

Mr. Waddell: —I stood up and criticized the Liberal Party for five years in this House. I just say to my friends across the way and to the Minister that there comes a time when perhaps they should stop blaming everything on the Liberal Party and the previous Liberal Government and start dealing with the current problems of Canada. I think most Canadians would agree with that. I think that if the honeymoon for this Government is not over, it is going to end very rapidly if the Government keeps addressing every question and problem by saying: "Oh well, it was the bad Liberals for the last 16 years".

Last week there was a serious spill of PCBs and no one has been charged, as far as I know. No one has been put in jail. Governments have been slow to react. But this morning, in what was a cowardly and gutless act, the Government used Gestapo-like tactics to take the peace camp away from the Hill. It took some poor young people—

Some Hon. Members: Oh, oh!

Mr. Waddell: My friends are laughing. They think it is very funny that there are young people in jail at this moment—

Mr. Deputy Speaker: Order.

Some Hon. Members: Sit down!

Mr. Deputy Speaker: Order, please.

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, I was wondering how the comments of the Hon. Member could be relevant. I thought that we were discussing the environment, but he is talking about a peace camp!

[*English*]

Mr. Waddell: Mr. Speaker, I am talking about the effects—

Mr. Deputy Speaker: Do you wish to speak on the point of order?

Mr. Waddell: Yes, I wish to speak on the point of order. I am speaking in this debate about the effects of pollution on the environment of the country. In fact, what I am comparing is what the Government has done with a bunch of kids in the peace camp, who have camped out for two years in winter and summer, and the kind of action it has taken in terms of justice

against the environmental polluters of this country. If that is not relevant, I don't know what this Parliament is for.

Mr. Deputy Speaker: The Chair will allow the comparison but not a long debate on the issue.

Mr. Waddell: I have made my point, Mr. Speaker. That action was cowardly, gutless and Gestapo-like, and the Government is going to pay for it as some time. This country will not put up with those kinds of tactics. We will raise the matter in Question Period and continue it on in the debate this afternoon. I tell Hon. Members that if I could I would adjourn the House in protest, but I would like to have the opportunity in Question Period to put some questions to the Government on this gutless and arbitrary action.

Mr. Fretz: For two years they have been there.

Mr. Waddell: Yes, they have been there for two years, my friend, prepared to camp out, which is more than you've been prepared to do for peace.

Mr. Fretz: Everybody has a right to speak here but not to camp.

Mr. Waddell: You are just Ronald Reagan's poodle. You just put your hand up like a dish rag—

Mr. Fretz: Talk about the issue.

Mr. Waddell: —when the Prime Minister (Mr. Mulroney) says "vote, vote, vote". What a bunch of Levesques, dish rags.

Mr. Deputy Speaker: Order, please.

Mr. Fretz: Why didn't you vote against your Party?

Mr. Deputy Speaker: I would ask the Hon. Member to get back to the issue at hand today and I would ask other Hon. Members to listen to the Hon. Member who is speaking.

Mr. Lewis: Get introduced to, not get back to.

Mr. Waddell: I will return to that later in my speech, Mr. Speaker.

[*Translation*]

Mr. Speaker, this debate also concerns another matter, but the PCB spill in Kenora on the Trans-Canada Highway—

Mrs. Mailly: On the Trans-Canada Highway!

Mr. Waddell: —on the Trans-Canada Highway, is also related to the problem of liquid waste, and I think that Canadians are fearful and angry following this very serious incident. They are asking that preventive action be taken so that this type of accident, which was preventable, will never happen again. I think that in a Special Committee of this House, perhaps under the new rules, we should look into the transport of toxic and dangerous materials. We should ask what are the long-term effects of these dangerous substances, on a six-week fetus, for instance. The federal and provincial Governments have been neglectful, in my opinion. For example, the truck driver told this Red Lake family: "This is only mineral oil, not PCBs." What kind of Government cover-up must we put up with when we are told that this extremely dangerous leak was supposed to be mineral oil? How could this Red Lake family cover up the possibility of physical or mental deformity of their unborn child?

• (1210)

[*English*]

There are some real questions arising out of this spill. Perhaps I can put it in English, which I speak much better. If you look at the facts and the evidence, we have a family from Red Lake, Ontario, a husband, his pregnant wife and two children who followed a truck for 25 kilometres. They pulled the truck over and were told that this substance coming off the truck was only mineral oil to be cleaned off with rags and gasoline. The body of the car, including the windshield, as well as the motor, were covered with PCBs, this very toxic chemical. The family travelled all the way to Winnipeg in a contaminated car but they had to read about it in the *Winnipeg Free Press*. The car was impounded in Winnipeg. The truck was not carrying any warning signs and it appears, although I am not certain, that the driver was not aware of the dangerous cargo.

We are told that in Quebec, from where the truck came, the Government was led to believe the transformer was drained before shipment. Someone was obviously misleading the Quebec Government. Someone obviously misled the family concerned. The relatives of that family claim that at least six cars were contaminated and they are still driving the streets of Red Lake. The provincial hot line in Kenora as advising that the cars be washed with water and paper towels, and that they be placed in a paper bag and taken to the dump. This despite the fact we know that PCBs break down very slowly in the environment and are carcinogenic; they cause cancer. The RCMP has seized several shipments of improperly labelled and packaged PCB contaminated soil. The Ontario Ministry of the Environment shipped the samples on a commercial airline in violation of the rules.

It seems to me we have some real questions about the negligence, perhaps criminal negligence, of the company. We also have negligence on the part of the Government of Ontario given the way it reacted to the spill and dealt with it, and its lack of laws for dealing with this properly. The Trans-Canada Highway has been reopened even though the Ontario Government thinks entire sections will have to be replaced. The truck is still leaking PCBs one week after the accident. The facts mount up and up and present a case of negligence on the part of a number of people.

The point that I am making is that the Government is quick to put young people who are in favour of peace in jail, but it is very slow to react to the allegations of negligence in this particular case. As a matter of fact, the Minister said they reacted quickly, but where was she? She was not even in the

House to reply. She had to be helped out by the Minister of Fisheries and Oceans (Mr. Fraser) and the Minister of Transport (Mr. Mazankowski).

Mr. Brisco: I rise on a point of order, Mr. Speaker. I believe there is a Standing Order of the House which provides that reference shall not be made to the presence or absence of Members in the House.

Mr. Deputy Speaker: The Hon. Member is correct; I am sure the speaker will take note.

Mr. Waddell: I am not making any reference to who was or was not in the House, but one would think that if there had been a major environmental spill which could be a disaster, the Minister of the Environment would be here to answer questions rather than leaving it to other Ministers.

Mr. Dick: She was there.

Mr. Waddell: She was not and you know very well she was not around. She is never around. The press wanted to interview her but she said: "*Elle met son rouge à lèvres*". She had to go put her lipstick on before she could deal with the press. That is what the report was. It just shows you how much the Minister knows about—

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau on a point of order.

Mrs. Mailly: Mr. Speaker, once more, I fail to see the relevance of the Hon. Member's comments. He is now making personal comments about the conduct of a Minister who is here today and who will be able to reply to his questions. I wish the Hon. Member would stick to the subject!

[*English*]

Mr. Deputy Speaker: I do not think that is a point of order.

Mr. Waddell: The Minister can comment after my speech. The story in the press was that when they went to interview her the Minister was putting her lipstick on. I do not know, I am just repeating what was in the press. The Minister can reply. I will tell the House another thing about the Minister that we read in the press.

Mr. Dick: Down to your usual low level.

Mr. Waddell: No, it is very indicative of what kind of Minister we have. We have an incompetent Minister. She should quit. There are lots of other back-benchers from Quebec or other parts of the country who are probably quite competent and they should become the Minister. The Government should get rid of the Minister of the Environment (Mrs. Blais-Grenier) very quickly, and I predict in the next Cabinet shuffle she will be gone to her just rewards in the back benches.

Mr. Nunziata: There is nothing wrong with back-benchers.

Mr. Waddell: Her reward is on the back bench, my friend.

The other thing we read about the Minister, and I will give her a chance to reply, is that she shows up at a press conference and instructs her chauffeur to leave her car running. That takes a kind of mind-set which is not an environmental mind-set.

Mrs. Mailly: Every car on the Hill is doing that.

Mr. Waddell: That is absolutely wrong. People who are environmentally conscious—

Mr. Gauthier: The Minister does it.

Mr. Waddell: The Minister has to lead. Let me deal with a couple of other points the Minister raised in the debate. One is the role of the Minister. I think the Minister has taken a completely wrong role. The Minister should be an advocate for the environment. I do not want to embarrass anyone but the Minister has just looked down to the front bench to see the Minister of the Environment in the Joe Clark Government. He was an excellent Minister and took a role of advocacy, and I refer to the Hon. Member for Vancouver South (Mr. Fraser). He was an advocate for the environment. The Opposition Liberal critic was not the Minister for a long time but he took the role of being an advocate for the environment. You do not push for cuts in your department; you fight the cuts. That is your job. You become an advocate. You are not like the Minister of National Revenue (Mr. Beatty) or the Minister of Finance (Mr. Wilson); you are an advocate for the environment. Canadians demand that.

One of the good things which has happened over the last few months is that when the Minister made those cuts to her Department, there was an outcry. Even some Conservative back-benchers woke up, heard the outcry and asked the Minister about them. That shows some good things about modern Canadian families. They are very environmentally conscious. The battle of the 1970s has been won. There is an acceptance that you do not leave your car's motor running and waste gas because of that.

Mrs. Mailly: Tell your leader that.

Mr. Waddell: You turn lights out in the house, you try and heat your house efficiently. All these little things are part of the new environmental consciousness in Canada, but the Minister does not have that consciousness and it shows in the way she runs her Department. That is why she is not going to be Minister very long.

• (1220)

I would like to return to the issue of jurisdiction. In the Minister's speech she attacked our behaviour as being reprehensive because we raised this matter with some vigour in the House of Commons. We do not apologize for that. She says it is really a provincial matter. I think that the environment is a shared jurisdiction. It is not exclusively a provincial concern,

as the Government indicates, but more of a joint concern in which the federal Government must be involved.

There was not a federal environmental official in northwestern Ontario until three days after the spill. That was negligence on the part of the federal Government. The federal Government did not know how to handle it. The Minister of the Environment did not respond. The Minister of Transport made a shaky response and the Minister of Fisheries and Oceans made some responses trying to bail out the present weak Minister. We cannot have that. The environment is too important a matter to have a weak Minister such as we have.

The Minister should take the position that she has a right to be involved in the spill. She should be telling the House today that they will act quickly in the future. In his remarks the Member for Simcoe North (Mr. Lewis) made the point that we should figure out where we are going from here. I agree with that. It is a positive attitude in terms of what will happen with future spills. However, we are not yet finished with this spill.

The Member for Skeena (Mr. Fulton) used a word which has been ruled unparliamentary. It starts with "b". He said why don't we put those "blank" in jail. I must admit that I was a little startled when he said that in Question Period. However, you should have seen the reaction in the country. The people said "right on"!

Mr. Lewis: What about due process?

Mr. Waddell: Due process, of course. However, there is no process for environmental polluters. I found out this weekend that there was an incident last winter in the Northwest Territories. The TPL company was building an oil pipeline from Norman Wells. They were looking at the wells with a camera which contains a radioactive element. It was not working so the worker hit it, and so on, and the thing came out on his hands. Later he had black hands but the company never reported it. They did not even have a licence to have radioactive material in the Northwest Territories. The Atomic Energy Control Board was slow to do anything about it. They cannot find the worker as he has gone back to Edmonton.

This is the kind of gross negligence, if not criminal negligence, that is going on in the country in environmental matters. This spill is a perfect example because it is spotlighted. Canadians could actually see what happened. I read the evidence out and it is irrefutable. We know the reaction of the Ontario Government, the way the company conducted itself and the way in which the federal Government conducted itself. We have not heard one Member say that if there is criminal negligence involved, these people will be charged and put in jail and we will never have such an accident again. The only thing we hear is that they are going to put the poor peace camp kids in jail.

Some Hon. Members: Oh, oh!

Mr. Waddell: Members are laughing. I do not think it is particularly funny. I think this is a tragedy. While I am speaking today—

Mr. Deputy Speaker: Order, order.

Mr. Waddell: —there are some young people who, instead of just getting drunk and things like that, are prepared to do things—

Mr. Deputy Speaker: Order please.

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) on a point a order.

Mrs. Mailly: Mr. Speaker, I remember you reminding the Hon. Member he should not hark back to that subject. Apparently he has no understanding of the rule of relevance.

Mr. Deputy Speaker: Replying to the Hon. Member, I have decided that for today whatever comparisons could be made between the Peace Camp and this Debate here would in fact be relevant. Speaking of comparisons, however, I would not want the debate to revolve around the Peace Camp, but if there were any comparisons, they would be allowed.

[*English*]

Mr. Keeper: Mr. Speaker, the Member is complaining about the actions of our Member. Does the Member know that she should not be questioning a ruling of the Chair?

Mr. Deputy Speaker: There is one minute left in the time of the Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. Waddell: Thank you, Mr. Speaker. I know that the Member is sensitive to the peace camp matter, and she will become more sensitive later.

In summation I would like to say that this is a motion condemning the Government for its work in the environment. We have had a spill which highlighted what is going on. People could see the negligence of the Ontario provincial Government. They saw the slowness with which this Government did anything and the lack of response by this particular Minister. They have seen the past weak action on acid rain when the Government toadied up to President Reagan and appointed an emissary. They have seen the cut-backs in parks, environmental studies and so on. In short, they have seen the beginning of a Government which is very weak in conservation. I could speak about how they have failed in energy conservation but have fallen in line with the oil companies. With regard to the environment they have been weak and are falling into the routine of doing nothing. I think that the Government stands condemned.

Aleksandr Solzhenitsyn, the great Russian writer, said that any village greybeard will tell mankind that 12 worms can only grow on one apple for so long. Canadians understand that we

have a fabulous environment in this country. It is the greatest thing that Canada has. David Suzuki and other Canadians are telling us that we are starting to ruin and waste it in the modern world. We all share that problem and are guilty of it. That is why we speak with some passion, not to attack the Minister personally, but to get the Minister and the Government moving. We want some concrete action on this PCB spill and on protection of the great environment of Canada in the future.

Mr. Lewis: Mr. Speaker, knowing parliamentary procedure, I of course would not comment on the Member's presence in the House at the start of the Minister's speech. In not saying that, I would like to say that it is normal for the Opposition critic to be here for the start of the Minister's speech in response to the motion introduced. Why did the Member not take the opportunity to ask questions at the close of the Minister's speech today?

Mr. Waddell: Mr. Speaker, I was not here at the beginning of the Minister's speech. I was listening to it outside.

Some Hon. Members: Shame, shame!

Mr. Waddell: The Member cannot have it both ways. He cannot attack me for raising it. There are certain matters that arise which require the Minister to be in the House responding in Question Period. When I was on holidays in the States a few weeks ago—

Some Hon. Members: Oh, oh!

Mr. Lewis: What a confession!

Mr. Waddell: That was when we had a vacation at Easter. At that time there was a food poisoning scare in Chicago and the medical officer was in Mexico for a few days. He was probably fired. If I were the Prime Minister and my Minister of the Environment were not present when an important issue such as this came up, I would fire her. However, that is the way the Government conducts itself.

Did the Member have another question?

[*Translation*]

Mrs. Mailly: Mr. Speaker, I would remind the Hon. Member said that since he was not present he could not have heard the minister's comments and this may explain his misunderstanding of the contents of the debate. In her comments, the Minister made it clear that the statute involved in the Kenora incident is the Hazardous Products Transportation Act rather than the Environment Act, the latter covering toxic products only as far as the manufacturing and processing of certain chemicals are concerned. Had he been in this House, he would have been able to understand the reason why the Minister perhaps was not present on a certain day, when a certain question was addressed to her, because she was working with her provincial counterpart—rather than fighting him as was the practice under the previous administration. The Minister was looking for an agreement on how to solve a problem that does not now come under the federal statute but that will as of July, when we have new regulations that hopefully will help us prevent tragedies such as the one in Kenora. I simply wanted to stress this fact. The Minister quite clearly said so earlier.

Secondly, there was something else the Minister said while he was not in this House, namely that, contrary to what the Hon. Member for Davenport (Mr. Caccia) has suggested, she met very early with Mr. Thomson, the representative for EPA, the Environment Protection Agency, soon after he was appointed. He was appoitned in February and she met with him in March. This is a record as far as consultation and conciliation are concerned, since the previous Liberal administration not only would not agree with the provincial government but would seem unable to promote any understanding between officials of both governments.

To conclude, I also wish to ask him a question: Does he remember, when the discussion on the question that was very recently settled by the Minister when it was announced that there would be a 50 per cent reduction of carbon monoxide waste, yes, does he remember when the study was launched by the previous Liberal administration? And also, does he remember when the discussion on the control of automobile exhaust gases was initiated at a time when the issue was before the previous Liberal administration? I look forward to hearing his answer, and I would also like him to comment on the fact that the previous Liberal administration gave so little attention to the environment that there was just one Minister in charge of Science, Technology and Environment, while in this Government we have a full-fledged Minister for Environment, and whether in his view it makes a difference to have a full-fledged Minister heading such a department, contrary to the previous administration?

• (1230)

Mr. Waddell: Yes, I remember the car emission issue, because I was a member of the Committee on National Resources and Public Works in 1981. While on this committee, I moved an amendment to a Liberal sponsored bill calling for a tightening up of the car emission standards, and I believe that Conservatives members voted against it. Now, I am glad that emission standards have been tightened up, something for which the government must be praised. However—

Mrs. Mailly: Thank you!

[*English*]

Mr. Waddell: May I remind the House that I proposed it a few years before and it voted against it.

Some action has been taken, such as with the standards and pollution control. However, nothing has really been done with respect to acid rain in the American context. I suggest that the appointment of Bill Davis was a cop-out which will only lead to further study.

As far as the Government cut-backs are concerned, let me read what Tony Keith, a biologist in the Canadian Wildlife Service, said about that. Incidentally, I have received letters from scientists all over the world who have worked in our Canadian Wildlife Service. They were describing its good work.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) rises on a point of order.

Mrs. Mailly: That is not the question which I directed to the hon. member. I did not inquire about the reduction in spending. I only asked him whether he remembered when we started to deal with—

Mr. Deputy Speaker: Order, please! That is a debatable question.

[*English*]

It is up to the Member to answer the way he wishes.

Mr. Waddell: Mr. Speaker, I will read this and respond to the last part of her question. The article states:

> What Keith is saying is that sooner or later, some prairie slough will fill with the floating carcasses of ducks, killed by untested chemicals from a cropduster that accidentally overflew a field. Anthrax and brucellosis will cause bison to totter and fall to the muskegs of northern Alberta, and there will be no wildlife veterinarian to treat them. National park wardens may even come across the bloodied body of a camper, the victim of a grizzly attack that might have been prevented with another season's research into bears' feeding habits. And the public outcry may then be so loud that the politicians who are today making the cuts will be forced to rehire the very biological expertise they now dismiss as surplus to departmental requirements. Canadians will have learned the hard way about the true costs of casting out decades of accumulated ecological knowledge for the sake of quick-fix adjustments to one year's federal budget.

The Hon. Member asks me if I am aware of the laws. Is the Government telling us that the federal Government does not have any laws in the Criminal Code or under environmental protection to prosecute those people who are responsible for this PCB disaster, but it has laws to put a few kids from the Peace Camp into jail? If she is saying that, I don't believe her.

Mr. Brisco: Mr. Speaker, first let me respond to the comment about the grizzly attack. Whoever wrote that cannot call himself a biologist or an authority. He is out to lunch. I would invite the Hon. Member to join me on a hunt at any time to find out what it is really like.

I do not wish to denigrate the importance of the PCB problem because it is clearly a very serious one. However, I would like to put it into perspective, if I may, by asking the Hon. Member if he could advise the House how many deaths have occurred as a result of exposure to the PCBs and how many cases of cancer have been identified as a result of exposure to PCBs?

Before the Hon. Member launches into a strident response, let me repeat that I am not in any sense of the word downplaying the seriousness of the problem. I would like the Hon. Member to respond to that particular element.

Mr. Waddell: Mr. Speaker, I suggest that the Hon. Member talk to the Departments of Health in the provinces.

Mr. Brisco: Do you know the answer?

Mr. Waddell: Perhaps the Hon. Member will listen. I treat his question seriously, in the manner he intended. I am told that PCBs are carcinogenic, very serious and so on. If he wishes me to acknowledge that we do not know enough about what PCBs do, I will acknowledge that. I believe our society still has a lot to learn about these chemicals and I agree that we should not panic.

However, that does not excuse us from not taking any action at all. My colleague, the Member for Skeena (Mr. Fulton), put a question to the Minister of National Health and Welfare (Mr. Epp) in the House the other day asking about a follow-up investigation and having some doctors study this couple who have been affected. I have yet to hear an answer about that from the Government. It could at least make one announcement about something substantial that it has done, whether to study the problem through doctors, as I believe the Member would support, or to prosecute or even have a joint federal-provincial investigation.

Again, I point out that when there is a major environmental problem the federal Government washes its hands of it and indicates it's a provincial responsibility. I suggest that the Province of Ontario has been negligent in its handling of this problem. However, the federal Government sure is quick to put a few kids who support peace into jail. The Government can find the laws and the spirit to put them into jail but when it comes to the environment it does nothing. I do not want to downplay it, as the Member suggests, but the fact is that the Government is prepared to act quickly to put kids in jail and it is prepared to drag its feet and be just as negligent as the Ontario Government in taking action on this PCB spill.

Mr. Keeper: Mr. Speaker, I rise on a point of order. When the Liberal Member spoke earlier, Liberal Members were able to ask questions and make comments. When the Conservative Member spoke, Conservative Members were able to ask questions and make comments. When the NDP representative spoke there was no provision for NDP Members to rise in the House to ask questions or make comments. Since it was a person from our Party who spoke, Mr. Speaker, my understanding of the rule is that we have a right to have a Member stand up, to ask questions and make statements even when someone from our Party is the main speaker. I would like your guidance on that.

• (1240)

Mr. Deputy Speaker: The priority is given to Members from the opposing Parties in the question and comment period. After I have gone through the opposing Parties, then I generally choose someone from the Party of the main speaker.

We shall now resume debate.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I would like to add a few words to the debate. It was very

interesting to listen to the Minister of the Environment (Mrs. Blais-Grenier) and to some of the charges that have been laid against her as far as the PCB spill is concerned and as far as the power that she possesses under the Act, the present legislation, to do something about it.

It is a somewhat confused area. However, it is not good enough for the Minister of the Environment to say that this is provincial jurisdiction. It is not good enough for us to have legislation on the books that we in effect are not using or to refer back to legislation that was formulated at a particular moment in time and to discover that that legislation was perhaps watered down from its original intent.

I would like to make reference to what the Minister of the Environment said by reading from the official record. I would like to read her remarks and her repeated references to provincial jurisdiction and to the suggestion that perhaps we should not be progressing as adamantly as some Members of the Opposition are suggesting.

I would like to read from the House of Commons debates these words:

> I said at the outset of my remarks that we approve of the principle of the Bill before us and indeed of its objectives, but I must say that we insist that these objectives be met without imposing excessive costs or hardships, and with the minimum of restraint put upon the operations of the carriers and the shippers.

Then later on this Hon. Member said:

> —this Bill is really an extension of the Criminal Code, not merely a transportation law.

Those remarks were made by the present Minister of Transport (Mr. Mazankowski) speaking on behalf of the Progressive Conservative Party on February 16, 1979, when a Bill was introduced into the House by the then Liberal Government. The Act was changed. The original Bill presented in February, 1979 was an Act to promote public safety and the protection of the environment in the transportation of dangerous goods. The Bill we have on the books was passed in 1979 by the Government that followed the Liberal Government. The Minister of Transport whose words I quoted a moment ago was the Minister who passed the Bill through this House on behalf of the Government. The Bill was called "An Act to promote public safety in the transportation of dangerous goods".

The Hon. Member for Davenport (Mr. Caccia) made repeated reference in 1979 to why the word "environment" was removed from the title of the Bill and, indeed, from the entire Bill. I think that sets the record straight fairly well, Mr. Speaker. To repeat the words of the present Minister of Transport in introducing this present Bill that is on the books, he said, as reported in *Hansard* for November 27, 1979:

> Those Hon. Members—will note that the Bill currently before the House has been extensively restructured . . . This restructuring has been done as a result of lengthy and detailed discussions with representatives of affected industries and of the provinces, as I indicated earlier. However, as time passed, and as it was made clear that the federal Government was seeking co-operation and not confrontation in this enterprise, debates between the parties concerned became increasingly productive.

Increasingly productive, Mr. Speaker, when you do not want to have a confrontationist attitude with the provincial governments and the industries involved. Just imagine, Mr. Speaker, the position of the Party being that you would not want to impose excessive costs or hardships and with a minimum of restraint put upon the operations of the carriers and the shippers. It is incredible philosophy when you talk about an Act that is supposed to protect the people and the environment of Canada in the transportation of hazardous goods.

I think the important point that should be made is that you simply say this is a problem of the provincial administrations, and that the provincial administrations do not act under their present legislation or they behave like the Ontario Government behaved in 1979 when it passed the Spills Act and never proclaimed it. Right now the Ontario Government has bought chemicals to spray over a million hectares in the Province of Ontario but it cannot be announced until the day after the election. What if you have a Government like the Government of Ontario that has jurisdiction but did absolutely nothing when cancerous tumours were found in fish and you had only the inland waters division of the Minister of the Environment conducting studies through a couple of person-years?

What happens when you have that kind of negligence on the part of a provincial government? What happens when you have the provincial Government of Ontario today with a Spills Act passed by the legislature but which was never proclaimed? What happens when you have a Government that has purchased materials for the biggest chemical air spraying program in Ontario's history, that has the materials in storage, that has consulted with the Canadian Wildlife Service on the actual application dates and then turns around and says "We cannot announce this program until the day after the election"? The Government of Ontario has made decisions on the types of herbicides it will use to kill the hardwoods. The Government does not want to hire people to go into the woods to do it. The Government will spray chemicals to kill the hardwoods in certain parts of Ontario and most of the activity is taking place in the northern part of Ontario; at least that is what the Government informs me. What happens when you have provincial governments like the Ontario Government that do not follow through with legislation or that play political games when it comes to chemicals?

If you say this is a matter of provincial jurisdiction but you have no action on the part of the provincial jurisdiction, then surely this Government has a duty to act. You will find in a lot of legislation, even in the transportation of dangerous goods and hazardous products legislation that is on the books now, that there is a clause that says after 12 months if a provincial government does not act, the federal Government has the right to impose its own standards. When you are so short-sighted that you do not pay attention to the long-term effects of chemicals on the environment and on people, then you are being absolutely negligent.

We could talk about PCBs or we could talk about fenitrothion, which is the chemical that is being used in northern Ontario, the spraying of which is to be announced the day after the election when over one million hectares will be sprayed and about which the Minister of the Environment is aware. We could talk Roundup, a chemical which is used as a

herbicide, or we could talk about any chemical. The point is that we have legislation on the books, yet nothing is being done.

• (1250)

We have polychlorinated biphenyls stored throughout the country in various locations. Some of them are safe. Others are in vacated mines on private property. We can go back over the years and look at occurrences. For example, there was a high water situation and the fluid in a transformer spilled into a river. What action was taken right after that occurrence? I recall the situation involving the Exploits River just a couple of years ago. It involved provincial jurisdiction. However, what happened to the studies that were conducted after that incident occurred?

Let us look at the application of chemicals over large territories and at what scientists and environmentalists are recommending. Let us look at amino-carb. The officials of the Minister of the Environment recommended its use to provincial administrations. They recommended it to the Government of Ontario instead of fenitrothion. The Minister of the Environment has the responsibility right now to contact the Government of Ontario and impress upon it the importance of following the advice of the people in her Department. Very shortly, in three weeks' time, in Newfoundland they will be using amino-carb, BT and fenitrothion. In New Brunswick they will be using amino-carb, fenitrothion and BT. In Quebec they will be using BT and a small amount of fenitrothion. In the Province of Ontario, yet to be announced, just before the election, because of the problems with jack pine budworm, anywhere from 800,000 to one million hectares will be sprayed aerially with fenitrothion only.

Let us look at the list of herbicides which will be used. Certain parts of the country still use 2, 4, 5-T which is banned in other parts of the country, or Roundup or Velpar or gavlon. These are toxic chemicals. Of course the question is: How toxic are these chemicals?

A report was completed for the Minister of the Environment on what was the suspected cause of cancerous tumours in fish in Lake Ontario. That was the only place where it was actually investigated to any degree. Now we have to wait until the American Society of Limnologists has its meeting from June 19 to June 21 to find out the results of that particular study.

The point is that we cannot act only in the short term because we do not know what will be the long-term effects. We have to follow through. We cannot have, for example, a team down in Lake Ontario trying to find out what happened to the fish and not follow through on in next year, the year after and the year after that, to find out what is happening in the environment and to the fish. As the Minister of the Environment knows, she cannot cancel programs, as she did. She cannot lay off scientists, as she did, working in western Canada on what was causing the death of ducks as far as the use of a particular chemical was concerned.

There is a lesson to be learned in this debate. The Minister of the Environment, the Minister of Transport and all Cabinet Ministers should pay more attention to what is needed in the long term. They should stress the importance of the research being conducted by scientists in the Department of the Environment and in the Department of National Health and Welfare, even to the point of involving the Department of National Health and Welfare in some of the studies being conducted in the Department of the Environment.

In conclusion, in his press release on directions for the transportation of PCBs, the Minister of Transport did not go far enough. Why did he not make it mandatory to have another vehicle travelling behind a truck carrying hazardous materials along the highway? That is an obvious solution. If you move a house down a highway you have a truck in front and one behind. It is that simple. The Minister of Transport has to act under the legislation which exists, legislation which was watered down substantially from that of the previous Liberal administration.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I should like to speak to the motion of the Official Opposition condemning the Government for its handling of environmental issues. What is at stake here and has been at stake for the last week with respect to the PCB spill in northwestern Ontario is the extent to which the federal Government, and I would suggest many provincial Governments, are out of sync with the way ordinary Canadians feel about the need to protect them and their environment from the consequences of introducing, either accidentally or deliberately, the many hazardous substances which are now being introduced into the environment as a result of the way in which we live and as a result of what we tolerate, whether it is the way in which dangerous goods have been transported to date or whether it is many other industrial activities that have been allowed to go on. What is at stake is the extent to which Governments are out of sync with the moral outrage which people feel about these kinds of things.

Having been home this past weekend—and unfortunately I was unable to arrive in time for the beginning of this debate—I discovered that people have a sense of outrage that these things are allowed to go on. Unfortunately their outrage does not last as long as I would like it to last. It flares up around a particular event and then diminishes between accidents. We see people being much more conscious of these things after a Mississauga or a McGregor event or after this last spill. Yet, there is a general level of awareness or a desire on the part of Canadians for Governments to ensure that these kinds of things do not happen and that other things which do not attract the attention of a spill do not happen. That level of awareness is increasing every day. I think it is cause for reflection on our values as a society and upon the values of bureaucracy, administration and politics, for that matter, that we can have so much moral outrage funnelled over the years into various known crimes, that is to say, matters pertaining to the Criminal Code. Whether it is the campaign to return capital punishment or whatever, those kinds of things attract moral outrage, and properly so. I am not saying that they should not attract moral outrage, but it seems to me that the

time has come when the actions of companies, the deliberate negligence of companies by which they introduce various kinds of poisons into the environment simply in the interests of their profit strategy, and the negligence of government in allowing them to do that, ought to invoke the same kind of moral outrage. I will have more to say on this matter later.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PARLIAMENT HILL

REMOVAL OF PEACE CAMP

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, at 7.30 this morning the Government dismantled and expelled the Peace Camp from Parliament Hill and arrested two of the participants, after those young people had maintained their important vigil and message for over two years through the cold of winter and the heat of summer. This was after the Minister of Public Works (Mr. La Salle) indicated on Friday that they would have another 10 days. So much for the Government's rhetoric in favour of free speech, peace, and youth. What hypocrisy.

The Minister has said the peace campers had two years and that they have made their point. That is absolutely false. If the Government had understood their point it would have opposed the United States star wars proposal, it would have stopped more testing of Cruise missiles, and it would have taken a tougher position on disarmament. This is indeed a black day for peace, freedom, youth, and idealism in this country.

* * *

PORTS

VANCOUVER PORT—INCREASE IN LUMBER COMPANY'S RENT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I want to share in the comments of the previous Hon. Member. That was a gutless act by the Government. It was cowardly. I applaud the young people who stayed there for two years.

I want to speak on another matter on which I was scheduled to speak. It is an important matter to my riding. I am told by members of the IWA, the Woodworkers' Union, and by company people, that a company called Nova Lumber, a sawmill which leases water frontage in the Vancouver Port, has had its lease increased by an incredible 35 per cent. There have been no improvements or anything to justify this.

When Ron Huntington was a Member of this House he used to stand up and was very tough on restraint, and very positive about helping small corporations. He is now the head of Ports Canada. I say in good faith that I wish he could take another look at this deal because the lumber market is soft in British Columbia. This mill could go down. Five mills have gone down. If this increase could just be changed, or put off for a while, the mill could survive a short-term period until the market revives.

I could give details about the market, but I will just make my point generally that this is too much of an increase. I would like the Minister of Transport (Mr. Mazankowski) and the Ports Authority to look into this drastic increase to see whether it can be changed.

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MEDICAL RESEARCH COUNCIL

ADDITIONAL GOVERNMENT FUNDING

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I would like to commend our Government, and the Minister of National Health and Welfare (Mr. Epp) in particular, for the budget increase of $30.9 million recently given to the Medical Research Council. This raises the 1985-86 MRC budget to $158 million.

Although the previous Government approved a five-year plan in 1983 for the further development of the health research system in Canada, increased funding was granted for only the first two years. Our Cabinet found the base level provided for, in projecting the 1985-86 MRC budget, totally unacceptable. This additional funding will allow MRC to continue its vital work and pursue the implementation of the five-year plan.

Members will be aware that the Medical Research Council funds many research foundations and institutes with a significant portion of their operating support, and they will now be able to continue their established world class research programs.

* * *

REGIONAL DEVELOPMENT

PROGRESSIVE CONSERVATIVE PARTY'S COMMITMENT TO WESTERN CANADA

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, I rise to make a report on the continuing emancipation of western Canada after years of Liberal neglect. Last July at Prince Albert the PC caucus gathered to reaffirm its commitment to western Canada. At Prince Albert we undertook to bring western Canadians back to the Cabinet table in positions of importance and influence. The West had one

elected Cabinet Minister under the previous administration. By contrast, we now have 12.

The National Energy Policy was the engine of ruin by which the Liberals punished the people of western Canada. The ripple effects of the NEP are still being felt in the recent collapse of several financial institutions.

The PC Party at Prince Albert promised to listen and to act. The result is the Western Accord which lays the foundation for restored prosperity in western Canada. The Prime Minister (Mr. Mulroney), in holding the First Ministers' conference in Regina, signalled his recognition of the West. Contrast this to the penultimate Prime Minister who asked the farmers: "Why should I sell your wheat?"

Nothing changes. Only last week, in response to a serious question concerning the grasshopper threat on the Prairies, a Liberal responded: "Spray them with PCBs." Same old Liberals, same old hypocrisy, same old arrogance. We in the PC Party know that a truly prosperous Canada can emerge only from strong, revitalized regions. We in western Canada rejoice at being part of Canada once again.

* * *

[*Translation*]

CANADA POST CORPORATION

POSTAL RATE INCREASE

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, in a recent Canada Post Corporation release, it was announced that the postal rate for letters would go up by two cents as of next June 24.

This announcement is an insult to my constituents who have now been waiting for over a year to have their mail delivered at home.

On two occasions, Mr. Speaker, I presented petitions signed by hundreds of residents of my riding to urge the Government to make strong representations to the Canada Post Corporation. This community development is located in the centre of the City of Montreal, and it is altogether unacceptable that this service should not yet be provided for my constituents who pay taxes and should have it.

The cost of postal stamps has jumped 88 per cent since 1981, from 17 to 32 cents. Canada is already one of the major western countries where postal rates are among the highest. Should the Government approve this increase, our postal rates will have doubled over the past four years.

On behalf of my constituents who are taxed for services they do not even get, Mr. Speaker, I object to this rate increase.

S.O. 21

PEACE

PERMANENCY OF DEMONSTRATION ON PARLIAMENT HILL

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, at 7:20 a.m., the peace camp tent and information table on Parliament Hill were taken down and removed by the Royal Canadian Mounted Police, and two peace camp members were arrested. This action took place after two years of demonstrations in front of the Parliament Buildings by peace camp volunteers, a group of Canadians for peace and against nuclear destruction. They expressed the concern of millions of Canadians who are for peace and against nuclear war.

Apparently the Government decided to bring charges of trespassing against the peace camp people, whose only crime was their passionate concern for peace. The Conservative Government had a choice of two responses to the presence of these demonstrators, Mr. Speaker: act on their request or remove them from their demonstration site by force. Unfortunately, the new Government has continued the policy of the previous Liberal Government by allowing cruise missile testing, and instead of objecting to the American Star Wars project with its tremendous potential for destabilizing the situation between the superpowers, it is preparing for Canada's participation in this disastrous project.

Mr. Speaker, my party and myself support the presence of the peace camp on Parliament Hill because it is a visible sign of the support of all Canadians for peace.

We deplore the Government's action. We ask the Government to stop harassing these demonstrators. It is not a matter of regulations, Mr. Speaker, nor a matter—

Mr. Speaker: I am sorry to inform the Hon. Member that his time has expired.

* * *

[*English*]

CANADA POST CORPORATION

CRITICISM OF SERVICE

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I rise today to voice the concerns of many of my constituents about the operation of the post office. In spite of the fact that the president of the corporation speaks in glowing terms about the efficiency of the operation, the reality of the situation is much different. Postal service has not improved since the formation of Canada Post, and the recent announcement of a proposed hike in postal rates has added more fuel to the fire.

• (1410)

Rural residents, faced with restricted hours of operation and severe increases in rental rates for post office boxes, have expressed concern, and rightly so. On the other hand some rural residents receive daily mail deliveries at no additional cost. Likewise, many city residents receive daily mail delivery

at no additional cost. However, city residents in new areas experience great difficulty in getting mail delivery or even having the service provided through a private business outlet.

It is painfully evident to many Canadians that the entire operation of the post office must be reviewed with a view to correcting these discrepancies, as well as improving mail service generally.

* * *

POLITICAL PARTIES

APPOINTMENTS MADE BY NEW DEMOCRATIC PARTY PROVINCIAL GOVERNMENTS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, in 1972 the New Democratic Party was elected to office in British Columbia and held that mandate for three years. In those three years it enlarged the Public Service in that province by 8,000 employees. I suppose it is safe to assume that those 8,000 employees were not wild-eyed, blue Tories. I believe it is equally safe to assume that those 8,000 employees were probably people who had worked hard for the New Democratic Party and who believed in its philosophy.

I would suggest that before the New Democratic Party compaigns with saccharine piety on the subject of patronage, it should first think of its record in British Columbia, as well as in Manitoba and Saskatchewan, that it is a participant in the system, and its record is not squeaky clean. Second, it is logical for any political party to appoint people to offices of management who believe in its philosophy. It would be foolhardy and contradictory to do it any other way than to appoint people who believe in what it believes.

* * *

HEALTH

ORGAN DONOR AWARENESS WEEK

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I rise today to acknowledge the start of Organ Donor Awareness Week. The object of this event is to increase people's awareness of the success of transplantation and the need for donor organs. The Multiple Organ Retrieval and Exchange Program wants to encourage Canadians to sign the back of their driver's licence or an organ donor card. It aspires to making organ donations as natural a concept as donating a pint of blood.

There is a constant need for kidneys, eyes, hearts, livers, and lungs, for transplantation. Kidney patients can be kept alive on dialysis until suitable donors can be found, but for those requiring heart, liver, and lung transplants, there is no other treatment. A transplant is their last hope for survival.

In Ontario there are currently over 300 patients waiting for kidney transplants, and approximately 100 blind individuals waiting to have corneal transplants with hope of regaining their sight.

The best way to give effective consent is to fill in a donor card. People should carry it with them at all times in their purses or wallets. The card is a replica of the form on the back of a driver's licence, which is another way to give consent for donation.

During this week of donor awareness, let us be conscious of the need for organs and let us make our support explicit by giving consent for donation. I would like to tell Hon. Members that the requisite form is on their desks.

Some Hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

OPPOSITION TO COAL IMPORTS

Mr. Gordon Taylor (Bow River): Mr. Speaker, can you believe this? Canada, with millions of tons of recoverable coals of all classifications, imports, on the average, 15 million tonnes of coal every year. Further, to aggravate the matter, the imported coals have sulphur content of 5 per cent, whereas many Canadian coals have a sulphur content of only 0.5 per cent. In other words, the amount of acid rain caused in Ontario by the high sulphur content of imported coals could have been prevented had Canadian coals been utilized.

Ah! But you say the Canadian coals are in the Maritimes and in western Canada and the freight would have cost considerable money. You are right, but even the freight costs would have provided jobs for Canadians. And, hear this! To clean up the acid rain pollution it will cost a minimum of $300 million. Well, you can haul a lot of coal for $300 million.

I brought this matter to the attention of former Liberal Governments for the last 15 years, but nothing was done. Our PC Minister of the Environment (Mrs. Blais-Grenier) has already provided $70 million for a start toward a solution. Hasten the day when Canadians will mine Canadian coals that will be hauled by Canadian railroads and Canadian trucks to fuel Canadian industries, preventing acid rain, and providing pay cheques to hundreds of Canadians. Vive le Canada!

Some Hon. Members: Hear, hear!

* * *

RACISM

CIRCULATION OF RACIST JOKES—CALL FOR INVESTIGATION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, a few months ago so-called ethnic jokes were circulating in the Winnipeg Canada Employment and Immigration Commission. When the 17-page ethnic jokes pamphlet came to the attention of an affirmative action consultant, he was justifiably shocked.

I will give the House an example in order that it can realize the seriousness of the situation. One of the jokes was: What is

the difference between a Jew and a potato? The punch line: The potato doesn't scream when it is put in the oven.

Mr. Keisler was justifiably upset and shared the information with a human rights group which was meeting with him. The result was that the information became public. But did the Department investigate the persons who circulated the jokes? Yes, and they were disciplined, but not as severely disciplined as the guy who blew the whistle. Did the Department institute a training program with regard to prejudice and discrimination? No, but it investigated the man who blew the whistle and fired him for abusing his telephone privileges. Did the Department investigate the use of telephone privileges by all employees? We do not know, because the Department will not tell us.

During all of this the Minister has been strangely silent. We would like the Minister to mandate an independent investigation and end her silence.

ORAL QUESTION PERIOD

[*English*]

GOVERNMENT ADVERTISING

GOVERNMENT CONTRACT—ROLE OF DOUGLAS ROBSON

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. Apparently a $234,000 advertising contract was awarded to Lawson Murray Ltd. Apparently the firm's President is Mr. Douglas Lawson, who is the Minister's brother-in-law. The Vice-President of the firm is Mr. Douglas Robson, who was, and still is, the President of the Conservative riding association for the Minister.

Did the Minister of Finance, when he became Minister, retain Mr. Douglas Robson to advise him in helping to set up the Department? Was Mr. Robson paid by the Department? Did Mr. Robson have access to departmental papers or to briefings from officials?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, most of what the Leader of the Opposition said is correct. Mr. Robson was asked by me, as someone who had served as my executive assistant in 1979, to help me get my office off and running because of the tremendous pressures which I was under at that time. He did so. We had a verbal understanding that he would be paid, and, in fact, he was not paid. During that time his responsibilities were exclusively on the administrative side and did not involve policy orientation.

CONFLICT OF INTEREST GUIDELINES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the man whom the Minister asked for advice in setting up the office, and who stayed in the Minister's office, presumably had access to papers in the office and happenings within the Department of Finance. The man then left the office and went back to work for Lawson Murray. It is my understanding that he was a member of that firm and sought a leave of absence to come to Ottawa and help the Minister.

Does the Minister believe that under those circumstances the awarding of an advertising contract to that firm was right? Did he discuss with Mr. Robson, if he dealt with him verbally, the guidelines of the Prime Minister relating to conflict of interest? Does he not believe that those guidelines have been broken? Does he believe that this was the correct procedure for himself, and subsequently, Mr. Robson, to adopt?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to make one thing very clear. My Robson was sworn as my executive assistant in 1979. I believe that he was sworn again at this point. I should point out that he did not retain his corporate directorships while he was doing work for me. I believe that should register on the Leader of the Opposition.

I might also say that the work which he did was of an administrative sort and that it was not of a policy-oriented sort. He knew the way in which I operated back in 1979 when he was my executive assistant. He knew the type of operation I wanted to set up, so it was very easy for me to have confidence in him to get on with the job of establishing my office at a very difficult and busy time in my own life.

• (1420)

Mr. Turner (Vancouver Quadra): The man, Mr. Robson, left Lawson Murray Limited, came to the Minister to help him, and then went back to Lawson Murray and that firm received a $234,000 advertising contract.

PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): My supplementary question is directed to the Prime Minister. On July 7, 1984, the Prime Minister said at a public press conference; "Brothers and brothers-in-law are appointed to positions all over the place. It's a real scandal to act with such scorn towards the people of Canada, towards the average Canadian". Does the Prime Minister not feel that this family affair is a real scandal? Does he not feel that in this instance the people of Canada have been treated with scorn? Does the Prime Minister not believe that conflict of interest guidelines which he set up for his Ministers and their staff have been breached?

Right Hon. Brian Mulroney (Prime Minister): The Minister of Supply and Services can, for example, and will—I am sure my right hon. friend would want to have it—file in the House an indication of the absolute integrity of this firm. For example, having received the contract by independent tender via another Ministry, it then recommended that this work be discontinued, that these practices were wasteful of government money and that $417,000 could be saved in the future. I think

that is an indication of the tremendous integrity, not only of that firm but of the Minister of Finance and the kinds of people with whom he associates.

Let me say this in the larger sphere of events—and I think it raises questions for all of us—I have asked the Hon. Member for St. John's East to set up a panel which I hope will vet the kinds of important nominations. We are reaching agreement on that. It's an important part of parliamentary reform. But I ask the right hon. gentleman to reflect on this. For example, one of the most distinguished citizenship court judges ever appointed—

Mr. Nunziata: That's not the answer.

Mr. Mulroney: —is the sister of the Hon. Member for Saint-Denis. Mrs. Keith Davey is also a very distinguished judge.

Mr. Nunziata: That's not the issue, Brian.

Mr. Mulroney: The right hon. gentleman's sister, one of the most outstanding women in Canada, was appointed to her position by the previous Government. We would like to reappoint her. What this raises is the following question: are people entitled to lives apart from elected politicians? I say they are entitled to live their own lives as men and women, building businesses and developing their lives in Canada. We respect their privacy and their competence, and we plan and intend to do that.

MR. ROBSON'S SALARY

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Minister of Finance and concerns as well the Lawson Robson affair. Who paid Mr. Robson's salary, if it was not the Government of Canada, while he was in the service of the Minister? What was the period of time in which he was involved with the Minister, in his employ, after the election of last September? And did that period of time in any way overlap the period of time at which either the advertising contract was commenced or entered into by the Government of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me try and answer those three questions. The period during which Mr. Robson was with me was from September 17 to around the end of October, during the time I was establishing my office. During that time I presume he was basically on leave of absence from his firm. I presume that his firm was continuing to pay him, but I don't know that answer. The answer to the third question is that I am advised that the contract was signed between the firm and the Department of Supply and Services at the end of November, November 29, I believe.

[*Translation*]

ADVERTISING—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): I have a supplementary, Mr. Speaker. Was Mr. Robson involved in any way in preparing the advertising requirements of his department including Canada Savings Bonds or rather the requirements for advertising Canada Savings Bonds? If so, how can the Minister, as an administrator of public funds, tolerate this kind of incestuous relationship within his own department?

[*English*]

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I will answer since I am the Minister responsible for that contract and it was my Department which selected Lawson Murray, on our own volition, to undertake this contract for the very good reason that it is one of the best financial institution advertising agencies in the country. It represents such clients as Dominion Securities; Pitfield, MacKay, Ross Limited; McLeod, Young, Weir Limited; Wood Gundy and others.

Some Hon. Members: Oh, oh!

Mr. Andre: As evidence of the value we received from that very intelligent selection of an advertising agency, I have a letter dated February 15, 1985 in which it outlines ways in which the Government can save several hundred thousand dollars, at least $400,000 per year, over the practices undertaken by the previous Government. One sentence states: "While I would regret the end of our association and the loss of revenue to Lawson Murray Limited, I do not feel that we would be responsible were we to advise you differently". Any time we can get a contract with a firm which is going to save that kind of money for the taxpayers of Canada, we're going to do it.

Some Hon. Members: Hear, hear!

MINISTER'S CONVERSATION

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Finance as well, and deals again with the Lawson Robson case. The Minister did admit to the media that he did speak with his brother-in-law about the awarding of this untendered contract to his brother-in-law. In that conversation did he talk about the fact that this could be conceived as improper by the people of this nation?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we had a discussion subsequent to the awarding of the contract. We discussed the possibility that there could be some questions as to the awarding of the contract, but it is not a clear situation. It is not a clear picture—

Mr. Broadbent: You are right.

Mr. Wilson (Etobicoke Centre): —as to whether or not there are questions, since, as my colleague has said, the contract is awarded by the Ministry of Supply and Services and the firm was dealing with the Bank of Canada. But, yes, the matter was discussed.

UNTENDERED CONTRACTS—GOVERNMENT GUIDELINES

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is directed to the Minister of Finance. Does he believe that there should be guidelines for executive assistants, party presidents, and relations, when they bid for untendered government contracts? Does he really believe that that should be there to protect the public interest?

Hon. Harvie Andre (Minister of Supply and Services): Yes, indeed, Mr. Speaker, this Government believes there should be guidelines respecting such things as advertising and the like. And, indeed, there is. This contract was let in complete compliance with the then existing Treasury Board guidelines, Chapter 485, if the Hon. Member wants to check. Since then we have introduced new guidelines to improve the situation, to introduce an element of competition which heretofore did not exist.

Mr. Murphy: When?

Mr. Andre: Those guidelines are now in place and Departments of Government are following those guidelines. We commenced the work immediately upon assuming the responsibilities for the Government of Canada, and upon discovering the mess which the previous administration had left for us.

MEMBERSHIP OF COMPANY'S BOARD OF DIRECTORS

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Minister of Finance and it also concerns the Wilson family compact. The shameless Tory pork-barrelling has now become incestuous. A $234,000 advertising contract is secretly given without tender to members of the Minister of Finance's family and to his riding association president and former employee. Would the Minister confirm, first, that his sister, Wendy Lawson, is on the board of directors of Lawson Murray? And would he confirm as well that he discussed the contract before it was signed with members of Lawson Murray? And if so, why didn't he veto the contract and say no to it?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker—

Mr. Guilbault (Saint-Jacques): Order.

Mr. Lapierre: Order.

Mr. Andre: The contract to which the Hon. Member referred as having been handled in a secret way is right here. He can look at a copy of it any time he wants.

Mr. Guilbault (Saint-Jacques): We are asking him if he's got a sister on the board.

Mr. Andre: There is nothing secret about it.

Mr. Guilbault (Saint-Jacques): Have you got a sister on the board, too?

Mr. Andre: One does not need to table these things. They are open. We have nothing to hide. The Hon. Member, in implying that there was something improper or illegal, is engaging in his usual muck-raking. He has implied a sort of guilt when the practices we followed were the same as what were left for us, we inherited from the Liberal Party on September 4. The Hon. Member has the assurance of myself that all of the guidelines of the Treasury Board were followed. He can look at the contract, he can look at the letter to see how much value the taxpayers of Canada have received. I am sorry to have to repeat, but perhaps it is necessary for that Hon. Member, that any time we can save the taxpayers hundreds of thousands of dollars, we are going to do it.

● (1430)

CONFLICT OF INTEREST INQUIRY

Mr. John Nunziata (York South-Weston): Mr. Speaker, that is a lot of bunk. My question was to the Minister of Finance and I would appreciate his standing up and answering the question. Was his sister on the board of directors? Did he have an option, a choice? Could he not have said no? Will he not agree that the awarding of the contract to his sister and brother-in-law was nepotism in its worst form, and a blatant and obvious conflict of interest?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member is saying to me now that my sister is on the board of directors of Lawson Murray, it is the first time I heard about it.

Mr. Nielsen: Character assassination.

Mr. Wilson (Etobicoke Centre): As far as the other questions the Hon. Member has posed are concerned, he should be putting them to the Minister of Supply and Services; it is his contract, not mine. The firm is to deal with the Ministry of Supply and Services, not the Minister of Finance.

CONTENT OF GUIDELINES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister on the same subject. The Minister of Supply and Services has just told the House that all of the present government guidelines in this situation were

complied with. Presumably that means it is permissible for a relative of a Cabinet Minister to obtain a quarter of a million dollar contract from the Government without being the lowest bid. Will the Prime Minister confirm that the guidelines are so deficient in this respect and, if so, will he undertake that within 24 hours he will change the guidelines to make it impossible for a relative of a Minister of the Crown to get a contract without having even to be the lowest bidder?

Right Hon. Brian Mulroney (Prime Minister): I will confirm that the guidelines, the ones we inherited, were that deficient as applied by the Liberals. They have since been very seriously upgraded to accommodate the legitimate concern of my hon. friend. They have been very substantially improved to protect the interests of the Canadian taxpayer, and we will be happy to file them at your earliest convenience.

Mr. Broadbent: I regret to say, as is his wont, he did not answer the question.

Mr. Mulroney: I did answer the question.

Mr. Broadbent: No, you did not.

Mr. Mulroney: Ask your question.

Mr. Broadbent: I will ask the question specifically.

LETTING OF CONTRACTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, do the guidelines now in existence, which the Prime Minister brought in, prohibit a relative of a Minister of the Crown from getting a contract without being the lowest bidder? If they do not contain that provision, why does he not make the change and put that in the guidelines?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker—

Mr. Broadbent: I thought you were going to answer.

Mr. Andre: —as I said to Members of the House, and I believe to the Leader of the NDP previously this year, advertising is not let by tender anywhere in the world where they have advertising. What we have introduced is a procedure whereby there will be a degree of competition permitted within the practices of this profession by having several agencies, three, four, or five agencies, make a representation to a panel of public servants—a panel of public servants—to select from amongst those agencies that one which will represent that Department in its activities during the course of the year. I do not know what else could be fairer than to have public servants make the selection. This is an innovation which certainly Premier Pawley has not in place, nor did David Barrett, nor any other former or current Premier of whom I am aware.

Mr. Broadbent: I can inform the Minister, in so far as he considers it relevant, that the Government of Manitoba awarded contracts not long ago to two firms which had worked for the previous Tory Government. That has been the practice of Premier Pawley.

GOVERNMENT'S RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister, who made such an issue of patronage in the last campaign. There is a role to be played in making a judgment about certain kinds of submissions on advertising contracts which do not necessarily go to the lowest bidder. We agree with that. But would the Prime Minister not agree that there is a distinction between permitting relatives of Ministers of the Crown to get contracts of that kind, which do not go to the lowest bidder, and getting contracts where they have to meet the lowest bid requirement? Surely there is a distinction, and surely it is the Government's responsibility to avoid even the appearance of a conflict of interest. When will the Prime Minister live up to his commitment to make a fundamental change in the whole patronage system of this country?

Right Hon. Brian Mulroney (Prime Minister): But we have.

Some Hon. Members: Oh, oh!

Mr. Mulroney: We have.

Mr. Hnatyshyn: Listen.

Mr. Mulroney: If my hon. friend cares to listen—

Mr. Tobin: Ronald Reagan was an actor who went into politics, and you're a politician who should go into acting. Your nose is growing.

Mr. Mulroney: Now we have heard from the latest success story in Newfoundland after that last election. The fact of the matter is that there has been a very serious change made, and I think my hon. friend would agree. The manner in which tenders come forward is that they are analysed, the bids are brought forward, proposals are made, and they are left, for the first time, to the ultimate determination and adjudication by a panel not of politicians but of distinguished public servants. I cannot think of what would be fairer or more honourable and consistent with what I know my friend realizes to be an obligation of the Government to proceed in an orderly manner.

My hon. friend phrases questions mixing that practice, which I think is a very healthy administrative change, one that benefits Parliament, with the question of patronage, and criticizes us. I noticed no criticism from him when we appointed distinguished people like Paul David, Dick Doyle, or Sylvia Gold, noted for her association with the NDP. We do not think that disqualifies Ms. Gold from playing a prominent role in

the life of Canada. We are trying to be fair with everyone, and I think our appointments reflect that attitude.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF SUPPLY, OF THE ARAB REPUBLIC OF EGYPT

Mr. Speaker: May I take this moment to advise Members of the presence in our Gallery of Dr. Mohamed Nagy Shatla, Minister of Supply of the Arab Republic of Egypt.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

THE CONSTITUTION

FRENCH LANGUAGE RIGHTS—PRIME MINISTER'S POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. During the previous Parliament, all political parties in this House agreed to adopt a constitutional resolution, that is, a joint resolution by all political parties concerning the language rights of Francophones in Manitoba. One of the Anglophone leaders in Manitoba who objected to the resolution was Mr. Bud Sherman, a prominent member of the Progressive Conservative Party, who was subsequently defeated at the polls in the federal election. Mr. Sherman, as Hon. Members are aware, has just been appointed a permanent member of the board of directors of the Canadian Radio-television and Telecommunications Commission, the CRTC. Could the Prime Minister explain to the House why Mr. Sherman, who objected to the constitutional resolution addressed to Manitoba, was appointed to the CRTC, a national body that oversees both French and English language television and radio? Is this really in the national interest?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, throughout the election campaign, Mr. Sherman defended vigorously and, I think, eloquently, this Parliament's national statement with respect to national bilingualism. This has always been accepted by Mr. Sherman. In fact, my hon. friend is well aware of the personal battle I waged in this area, and in Manitoba, I insisted that every candidate must accept the position I announced here in the House of Commons, and that includes Mr. Sherman. Furthermore, Mr. Sherman is a distinguished Canadian who is extremely competent and has a solid background in the broadcasting field. I think everyone would do well to acknowledge that this is an excellent appointment that augurs well for the future.

• (1440)

[*English*]

GOVERNMENT POLICY

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, putting aside the Prime Minister's love of equivocation, can the Prime Minister at least not show the same integrity as the previous Leader of his Party, and state that the language views of Mr. Sherman are not those of his Government, and that the Prime Minister's promises are not like snow which disappears in the spring? Will he keep his promises to make non partisan appointments based on qualifications, in order to uphold the national unity of the country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend does a grave disservice to the cause of bilingualism and the notion of Canada by insisting that all Canadians, at all times, accept holus-bolus, his or my view of what Canada must be. This has always been a sensitive and difficult issue which demands understanding of the other fellow's point of view and persuasion. It demands generosity.

This House, of which I was honoured to be a Member, provided great national leadership at a critical moment. That kind of leadership was endorsed by the people of Canada. I do not say that in a partisan way. Bilingualism is an indispensable concept of this country which will always be maintained by Parliament. The appointee to whom the Hon. Member refers has at no time said anything inconsistent with our desire to maintain that vital national role of bilingualism.

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PARLIAMENT HILL

REMOVAL OF PEACE CAMP

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Public Works. It is with regard to the forcible eviction of four of my constituents from the lawns of Parliament Hill this morning.

Some Hon. Members: Hear, hear!

Mr. Waddell: They are applauding. Can you believe it? They are happy.

Mr. Cassidy: I represent those people and I am proud of the protest that they have been making in favour of peace on behalf of the people of Canada.

Some Hon. Members: Hear, hear!

Mr. Cassidy: Is the Minister aware that the eviction of the Peace Camp has received widespread publicity across Canada, and now across the world, and that the message that is being conveyed around the world is that the Government of Canada opposes the views of those millions of Canadians who stand for peace?

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame!

Mr. Cassidy: Why did the Government allow that kind of message to be spread across the world when the alternative would have been to allow those demonstrators to continue their efforts to bring peace into the world and to bring the issue to the attention of Canadians?

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I suggest the Hon. Member is not altogether honest in his questioning, for he knows perfectly well that the two governments had accepted for the past two years the presence of the so-called official representatives of the international movement for disarmament. For the past three weeks, the Hon. Member and I have been aware that the peace camp people on the Hill have no connection whatever with this movement which we hold in high esteem. I have taken the initiative to personally ask these people to leave, because we have understood the message the Hon. Member would like to deliver to the House today. Under these circumstances, I think that the vast majority of Canadians who are in favour of disarmament and peace no longer need this peace camp on Parliament Hill.

[*English*]

GOVERNMENT OPTION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the Minister obviously does not understand that the peace movement is a coalition. The disarmament coalition in Ottawa is meeting tonight to talk about what action its members will take to support their friends in the Peace Camp. They are certainly not disowning the demonstrators who have been on Parliament Hill.

Is the Minister not aware that there was a choice? He could have kicked out the peace campers, which is what he has done, or taken action to ban Cruise missile testing in Canada and to withdraw Canada from participation in star wars research in the United States. Why did the Minister not take the courageous solution of stopping Canada's participation in star wars rather than the route of kicking the peace campers off the Hill?

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I must say that the agreements which Canada might sign with the United States are outside my jurisdiction. I simply want to say that we have been most courteous with these people who do not represent the national movement. Under these circumstances, I can assure the hon. member that we will always accept orderly demonstrations on Parliament Hill and that we will always respect the right way of doing things.

As for camping, Mr. Speaker, I want the whole of Canada to know that Parliament Hill is not a camping ground.

[*English*]

ENVIRONMENTAL AFFAIRS

PROPOSED TOXICOLOGY CENTRE AT UNIVERSITY OF SASKATCHEWAN

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Minister of the Environment and relates to recent concerns over the spill of PCBs on the Trans-Canada Highway and the fact that apparently not enough is known regarding the effect of this toxic substance.

A constituent of mine called me today and advised that 10 gallons of PCBs were spilled just days ago in Saskatoon. This suggests that there is quite a bit of this toxic substance in Canada.

In light of the need to increase toxicological research, and in light of the fact that the University of Saskatchewan has a partial financial commitment to build a toxicology centre to serve western Canada, would the Minister play a major role in expediting a commitment to secure funding for this project and possibly enter into discussions with other federal Ministers as well as the private sector?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I thank my colleague for his question. I am quite aware of the excellent work done at the University of Saskatchewan under the direction of Dr. Bruno Scheiffer. Any proposal concerning private sector participation in our toxicology research will be carefully and gratefully considered.

* * *

[*English*]

GOVERNMENT ADVERTISING

AWARDING OF CONTRACT—ROLE OF DOUGLAS ROBSON

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I regret the refusal today of the Minister of Finance to answer many of the questions put to him. Everyone in the House knows that the Minister of Supply and Services is only a purchasing agent in this matter. We know that the Department of Finance determines its advertising needs and instructs the Minister when to make a purchase on its behalf.

I will ask the Minister of Finance again whether Mr. Robson was part of any initiative in his Department for determining the requirements of his Department with respect to advertising needs. More particularly, was he part of the determination for the particular contract that was let one month after Mr. Robson left his office without pay, presumably gratis of Lawson Murray which paid his salary while he worked in that office? Was he part of determining the requirement for that advertising contract?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is quite wrong in his premise. The Department of Finance deals with the over-all need for advertising.

The Ministry of Supply and Services decides who should do it. That was the basis on which this contract was awarded.

With regard to the second question, obviously Mr. Robson had nothing to do with the decision on who would be awarded that contract since the contract was awarded by the Ministry of Supply and Services.

Mr. Tobin: Mr. Speaker, the Department of Supply and Services awards the contract. Someone in the Department of Finance determines what its needs are. Mr. Robson was there for a month before the contract was let.

MINISTER'S KNOWLEDGE

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my supplementary question is directed to the Minister of Supply and Services. Was he aware of the family relationship between the Minister of Finance and Lawson Murray? Was he aware of the relationship between Mr. Robson, who worked in his office, and Lawson Murray? On the weekend his press secretary suggested that he was not.

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, for many years the Bank of Canada has been running an advertising program for marketable bonds. The Bank approached the Department of Supply and Services for an agency to carry on this activity. My Department selected the agency because, according to one individual who informed me, this is the best advertising agency in Canada for handling financial institutions. They have proven that to us by the way they handled this particular account. They demonstrated that the money spent for years by the Liberals was being wasted. We are going to save $500,000 to $6000,000 a year.

The answer to the question is no, we did not know. We selected Lawson Murray on the basis that it is the best agency for this kind of work. I have here the proof that they in fact did a good job and are saving the taxpayers—

Some Hon. Members: Oh, oh!

Mr. Andre: Why does the Member object to having someone save the taxpayers hundreds of thousands of dollars?

Some Hon. Members: Hear, hear!

* * *

● (1450)

AIR TRANSPORT

CARRIAGE OF PCB CONTAMINATED MATERIAL

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Minister of Transport. It concerns the bungling by the Ontario Government of the PCB spill.

The Minister will be aware that airport cargo workers want the Ontario Environment Ministry to be prosecuted to the fullest extent of the law for not telling them that they were handling deadly PCBs on two passenger flights last week. Given what the Solicitor General said in the House last week, and what the Prime Minister told me on Friday about the Government's willingness to prosecute where violations were found to exist, could the Minister tell us whether any investigation is being made of the Ontario Ministry of the Environment pursuant to dangerous goods legislation, and whether any charges against that Government are being contemplated?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, there is provision in the Aeronautics Act which covers the transportation of dangerous goods. The issue to which the Hon. Member refers is under active consideration by departmental officials.

INVOLVEMENT OF ONTARIO MINISTRY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, is the Minister saying that the suggestion of laying charges against the Ontario Ministry of the Environment is under active consideration—

Mr. Mazankowski: No.

Mr. Blaikie: —because that would certainly be a good idea, given the way it has handled the situation.

I want the Minister to be clear. Is it possible that there is a recourse in federal law for the people of Canada against the negligence of the Ontario Ministry of the Environment, or is the only recourse to toss out the Tories next week, when they have the chance?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, unlike the NDP, we try to obtain all the facts before we start engaging in loose rhetoric like the Hon. Member.

* * *

[*Translation*]

THE ADMINISTRATION

ALLEGED SYSTEMATIC PATRONAGE CONCERNING FARM LOAN NOTARIES

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister. He told us before that changes had been made in patronage procedures and, sure enough, the Farm Credit Corporation was one of the victims of such changes, since his Government has set up a systematic patronage system concerning notaries handling FCC loans.

As we all know, the Agricultural Producers' Union management spoke out against that procedure last week, going as far as occupying the Farm Credit Corporation office in Sherbrooke. We also know that the Board of Notaries has urged that the procedure be abandoned. Can the Prime Minister tell the House whether he has asked the Minister of Agriculture to

put an end to his systematic patronage with respect to farm loans?

Right Hon. Brian Mulroney (Prime Minister): What I do know, Mr. Speaker, is that we have asked that everyone be considered as being qualified in such circumstances, including those who had been systematically turned down for 25 years. That is all. Everybody is on the list, including those who were never given a change in 25 years. Decisions have been made accordingly.

ALLEGED GOVERNMENT NEPOTISM

Hon. Jean Lapierre (Shefford): Well now, Mr. Speaker, the Prime Minister is talking about 132 names out of 3,000 notaries in Quebec. In my opinion, it takes an awful lot of nerve to try to have us swallow such bullshit.

Mr. Speaker, how can the Prime Minister justify a case of nepotism where the two brothers of the Hon. Member for Mégantic-Compton-Stanstead had also been left out? How can he justify the case of the brother-in-law of the Minister of Finance, and now the brothers of some Members who are feeding at the pork barrel?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I fail to understand why the Hon. Member would level such serious accusations at me personally. Indeed, I read in today's *La Presse* that Ontario Liberal Leader David Peterson said that "Mulroney is the most extraordinary man I have ever known". So why is the Hon. Member being so harsh with me?

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

PRAIRIE WILDLIFE INTERPRETATION CENTRE

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Minister of the Environment. On March 13 an announcement was made to the effect that the Prairie Wildlife Interpretation Centre near Webb, Saskatchewan, would carry on, and further that an announcement of the group who would be operating it would be made by the end of March.

In view of the fact that it is now April 22, that the Wildlife Centre generally opens to the public in mid May and a number of school groups are anxious to plan visits, would the Minister indicate to the House who will be operating the centre and when we can expect it to open?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I thank my colleague for his question. I wish to advise the House that we have received four offers of people who want to operate the Wildlife Interpretation Centre near Webb. The delay is due to the fact that we received this morning a fifth offer from the Wildlife Canadian Federation, a provincial group based in Saskatchewan, and we hope to make a decision very shortly.

* * *

[*English*]

GOVERNMENT ADVERTISING

INTRODUCTION OF NEW GUIDELINES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister. Earlier in Question Period the Minister of Supply and Services said that as soon as his Party came into government new guidelines were introduced. When the Prime Minister was answering questions from the Opposition, he said that he had been forced to use guidelines from the previous Government and that they are inadequate. Could he tell the House, in terms of the Lawson Murray affair, exactly when he brought in the new guidelines he was referring to in Question Period?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, certainly it was my intention and I believe I did say that we started working on new guidelines. We inherited a set of Treasury Board guidelines with which we complied absolutely, but immediately saw their deficiencies. We started working on new guidelines. A communications committee of Cabinet was established and we have, in effect, put guidelines in place because Ministers have been asked to comply with them, even though they are not as yet printed but within days will be printed and put in the Treasury Board policy manuals. As I have indicated, we are following them now.

TIMING OF INTRODUCTION

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Prime Minister. Will he clarify exactly what date these new guidelines came into effect? Was it before or after the Wilson affair?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I believe that this is the third time that I indicated we started working on new guidelines as soon as we came into office and had an opportunity to examine the circumstances.

An Hon. Member: When did they come into effect?

Mr. Andre: The new guidelines, a couple of months ago, were circulated to Ministers to tell them of their thrust.

I described them orally in the House in January. The direction we were taking is in *Hansard*, if you want to examine it. The actual material for the Treasury Board policy handbook has yet to receive the last few steps of the administrative process. However, as I described in the House in January, in essence they have been in effect since then.

PARLIAMENT HILL

REMOVAL OF PEACE CAMP

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Prime Minister. Earlier in Question Period the Member for Ottawa Centre referred to the fact that at 7.30 this morning the Government of Canada removed the Peace Camp from Parliament Hill and arrested two of its participants. Would he tell the House, and Canadians, the reasons for this removal at this time, two years after the Peace Camp was first installed, and whether this indicates any weakening of the Government's commitment to peace in the world at this time?

Some Hon. Members: Oh, oh!

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I am flabbergasted that the hon. member should be wondering how we could put an end to a situation which had existed for the past two years and which his own government had tolerated for 18 months. I indicated earlier that a few weeks ago I had invited these representatives to go, in view of the fact that Parliament Hill is not a camping ground. They asked me to evict them, assuring me that they were anxious to leave, but that they could leave only if expelled. That is what we did this morning, and I repeat that we have as much respect as anybody in the House for the peace movement. We are as much pro-peace as anybody here, but I think that these people's presence had lasted long enough.

[*English*]

GOVERNMENT COMMITMENT TO PEACE

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question was on a much broader issue than that dealt with by the Minister of Public Works. That is why I asked it of the Prime Minister. Many nations have taken a message from this story, which has gone throughout the world, that there is a lessening of the commitment to the cause of peace in the world. The Minister said that the Peace Camp made its point. If it did, why is the Government not taking a strong position against star wars development in the United States?

I ask the Prime Minister to assure the House, and Canadians, that the Government is committed to peace and that the action this morning is out of line with that commitment? I think the Prime Minister should recognize that and be concerned about it.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the decision this morning was an administrative one which merely concerned making sure that the lawns of Parliament Hill were made available to everybody and not to a group of people, of whatever background, who chose from time to time to live there for given political purposes.

I feel that all Members of the House have demonstrated great tolerance, understanding, and sympathy, by watching this in a friendly manner for two years. It was felt that the time had come for some action. Having said that I want to give my hon. friend the assurance that one is an administrative a matter. The other much more important, infinitely more important, is on the political level which deals with all Members of this House and our commitment to securing a durable peace.

• (1500)

I give my hon. friend this assurance, that there is nothing more important to this Government, and I know to the Hon. Member, than the success of the Geneva talks which will make sure that we live in a safer world, that we minimize the risk of nuclear accidents. We are fully committed to that. We believe that is a most honourable goal, and we will pursue it with vigour at all times.

Some Hon. Members: Hear, hear!

Mr. Speaker: One question. The Hon. Member for New Westminster-Coquitlam.

* * *

EXTERNAL AFFAIRS

NICARAGUA—CANADIAN TREASURY

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is for the Prime Minister. Since Canada supports and the Prime Minister has frequently referred to the Contadora peace process, and since the efforts of the Contras to overthrow the Government of Nicaragua are major obstacles to that peace process, when does the Canadian Government plan to inform the United States Government, as many others in this hemisphere have done, that we too are opposed to any and all financing of the Contras by the U.S. Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Government of Canada makes its views known in a regular and vigorous way.

Mr. Benjamin: What about the people of Canada?

Mr. Mulroney: I may tell my hon. friend that, pursuant to our policy of trying to be helpful in that area, the Minister of External Relations will be making a very important visit to Central America in the very near future, and we hope that will be helpful to the Contadora process as well.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Fraser Valley

East (Mr. Belsher) on Friday, April 19, 1985 meets the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Windsor-Walkerville (Mr. McCurdy) does not meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

PUBLICATION OF PARLIAMENTARY COMMITTEE REPORT PRIOR TO PRESENTATION IN HOUSE—RULING OF MR. SPEAKER

Mr. Speaker: I am now ready to rule on a question of privilege raised by the Hon. Member for Calgary West (Mr. Hawkes) on April 16. I am prepared to give the House a minute to settle down, if the House chooses.

The Hon. Member complained of a premature disclosure of a report of the Standing Committee on Labour, Employment and Immigration and provided the Chair with two newspaper reports by way of evidence.

Order, please.

The two reports, one from *The Toronto Star* and the other from *The Citizen*, clearly indicate that these two newspapers were in possession of the report prior to its tabling in the House of Commons.

The premature disclosure of committee reports and proceedings undoubtedly encroaches upon parliamentary privilege if the traditional criteria are rigidly applied. The Hon. Member quoted relevant citations from Beauchesne in support of his complaint. The Hon. Member for Windsor West (Mr. Gray), in the course of his intervention, indicated that the British practice, which is referred to in Beauchesne, had been altered. In the interest of clarity—

Order. I presume rulings on matters of privilege are of importance to the House.

Mr. Hnatyshyn: My friend is important to me, too.

Mr. Gauthier: Apologize.

Mr. Speaker: No apology is necessary. Order, please. All Members of this House are guilty at some point or other of talking when the Speaker is on his feet. That is an equal problem. I have made that point before and I will make it again. It is not for the Chair to have to cope with that matter, I think as all Members know; it is in the interest of those who wish to hear that all Members allow the Chair to be heard.

Some Hon. Members: Hear, hear!

Mr. Speaker: In the interest of clarity, I should perhaps indicate the current British practice in this regard as described on pages 716 to 717 in the Twentieth Edition of Erskine May:

Publication of reports of committees.

Any publication of a draft report, which has been submitted to a committee, before such report has been agreed to by the committee and presented to the House, is treated as a breach of privilege; and when the report of a committee, which had been presented to the House, but was not yet available to Members in printed or photocopied form, was communicated to the press, the Speaker stated that the more regular practice was that the Members of the House should be the first to be put in possession of the results of the deliberations of a select committee. The practice was modified in 1967-68 by terms of Standing Order No. 92 which provides that all select committees should have power to authorize the Clerk of the House to supply copies of their reports to officers of government departments, to such witnesses who have given evidence to committees or their sub-committees as these committees consider appropriate, to lobby journalists and to such other press representatives as the committee thinks fit. Copies are to be supplied after they have been laid on the Table, but not more than forty-eight hours before the intended time of publication of the report; and they are to be regarded as strictly confidential until such publication.

In 1980 the British House also relaxed its position—

Order. Fair is fair. Perhaps Members of the Opposition Party would also care to allow me to be heard.

In 1980 the British House also relaxed its position respecting the publication of evidence given by witnesses at public committee hearings before such evidence had been reported to the House. The details may be referred to on pages 704 to 705 of Erskine May's Twentieth edition.

The British practice has therefore, as pointed out by the Hon. Member for Windsor West (Mr. Gray), been changed in recent years. However, the Canadian practice has never been entirely consistent with that of the British House, and in this regard I wish to refer to some important precedents.

On October 29, 1964, a question of privilege was raised complaining that an identified Member of the House had issued a press release concerning the report of the committee considering a national flag prior to the presentation of the report to the House. The Member concerned acknowledged that he had indeed done so. Mr. Speaker, Macnaughton took the position that since the complaint involved an attack on the conduct of a Member, there should be a specific charge by way of a substantive motion on notice, and he quoted from a ruling of Mr. Speaker Michener of June 19, 1959 as follows:

In my view, simple justice requires that no honourable member should have to submit to investigation of his conduct by the House or a committee until he has been charged with an offence.

The matter was not proceeded with.

On October 21, 1975, the Commons chairman of a joint committee raised a question of privilege in which he complained of the unauthorized publication of excerpts from a preliminary draft of the committee's report, each page of which had been clearly stamped "confidential until presented in the House." Mr. Speaker Jerome in his ruling acknowledged that "the publication of such a report would raise the strongest suggestion that some act had taken place which offended the privileges of the House". However, he went on to point out that the complaint was not specific in alleging an act of misconduct on the part of any identified individual or individuals.

Another important precedent concerning the premature disclosure of committee proceedings is to be found in a ruling given by Mr. Speaker Jerome on June 23, 1977. Again, Mr. Speaker acknowledged that the complaint contained the elements of privilege and was supported by clear precedents in the British House of Commons. At the same time he pointed

out that our own House had never followed the British practice in this area. He went on to express his concern that, while the complaint appeared to attack the press, it made no criticism of the attitude of Members themselves in respect of confidential documents.

He came to the conclusion that he could not allow such a matter to proceed as a *prima facie* case of privilege until the problems raised by this kind of case had been further considered by the House or one of its committees.

I fully understand the concern of the Hon. Member for Calgary West that a document, the content of which clearly indicated its confidential nature until tabled in the House, was prematurely released. If the Chair were to be guided exclusively by British practice, it would have to find that there was *prima facie* evidence of a breach of privilege. Although no evidence has been introduced which might help to place responsibility for the leaking of the document to the press, the press itself must take responsibility for the premature disclosure of a report it knew to be confidential until presented to the House.

This House has a very proud record of concern for the freedom of the press. Our practice has always been to lean toward press freedom rather than apply the test of privilege on every occasion. The rulings I have cited of my predecessors bear this out. Two of these cases involved an even larger question of privilege—the leaking of draft reports prepared before the committee had reached any final conclusions. In the circumstances, I feel I should follow these precedents and rule that this matter cannot be accorded precedence over all other business.

Nevertheless, this ruling should not be interpreted as a *carte blanche* exoneration of the press on any and every occasion that documents known to be confidential are prematurely disclosed.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I just wanted to be on record that I unequivocally apologize for any statement I may have made owing to my enthusiasm to greet back to this House one of our distinguished parliamentarians after a long absence, namely, the Hon. Member for Red Deer (Mr. Towers). We are all glad to see him back.

Some Hon. Members: Hear, hear!

Mr. Speaker: No apologies were needed or necessary. Perhaps I could add my personal best wishes to the Hon. Member.

Some Hon. Members: Hear, hear!

Statement by Minister

• (1510)

ROUTINE PROCEEDINGS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

PRESENTATION OF FOURTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Finance, Trade and Economic Affairs, in both official languages. The committee has considered Bill C-30 and is reporting it without amendment.

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

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TRANSPORTATION OF DANGEROUS GOODS ACT

TABLING UNDER SECTION 28—CORRECTION OF ERROR IN FRENCH VERSION

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, under the provisions of Standing Order 46(2), and having regard to the fact that it has been drawn to my attention that there was a typographical error in the French version of the document that I tabled in the House last Friday, I should like to table a new document reflecting the corrected version. It concerns Protective Direction No. 1 under the provisions of Section 28 of the Transportation of Dangerous Goods Act.

* * *

DEPARTMENT OF JUSTICE

TABLING OF 1983-84 ANNUAL REPORT

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, pursuant to the provisions of Standing Order 46(2), I am pleased to lay upon the Table of this House the 1983-84 Annual Report of the Department of Justice in both official languages, and I ask that it be referred to the Standing Committee on Justice and Legal Affairs.

* * *

ORGAN DONOR WEEK

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, there was to be a statement from myself regarding Organ Donor Week. In that it is an Opposition day. I do not want to take too much time of the House, specifically that of the Opposition. However, I take this opportunity to invite all my colleagues to the Commonwealth Room to sign their donor cards, so that we can get on with what I think is a very worth-while project. With regard to what the Right Hon.

Member indicated as to what should be donated, I leave that up to him.

* * *

[*Translation*]

PETITIONS

AUDITOR GENERAL—ACCESS TO NECESSARY WORKING DOCUMENTS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I wish to table a petition signed by a group of Laval University students who urge the government to respect the right of the Auditor General to have access to all the necessary documents he needs to carry out his assignments as an employee of the Parliament of Canada.

* * *

[*English*]

FRESHWATER FISH MARKETING ACT

MEASURE TO AMEND

Mr. Dave Nickerson (Western Arctic) moved for leave to introduce Bill C-235, an Act to amend the Freshwater Fish Marketing Act.

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

Some Hon. Members: Agreed.

Mr. Nickerson: Mr. Speaker, the purpose of this Bill is to revoke the monopoly on the interprovincial and international sales of freshwater fish from western and northern Canada presently enjoyed by the Freshwater Fish Marketing Corporation, thereby allowing fishermen the opportunity to receive more money for their catch.

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

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, if Question No. 69 could be made an Order for Return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 69 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

DEPARTMENT OF THE SOLICITOR GENERAL—HIRING OF OUTSIDE CONSULTANTS

Question No. 69—**Mr. Nunziata:**

Since the Solicitor General assumed office, were outside consultants employed by his Department and, if so (a) how many (b) what are their names and what was the total amount paid to each (c) for what purpose was their service engaged?

Return tabled.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—PROTECTION OF THE ENVIRONMENT

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

That, in the opinion of this House, the Government has displayed negligence with regard to the protection, maintenance and improvement of the environment as manifested in its ill-advised reduction in services, its complacent attitude toward controlling potential harsards and its complete abdication of any leadership in the protection of the environmental health and safety of Canadians.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, just before the House rose for the luncheon adjournment I had been referring to the fact that the reaction of the Government to the PCB spill between Kenora and Ignace, and for all we know at many other points along the Trans-Canada Highway, points to the fact that there is a gap between the moral outrage felt by Canadians and the offence taken by Governments. I am not referring to any particular Government but to Governments in general. Often these kinds of incidents arise out of the negligence of either the private sector or respective Government Departments which are responsible for ensuring safe transportation of dangerous substances such as, in this case, PCBs.

One of the oddities of our society and our civilization is that we rightly get ourselves worked up about criminal acts, whether it be murder, theft, or whatever, acts which come under the traditional notion of what it means to act like a criminal. We have not reached the point—and I think we need to reach it very quickly—where we take moral offence at actions by Governments, the private sector or anyone responsible for introducing poisons into the environment with which human and non-human creatures have to live either in the short run or

in the long run. We have to come to the point where we take the same moral offence at those kinds of actions as we do at criminal acts of individuals. At some point we cannot just regard it as the price of doing business. We cannot just regard it as the price of a smoothly running economy. At some point we will have to realize that there is too much of a cost to pay, both in the short term and in the long term.

Let us consider the cost to taxpayers of having to rip up whole sections of the Trans-Canada Highway or of having to repair, whenever we get around to it, all the environmental damage which has been done in the name of short-term expediency, of the need of a particular company to be competitive with its competitors or of the need for a Crown corporation to realize a certain profit in order to maintain its credit rating. All these rather abstract economic indicators, I maintain, have been used over the years as grounds for doing things which have real physical consequences for the environment, for people and, as I said before, for non-human creation.

I see the Minister of Transport (Mr. Mazankowski) in the House. I hope he will be speaking later about how he sees his departmental responsibilities in terms of this particular spill. I hope he will be commenting critically—and I think it would be useful for him to do so—on the role that provincial jurisdiction has played in the matter and the way in which, by giving over too much of the responsibility for these kinds of spills to provinces, the federal Government finds itself in a position which, it either likes or dislikes, but which in any event, is a position in which they have not felt the freedom to be as involved in this event as they should have been and as many other people believed they should have been. We have mixed messages from the Government as to the question of jurisdiction, not only federal and provincial jurisdiction, but as to whom within the federal Government had jurisdiction for these kinds of events.

● (1500)

I look forward to hearing the Minister of Transport (Mr. Mazankowski) on this subject. If one thing is clear from all this, it is that the Ontario Ministry of the Environment has clearly bungled its responsibility. It did not take it seriously in the first place. It then proceeded to make a number of errors with regard to the information it gave out on the hotline for those who telephoned because they suspected they may have been exposed to the PCBs on the highway, the attitude toward the family who were exposed to the PCBs directly, and the attitude it took toward existing regulations in sending soil samples through Winnipeg to the Department in Ontario that were not clearly marked. We now have air cargo workers quite rightly complaining that they should at least have been told what they were handling. These kinds of things point clearly to the fact that the Ontario Ministry of the Environment was not doing its job.

If there is no legal recourse, as well there may not be, there is at least political recourse. It is time for that political recourse to take effect in Ontario. For five years the Government of Ontario has had a piece of legislation passed by the Ontario Legislature waiting to be proclaimed. It would have dealt with the very kind of event we now have in the form of that PCB spill in Kenora. For five years the so-called "Spills Bill" has been waiting to be proclaimed by the Ontario Progressive Conservative Government, and no action. If there was ever an example of rank neglect of the need to proceed with the kind of legislation that everyone thinks is necessary, whether it be the federal Progressive Conservatives, federal Liberals, provincial New Democrats, you could not find anyone other than the Ontario Tories who thought there was any wisdom in not proclaiming that piece of legislation. As I say, it has been around for five years.

I am really outraged and offended. When I get up to speak about this, I am not putting it on for the cameras or that sort of thing. For years the Ontario Government has demonstrated this kind of attitude toward the environment. Long before I ever ran for office, the Ontario Government deliberately turned a blind eye year after year to the fact that all kinds of people were pointing out that the pulp and paper mill in Dryden was poisoning the English-Wabigoon River system by allowing mercury to enter that system. That was having harmful effects on the fish in that river system and on the native people who made their living off that system.

What did the Ontario Tories do for years and years? The same Tories who are now running for election did absolutely nothing. They waited until that paper mill was taken over by another company. Now there are so many legal hassles as to who is responsible and who is not that there is no chance of anyone being brought to justice with respect to that ecological crime. We are talking about an ecological crime. We need to begin to talk about ecological crimes in this country.

The Ontario Government has been allowed in many cases to perpetrate or to allow those kinds of crimes without having to pay the political price. Who knows whether they will pay it this time around, but some day the political price will be paid. Some day Canadians will arrive at the point where they will not tolerate Governments that are lackadaisical about environmental matters. They will not tolerate Governments that are so short-sighted as to think that the short-term economic consequences of strict environmental regulations are more costly than the long-term consequences of not having those kinds of environmental regulations. I look forward to that day.

I wanted to say what I have had to say because it is important if only for a moment to get above this particular event and think about the over-all political picture and the need for Governments everywhere to be more sensitive to environment issues. If there is one Government that is particularly open to criticism on this in terms of what we have learned from this PCB spill, it is the Ontario Progressive Conservative Government. It has a history of not being sensitive to those kinds of things. It listens to the voice of the corporate ledger instead of the voice of the river, the native people or the fish. It listens to the voices of those who would have Governments think only in the short term and not the long term. That is where we have to go.

With respect to the PCB spill, I hope the Minister of Transport will have something to say about why in his protective directive that he issued on Friday, if I understood it correctly, he did not require the kind of convoy that seems to me would be in order.

Mr. Mazankowski: Convoy? What for?

Mr. Blaikie: So that if something is spilling out, someone would notice. You would not need to have a family of four in a family vehicle to notice it.

Mr. Mazankowski: Get off it.

Mr. Blaikie: If the Minister thinks that is an unrealistic demand, he is free to get up and say so. That is fair enough. It is an idea that was being thrown around. It is not included. Perhaps the Minister can say why he does not think that is necessary. That would seem to be fair ball. Maybe that is what he will do.

With respect to the regulations, I wonder if the Minister could clarify what the regulations that come into effect on July 1 will be. There has been some misapprehension about what those regulations will do. The other day in committee I asked what the regulations would do. I believe a false impression is being given, perhaps not deliberately, that the regulations which come into effect on July 1 would have dealt with all aspects of this Bill. All they would have dealt with would have been the speed and the accuracy with which people responded to the spill. They would not have had anything to do with preventing the spill.

As I understand, the regulations pertaining to the container itself will not come into effect until long after July 1. That comes with the next set of regulations to come into effect. I believe it was 1980 when we passed the transportation of dangerous goods legislation. We look forward to July 1, 1985 when a certain set of regulations will come into effect. Those regulations which would have enabled a comprehensive regulatory response to this event are still yet to come, even after July 1. It makes one wonder how long it takes. The Bill was passed in 1980. In 1985 we still do not have the regulations to deal with the problem.

Perhaps the Minister could comment on that. I know he will want to blame the previous Liberal administration. Maybe that had a lot to do with it. However, there must be some other reason why it is taking so long. I hope the Minister will address, in his new responsibilities as Minister of Transport, how we can decrease the time between legislative action and regulatory action so that we do not find ourselves in the position in which we so often find ourselves of something having happened, we thought we had legislation to deal with it but we did not because the regulations were not yet in place. At least, in this case, with respect to federal legislation, we had the legislation proclaimed and the regulations in process. But the Ontario Government did not have the decency to pass the legislation and get on with the regulations. That is where it stands on the matter. It is something for which I hope it will soon pay a political price.

• (1530)

Mr. Hovdebo: Mr. Speaker, I want to return to the Hon. Member's remarks just before lunch when he established the basis for a federal Government policy. Could the Member expound on that? As environment seems to be a divided area, what does he feel the federal Goverment's responsibility should be and what direction does he think the policy should take?

Mr. Blaikie: Mr. Speaker, I think that the Federal Government ought to feel more responsible, and indeed ought to have more responsibility than it now assumes. From the first time I heard of this, I assumed that the Minister of Transport (Mr. Mazankowski), by virtue of the fact that it was a question of interprovincial transport, had a mandate to deal with it. I realize that the responsibility for administering this area has devolved to the provinces, but if we have learned anything from this, it is that if a cargo of dangerous goods must pass through several jurisdictions in order to get from point A to point B, this is not the best way to go about it. We have learned that it provides all kinds of opportunities for error and misrepresentation. If the federal Government is serious, it will have to take a tough look at how the dangerous goods legislation is being administered to see if there is an opportunity for a greater federal role.

Mr. Taylor: Mr. Speaker, I would like to make a quick comment as to whether the responsibility should be dual or separate.

After the court decision on bus pickups in New Brunswick and Nova Scotia was made, the Hon. Robert Winters, who at that time was Minister of Transport in the Liberal Government, asked all provincial Ministers to a meeting. The provincial Ministers of Highway and of Transport from across the country gathered in Ottawa for that meeting, and I was among them. At that time, the Hon. Robert Winters said that while the legislation placed the responsibility on the Minister of Transport, he wanted to delegate it completely to provincial Ministers. I remember one of the provincial Ministers asking him whether, if it was delegated, it would mean that the federal Ministers would interfere after the provinces had started administering the legislation. Mr. Winters said no, that that would definitely not be the case. He said that the full responsibility would be that of the provincial Governments.

I thought that I should outline that event. If Mr. Winters had not said that, the provincial Ministers would not have accepted the responsibility. All the provincial Ministers who were present at that time accepted the responsibility and have been carrying it since. I believe that the comments which have been made by the Minister of Transport (Mr. Mazankowski) are in line with those which were made by the Hon. Robert Winters.

Mr. Blaikie: Mr. Speaker, I appreciate knowing what happened previously. The Hon. Member is senior to me and I am fortunate to be able to learn from him. Certainly, it is the practice that if something is delegated, a commitment is made

not to interfere. However, the case which I am making is that the delegation of that responsibility should be reviewed.

Obviously, there are elements of the spill to which the federal Government has responded. It has been involved. But it is a question of the timing of that involvement. There was a protective direction issued by the Minister of Transport (Mr. Mazankowski) last Friday, and the regulations are to come into effect on July 1. They are gazetted and, therefore, public information. Why does he not ask the relevant industries to obey the regulations voluntarily from now until July 1? Why must we wait until there is a legal reason to do something? Why can there not be a moral reason for doing things? We heard earlier today, what we heard all the time from Prime Minister Trudeau, when we were told that the Government was not breaking any laws. But we ought not to think only on a legal basis, we ought to think about what is right.

I was disturbed earlier today when I heard the Prime Minister (Mr. Mulroney) argue that the contract had been let to the brother-in-law of the Minister of Finance (Mr. Wilson) before the new guidelines had come into effect. If they knew that new and better guidelines were coming into effect, why did they do what they would prohibit two months in the future? That is the same kind of legalistic and rigid thinking which we got so often from the former Prime Minister. I thought we were rid of that, but we got more of it today.

I would like to say to the Hon. Member for Bow River (Mr. Taylor), with respect to his point about delegation, that it is a point which is well taken.

Mr. Benjamin: Mr. Speaker, I would like to ask the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) a question about the action of the former Minister of Transport, Mr. Winters. That decision was made some 23 years ago when there was no concern about the transportation of dangerous goods. We are now in an entirely new regime. Does my colleague not agree that if the provinces want to have reciprocal agreements on load limits, speed limits and the size of vehicles, that that is fair? Does he not also agree that the jurisdiction of the national Government, under the Constitution, with respect to transportation of dangerous goods, both interprovincial and international, should remain the sole responsibility of the federal Minister of Transport and no one else?

Mr. Blaikie: Mr. Speaker, I think the Hon. Member for Regina West (Mr. Benjamin) has laid out very clearly the responsibility of the federal Minister of Transport. Since this incident became known to the public, we have been after the Minister of Transport to seize that responsibility. I think he has to agree, but I think he could go further.

As well, I hope that the Minister of National Health and Welfare (Mr. Epp) will take this opportunity to do some work in the area of environmental health and safety. He should take up the suggestion which we made last week and implement a medical register. What harm could be done by gathering the names of people who suspect themselves of having been exposed to this chemical and keeping track of them? It is a terrible thing to say, but the opportunity does not arise every day for people who may have come into contact with a hazardous substance to be enumerated. I do not know why the Minister of National Health and Welfare did not think that it was a good idea. He should send his officials into that area of the country, gather the names, and keep track of those people for the next 10, 20 or 30 years.

When we are talking about potential carcinogens, we are talking about long lead times. Therefore, when we say that there are no immediate consequences, we do not really know. That is why it is all the more reprehensible that this Government cancelled the research program into the assessment of PCBs. It was short-sighted of the Government to have cancelled four or five of those research programs, particularly the one which was requested by the Government of Ontario. It would seem to me that it was an admission on the part of the Government of Ontario that it did not know enough about this hazardous substance. That study was ongoing, but it was cut on November 8.

Mr. Holtmann: Mr. Speaker, I could not help but notice that the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) accused the Ontario administration of bungling its responsibility. In fact, he is saying that it is a provincial responsibility in many cases. Just because this particular incident happened during inter-border transportation, he points his finger at the federal Government. I would just like to know if the Hon. Member feels that it was the Province of Ontario which bungled. If so, possibly there should be charges against the Province of Ontario.

• (1540)

Mr. Turner (Vancouver Quadra): Hear, hear!

Mr. Keeper: Move a motion.

Mr. Holtmann: Possibly there are other things which exist right now. That's a possibility. On the other hand, what about the Province of Manitoba? If you listen to the Canadian Nature Federation, the Province of Manitoba does less than any other Canadian province to protect its environment. What is the Hon. Member's position? Does he really feel that it is a provincial responsibility? Even within the province from time to time, without going across a border, there are dangerous chemicals floating back and forth. What is the Hon. Member's position? Is it a federal responsibility or a provincial responsibility? I would like to know the Hon. Member's opinion on that.

Mr. Blaikie: Mr. Speaker, the Hon. Member for Selkirk-Interlake (Mr. Holtmann) is starting to get the point, that charges ought to be laid against the Ontario Ministry of the Environment. I will talk about Manitoba and I will talk about the survey which was done by the Canadian Nature Federation. If one has a close look at that survey, which I did for obvious reasons, one will find that one of the ways in which it judges provinces is by deciding whether or not there is legislation on the books with respect to various environmental issues,

one being environmental impact assessment, for example. It is a fact that there is no legislation in Manitoba which requires an environmental impact assessment of all projects. It is a policy decision on the part of the existing Government to have it in every case but it is not legislation, although it should be. It should not be left up to the discretion of Government, in my view.

The reason some other provinces received higher points in that particular area—the Ontario Government, for instance—was that they do have legislation. However, the legislation has all kinds of ministerial discretion, so that in Ontario, even though there is legislation, there are fewer environmental impact assessments done because the Ontario Minister of the Environment is constantly saying, "Well, in this case, we won't have one". But when you just have a kind of survey which asks if the provinces have legislation or not—and it is ticked off—then there will be a distorted view of just what kind of priorities exist in various provinces.

So I would recommend to the Hon. Member that he take a good look at the study and ask some questions about what kind of criteria are used in making judgments between provinces.

Mr. Deputy Speaker: Resuming debate.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister has disappeared again. I hope she will come back.

Mr. Benjamin: She's not the one we need. Mr. Mazankowski is responsible. He's here.

Mr. Turner (Vancouver Quadra): The Minister has not been in the House to face the music since the first day we brought this issue up in the House, Mr. Speaker. In its first few months in office, this Government—

Mr. Caccia: Here she is.

Mr. Turner (Vancouver Quadra): That's good.

Mr. Mazankowski: Mr. Speaker, I rise on a point of order. Having respect for the right hon. gentleman, as I do, and having regard to his long tenure of service in the House of Commons, I think he would want to reconsider his opening comments.

Mr. Turner (Vancouver Quadra): I do not at all, Mr. Speaker. Since we have raised this issue, particularly the PCB crisis, the Minister has been in the House once. She said it was a provincial responsibility and she has not returned until today's debate. I am glad to see her in the House to deal with this particular issue. I say that having regard to my old friendship with the Minister of Transport (Mr. Mazankowski), and I want to record for *Hansard* the fact that I drew his usual benign smile at the end of my remarks.

In its few short months in office, this Government has turned the clock back on the cause of environmental protection by years and years. It is becoming crystal clear that there is no commitment on the part of this new Conservative Government for the protection or enhancement of the environment. As I and members of this Party have pointed out to this Minister and this Government on the Opposition Day we sponsored on March 5—this is the second Opposition Day we have chosen to direct to this important environmental question—we saw the first indications of how this Government was going to treat environmental matters in the statement of the Minister of Finance on November 8. Apparently that is just the tip of the iceberg because back-bench Tory Members of Parliament have warned us in the House and outside that if we thought the November cuts in the environmental commitment were drastic, we should wait for the May Budget, there are going to be even more. The list of cuts in that November statement reads like the dictionary of disaster which we recited here in the House on March 5; closing or attempting to privatize wildlife interpretation centres; cutting service in the migratory bird sanctuaries in the west and elsewhere; delaying work on the Fraser River dyking project in British Columbia; and eliminating the toxology centre at Guelph which would have been the first of its kind to monitor and assess the impact of new chemicals.

[*Translation*]

And the Environment Secretariat, which was part of the National Research Council and was made up of scientists who could sound the alarm whenever the environment was jeopardized has been eliminated. These scientists used to keep us informed of the hazards associated with asbestos, phosphates, heavy metals, mercury, PCB and other pollutants.

The government has attacked the Canadian Wildlife Service. It has laid off 84 people, which is 25 p. cent of its total staff. Some of the best biologists and environment specialists in the world have been "cut" and are now working elsewhere, in the United States, Australia, Asia and Africa. The minister's response is that, and I quote, these cuts will have no negative effect on the survival of the programs. It is like throwing a lead lifebuoy at a person who is about to drown.

The government then turned its attack on our national parks. In order to help Canadians celebrate the 100th anniversary of Parks Canada, it has reduced its services, doubled and tripled the admission fees and reduced the number of its employees. What a way to celebrate the anniversary of Parks Canada, which has a reputation for excellence throughout the world!

[*English*]

The Minister says that the provinces will pick up the slack in these programs which she is abandoning willy-nilly. She says, "Let the provinces do it. Let the private sector do it". All I can say is that it is not likely, especially when we consider that Ontario alone has cut some $29 million out of environmental programs in the past two or three years and the Treasurer of Ontario is campaigning on a promise to cut every Ministry even more. It is also unrealistic to expect private industry to do its own clean-up. The experience of the Hooker

Chemicals Ltd., company which is polluting the Niagara River from the United States side, should be proof of that.

The Minister, as usual, is reading her mail, but she is not listening or responding in any concrete fashion. This morning in debate the Minister had some unkind things to say about this Party and about the New Democratic Party because of the concern we on this side of the House are raising about environmental issues. She says we are behaving "odiously". She says we are "making faceless accusations". She says we are "engaging in buffoonery to attract the press which is already on the lookout for scandals". In effect she is saying that the press has been scandal-mongering on this issue of fundamental importance to Canadians relating to the heritage of this country. If we have been blessed with anything in Canada, it is the birthright of one of the last great frontiers in the world, which is an absolutely priceless heritage, and that is what we on this side of the House are trying to protect.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): That's all we heard this morning, Mr. Speaker. It is the motto of this Government that when the heat is on, lash out at the other side. Do not respond in terms of substance. Do not respond generously and directly to the questions. Do not respond in an expansive fashion, so that the people of Canada can take some comfort in the fact that the Government really does care about our heritage and our environment and about the priceless land and water we have been given by the Almighty.

Did we hear from the Minister about what she plans to do? Did we hear from her about what she stands for? Not a word. Did we hear from the Minister what action she would take to pressure her Tory colleagues in the Government of Ontario to bring into force a "spills Bill"? Let me talk about the Ontario "spills Bill". It was an Act to amend the Environmental Protection Act, Part IX. It was introduced in the Ontario Legislature in 1978 and passed by the Legislature in 1979. If it is ever proclaimed, it will oblige polluters to pay. But this Act, on the books at Queen's Park since 1979, has not yet been proclaimed into law. What is the Government of Ontario waiting for? Does the Minister know? Can she tell us why? Has she been in touch with her counterpart at Queen's Park to urge him to proclaim the Bill to give the people of this province some protection so that within the joint jurisdiction the two Governments can mobilize against the kind of incidents we are describing? Her colleagues in Ontario, the Ministers and the Government, are dragging their feet on this Act and on other environmental issues, and they have been doing so for the past six years, and it is becoming very obvious that the only thing the two levels of Government share on environmental matters is neglect.

● (1550)

Returning now for a moment to federal responsibility, we have had no explanation from the Minister of the reason for the cancellation, as of April 1, of the $2.5 million program regarding toxic chemical control, which cancellation will be particularly damaging in Ontario and Quebec. This program reviewed and monitored emissions by municipalities in Ontario and Quebec, emissions from industry and dump sites of toxic chemicals, waste and refuse. It was an absolutely essential program and the Minister either did not have the clout with Treasury Board or with the Minister of Finance, or else she was not advised that the program was about to expire on March 31. In any event, she has done nothing about it and that program is now dead, to the detriment of the people of Ontario and Quebec, indeed to the detriment of the people living around the international waters adjoining those two provinces. We did not get any information about that this morning when she responded in this debate. All we got, once again, was a feeble attempt to attack the Opposition.

I want to tell the Minister once again that that will not wash with the people of Canada. They want leadership on the environment and they are not getting it. She can smile, but it may be one of her last smiles as the people of Canada finally mobilize.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We have heard nothing from this Government on what action it intends to take to encourage the U.S. administration to take action to force its industries along the Niagara River to clean up leaking dump sites. One of the most pressing problems we face is the devastation of acid rain. At least 50 per cent of it comes from the U.S. and showers down on our forests, lakes and rivers, not only polluting but killing and poisoning. What was the Minister's response when we first brought this issue up in the House? Here are her exact words: "It is not a priority." The Prime Minister's response: "We are not doing our part on this side of the border so how can we expect the Americans to do theirs?" But as our critic, the Hon. Member for Davenport (Mr. Caccia), who spoke so eloquently this morning, was so quick to point out, the truth is the opposite. Canada has done very well in reducing acid rain. We have had a program in place to reduce sulphur dioxide emissions by 25 per cent by 1990, and 50 per cent by 1994. The U.S. has no such program. They produce 19.6 million tons of nitrous oxide per year while we produce 1.7 million tons. So let us not play around with the facts in this particular case.

The Prime Minister (Mr. Mulroney) said that acid rain was going to be at the top of his agenda at the Quebec Summit. We threw all our cards on the table. We told the Americans we were mostly to blame. We put in a last minute $300 million program spread over a number of years, true, but we told the President of the United States in effect not to worry about it; *mea culpa* on the Canadian side, we are responsible. So the President came here hardly believing that we took the issue seriously on this side of the border. We threw all the cards on the table and got nothing in return. All we got was two envoys, Drew Lewis from the United States, the former Secretary of Transport—and there is nothing wrong with that—and we got the former Premier of Ontario, William Grenville Davis.

Mr. Darling: Nothing wrong with that either.

Mr. Turner (Vancouver Quadra): Nothing wrong with that if he wants to do something about it, but I suggested to this House before, and I say this to the Hon. Member for Parry Sound-Muskoka (Mr. Darling) that the $1 per year which Bill Davis, in his patriotic fervour, is accepting, I venture to say that a year from now he will be overpaid at that.

What about the urgency with which Mr. Davis and his colleague, Mr. Lewis, have been taking this matter? They finally met just before the weekend, an hour and a half over a cup of tea or coffee or whatever was served. What was the purpose of the meeting? To get acquainted. A nice one and a half hour meeting to get acquainted. When is the next meeting going to be held? We do not know, they did not tell us. That is the type of urgency displayed by this Government and the U.S. administration, such that they are devoting another year of study, a moratorium and no action.

It is not just members of this Party who are critical. Congressman Henry Waxman of the United States calls it "just another delaying tactic". The action of the American administration and of our Government has been criticized by the Audubon Society, the Sierra Club, the National Clean Air Coalition, the Canadian Acid Rain Coalition, but you will be comforted to know that the acid rain envoys have finally met to become acquainted. That is the only action we got.

What we should be proposing from this side of the border is a clean air treaty binding on the U.S. and Canada, just as the Boundary Waters Treaty has helped us clean up the Great Lakes. We should have the same monitoring system and the same power of enforcement. We should have the same commitment of the Governments and the same dedication these two countries together since 1904 have devoted to the Great Lakes. With a lot of effort over the last 10 or 15 years, Lake Erie, Lake Ontario and Lake Michigan have been cleaned up. There are salmon again in Lake Michigan and Lake Ontario. In the same way when the two countries get together they can do something about the air. Just as important as the water along our international boundary, right up the same St. Lawrence and the Great Lakes system into the Superior-Quetico system, into the Kenora-Rainy River system, all the joint waters we share, equally important is the air we breathe crossing that border in both directions. The prevailing winds are now dumping refuse and poison on our forests and our lakes. What this Government should really be doing is bringing to Parliament and the committee a clean air treaty which will be signed and binding on both sides of the border, having been legislated in Parliament to cover federal jurisdiction and legislated in the Legislatures to cover areas of provincial jurisdiction. That is what we need.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Members of the Government are smiling and laughing at Canadians who are concerned about this very serious problem. But there is another urgent issue which is not a laughing matter either. There is the disastrous spill of PCBs on the Trans-Canada Highway near Kenora in northern Ontario. Let me say first of all that there is absolutely no scientific doubt that PCBs are dangerous. They have been found around the world, they are carcinogenic and can cause other health problems. As the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) said, we do not know how long traces of those chemical substances can stay in the system in a sub-viral way until they become lethal years later. We do not know.

We learned last week that as part of the November cuts announced by the Minister of Finance, the Government of Canada cancelled an important study by the National Research Council on the assessment and analysis of PCBs requested by the Government of Ontario. Now, isn't that dandy? In addition, as my colleague, the Hon. Member for Windsor West (Mr. Gray) pointed out on Friday, the Government has also downgraded the provision of the Department of the Environment dealing with the emergencies in the interprovincial transportation of dangerous goods by 25 per cent, or some $1 million. Isn't that dandy? The services which could help the Canadian people to be prepared, to anticipate and to forestall a repetition of this kind of tragedy have been cut by the Government of Canada.

What was the initial response by the Minister on hearing of the PCB spill in Kenora? I can cite *Hansard*, and if she denies it we will quote it back to her this afternoon. Was her reaction one of outrage? Was it concern for the individuals and families involved? Was it concern for the safety of transporting dangerous and toxic materials? Was it a promise to ensure that this tragedy would not be repeated? No, it was none of those. The Minister's response was simply a rather pathetic claim that this spill of a toxic substance endangering the health of the people in the area, and possibly anyone else on the Trans-Canada Highway from Montreal to Kenora, was a provincial responsibility.

Some Hon. Members: Shame!

• (1600)

Mr. Turner (Vancouver Quadra): She implied that it was just a little problem which the provinces could handle. After all, the Minister of the Environment of Ontario had assured everyone that the only ones in danger were roadside rats which might eat the PCBs. He may be on an election trail, but he certainly is not in control of his Ministry. That reply was echoed by the Minister of Fisheries and Oceans (Mr. Fraser) and the Minister of Transport. The Minister of the Environment (Mrs. Blais-Grenier) was not in the House when I put the question and it was responded to by the Minister of Fisheries. Anyone who says that maybe only a few rats will be involved really does not understand the gravity of the situation.

As my colleague, the Hon. Member for Cochrane-Superior (Mr. Penner) has said, there is possibly a path of poison stretching from Montreal, through Hudson, Quebec and Hawkesbury, through this capital City of Ottawa, up to Arnprior, Renfrew, Pembroke and North Bay, through Sudbury and the north shore of Lake Superior right to Thunder Bay. We have heard people complaining about the effects of the PCBs such as rashes on children and nausea in adults. There is

a general fear and apprehension over this spill. Meanwhile, the Minister is behaving like a latter day Lady MacBeth trying to absolve herself of responsibility. "Out, damned spot!" She hopes it is going to go away. She is a modern day Lady MacBeth hoping that the environmental traces left by this poison across the Trans-Canada Highway will go away and that people will forget about it. People are not going to forget about it. They are not going to forgive or forget.

There was a PCB spill on Friday in the Bank of Canada building in the capital. I do not know how much was spilled. I do not know whether the Minister has been advised of it yet. I would advise her to consult her colleagues. One employee has been affected already. I will give her a little lead time because we are going to ask her about it tomorrow, perhaps. *Avis au préalable.*

The Hon. Minister cannot wash her hands of this dangerous spill. She cannot wash her hands of the responsibility which she and the Government have to ensure that Canadians are protected from these dangerous chemicals. It is in the legislation and in her mandate as Minister. It is high time she lived up to her responsibility.

How many other trucks on the roads are carrying these toxic chemicals? How many other people's lives and health are being put at risk? We do not know. What is even more shocking and disturbing is that the Government does not know either. It is high time that the Government abandoned the idea that the protection of the environment and of Canadians from dangerous substances is something to be placed last on a list of priorities. It is not. It is time that the Government abandoned the idea that it is OK to ravage our environment today, because we can always clean it up. In fact we cannot. It is high time the Government abandoned the idea that provincial Governments, the private sector, or Governments of other countries are going to take the lead in protecting our environment. Mr. Speaker, they are not.

It is high time the Government woke up to the fact that Canadians are not going to sit idly by while the responsibility to protect and enhance our environment is neglected, because they will not, and neither will Members on this side of the House. We will not allow the Government to continue in its direlection, negligence and abandonment of its responsibilities affecting the birthright, heritage, and environment of the country.

Some Hon. Members: Hear, hear!

Mr. Blaikie: Mr. Speaker, although I agree with a great many of the things that the Right Hon. Leader of the Opposition (Mr. Turner) said, the motion moved by the Official Opposition has to do with environmental policy in general. In that context I would like to ask him a question about an issue on which his caucus seems to be speaking with two voices. My question is with regard to the proposal known as the Grand Canal. That is a proposal to damn James Bay, turn it into a fresh water lake of great magnitude, and pipe or otherwise divert water from there to southern Ontario and to the United States of America.

I have heard two different voices from the Liberal caucus on this matter. I have heard the Hon. Member for Davenport (Mr. Caccia) indicate that he is against that, if I understood him correctly. On Friday I heard the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) speak favourably about that same project. He asked the Prime Minister (Mr. Mulroney) about it, and the Prime Minister seemed to speak favourably about that megaproject.

In my opinion, Mr. Speaker, one of the greatest environmental issues of the coming decade will be the future of water in this country and how we handled the 20 per cent of the world's water supply that happens to be entrusted to Canadians. Would the Right Hon. Leader of the Opposition tell us where he stands on this megaproject proposal? I happen to think it is one of the most bizarre ideas to come along in a long time.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the hon. gentleman from Winnipeg-Birds Hill took some advice from one of our Alberta colleagues who has been around here for a long time. I was here in 1962 and 1963 and had the honour of being the Parliamentary Secretary to the late Arthur Laing who was then the Member of Parliament for Vancouver South and our Minister of Northern Affairs and Natural Resources, as he then called the portfolio. He was a very great British Columbian and a great Canadian. I had the responsibility of liaising with the standing committee. In those days we brought our treaties to Parliament. My first task was piloting through the committee the Columbia River Treaty, which involved the export of water to the United States. I recognized the concern that was building up in British Columbia and across the country with regard to whether we would ever have a future Columbia River Treaty type of project or whether we would keep the water and export the power instead.

In 1963, Tom Kierns, who was then living in Sudbury and now lives in St. John's, Newfoundland, brought his Grand River project, or Harricanaw River project as it was then called, before the standing committee. He asked to be heard as a witness. I had the opportunity of listening to him and cross-examining him on behalf of the Liberal Members on that committee.

That project involved the diversion of waters that are now flowing aimlessly into Hudson's Bay and the Arctic, back into the Great Lakes river system and the joint international waterways of the United States and Canada. It was very deep environmental and economic impacts. It goes right to the heart of the political sovereignty of our waters. My colleague, the Member for Davenport, has taken a personal position against the export of water. I can understand his feelings. I can understand the feelings of my colleague, the Hon. Member for Grand Falls-White Bay-Labrador, who wants the project constructively studied.

I think this matter should come before the House and a standing committee so that the economic, environmental, political and social impacts can be analysed and we can determine whether Canadians wish to become part of a North American water scheme.

At one time when I was in Washington as Parliamentary Secretary I met with the late Frank Moss, senior Senator for the State of Utah, who was very interested in this same project. I told him, and later a congressional committee, that there is no such thing as a North American resource policy or a North American water policy. There is an American resource policy and a Canadian resource policy. That is the subject that would have to be investigated by this particular committee.

Mr. Lewis: Mr. Speaker, my question is prompted by the number of times that the Right Hon. Leader of the Opposition (Mr. Turner) ignored parliamentary procedure and made reference to attendance in the House. I would not normally bring this matter up, but since the Right Hon. Leader of the Opposition has chosen this forum to fight the Ontario election, I would like to ask him if he has chosen this forum because—

• (1610)

The Acting Speaker (Mr. Paproski): Order, please. Both Hon. Members know that comments of that nature are out of order. I know that the Hon. Member will say what is good for the goose is good for the gander, but the goose and the gander are both out of order. No one should raise the question about who is absent from the House. I am sure all Hon. Members realize that. Does the Hon. Member have a question?

Mr. Lewis: Mr. Speaker, is the Right Hon. Leader of the Opposition choosing to fight the Ontario election in this forum because he will not be given any position on the hustings by David Peterson, Leader of the Ontario Liberal Party?

Mr. Turner (Vancouver Quadra): Mr. Speaker, you know how frivolous that question is, but I will answer it, not because I want to give credibility to the Member but because I want to give dignity to the House by responding to questions.

The answer to the first part of the question is yes, the Member is right that we do not refer to the absence or presence of Members in the House. However, this motion concerns the Minister and therefore I believe her presence is essential in terms of courtesy and of the dignity of the House.

Mr. Mazankowski: She is here.

Mr. Turner (Vancouver Quadra): She is here this time. She was not here the last time. It is also relevant, when issues involving a crisis such as the tragedy of PCBs, is raised perpetually and repeatedly in the House and does not receive the attention of the Minister because she does not happen to be here. I think that is relevant.

With respect to the Ontario election, I do not know whether the Hon. Member would like to follow me but I will be in Hamilton on Thursday and Renfew and Pembroke following that. I want to assure him that there is very, very close co-operation between the two Parties, not a type of closed circuit, hermetically sealed television between the two leaders.

Mr. Wilson (Swift Current-Maple Creek): Mr. Speaker, I listened with interest to the right hon. gentleman criticizing the Hon. Minister of the Environment (Mrs. Blais-Grenier) and in particular making remarks as to her demeanour, facial expressions and so on. Although I was disappointed at hearing it, I must say that I was incredulous at references to Lady MacBeth and remarks of that nature. He went on to accuse the Minister of not taking this matter seriously. He suggested that she did not understand the gravity of the situation with regard to PCBs. The Hon. Minister and our Party indeed take the situation seriously.

How does the Right Hon. Member reconcile his concern about the gravity of the PCB situation with the remarks of one of his colleagues, the rather shrill lady, the Hon. Member for Hamilton East (Ms. Copps)? Last week in the House, during a very serious question posed by the Member for Brandon-Souris (Mr. Clark) to the Minister of Agriculture (Mr. Wise) with regard to grasshoppers, the Hon. Member for Hamilton East said, "Spray them with PCBs".

Why does the Right Hon. Leader of the Opposition (Mr. Turner) find the remarks attributed to the Hon. Minister of the Environment offensive but he somehow glosses over the remarks of his own back-benchers?

Mr. Turner (Vancouver Quadra): Mr. Speaker, that preamble was so labyrinthine that I really got lost.

Mr. McKenzie: Mr. Speaker, we in Manitoba are very concerned about environmental problems there, and this nonsense of laying the blame on one Government is simply not acceptable. All of them must make improvements and we must find huge sums of money to help out because one problem is that it will require billions of dollars.

One of our concerns in Manitoba is that the levels of mercury at South Indian Lake are four times the accepted level. If these socialist hypocrites are so concerned about the environment, I find it very strange that this issue has not entered into the debate today and into questions in the House. I certainly will be pursuing the Minister about dealing with this problem and I want her to find out if criminal charges should be laid against the NDP Government in Manitoba for its negligence in this area at South Indian Lake.

Furthermore, I am concerned about the statement made by the Canadian Nature Federation. Its shows that Ontario—

Some Hon. Members: Order.

The Acting Speaker (Mr. Paproski): Order, please. The time for questions and comments has expired. I will recognize the next Member to speak on debate.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. Would you enlighten the House as to whether there is some criterion guiding the Chair which states that questions and comments must be at least remotely relevant to the speech made by the previous speaker? Should not the remarks of the Hon. Member for Swift Current-Maple Creek (Mr. Wilson) and the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) be related to the previous Member's speech?

The Acting Speaker (Mr. Paproski): I believe it is left up to the Speaker to decide whether or not they are relevant. I did not let the Member for Winnipeg-Assiniboine (Mr. McKenzie) carry on with his remarks, and I would do the same the Hon. Member for Regina West (Mr. Benjamin) if he were doing the same thing.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Environmental Affairs—Request for assurance of investigation. (b) Compensation for victims; the Hon. Member for Westmorland-Kent (Mr. Robichaud)—Bilingualism—Decision to reduce number of bilingual positions at Renous penitentiary; the Hon. Member for Winnipeg North (Mr. Orlikow)—Indian Affairs—Assistance programs for natives in urban centres. (b) Advisory committee.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—PROTECTION OF THE ENVIRONMENT

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

That, in the opinion of this House, the Government has displayed negligence with regard to the protection, maintenance and improvement of the environment as manifested in its ill-advised reduction in services, its complacent attitude toward controlling potential hazards and its complete abdication of any leadership in the protection of the environmental health and safety of Canadians.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, at the outset I was going to respond to some of the comments made by the Right Hon. Leader of the Opposition (Mr. Turner). On reflection, however, I think he will agree with me, after he has had an opportunity to read and assess the content of his speech and some of the points he made, particularly with reference to the attendance of some Hon. Members, that today is not one of his better days in the House of Commons. I say that with the greatest of respect because I have known the right hon. gentleman for a long time. He has been a distinguished parliamentarian and I am saddened by the fact that he has engaged in an action today that is really not very becoming nor up to the high standards that he has set.

Mr. Turner (Vancouver Quadra): What you really mean is that you want to read your own speech.

Mr. Mazankowski: Unlike the Hon. Member, no one has prepared a speech for me. I know that the Right Hon. Leader of the Opposition has thrown away the cue cards and has prepared his own speeches. That is quite obvious, but there is nothing wrong with that.

At the outset let me say that we have heard a lot of flim-flammery—

Mr. Turner (Vancouver Quadra): Don't look at those notes.

Mr. Mazankowski: We have heard a lot of flim-flam and advice from instant experts today. We have heard much about what should have been done with the benefit of 20-20 hindsight.

When the Opposition, particularly members of the Official Opposition, engage in the practice of suggesting what should be done on the basis of hindsight and condemning this Government and the Ontario Government, it is, in effect, condemning itself. It was the Liberals who were derelict by their own standards. They cannot escape that. When they occupied the Treasury benches they failed to do many of the things that we are doing today.

The right hon. gentleman said that we should have a Clean Air Act. Judging from some of what he said and the remarks of some of his colleagues, I suggest we need a hot air Act to clean up some of the rhetoric and flimflam in the House of Commons.

The fact is that this is a serious matter, one that is complex. It is an issue in which there is a split jurisdiction. There is no question that we must respect that jurisdictional issue. May I simply remind Hon. Members that the Transportation of Dangerous Goods Act was proclaimed on November 1, 1980.

• (1620)

The last Government had four years to promulgate the regulations respecting the transportation of dangerous goods. It had four years. We came into office and accelerated the process. We announced the regulations on January 24 and worked out a deal with the provinces and the industry so they could be phased in in an orderly way. The purpose of the Act is to promote public safety in the transportation of dangerous goods. The Act covers all modes. For the first time we have a single legislative authority to deal with the handling of things for transport, offering for transport and transporting Dangerous Goods. A lot of it emanated from the initiative of the Conservative Government in 1979, which accelrated the passage of the Transportation of Dangerous Goods Act and then caused a full-scale inquiry into the Mississauga incident. It really provided the framework for the establishment of the legislation and the rules and regulations which we are now putting in place.

The control and regulation of transportation is a shared responsibility between the federal, the provincial and the terri-

torial Governments. The transportation of dangerous goods was partially regulated up to this time in more than 20 different statutes. When you have 20 different statutes, it really takes a little work to try to consolidate that effort into one embodying piece of legislation and one embodying group of regulations. That is what has been done. It requires negotiation and co-operation. It requires respect for the jurisdiction of the two levels of Government. That is what we have tried to do.

I do not think there is anyone in this House that has a monopoly on safety. As far as we are concerned, our Government and the actions of individual Members really speak loud and clear. In 1979, as I said earlier, we commissioned the Grange inquiry into the Mississauga incident, which was a major step forward. In 1979 we commissioned the Dubin inquiry into aviation safety. The legislation framework flowing from those recommendations is currently before the House and the committee. We accelerated the transportation of dangerous goods Bill. We did not water it down, as the Hon. Member for Gander-Twillingate (Mr. Baker) said. There was no watering down. There was an acceleration. As a matter of fact, this was done against the wishes and the desires of the provinces, the industry and specifically the trucking industry. There was a clear understanding by the former Minister of Transport that these regulations would not be promulgated for a year. I can show stacks of correspondence from the respective provincial Governments, the trucking association and so on, recommending that the transportation of dangerous goods regulations not be promulgated in 1985 but rather in 1986. We said that in the interest of public safety and in the interest of transportation safety we must act, which is not to suggest that people should not follow good practices before the regulations are in effect. A good trucker and a good operator is following the rules today.

There are unwritten rules, the rules with respect to containers for the transportation of flammable goods, for instance. Theoretically there is nothing in effect, but practically most operators follow a very strict code. Some operators voluntarily do a good job and others do not. What we are trying to do is to move toward the establishment of a clearly understood, clearly enforceable set of regulations with which everyone can live and which everyone can respect. That is what has been going on.

What is unfortunate about this debate—and it was alluded to by the Right Hon. Leader of the Opposition (Mr. Turner)—is the fact that both Parties have seemed more interested in scoring political points by bringing the Ontario election to the floor of the House of Commons than in dealing with the hard issues. It was reflected in the way in which the Hon. Member for Birds Hill—

Mr. Blaikie: Winnipeg-Birds Hill.

Mr. Mazankowski: Excuse me, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). He tried to explain away the disastrous record of the NDP Government in Manitoba concerning environmental issues. When he was trying to explain to the Hon. Member for Selkirk-Interlake (Mr. Holtmann) and to rationalize that study, it reminded me somewhat of his own leader claiming victory in the last election while at the same time losing two seats.

Mr. Blaikie: One seat.

Mr. Mazankowski: The fact is that the *Winnipeg Free Press* of March 15 had a headline which read, "Province fails test on environment".

Mr. Keeper: You will lose a lot more than two next time.

Mr. Mazankowski: Probably that Government in Winnipeg with its record on the environment will be turfed right out, as it should be with this kind of record. Let me quote as follows from an article in the *Winnipeg Free Press*:

> Manitoba does less than any other Canadian province to protect its environment, says the Canadian Nature Federation.

Look at that double standard, Mr. Speaker. People are trying to lay the whole blame on the Province of Ontario. Here is another headline: "Manitoba score in forestry area lowest in report". Who is number one in this report, Mr. Speaker?

Mr. McKenzie: Ontario.

Mr. Mazankowski: Alberta is number one in this report.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Ontario is number two.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: And you know where Manitoba is, Mr. Speaker? Manitoba is number 10 right at the bottom of the heap. That is where that fellow will be right after the next election if he keeps spouting non-substantiated information. He talks in a very sincere way. He is a good performer. I give him full credit.

An Hon. Member: A bit sanctimonious.

Mr. Mazankowski: Sanctimonious a bit, just a bit. That is right. I can tell Hon. Members that most of the Hon. Member's words are hollow. They somewhat express a double standard, particularly when he attempts to lay the total blame on the Province of Ontario.

Mr. Blaikie: He tried to lay it on you.

Mr. Mazankowski: He has been fair. I must say he has been fair with me, but we have to put this whole debate into perspective.

Mr. Keeper: We do not want to be too rough on you.

Mr. Mazankowski: I appreciate that. The Hon. Member said he did not want to be too rough on me, and I appreciate that comment. He knows I am a very kind, considerate, and compassionate person and that I like to do my job.

An Hon. Member: And modest?

Mr. Mazankowski: And modest, very modest, as well.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: I know that this issue has evoked a lot of emotion. There have been a lot of impassioned statements. Some of them have been useful. This debate has been useful, there is no question about that. I think it is appropriate that the Opposition should bring forth an issue like this for debate.

Mr. Turner (Vancouver Quadra): Thanks a lot, Don.

Mr. Mazankowski: I appreciate that the Right Hon. Leader of the Opposition engaged in the debate even though it was not one of his better days. He did much better on Saturday night.

Mr. Turner (Vancouver Quadra): You were in a much better mood on Saturday night.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: It has served a useful purpose and I think it is important for all of us to be cognizant of the fact that emotion and rhetoric will not resolve the problem. We have to approach this issue in a very responsible fashion and in a practical way. When I hear some of the suggestions coming forward, they are difficult to understand, such as, for example, having convoys associated with the movement of dangerous goods. If you really break that right down, it means you would have a convoy with every gas tanker going up and down the highway for every truckload of muriatic acid, or sulphuric acid or caustic soda. We know that is not practical. People are now suggesting that the directive I issued on Friday should have called for a convoy. If the PCBs are put in proper containers and are properly fastened, there should not be any need for a convoy. They should not be any more dangerous than gasoline tankers going up and down the road. I mean, talk about an explosion if a gasoline tanker hit a corner store in Kenora! The whole community could be wiped out. Surely Hon. Members are not suggesting that we put convoys with every gasoline tanker which goes up and down the road. I think Hon. Members are carried away with these kinds of impractical suggestions. Surely there is a happy medium, surely there is a responsibility which we must all take. However, let us be realistic and practical. Let us engage in some common sense. Hopefully, after the Ontario election is over, we will have that sort of common sense and practical approach on the part of Hon. Members across the way.

● (1630)

Mr. Parry: With an NDP Government you will.

Mr. Mazankowski: We heard that leading up to the September 4 election, and I think the results speak for themselves.

I should like to deal with the role of Transport Canada in respect of this spill. CANUTEC was advised within two hours of the occurrence of the accident. There was constant communication at all times with all Departments of the Ontario Government which were on site, the police department, the emergency co-ordinator, the Ontario Ministry of the Environment and our own Department. When it was deemed appropriate, there was a representative of Transport Canada on the scene.

Last Friday, as all Hon. Members know, I tabled a directive which has the effect of providing for very strict regulations with respect to the movement of PCBs. I will not go into the details. I think the record speaks for itself. As well, today I instructed the Inspector General of Transportation Safety, Mr. K. J. Thorneycroft, to commence an investigation at the earliest time possible into the circumstances and subsequent events of the April 14 spill of polychlorinated biphenyls at Kenora, Ontario. I have asked that a preliminary report be made to me by May 30 and that a final report be submitted to me by July 30. We believe this is important, having regard to the fact we are just in the process of promulgating and indeed enforcing the rules and regulations with respect to the transportation of dangerous goods. The information we may be able to obtain as to what was done, what was not done or what should have been done will be most important. I know there will be other investigations. This is certainly not meant to pre-empt other investigations, but it will certainly ensure Transport Canada's presence.

The investigations and reports are to be comprehensive and include all circumstances and subsequent events of the accident falling within the mandate of Transport Canada. We are asking the Inspector General to identify and report upon the responsibilities and actions of other federal Departments whose mandates may have encompassed the general or specific aspects of the accident. We are asking for his report to set out the general and specific responsibilities of the provincial Government in the circumstances and subsequent events of the accident and to link those responsibilities to that of Transport Canada and other federal agencies.

Despite the criticism, I think all Hon. Members will agree that we have taken action within the mandate given to us. When one sits down and analyses the matter, one finds that, while it was a serious accident, I suspect one could say, thank God it was not more serious. We will certainly be doing everything we can to prevent such occurrences. However, I believe that we will all agree—in the final analysis—that the Kenora accident, while serious, was professionally and properly handled by personnel of various provincial and federal agencies. We have learned lessons from the accident. We have made appropriate responses to reduce the possibility of further such incidents. Perhaps what we have to do is to address more vigorously the larger question, that is, how we dispose of products such as PCBs. That poses a very serious question regarding public attitudes, the location of disposal sites and methods of disposal.

As one who comes from the Province of Alberta, I can say that this has been a very hotly debated issue. Many people residing in that province are asking the following question: How come they are hauling all that waste from Quebec and Ontario and parking it in our backyard? There are some very legitimate questions about the principle of where disposal sites

will be located and whether in fact we should be engaging in the transportation of these goods, particularly over such long distances.

The issue has focused on some very fundamental questions with which we have to deal. I welcome the opportunity to have been able to say a few words about this particular issue. I certainly thank all Hon. Members for their suggestions and their advice. I am sure we will be watching very closely the reviews, reports and investigations which come out. Hopefully we will be able to transform them into legislation and regulations which would serve to prevent a further recurrence of such a serious issue.

Mr. Keeper: Mr. Speaker, I think the Minister complained about the Opposition dealing from hindsight, the event having taken place and the wisdom of being able to look back at it. I wonder whether he mentioned the Mississauga incident of a number of years ago.

There was an explosion in the CPR yards in Winnipeg. It was a small explosion but it scared many people. There were local calls for the mandating of an investigation with judicial powers to investigate the danger of the CPR yards being located in Winnipeg. I am wondering whether we have to wait for another accident in that city. Could the Minister take a serious look at the location of the yards in Winnipeg and at the potential danger in a city of half a million people? He has the Mississauga study in his hands. I wonder whether he would look forward and see whether anything could be done about the calls of the community of Winnipeg for a full public and judicial inquiry into the previous accident in that city rather than wait for a future accident to take place.

Mr. Mazankowski: Mr. Speaker, the Hon. Member is implying that we should move the rail yards. There are many cities from which rail yards should perhaps be moved. The question is whether we can afford it. There are costs involved. The City of Calgary has the same problem. Every major city has the same problem.

When the Mississauga incident occurred, I think the present environment critic—perhaps I am wrong there—or one of his colleagues came forth and said that we should put a ban on the movement of all dangerous goods through the City of Toronto. That may seem appropriate in the heat of debate on an issue, but it does not make sense. The fact of the matter is that if we were to put that sort of moratorium on the movement of all dangerous goods, it would grind our country to a halt.

Yes, it is a very serious matter. I think the issue, in particular, has been addressed by the CTC. Some very good recommendations have come forward which are being considered by the Inspector General of Transportation Safety and will probably form part of the future regulations that will be promulgated with respect to the kinds of containers in which dangerous goods should be shipped. The simple answer is yes. I suppose at one time we wanted the railroads running right through towns. At one time we wanted all our highways running right smack dab down the middle of Main Street. Those attitudes have now changed. The cost of adjusting to current day realities is exorbitant, but in the meantime there is much we can do in improving safety and standards with respect to the movement of dangerous goods. I think progress has been made with respect to the rail field in particular.

Truckers have complained to me about the fact that we have given railways from five to maybe ten years to improve their standards with respect to safety and that we are asking them to do it within a shorter timeframe. They have told me that they will co-operate but that there is a balance and a degree of practicability which has to be taken into account when abiding by the rules and regulations. It is easy to stand in the House and say that we will force them to do something. However, we have found that we can probably work it out in a much better fashion if there is understanding and respect and if we are working together in a co-operative way.

• (1640)

Mr. Benjamin: Mr. Speaker, I would like to deal with two matters which the Minister spoke of in his speech. He indicated that the legislation on the transportation of dangerous goods was a single legislative authority. As I add it, there are some 26 jurisdictions; federal, territorial and provincial Departments of Transport, federal, territorial and provincial—federal Departments of the Environment. There may be some areas where the Department of Labour is involved as well as some federal Government agencies. That is the problem. Too many, including myself, have the impression that no one is really in charge.

Does the Minister agree that it is time to retain under a single federal jurisdiction the transportation of dangerous goods? I have no objection to reciprocal arrangements between provinces with regard to speed, weight limits and size of vehicle. However, on the transportation of dangerous goods and health and safety standards, will the Minister agree that we should return to the sole jurisdiction of the federal authority? The Minister is responsible for interprovincial and international trucking.

My second question to the Minister has to do with his remarks about convoys. I was in the Armed Forces during World War II. When we moved artillery shells, plastic explosives or other high explosives, we travelled in convoy. There had to be at least one vehicle following so that if anything did happen, somebody would be there to do something about it. I do not accept the Minister's comment that convoys would be necessary for the transportation of every dangerous good. With regard to gasoline and so forth, we have experience, technology and equipment whereby they can be transported safely.

In the last 10 or 12 years, we have been in the phase of transporting new dangerous goods, such as PCBs and atomic waste, with which we have little or no experience. Until such time as we have the experience and the proper equipment, does that not call for convoying? It can be done by highway patrol. When a vehicle reaches a province, it could be followed. Something could then be done in the event of a truck going off the road or the driver falling asleep. Anything could happen until such time as the regulations are in place and we have the

proper equipment, experience and knowledge with regard to the movement of these new hazardous products.

Mr. Mazankowski: There we go again, Mr. Speaker. It is obvious that the Hon. Member knows more about PCBs, their impact, toxicity and danger than I or anyone in this House, surely more than the Inspector General with regard to safety or those who will be investigating this. If after the review there is a strong recommendation made that future transport of PCBs should be governed in such a way that they are accompanied by convoys, certainly we will give it close consideration. However, the Hon. Member is engaging in the kind of overkill I talked about earlier. I am not discounting it totally. However, there has to be a reason for it. I know the Member has a lot of experience in transportation. However, I would need a better authority than him before I would make that kind of recommendation.

With respect to the split jurisdiction, the Hon. Member is right. There are a number of different legislative statutes. We have been trying to embody them in one piece of legislation and one regulatory framework. That is being achieved. It just takes a little time. I do not think we would get very far if we came in by unilateral decree and said that we are going to do this, here is the hammer, do this or else. What we have done is make progress through co-operation, consultation, collaboration and working together.

The federal Government is the co-ordinating body. The Transportation of Dangerous Goods directorate is located here in Transport Canada. The directorate has inspectors for industry compliance in Vancouver, Saskatoon, Winnipeg, Toronto, Montreal and Dartmouth. The Transport Canada air administration and marine administration have regional inspectors located throughout the country. The federal Government is taking a lead role in co-ordinating.

I repeat, and this is something we all have to recognize, safety is a shared responsibility. The transportation of dangerous goods, by virtue of our legislative framework, is a shared responsibility. We have tried to bring some order into that sharing so that there will be a clearer delineation of authority. I regret that it takes a little time. However, when the regulations are promulgated in July in an orderly way and subsequently upgraded to cover some other matters, I think Hon. Members will recognize that we probably have gone the right way.

Mr. Blaikie: Mr. Speaker, I want to make a short comment on the accusation levelled against me by the Minister of Transport (Mr. Mazankowski) whith respect to having a double standard. I take that kind of accusation very seriously. If the Minister checks the record, he will see that as far back as my maiden speech in 1979, I indicated with regard to environmental concerns that I thought all political Parties and all ideological traditions in this country have a blind spot when it comes to that.

The Minister will also notice if he checks the record that on occasion I have been critical of NDP Governments for environmental policies that I have not agreed with, most notably the Uranium mining in Saskatchewan on the part of the NDP Government at that time. I ask the Minister of Transport to consider that because I take very seriously the charge of a double standard. I do not have one.

The Acting Speaker (Mr. Paproski): I regret that the Minister's time—

Mr. Mazankowski: Mr. Speaker, I rise on a point of order. If I in any way offended the Hon. Member, I certainly want to apologize. I was not my intention to do so. In the thrust of debate, we probably say things that may be interpreted in a manner that may leave that implication, but I have the highest regard and respect for the Hon. Member. I know he sincerely deals with these issues with a great deal of vigour. Nothwithstanding that fact, he did have a little difficulty defending the record of his colleagues in the Manitoba legislature. It was in that context that I was suggesting that perhaps he was not as fair as he usually is.

[*Translation*]

The Acting Speaker (Mr. Paproski): The time for questions and comments has expired. The Hon. Member for Saint-Jacques.

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I welcome this opportunity to rise in the House and add my comments on the motion moved by my hon. friend from Davenport (Mr. Caccia). First of all, Government Members may find my hon. colleague's motion rather severe, but if we look at this Government's record on environmental affairs since it came to power last September, the conclusion is, unfortunately, that the Hon. Member for Davenport was being relatively polite and moderate when he sat down at his desk to draft the motion before the House today. Mr. Speaker, this morning I was watching the Minister, who gave us a deplorable performance in response to the motion moved by the Liberal Party on this Opposition day. I say deplorable, because the Minister spent more than three quarters of her time criticizing the Opposition and attacking the Opposition parties, especially our party, in every way she could, instead of rising to defend the Government's record. Well, I can see why she acted the way she did, because first of all, the Government's performance on environmental affairs since last fall is not easy to defend, and one of the best examples is the incident that occurred recently, and I am referring to the spill of toxic materials, more specifically, PCB's, in Ontario near the town of Kenora last week. It is no surprise to me that the Minister should be constantly attacking the Opposition, nor her concern to wash her hands of any responsibility in this area, something she has been doing for most of the last week. Today, we hear the Government defending itself by attacking the Opposition and accusing us of having tried to score political points with this spill of toxic substances in our environment. Just think: an Opposition party that is just doing its work and trying to reflect public opinion by putting pertinent questions to the

Government is now being accused by this Government of trying to score political points. Anyone reading the papers or watching television during the past week would realize that aside from politicians, everybody was talking about the very serious news of the PBC spill in Ontario. Why should an Opposition Party worthy of the name, as the Liberal Party believes itself to be, refrain from asking the Government pertinent questions about its involvement in this case, and the delay in dealing seriously with this incident? Why? Because we would be accused of wanting to score political points? Of wanting to act responsibly in the House?

• (1650)

The Minister's comments, which lacked substance, consisted for instance, in saying that legislation on the transport of hazardous materials should have been implemented by the previous Government. It is true that the legislation was adopted by the House of Commons some time ago, and that because of negotiations with the provinces, the regulations were not yet in place. However, today the Minister is going to have to deal with similar problems because when my hon. colleague from Ottawa-Vanier (Mr. Gauthier) asked her what she was going to do about disposing of toxic materials such as the PBCs, the Minister said she was currently discussing the matter with the provinces with a view to deciding on disposal procedures and finding appropriate sites.

I would like to point out to the Minister that such discussions cannot go on for much longer, because the Minister already has a problem now. The Province of Alberta announced last week that its PCB disposal site would no longer be open for the disposal of toxic substances from outside the province and that the site would be reserved solely for PCBs within the province.

I would therefore point out to the Minister of the Environment (Mrs. Blais-Grenier), who has just come back to the House, that she will have to hurry up her discussions with her provincial counterparts, because she cannot afford to spend months on finding ways to dispose of these substances. A cleanup is taking place in Ontario at the present time, and the substances will have to be disposed of somewhere. And according to what we are told by Mr. Lougheed's Government, there will be no disposal of Ontario's PCBs in Alberta.

I think the attitude of the Minister of Transport (Mr. Mazankowski) was rather odd just now when he asked the House some questions, and he said:

[*English*]

"The problem is, how do we dispose of PCBs?" Is that not a strange question for a Minister of the Crown to be asking? As a matter of fact, that is the question which everyone at home is asking. However, one is likely to expect a Minister of the Crown to have some sort of answer. No, the Minister asks: "How do we dispose of these substances? How come they are hauling that stuff across the land?"

[*Translation*]

These are questions everyone is asking in Canada, but that we would not expect a minister to ask. I can give part of the answer to the Minister of Transport and the Minister of the Environment. I would say that the role of these two ministers is to make every effort to discourage the transport of these dangerous substances instead of asking why they are being transported. Their role is to discourage the transport of these substances and to identify as soon as possible sites where these substances can be kept which are closer to where they are being used. It is all very well to regulate the transport of these substances, but the best practical solution to the problem would be to discourage such transport and to speed up research on methods and technologies to dispose of these substances. The solution is not to act surprised and say: Heavens, why is it that such substances are being transported across Canada?

These are the two pieces of advice that I can give the Department, first find ways to discourage the transport of these substances, and second, determine how they can be destroyed.

Briefly, Mr. Speaker, my comments will now deal with acid rain, an extremely hot issue, especially in my own Province of Quebec and also in Ontario. As we know, those provinces are the most threatened by winds blowing from the South that carry SO_2, nitric oxydes and other gases in solution in the atmosphere that acidify our rain, endanger marine life in our lakes, curtail the production of maple sap as we have been told recently and damage certain other crops. Despite all the racket we hear from this Tory Government since it came to power who wants to have us believe that they have a quick, adequate and serious solution to the problem of acid rain, we should not forget that measures to that end had been initiated well before this Government came to power.

Under the previous Liberal administration, the goals of a 25 per cent reduction of emissions by 1990 and 50 per cent by 1994 had already been agreed upon with the Provinces. Of course we have been subjected more recently to the public relations ploy of the Minister of Environment (Mrs. Blais-Grenier) appearing with the provincial ministers before the public to once more celebrate the fact that those standards had already been accepted. On that occasion came the announcement of a $2 billion program to clean up the atmosphere over the next ten years. But I suggest this is a project without muscle because the federal Government is committed to spend a mere $300 million over ten years, or some $30 million a year. In line with that public relations ploy, the Canadian Government bragged in front of the TV cameras: "We are going to make a big clean-up, but suggested that every citizen would have to pay. Every buyer of a new car will be dishing out close to $200 to have presumably an internal device, a catalyst to reduce emissions. But all Canadians will have to pay for it.

The federal Government bares its teeth without having the money to carry out its plans.

And after that first public relations exercise comes the second one in Quebec City, which saw the demise of all those beautiful government plans and the abdication before the American Government: "Yes, Mr. President, we are going to wait another year before making any move, before going further along the road to acid rain reduction. Yes, Mr. President, if it is your wish, instead of acting now and signing an agreement, we are going to appoint two representatives, two envoys who will spend a year thinking about the acid rain problem and who will then make a report." There is quite a gap between that second public relations exercise and the first one launched a month or a month and half earlier when we were told: "We are going to act now on acid rains. We are going to reduce emissions by 25 and 50 per cent in 1990 and 1994 respectively." As soon as Uncle Sam sets foot on Canadian Soil, out comes the jug of Irish Whiskey. And we hear: "Yes, Mr. President, we understand, we are willing to wait, we know that expenditures to reduce the huge quantity of acid rain blowing in from the United States are very heavy. We do understand. We will wait".

For sure this is not a conrageous attitude. Looking at those facts, it is more readily realized that the motion put forward by my friend for Davenport (Mr. Caccia) may sound harsh. In fact, it is not harsh at all, it reflects the moral offence of someone who fought for years to protect the environment in Canada, who has been sent into in opposition by voters but who lost nothing of his aggressiveness and commitment to the Canadian environment. And I very well understand my colleague for not being satisfied with the treatment applied by this Government to our environment problems, and I understand very well that he would put such a motion forward.

Mr. Speaker, to this day, this Government has no reason to brag about its performance in the area of the environment. And since the Minister of Environment is now back in the House and is listening to some of our remarks, I only wish that over the coming months and for the time she will be holding that portfolio, she will deal more seriously with the problems facing her.

• (1700)

[*English*]

The Acting Speaker (Mr. Paproski): Are there any questions or comments? Since there are no questions or comments, we shall resume debate.

Mr. Gary Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I have been here only for the last three speeches. I heard a little of the speech of the Right Hon. Leader of the Opposition (Mr. Turner), who is not here, unfortunately, to hear my reaction to some of his comments. I really think it would have been a lot more appropriate if this motion had been changed, in fact. I believe an appropriate motion which could have been discussed intelligently by Hon. Members on all sides of the House, would probably read as follows:

> After years of relative neglect, relatively unproductive efforts, inconsistent and often inadequate funding, the Government should be strongly encouraged to advance the protection of our environment with the principles that have already been established by the Progressive Conservative Government, and those are of rapid implementation of action plans; continued tangible financial commitments like the $350 million that we have brought forward for the acid rain seduction program; continued and improved communication and co-operation such as with the Hare Commission, the MMT study group and others; and the continued co-operation and working with industry, provinces, the scientific and other interested parties, to help make the Canadian environment safe.
>
> Further, that the Government should be encouraged to continue to demonstrate the important leadership that it has established through many government Departments, including the Prime Minister's Office, and to ensure that the next generations do not face the continued and unfortunate abuses that have been thus far threatening our environmental future.

I believe, Mr. Speaker, if you look at the record over the last seven months, that would be a genuine, reasonable and honest type of motion which we could debate. I believe that this Government wants to be encouraged in the handling and management of the environment and important environmental issues which will continue to come before it.

Why are we dealing with the PCB problem, Mr. Speaker? Why are we dealing with acid rain? Why are we dealing with difficulties in transportation of any dangerous or hazardous products? What is the problem? How serious is the Hon. Member for Davenport (Mr. Caccia) when he can bring forward a motion such as the one he has knowing that for the last number of years in a number of areas there has simply been an inadequacy in dealing with the important issues? There is example after example of the type of thing to which I am referring. Let us take acid rain, for example. Back in 1977, acid rain was identified by a Minister of the then Government as a ticking time bomb. Since that time how much reduction have we really accomplished? What do we have to show until the last six months in terms of an action plan which would bring about a satisfactory resolution? There have been goals. There have been some nice words and some great debate. But where was the solid plan? If there has been a piece of legislation brought forward or some kind of tangible, solid evidence that the Hon. Member for Davenport could point to, that would be all right, but there simply has not.

Another prominent area of debate has been the transportation of hazardous products. We as an opposition Party in 1980 very strongly supported changes to the Act or the introduction of an Act which would in fact control the transportation of goods like PCBs. But what has happened since 1980? Here we are in 1985, having to depend on the intelligence and the understanding of the now Minister of Transport (Mr. Mazankowski) in order actually to do something. Yet we still get the kind of—we would not want to think it was dishonest, but the political, if you like, harping from the Hon. Member for Davenport and other Hon. Members who have had their chance, and we still have the problem.

There are many other examples, Mr. Speaker, but one of the things I would like to focus on now is the question of relevance. Probably nowhere is it better able to be demonstrated than

with respect to the question of the PCB spill. The problems which can be created in those incidents bring forward all of the important issues, transportation and the historical aspects. Just about every part of a hazardous product which one could think about or discuss is identified in this single focus.

I believe the first thing we have to do is to look at the relevance of the issue. As compared to gasoline, how dangerous are PCBs? From the notes which I have to make sure I do not make any errors I see one of the things which struck me in trying to find out just how dangerous PCBs are. What has happened historically with this substance? There have been several spills we can go back to to try to get an accurate idea of what the relative level of danger is. In 1968, hundreds of Japanese who consumed PCB-contaminated rice developed acne-like skin lesions, discolouration of toe nails, fingernails and gums. They showed a thickening of skin, especially in the region of the eyelid. In 1979, a similar outbreak involving some 1800 Taiwanese occurred. I would note, Mr. Speaker, the fact that these events were not the result of a one-day acute exposure but rather the result of very long and high level of sustained exposure. The skin diseases developed slowly and lasted in some cases for years. The onset of the skin signs occurred three or four months after the start of exposure and only after individuals had ingested more than one gram of PCB.

There is one other piece of very specific information I wanted to bring forward. It is a question of the concern about cancer. I was particularly interested in that. I am looking for the actual reference here, but if my memory serves me correctly, the longitudinal studies, after 17 years, of the highest level of exposures that we know of, have not confirmed any higher incidence of cancer in that population. I do not give that information to try to suggest that we should not continue to consider this matter with gravity and as a serious exposure because we do not know all the answers. The Hon. Member for Saint-Jacques (Mr. Guilbault) asked a question of the Minister of the Environment (Mrs. Blais-Grenier). I think what the Hon. Member should do besides asking the Minister of Environment that question, is to ask the previous Minister of Environment, and perhaps even the next Minister of the Environment or the New Democratic Party critic on the environment, because there is no conclusion at this time. Because of the process which is under way right now, which is supported very strongly by the Minister of the Environment, we hope that an answer will be forthcoming. All of us are waiting for the answer, but we must first have public hearings, look at the technology and arrive at the best conclusion possible. Those things are under way.

If the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) is honest, he will know that one of the difficulties in arriving at a conclusion for disposal is the fact that we have gone through public hearings and we know that there are very few people in Ontario who want to have a chemical waste site next-door to them. There is a very great deal of difficulty in the public's mind, and even in the scientific mind, in deciding what is the best technology to dispose of PCBs and other contaminants. So we either deny that process or go through it as well as we can and try to arrive at the best possible conclusion. That is precisely what we are doing. We are doing it as quickly as possible. The Hon. Member for Davenport should know that the Government of Ontario has been very much involved in this process, which it initiated, supported and is trying to bring to a satisfactory conclusion as quickly as possible. It is the process itself we are in the midst of right now. It is not a question of addressing the problem but one of trying to deal with it in a fair and reasonable way.

● (1710)

I have been focusing on the PCB problem and I would like to go back a little bit and talk about what the Minister and her Department have been doing in the last few months, as well as the umbrella under which she has been doing it. One of the things that confused me in listening to the Right Hon. Leader of the Opposition talk about this issue—I am not sure whether he was reading his own speech or whether he had a speech writer—was that either he does not know or else it was just the way he said it, but he was saying that the Minister should bring in a clean air Act. This was a little bit like listening to the Hon. Member for Davenport when he sometimes talks about an environmental contaminants Act. I sometimes wonder if he was ever Minister of the Environment because he does not seem to understand just exactly what that Act does or how it should work. I know he may not have been Minister for very long but he should have a better idea of precisely what is going on than he seems to have judging from some of his questions in the House. But going back to the Right Hon. Leader of the Opposition, we do have a Clean Air Act. It is at the disposal of this Minister of the Environment and was at the disposal of the previous Minister of the Environment in order to try at the federal level to control pollution from being spread from province to province and country to country. This Minister is using it and doing so in a very effective and action-oriented way, as against just discussing it. We have that Act and it has regulations.

Quite apart from that, and to offer some support to the Hon. Member for Davenport because he may not have had a full sense of it, I might say that one of the things that the Department of the Environment had, without reference to the Act or the regulations or anything else, were guidelines on how to handle PCBs. It is my understanding that the company transporting PCBs had committed itself to working within the guidelines provided by the Department. I cannot give you the year they were written but they have been out for some time. Clearly the company did not do so or it would not have had the problem.

We have a number of Acts. I mentioned the Environmental Contaminants Act and the Clean Air Act. There is the Pesticide Act. There are Acts such as the Canada Water Act, the Food and Drug Act and the Pest Control Products Act.

One thing that any Minister of the Environment has a problem with is trying to bring together a comprehensive and reasonable plan of action for the literally thousands of new

chemical products which come on the market every year. One thing I think we will see over the next few weeks is the very serious, very reasonable and very constructive work being done under the direction of the Minister to try to bring some reason to this mish-mash we inherited. I think every one of us could understand how it might happen, but the fact is that it is not adequate for today's technology or the conditions under which we have to operate. In bringing together and rationalizing the management and control of toxics in the environment, the Minister will have provided the kind of service we need from our environmental controls to look after the problems we will inevitably have.

I spent this morning speaking to two very significant groups from Ontario who were having a joint annual meeting under the umbrella of a larger federal organization to consider their activities in the management of the environment. They dealt particularly with air and water. Our discussion was good and we had an opportunity to consider what the federal Government was doing, the very real and concrete actions taken at the federal level concerning money, organization and regulations where appropriate and the co-operation we were trying to bring forward with groups like themselves, including such industries as the automobile industry. There is a group called PACE which deals with environmental problems in the oil industry. All these groups are starting to get a sense of the way we can work together because of the shared responsibilities we have.

I hope that in future opposition Members will view their responsibility in a serious, constructive and responsible way. I hope they are going to be able to take advantage of the emotional elements which surround these issues. I hope they will be able to take advantage of the legitimate fear which is raised in the minds of people about these substances. I wondered several days ago how much of an issue polychlorinated biphenyls, given the way we have to say it, would become. They would still be the same problem but one that would be much less attractive politically, because it is kind of catchy. One of the scientific experts who has been following this issue indicated that a lot of people, myself included, without being able to get into some of the substance of the technical aspects, get confused when they talk about dioxins. How are people to know what the relative dangers are unless there is a responsible discussion instead of trying to score political points and advance notions which could create almost as many problems as they solve? We look forward to getting that from the Opposition. I think it would serve Canadian interests and I look forward to it in the future.

Mr. Cassidy: Mr. Speaker, I certainly appreciate the tone of the Hon. Member's contribution to this debate. He put some blame on the previous Liberal Government and its failure to take appropriate action at the appropriate time. But what bothers me is that he comes from a Party which has held office in the Province of Ontario for many years.

Mr. Lewis: And many more, too.

Mr. Cassidy: That may be; we will have to see on May 2. At the rate they are going, they may disappear below the floor before May 2.

I was in the Ontario Legislature in 1979 when we passed the Hazardous Products Act. It was called the spills Bill and it provided that the transporter of hazardous and toxic substances would be liable for any damages caused by those substances if there was a spill. It was a good piece of legislation and we laboured on it long and hard. My colleague, Marion Bryden, in particular worked very hard to get that Bill adopted. However, while the Hon. Member's tone is very positive, one has to look at the record. His leader is going to campaign with the Premier of Ontario in three or four days and say what a great guy the Premier is and what a great Party the Progressive Conservative Party is. That Bill, which would have in fact given some specific remedy against the spill in Kenora this week, has not been proclaimed for six years. That is a real dereliction as far as Conservatives are concerned. You cannot go with them when you try to win elections and then distance yourself by saying, "We have a great record and look at the record that they have". I think that is shoddy politics.

• (1720)

Mr. Gurbin: Mr. Speaker, I am never going to be able to match the Member's passion.

Mr. Blaikie: That is true.

Mr. Gurbin: Just wait a minute, let us put this in context. The question is irrelevant in this case because that company has accepted liability.

The Acting Speaker (Mr. Paproski): The Hon. Member for Birds Nest. I mean the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie).

Mr. Blaikie: Mr. Speaker, I will refrain from commenting on your obvious unintentional error.

I would like to comment on what the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin) had to say. He expounded on the fact that we do not know enough about polychlorinated biphenyls. Would he now answer for the Minister and tell us whether the Department of the Environment and the Minister intend to stand by the decision to cancel the study asked for by the Ontario Government into the assessment of PCBs, which cancellation was a result of the announced cuts in the environmental secretariat under the NRC in the November 8 statement?

In the interest of being fair, would he take some time to look at the development of the debate as it began last week after the PCB spill? He made some charges with respect to people being emotional, taking advantage of fear, et cetera. If he refers back to the first question which I asked of the Minister of Transport (Mr. Mazankowski) he will notice that the question was asked in a very straightforward and calm way. I asked him about a moratorium in my first question.

I lost my temper the next day, and I make no apologies for it. In my first question I asked the Minister of Transport flat out whether he was considering a moratorium on the transportation of PCBs until such time as the regulations came into effect on July 1. Regardless of what you think of the merits of the question, if you check the tape of that you will find that it was asked in a very calm way. You will see that the Minister of Transport came back at me as though I had charged him with some heinous crime, when all I had asked him to do was to consider a moratorium. The theatrics began with the Minister of Transport who went on to talk about the Aeronautics Act and things that the NDP had done. All I asked him was whether he would consider a moratorium.

Before you go around making charges about who emotionalized what and who exaggerated what, check the record. It was not until the next day, when we could not get the Government to take seriously what was happening and to do then some of the things that it has done now, such as order an inquiry and issue interim protective directions, that we began to shout, yell, and express the legitimate outrage that opposition Members and Canadians in general felt about the rather relaxed attitude that the Government initially took forward this event. The Member's own Minister got up and said that it was just a question of provincial jurisdiction and he asked why were we even bothering to ask the question. Before you go around charging people with being emotional, check and see how the debate developed. While you are at it, answer the question about the study into the effects of PCBs which was cancelled.

Mr. Gurbin: Mr. Speaker, I think the context of that moratorium question was really important. I was here for that question. If the Hon. Member will read *Hansard*, he will know that if he had defined it as PCBs, probably the Minister of Transport—

Mr. Blaikie: Do you want the *Hansard*? It says PCBs. Read *Hansard*.

Mr. Gurbin: The context in which the Minister was being asked—

Mr. Blaikie: It does so. Read it.

Mr. Gurbin: The context in which I know that the Minister had to deal with the question was the cancellation of the transportation of all "dangerous goods". That was certainly the context in which it was coming forward. That would have meant that your farmers—

Mr. Blaikie: You haven't read *Hansard*.

Mr. Gurbin: —could not have planted their crops. That would have meant that you would not have been able to carry on normal commerce in the whole country.

Mr. Blaikie: Read the record. Read *Hansard*.

Mr. Gurbin: I had the sense, from watching—

Mr. Blaikie: You're not telling the truth.

Mr. Gurbin: In answer to the second part of the question, I am pleased to bring a little additional information to the House. With regard to the PCBs, an epidemiological study is being set up by Dr. Friesen. His staff telephones are manned at all times, and all persons who even think that they might have been in contact with PCBs are being asked to complete a questionnaire. They will follow up on any health problems that may in fact emerge. Records of all information of this epidemiological study will be kept over a long period of time.

My second point is with regard to chlorobiphenyl regulations which are now prepared and before Cabinet. Regulation No. 2 will accelerate the removal of PCBs from service in the existing allowed uses. These are uses that were allowed under the previous administration. They are 1977 regulations under the Environmental Contaminants Act. The regulations will do this by prohibiting the sale of PCB equipment where the concentration of PCBs in any liquid contained in the equipment is greater than a certain part per million.

Regulation No. 3 will further control the dispersal of PCBs in the environment by placing quantity and concentration limits on the wilful release of PCBs into the environment during commerical, manufacturing, and processing activities. As all Members know, Mr. Speaker, the actual use of PCBs, in any additional manner, was banned in 1977.

Finally, to answer the last part of the question, on behalf of the Minister of the Environment and the Government I am happy to make the commitment that we will continue to fund, with a commitment for five years, any research program that requires a particular type of activity on the part of the federal Government. We will fund those research programs. We have not in fact taken away our ability to do the kinds of research which we think is necessary.

Mr. Blaikie: What about the study that was cancelled?

Mr. Gurbin: In relation to other studies—

The Acting Speaker (Mr. Paproski): I regret but the Hon. Member's time has expired. I will recognize the Hon. Member for Kenora-Rainy River (Mr. Parry).

Mr. John Parry (Kenora-Rainy River): From the debate this afternoon and this morning the origin of the motion before the House today is very obvious. In that sense I, as the Member for Kenora-Rainy River where this spill occurred, am somewhat of two minds on how to view this attention. On the one hand, I would like to see the House offer a full examination of all forms of environmental contamination and of the record of the present Minister of the Environment (Mrs. Blais-Grenier). On the other hand, I am naturally very interested in having a full discussion and getting facts on the record concerning the spill of polychlorinated biphenyls in my riding. It is my belief that a spill like this, which has commanded national attention, should command national attention. That is a statement and a judgment which I think requires some qualification.

• (1730)

Similarly, I would say to the Minister, who has been flitting in and out of the House all afternoon, that while she has indeed, as has been said, been the victim of some sexist and biased reporting in the media, just because the media are against her does not mean that she is in fact doing her job. It is my belief that the extensive cut-backs that have been inflicted on the Ministry of the Environment by the present Government are indicative of a relative lack of strength in that Ministry. It appears to have allowed itself to be set up as one that can be readily cut back without offending regional interests or getting powerful members of the Cabinet opposed to its cuts. I feel that is an attitude in Cabinet which we do not have the luxury of allowing to continue.

Let me briefly go through some of the chronology of the recent PCB spill between Ignace and Kenora. On April 15, the Minister of the Environment responded in the House that this was a provincial responsibility. At the same time, provincial officials were saying that it was a federal responsibility. It seems to me that a criticism that we should all take to heart is that, as Canadian elected political leaders, all too often we think in terms not of what is happening in our country and in our communities but in terms of what level of Government is responsible for the corrective action or the original omission that has led to the problem.

After all, in the House on Tuesday the Minister of Transport (Mr. Mazankowski) said that it was a federal responsibility, while, on the other hand, the Minister of Fisheries and Oceans (Mr. Fraser) was saying that it was a shared responsibility. Notwithstanding the evident disagreement among three members of the Cabinet, they looked rather good in comparison with the Ontario Minister of the Environment, who stated that the only danger from such a spill would be if one were a rat licking the material off the Trans-Canada Highway. That gentleman may have some funny ideas about what people in northwestern Ontario keep as pets, but I should let him know that there are indeed at least two cats which have been contaminated by the PCBs, which took that material home and consequently contaminated the home environment where they were pets and, of course, the people who tried to clean them up.

I believe the most encouraging aspect to all the government actions and reactions to this situation was at the local level. The actions of the local officials, while certainly not beyond reproach—since hindsight is 20-20—do them some credit. I think the municipal Government in Kenora and the municipal emergency measures coordination group worked well to establish the mechanisms that were needed to respond to the legitimate and real concerns of the people of the Kenora area.

I am glad to see that they used that CANUTEC number. When I was a mayor in a neighbouring community, I had that number posted on my desk for such an eventuality. I think that some of the activities of the health officials in the area also bear commendation. While the pamphlet put out by the district medical officer of health seemed to have some minor contradictions, I thought it was a commendable initiative in the circumstances.

In my question in the House on Tuesday, I cited the statement made to me in a letter from the Minister of the Environment that her officials and the officials of the Department of Transport had been working for years at the federal level on the transportation of dangerous goods. I was critical of the Minister of Transport at that time for offering the July 1 implementation date for the regulations that presumably resulted from that consultation process. I must acknowledge with pleasure that he has chosen now to make the ban immediate.

It was four days after the spill when the first federal official arrived on the scene. Even after the initial spill we saw some errors being made by government officials that were unfortunate errors, not errors of malice, of course, but errors of oversight in the shipping of unmarked boxes containing contaminated PCB samples on Nordair, a commercial air service, through Dryden, without telling the people who were handling them what they were handling.

Such an occurrence should not be permissible in our society. I am glad that the Minister of Transport, in his answer, at least contemplated some form of disciplinary action being taken in those circumstances.

The advice that has gone out to residents in the area has mostly been good. While some has been contradictory, I believe that over-all the local Government would appear to be well in the lead of the provincial and federal Governments in the effectiveness of its actions in relation to this spill.

When something like this happens in northwestern Ontario, we who live there have a very ambivalent reaction to the resulting events. We are descended upon by a media circus that we only see during election campaigns other than when there is an environmental disaster. It is indeed a media circus which exhibits a dedication and ferocious attention to the matter that it believes to be at hand, but which, to many of us, smacks of tunnel vision. It is certainly not that we would wish bad news not to be reported. This is bad news and it has been extensively reported.

There is also other bad news. Something that strikes me when looking at this recent spill is the clouding of people's vision which occurs, for whatever reasons, to some of the other problems that exist both in our environment and in my own region of northwestern Ontario.

For example, the spill did not lead directly to the death of a young man on a dangerous corner of the Trans-Canada Highway on Thursday night. The spill was not responsible for that. That death was not reported in the national media. It was not recorded on the CBC, but that is an example of what happens when that media focus all of their attention on a single issue and do not look at the social, economic and environmental aetiology in the area in which they are making their report.

We have a situation where the bureaucrats rather than the Ministers or the media actually come out looking the best in this situation. We also have a situation of a psychology, of

which most of us are guilty—I would not exculpate myself—which makes us look not at the appropriateness of corrective measures but at where the legal responsibility for corrective action lies.

I feel that the House would do well to take to heart the words of my colleague, the Member for Winnipeg-Birds Hill (Mr. Blaikie), when he spoke of the moral imperatives of such a situation and the moral considerations which should be borne in mind when addressing ourselves to such an occurrence and to the underlying causes, the lack of regualtions or legislation to ensure adequate protective measures.

The spill, having happened over a week ago now, still leaves many outstanding environmental issues. There is the question of whether the sealing which has been applied to the road surface will be effective and whether it will prevent the leaching upwards of PCB contaminated oil. There is also the question of whether that oil may not also leak downwards through the granular sub-base of the road and thus run the risk of contaminated water courses and ground water. There is the risk to human health, which I am sure the parliamentary Secretary to the Minister (Mr. Gurbin) did not wish to downplay overly. Let me quote from the *McGraw-Hill Encyclopaedia of Science and Technology*. In the Japanese case there have been deaths attributed, though perhaps not completely attributable, to acute PCB poisoning. Polychlorinated biphenyls are contaminated, as indeed many complex chemical products are contaminated, with byproducts that occur in the manufacturing process. In this case it is polychlorodibenzofuran and polybrominated biphenyls which may be responsible for the effects that have been noted in the Japanese case.

● (1740)

I would not wish to over-dramatize the Kenora situation. That would be to do a disservice to the residents and tourists of our area. Even the symptoms of people who have had the most acute exposure obviously do not compare in intensity and frequency with those of people who have been eating rice contaminated with PCBs over a period of several weeks.

The question of human health is a serious one. I think it is now being appropriately addressed by the message being pounded in through the media for people to go and see the doctor if they are in any doubt about the symptoms they may be experiencing.

There are other outstanding issues, such as the integrity and the cleanliness of the environment which is so precious to us in northwestern Ontario. Perhaps the cleanliness of that environment is the leading one. I would call on the provincial and federal Governments, when they sort out the appropriate responsibilities, to institute a monitoring sampling and testing program at the roadside of the contaminated portion of the highway. I would hope that they do this over a period of years and even decades and make sure that samples are taken to determine whether the PCB-contaminated oil is leaching out.

I would like to see the truck which is presently in Kenora still leaking PCBs moved to a place of safety. I would like to see the commitment to clean up carried through right to its logical conclusion so that all contaminated areas and materials used in the clean-up can be safely disposed of.

I would make reference to a situation that is similar in southern Ontario. I quote the provincial Leader of the New Demoratic Party, Mr. Bob Rae, saying that an investigation is needed to discover why it took the Government more than a year to act after discovering the firm of Chem-King was storing PCBs without a permit. If PCBs are being stored without a permit in southern Ontario, in how many other locations are they being stored? If they are being stored illegally, they might be moved illegally, thus putting the environment at further hazard.

The thought of PCBs contaminating the environment leads me to another theme that I have been contemplating over past days, and indeed for a longer period, namely the cumulative effects of the wide array of chemicals used in so many manufacturing processes, in so many materials, and even in food, on ourselves, our children, and our children's children. We live in what is literally a chemical world. It is said that since the end of the Second World War the number of chemicals in common use industrially have quadrupled. PCBs are just one example of a wide range of contaminants being absorbed into the food chain, which they will if they leak into the lakes in the Kenora area, and then be absorbed into our own bodies. The combination and permutation of this may have effects of multiplying exponentially the toxicity of any individual agents by combinine the effect on people, animals, crops, plants and on the environment. We have a growing incidence of hypersensitivity to chemical products, chemical contaminants in the environment, indeed not only to contaminants, but to products that previously were not known allergens.

There are centres in the United States which unfortunately have no real parallel in Canada for the testing and analysis of people who have built up this extreme sensitivity, sometimes over a period of decades, and who in many cases cannot now live normal lives because of it. If there is a lesson to be learned from the Kenora spill, it should be put on the record in this House. I would like to offer my own modest ideas.

I do think there exists at the federal level a real need for co-ordination and for discussion with the provinces of an over-all waste management strategy for this country. Let us not forget that those products that are perceived to be safe today, acetylsalicylic acid, for example, may be found tomorrow to have very significant health risks to them. We have to have some form of social costing mechanism in Canada so that no company producing, as a main product, a byproduct, or a waste product, can be allowed to dispose of it without some form of approval. There has to be some knowledge, some calculus that will let us know whether we are building future Love Canals that will come back to haunt us at immense cost, not only socially but also in terms of dollars and human health.

Research has to be expanded, not curtailed. There has to be a comprehensive registration and evaluation system for new chemical products and processes before they are put into commercial production and not after.

We have to see the environment as a trust. We have to see this country and the beauty of it as something that is not inherited from our ancestors but borrowed from our children.

[*Translation*]

We should know in Canada that the resources of our planet are not inexhaustible—

[*English*]

—something that is capable of being damaged and damaged permanently. We have to forget the old Anglo-Saxon concept of title, that we can use everything on the earth just as we please.

I heard a babe calling in the Gallery earlier today. I was glad to be reminded of those for whom we are ultimately doing these things. It was something I learned early on in my political career from the Indian people who never exclude children from a meeting because they are the ones to benefit from whatever topic is under discussion.

In closing, I am reminded of the epitaph on the tombstone of the noted Georgian architect, Sir John Van Brugh. It reads: "Lie heavy on him earth for he laid many heavy loads on thee". Van Brugh was an architect who liked to build on a massive scale and in a grand style. We have laid many heavy loads on this earth of ours and it is up to all of us to show some leadership in lightening them.

Mr. Gurbin: I have a question for the Hon. Member, Mr. Speaker. I would like to congratulate the Hon. Member for Kenora-Rainy River (Mr. Parry) for a reasonable and reasoned intervention. He mentioned two things to which I would like his response concerning activities at the local level. He may or may not be aware of or familiar with the reaction, response, or outline, an agreement on which was arrived at in consultation with the municipal, provincial and federal authorities. Could the Hon. Member comment on how he feels it would be appropriate, especially if one wanted a rapid response to a question that there is someone better than the local officer of health, someone better than the OPP, someone better than the fire department locally to deal with emergencies like this that could occur any time, any place, anywhere. Does the Hon. Member feel there is a better way of being able to arrive at that immediate response? Is the Hon. Member more familiar or does he know of any other cases than the cases of the people who were in the car who went to Manitoba? Does he have any additional information? The only other two cases of which we know of persons who came into skin contact with the transformer fluid were, first, that of a person who was changing a tire on his car after having driven through the oil spill, and the other was that of a person who cleaned a cat which had been soiled with it. Those are the other two cases of which we know, other than the people who were in the car. Twelve people telephoned Dr. Freisson, the local medical officer of health, who were concerned that they had in fact breathed in some fumes which might have contained PCBs. He has done the appropriate things in that regard and is following it up in the appropriate way. I wonder whether the Hon. Member for Kenora-Rainy River (Mr. Parry) could respond to these two questions.

● (1750)

Mr. Parry: Mr. Speaker, I agree with the Parliamentary Secretary. Obviously there is little capability for predicting incidents of environmental hazard or disaster before they occur. Therefore, the primary role for detection and for coordination lies with the local authority. When I was mayor of Sioux Lookout, I remember attending an emergency measures planning course with the then Mayor of Kenora, who is also the present mayor. I think the emergency measures organization under the aegis of the municipality is an appropriate model. In terms of the incidents of contact in this event, I will be happy to check my information and get back to the Parliamentary Secretary so that we can compare notes on the number of people who have been affected.

[*Translation*]

Mr. Vincent: Mr. Speaker, I must congratulate the Hon. Member for Kenora-Rainy River (Mr. Parry) on his comments. There are now certain guidelines, including some entitled "Guidelines on waste management of materials containing PCBs". I would like the Hon. Member for Kenora-Rainy River to state his position on these guidelines. How does he see these guidelines being applied so that such incidents do not happen again and the guidelines are more generally and more strictly implemented?

[*English*]

Mr. Parry: Mr. Speaker, I thank the Hon. Member for Trois-Rivières (Mr. Vincent) for his question. Certainly it would appear to me that guidelines for compensation in such cases should be laid down. I do not feel that it is really a productive method to take cases on an individual basis, bearing in mind the number of cases of similar contamination which have occurred. Of course, the mercury pollution of the English-Wabigoon River in my own riding is another example. I feel that there should be some mechanism for environmental compensation tribunals so that people whose health has been affected or whose property has been damaged can have some form of less adversarial mechanism to which they could bring their claims. Similarly, the bonding and insurance of transporters and users of all potentially dangerous material should be examined to ensure that there is adequate coverage for the potential risks in the event of leakage or spillage.

Mr. Lewis: Mr. Speaker, I compliment the Hon. Member for Kenora-Rainy River (Mr. Parry). Obviously he brings a local perspective to the question of spillage and the problems surrounding it. I compliment his on his contribution to the debate. Also I should like to compliment the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) on his contribution. They were constructive contributions. We know that we do not have all the answers but we have to learn from crises. One cannot always predict crises and how one will react, but I think their contributions have been useful.

I should like to point out to the Hon. Member the achievements that have been made by the Government in terms of the agreement for a 50 per cent reduction in sulphur dioxide emissions and the tougher automobile standards which were introduced. Also we have provided and assured budget to the science monitoring program and took steps in creating an acid rain office. There was also a budget of $150 million for the smelting industry for modernization and installations.

Mr. Frith: That is a speech, not a question.

Mr. Lewis: It is a comment. We also spent $70 million on developing technology for the use of coal. All these things were an effort by our Government to pick up from the stagnation which occurred under the Liberal Government in earlier years. Perhaps the Hon. Member, in conjunction with the positive things he said about the PCB problems, might want to comment on those actions.

The Acting Speaker (Mr. Paproski): The period for questions and comments has now terminated. I recognize the Hon. Member for Sudbury (Mr. Frith).

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I want to begin where the Hon. Member for Kenora-Rainy River (Mr. Parry) left off. He left off on the issue of leadership which must be taken into account because each year spills occur in different provinces across the country. The only way in which we can judge the importance which Governments place upon the issue of spills and upon the protection of the environment is to witness the way in which the Government of the day reacts to a crisis.

I will not suggest that the Minister of the Environment (Mrs. Blais-Grenier) was responsible for the spill which occurred on the highway in northwestern Ontario. However, the only way in which we can judge the political will of that Minister is to interpret from her actions the way in which she views the effects of that spill on the environment. Let us take a look at the leadership which was exhibited by the minister in this particular case. After the spill in northwestern Ontario was brought to the attention of the House, the Minister refused to show up in the House for several days to answer questions on the issue. We asked why the Minister of the Environment did not—

[*Translation*]

Mrs. Mailly: Mr. Speaker, I was just wondering about something. It seems to me that under the rules, one should not comment on the presence or absence of other Members in the House, but the Hon. Member is now getting into a debate which is not usually—

[*English*]

The Acting Speaker (Mr. Paproski): Yes, I understand. I addressed that same question earlier. I ask the Hon. Member not to comment upon the presence or absence of Hon. Members.

Mr. Frith: One should ask whether a Minister who refuses to instruct her officials to inspect the site is exhibiting leadership in this manner. For several days there was no communication between the federal Minister and her counterparts in the Province of Ontario. The Province of Quebec was just as negligent in its duties with respect to the spill in northwestern Ontario. Those issues involve leadership.

Let us look at the record of the Government in terms of the environment. Turning to the mini-statement of the Minister of Finance (Mr. Wilson) on November 8, the Minister of the Environment allowed him to override her concerns about the impact the cuts would have on the Department of the Environment. What did we end up with? There were cuts in the budget in terms of waste management. Instead of trying to protect her Department, the Minister of the Environment allowed the Minister of Finance to run roughshod over her departmental officials. We have had cut-backs in wildlife services and in research into the medical effects of these kinds of spills. Is that the kind of leadership we want from Conservatives? I do not think so. As the Hon. Member for Kenora-Rainy River (Mr. Parry) said, Canadians want a leadership role taken by the federal Government to co-ordinate programs to deal with these kinds of emergencies.

As I mentioned earlier, this spill is not the first one to occur, nor shall it be the last. Examples abound, not only of PCBs but of other chemicals which impact upon the environment. It is important to note that part of the job of the federal Minister of the Environment is to protect the interests of her Department and the health of Canadian citizens. Also she must become an advocate for her Department when it comes to budget time, indicating to the people of the country that she will stand up and protect the health and safety of Canadian citizens. We are not receiving that.

• (1800)

This is not the first occasion where the Minister of the Environment (Mrs. Blais-Grenier) has neglected and been quite negligent in her duties with respect to the protection, health and safety of Canadian citizens. That is the kind of leadership that Canadians want from their federal Government. The suggestion that it was only in the last 24 hours or six to seven days that regulations had been passed to deal with this problem of interprovincial transportation is to stretch the imagination of the Canadian public that we have a Minister of the Environment who cares.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. It being six o'clock, it is my duty to inform the House that, pursuant to the provisions of Standing Order 62(11), the proceedings on this motion are now completed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

ENVIRONMENTAL AFFAIRS—REQUEST FOR ASSURANCE OF INVESTIGATION. (B) COMPENSATION FOR VICTIMS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I want to follow up on my questions to the Prime Minister (Mr. Mulroney) on Friday, April 19, having to do with the PCB spill that we have been talking about all day. I am not sure who is in the House to respond to my comments. In any event, on Friday I directed three questions to the Prime Minister. One had to do with the question of charges in respect of the PCB spill. The next had to do with compensation for the known victims, the family driving behind the truck. The third had to do with the cancellation of the study into the assessment of PCBs that was requested by the Ontario Government and which was cancelled by the federal Progressive Conservative Government.

On the question of charges, the Prime Minister indicated to me at that time, and I quote:

—it may be that there were violations of law and regulations and disregard for human life, in which case I can assure the Hon. Member that prosecutions will be made with vigour and to the fullest extent of the law.

I would ask the person responding on behalf of the Government to indicate in what area the Government might be contemplating this kind of action. Will the investigation announced earlier by the Minister of Transport (Mr. Mazankowski) when he was speaking to the House on this be the kind of investigation that could lead to prosecutions, if that was judged to be warranted after the investigation? Also, in the course of that investigation will not only the company involved but also the Province of Ontario be looked at in that same critical light with respect to its actions?

I also asked the Prime Minister about compensation for the family that was driving behind the truck and which had their car impounded. The Prime Minister replied:

With regard to individual families who may be suffering unduly, apart from the tragedy itself, as a result of it, we will look at that, and where we can be helpful we will be delighted to come forward and provide facilities from the Government of Canada to assist them in any way we can.

Can the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin), who apparently will be responding on behalf of the Government, tell the House whether the Government has made any overtures to the family and whether any provision has been made, for example, for transportation back to Red Lake, and any other short-term things of that nature that the family may require? I would appreciate being brought up to date on that.

The third question was the cancellation of the NRC study on updated scientific analysis of key issues in the assessment of PCBs. As I mentioned before, this study was requested by the Ontario Government. The study was cancelled as a result of the cuts announced by the Government on November 8. In response to me at that time, the Prime Minister said:

● (1805)

I think all Members of the House will be seeking the assurance that it never happens again. If that representation—

That is to say, the representation which I made on behalf of reinstating that program—

—turns out to be one way we can ensure that, Hon. Members may be certain that we will proceed.

Could the Parliamentary Secretary to the Minister of the Environment tell us whether or not, as a result of the Prime Minister having said that to me on Friday, any reconsideration has been given as to the wisdom of reinstating the study on up-dated scientific analysis of the key issues in the assessment of PCBs? The Prime Minister probably heard about the cancellation of the study for the first time on Friday, and I did not expect that he would have mastered all of the details of the cuts, but I believe that a light went on and the Prime Minister, in light of recent events, might have thought that cancelling that program was not such a great idea. Could the Parliamentary Secretary indicate whether any reconsideration has happened?

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, in the brief moments which are allowed, I will try to respond to the many questions which have been raised.

I would like to deal with the question of support for the family. As the Hon. Member for Kenora-Rainy River (Mr. Parry) indicated, the response mechanism, by agreement, is through the local medical officer of health and local officials. As part of the total response package, we have offered to provide, through the local authorities, an airplane or anything else which might be required by the people who are affected. I can assure the Hon. Member that that was done, and that the offer will remain if it becomes necessary. As well, I am sure that the offer can be expanded if it is appropriate from the point of view of local officials.

With respect to the investigation, I cannot specifically answer his question as to what might flow from the investigation which has been announced by the Minister of Transport (Mr. Mazankowski). I do not know whether that investigation has anything to do with charges, but I will undertake to find that out for the Hon. Member. However, I can tell him that the liability has already been accepted by the company. I do not know what happens under the legal system following that, but the liability has been accepted.

I also indicated very clearly that there is a code of guidelines for the management of PCBs, which was established before the Hon. Member for Davenport (Mr. Caccia) was Minister of the Environment. My understanding was that the company had been transporting materials in agreement with that code. However, clearly the company did not do that. However, it had made that commitment to the Alberta Government. Therefore,

again the liability is established. I do not know how that fits into the investigation. I believe the investigation was meant to be more broad than that, but it might include that.

The point which I think has to be made, and I can make this with some force because I was involved very directly—

The Acting Speaker (Mr. Paproski): I think the Hon. Member will have to make that point at another time.

Mr. Blaikie: Point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member finished at six minutes after six o'clock and the Parliamentary Secretary had three minutes to speak.

Mr. Blaikie: Perhaps, Mr. Speaker, we might seek the unanimous consent of the House for the Parliamentary Secretary to finish his remarks. That was not the way I read the clock. I thought that the Parliamentary Secretary had at least another minute.

The Acting Speaker (Mr. Paproski): He had his three minutes.

Mr. Blaikie: No, he didn't.

The Acting Speaker (Mr. Paproski): Order, please. If the Hon. Parliamentary Secretary would like to finish his remarks, I will grant him another 30 seconds. But, the Hon. Member finished his question at six minutes after six o'clock and the Parliamentary Secretary had three minutes in which to make his comments. Those are the time limits as far as the Adjournment Debate is concerned. If the Parliamentary Secretary has anything else to say, then he can say it.

• (1810)

Mr. Gurbin: I have much more to say, Mr. Speaker, and I will take 30 seconds to do so. The liaison which has occurred personally between our Department and the provincial Department, and those people on site, has been ongoing and extremely good from the very beginning. Finally, in my last 15 seconds, I will say that reconsideration of the whole toxic program is in fact what the Minister is spending all of her energy on right now. She has focused in a direct way on the consideration of all the programs which fall within that gambit.

[*Translation*]

BILINGUALISM—DECISION TO REDUCE NUMBER OF BILINGUAL POSITIONS AT RENOUS PENITENTIARY

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, my question was directed to the Solicitor General of Canada (Mr. MacKay) and concerned the number of bilingual positions at the Renous penitentiary in New Brunswick.

His colleague, the Hon. Member for Northumberland-Miramichi (Mr. Jardine), stated a few weeks ago that the number of bilingual positions in Renous would be reduced from 50 per cent to 30 per cent and exclaimed that this was good news. In addition, Mr. Speaker, the Solicitor General added in one of his statements in this House that this proportion was quite representative of the local population.

The question I ask myself and want to ask the minister is this: Should the Atlantic institution in Renous satisfy the local population first or should it instead serve its inmates as its first priority? In my opinion, it is obvious that our Atlantic Institution will have to accommodate first and foremost the inmates coming from every Atlantic region and even from elsewhere in Canada. It is therefore difficult if not impossible to predict the linguistic distribution of future inmates. That is why it is imperative to make sure that penitentiary services are available in Canada's two officials languages. Consequently, as much of the staff as possible ought to be bilingual.

Mr. Speaker, it is a matter of logic and justice, especially. Why should people who have spent years in penitentiary and who already have heavy responsibilities be forced to speak in only one language? Just because a group is in minority does not mean that their needs can be disregarded. On the contrary, you undoubtedly know what the Commissioner of Official Languages said about this issue. Here is a quotation from his latest annual report:

> The Correctional Service has responded to our 1983 audit but will have to do a great deal more to provide adequate minority-language services to inmates.

Further on, he goes on to say:

> Despite everything, Acadians are still considerably less equal than Anglophones with respect to Government services in their own language.

In other words, Mr. Speaker, the Government must implement the recommendations of the Commissioner of Official Languages.

Secondly, even if we keep in mind the argument of the Solicitor General who claims that the proportion of unilingual and bilingual positions must reflect the linguistic reality of the population, there again he is mistaken. When the establishment of the penitentiary was first announced, had it not been agreed that the staff would be hired in the ridings of Kent, Northumberland and Gloucester? Population figures for those three ridings reveal that the anglophone-to-francophone ratio is the opposite of that in the Miramichi region. To put it another way, those ridings and the one I represent have a lot more Francophones than Anglophones.

In addition, I must emphasize that New Brunswick's unemployment rate has increased to 17 per cent, and that in the south-eastern part which includes the counties of Albert, Kent and Westmorland, the rate has soared to 21 per cent, and that is totally unacceptable. And yet, we had been promised tens of thousands of jobs. It is really terrible!

Why did the Minister not respect the first agreement, and why did the Minister not take all those figures into consideration, for they fully justify his initial decision to hire bilingual applicants to fill 50 per cent of the positions?

No matter what the Solicitor General says, Acadian groups in the region have not been consulted in any way. The Minister has made non-substantiated claims. I might add that I use this euphemism to be polite, knowing as I do that it cannot be said in this House that a colleague is not telling the truth.

In fact, the vice-president of the Cercle français de la Miramichi said in the *Times & Transcript* that the Association is entirely against a reduction in the number of bilingual positions. Consequently, how can the Minister assert that Acadian groups favour the decision?

Finally, the Minister has no option but to withdraw his decision. In doing so, he will also have to determine and announce the breakdown of unilingual positions, what percentage will be classified Anglophone and what percentage Francophone.

Mr. Speaker, need I recall that the struggle of Francophones in New Brunswick has been a long and hard one. It is still hard. It took a will of iron to overcome the threat of assimilation. However, the French-speaking community has gained ground, and today, the Province of New Brunswick is officially bilingual. By maitaining its decision to reduce the number of bilingual positions from 50 to 30 per cent, the Government is undermining and denying the special situation in this province.

Mr. Speaker, we must respect the integrity of our Francophone communities and help them prosper in a favourable and privileged environment. Instead of putting obstacles in the way of this community, we should promote its development.

• (1815)

[*English*]

The Acting Speaker (Mr. Paproski): I welcome back the Hon. Parliamentary Secretary to the Solicitor General (Mr. Towers).

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Thank you very much, Mr. Speaker.

During Question Period on March 27, 1985, the Hon. Member for Westmorland-Kent (Mr. Robichaud) asked about the announcement with respect to the percentage of bilingual positions at the penitentiary to be called the Atlantic Institution, now being built in New Brunswick. I trust, in the interests of fairness to the residents of the community involved, he will accept my reply.

Under the circumstances I cannot agree with the statements made by the Hon. Member that Acadians are less equal than the Anglophone population. The 30 per cent bilingual target to which the Hon. Member referred is considered appropriate to reflect the approximate percentage of Francophone and bilingual inmates who will require services in the French language, and reflects the demographic area in which the institution is immediately located. Since the percentage of Francophne inmates now serving sentences in the Atlantic region is about 12 per cent, and since the Francophone population in the local area is 25.8 per cent, it is evident that the target established for bilingual positions more than meets the minimum requirements for the provision of services and for equitable representation in terms of staff positions.

I must also make it clear that the Treasury Board policy with respect to official languages in the Public Service of Canada was duly respected and incorporated into the identification of the bilingual positions. Federal agencies are guided by the Treasury Board guidelines in the determination of bilingual positions. The bilingual status of the Province of New Brunswick was also taken into account in developing the language identification plan for the institution.

I spoke earlier of the linguistic profile of the area in which the new penitentiary is located and how the percentage of bilingual positions reflect that profile. That is an essential consideration in staffing a new institution. But, another essential consideration relates to the degree of acceptance of a penitentiary's existence within a community and the interdependent relationship which must be established and maintained. This cannot be accomplished if the penitentiary staff is a separate entity which has no reference to the community itself. The target set for bilingual positions in relation to the make-up of the local community will bring about a maximization of the employment opportunities in the immediate area, and this is the basis upon which the relationship between a penitentiary and the community should be established and upon which it shall flourish.

The identification of bilingual positions at 30 per cent will mean that the Atlantic Institution will be the most bilingual federal prison in Canada. In fact, the ratio of bilingual employees to French speaking inmates will probably be in the order of two to one; two bilingual employees for each French speaking inmate. Furthermore, the language identification plan has also taken into consideration the requirement that both Anglophone and Francophone employees must be supervised in their preferred official language. To this end, 41 per cent of the supervisory positions have been identified as bilingual.

• (1820)

The Solicitor General (Mr. MacKay) is confident that the needs of the two client groups, inmates and staff, have therefore been met equitably through the bilingual targets set. The former Minister, the Member for York Centre (Mr. Kaplan), the Member's own colleague, was obviously in agreement with this, since he announced at a reception following the laying of the cornerstone of the new penitentiary in August 1984 his approval of this same bilingual target. Indeed, the Saint John *Telegraph Journal* of August 10, 1984 reported that the former Minister stated he had signed a directive allowing 70 per cent of prison employees at the Atlantic Institution to be unilingual English, with the remaining 30 per cent to be bilingual.

I trust, Mr. Speaker, that the Hon. Member will have a favourable understanding of this reply.

Adjournment Debate

INDIAN AFFAIRS—ASSISTANCE PROGRAMS FOR NATIVES IN URBAN CENTRES. (B) ADVISORY COMMITTEE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, last week when the press carried a report that a task force appointed by the Deputy Prime Minister (Mr. Nielsen) had recommended that funding for native programs be cut by $169 million there was, of course, an immediate attack on that proposal from native organizations and Members of Parliament. Many questions asked about this proposal. The Prime Minister (Mr. Mulroney) and the Minister of Indian Affairs and Northern Development (Mr. Crombie) made it very clear that the proposal of the task force would not become part of the Government's policy.

Recently we have had a good deal of discussion and reporting in the media about the problems of native people. Most recently, however, the discussion has been about the issue of Indian self-government and aboriginal land rights, with less discussion about the abysmal conditions under which most of the native people in Canada live. It was reported in a survey done a few years ago that conditions on most of Canada's reserves were truly disheartening. The report referred to poor housing, inadequate education, and sub-standard health care. Unemployment on the reserves is a high as 80 per cent. Sixty per cent of the people on reserves live in homes without running water, and life expectancy is 10 years less than the national average. Perhaps the saddest and most revealing statistic of all is that the suicide rate among young people on reserves is six times that of other Canadians.

That kind of information is well known to many Canadians. What is less well known is the very serious plight of the native people who have been living in and are now moving, in increasing numbers, to the cities. A study done a couple of years ago reported that there were 15,000 to 20,000 native people living in my city of Winnipeg, 10,000 to 15,000 living in Edmonton, 5,000 to 10,000 in Calgary, 15,000 to 20,000 in Vancouver, and 15,000 living in Regina. The plight of native people living in those and other cities is truly alarming.

It has been estimated that in my own City of Winnipeg, 50 per cent of all the child welfare cases come from the native community. A high percentage of the people on welfare in the City of Winnipeg are native. Close to 50 per cent of the inmates in western Canadian prisons and jails are Native. In six schools in the core area of my City of Winnipeg, 50 per cent to 80 per cent of the students are Native people and many of them have a very limited knowledge of the English language. Those problems have been ignored to a large extent by federal Governments, both Liberal and Conservative, because they have taken the position that federal Government's legal responsibility is to Native people living on reserves, and once those people leave those reserves to go to the cities they are no longer the legal responsibility of the federal Government. As I have indicated, the plight of Native people living in the cities is close to a disaster.

• (1825)

Some good things have recently been accomplished in my province. The Children's Aid Society has been dissoved and Child Welfare Service has been reorganized so that there are now smaller regional agencies which give representation to Native peoples in the areas in which they live. We are beginning to get Native social workers who have been trained in our universities and community colleges and in special programs established for Native people. In Manitoba there are more than 500 Native teachers who have graduated, having received their training in special Native teaching training programs that were funded jointly by the Federal and provincial Governments.

There are special employment training programs in Winnipeg in the Core Area Development Program, a program funded by the federal, provincial and municipal governments. Recently, the Secretary of State sponsored a national conference on Native women in business in Winnipeg. In Winnipeg we have KNEW Housing, an organization operated by Native people using funds supplied by the federal Government. It purchased homes, remodels and refurbishes them and rents them to Native people who live in the City of Winnipeg.

Improvements have been made but a great deal needs to be done. I am pleased that the Minister says he has an advisory committee to look at these problems, but I call on him and the Government to do a great deal more than they have done to deal with this very serious problem.

Mr. Girve Fretz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I want to speak to the issue raised by the Hon. Member for Winnipeg North (Mr. Orlikow) concerning Indians living off reserves, especially in urban areas. Indeed, he has raised a question that concerns all of us.

As the Minister of Indian Affairs and Northern Development (Mr. Crombie) indicated in the House last Thursday, there is consultation under way to review key concerns regarding Indian people living off reserves. The Minister recognizes the seriousness of the problem and already has taken initiatives on this matter which has been left uncertain because of overlapping responsibilities between the various levels of Government. He has already met with the mayors of a number of major municipalities including Vancouver, Winnipeg and Toronto, and has indicated that a solution to the plight of many off reserve Indians must and will be found.

The seriousness of the problem should not be underestimated. The percentage of status Indians living off reserves doubled between the years 1966 and 1976 and has increased by a further 30 per cent since then. A large portion of these people tend to be unskilled and poor. Many move to the cities to seek better employment opportunities only to find themselves trapped in a vicious cycle of poverty and mounting social problems. In turn, this situation places increasing strains on the relationship between Natives and non Natives in these communities.

The most pressing issues are housing, education, health care and employment assistance. In these areas, jurisdiction is fragmented among federal, provincial and municipal Governments and financial requirements are increasing. It is recognized that better co-ordination is required among the three levels of Government to eliminate duplication of services, thereby maximizing the benefits from the existing resources. In addition, programs should be structured to be complementary and to address the basic problems rather than merely some of the social symptoms.

The Minister of Indian Affairs and Northern Development is committed to finding practical ways of dealing with the issue and I assure the Member that the Minister will continue his discussions on the subject with Native people, municipal leaders and provincial Governments.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Tuesday, April 23, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development.

Mr. Speaker: As Hon. Members are aware, there are 99 motions on the *Notice Paper* in amendment at the report stage to Bill C-15, an Act respecting investment in Canada. With the little time available to the Chair, I have had an opportunity, with the Table Officers, to examine all of these motions to determine their procedural acceptability or, in any case, to group them for debate. I therefore wish to suggest, at the moment, in a preliminary way, the following. I want to emphasize at this point, and I will come back to it at the end, that this is a preliminary suggestion to the House.

1. Motions Nos. 1 and 2 should be grouped for debate with a separate vote on each motion.

2. Motion No. 3 gives the Chair some procedural difficulty in that it appears to violate the principle of the Bill as agreed to, by the House, at the second reading stage and is argumentative in its form.

3. Motions Nos. 4, 6, 7, 9, 10, 11, 14, 15, 16, 17 and 18 should be grouped for debate but voted on separately.

4. Motion No. 5 restricts the Minister's assistance to Canadian owned businesses to exploit opportunities for investment and technological advancement, thereby violating the principle of the Bill as agreed to at second reading.

5. Motions Nos. 6 and 7 be grouped with motion No. 4 and others.

6. Motions Nos. 8, 12, 32, 63, 69, 74 and 75 all deal with publicizing the information received by the Agency and should be grouped for debate, with a vote on motion No. 8 disposing of motions Nos. 12, 32, 63, 69, 74 and 75.

7. Motions Nos. 9, 10 and 11 were grouped with motion No. 4 and others.

8. Motion No. 12 be grouped with motion No. 8 and others.

9. Motion No. 13 seeks to introduce into the Bill new proposals which go beyond the four corners of the Bill.

10. Motions Nos. 14 to 18 inclusive were grouped with motion No. 4 and others.

11. Motions Nos. 19 and 20 would be grouped for debate and voted on separately.

12. Motion No. 21, like the previous motions referred to by the Chair, goes beyond the principle of the Bill as agreed to at second reading and therefore should not be proposed to the House.

13. Motion No. 22 goes beyond the scope of the clause it seeks to amend and would infringe on the financial initiative of the Crown.

14. Motions Nos. 23, 24 and 25 should be grouped for debate and voted on separately.

15. Motion No. 26 adds a new exemption to the clause and goes beyond the principle of the Bill.

16. Motions Nos. 27, 30 and 67 will be grouped for debate and voted on separately.

17. Motion No. 28 seems to go beyond the principle of the Bill as agreed to at second reading.

18. Motion No. 29 seeks to impose certain tasks on non-Canadian businesses which goes beyond the principle of the Bill and infringes on the financial initiative of the Crown.

19. Motion No. 30, as I stated earlier, is grouped with motions Nos. 27 and 67.

20. Motion No. 31 should be debated and voted on separately.

21. Motion No. 32 was grouped with motion numbered 8 and others.

22. Motion No. 33 seeks to establish a committee not envisaged in the Bill and is a new proposition which goes beyond the four corners of the Bill. Motions Nos. 54, 62, 65, 66, 71, 73, 92 and 93 are consequential on motion No. 33 and, as well, should not be proposed to the House.

23. Motions Nos. 34, 35, 36, 38 and 38A will be grouped for debate and voted on as follows:

(a) An affirmative vote on motion No. 34 disposes of motion No. 35. A negative vote on motion No. 34 necessitates the question being put on motion No. 35.

(b) Motions Nos. 36, 38 and 38A will be voted on separately.

24. Motion No. 37 would cause the Agency to review the assets of non-Canadians thereby discriminating against them,

which is contrary to the purpose of the Bill as agreed to at second reading.

25. Motion No. 38 was grouped with motion No. 34 and others.

26. Motion No. 39 would appear to exclude non-Canadians from directly acquiring certain Canadian businesses and goes beyond the scope of the Bill.

27. Motion No. 40 would oblige non-Canadian owners of Canadian businesses to offer them for sale under fixed conditions and this was not foreseen in the Bill as adopted at second reading.

28. Motion No. 41 should be debated and voted on separately.

29. Motions Nos. 42 to 49 inclusive are similar efforts to introduce into the Bill types of investments that would require review. This was not foreseen when the Bill was agreed to at second reading. Motion No. 51 is consequential on motions Nos. 42 to 49 and falls into the same category.

• (1110)

30. Motions Nos. 50, 52 and 53 are in order and should be grouped for debate. However, a vote on motion No. 50 will dispose of motion No. 52. Motion No. 53 will be voted on separately.

31. Motion No. 54 has been grouped with motion No. 33 and others.

32. Motions Nos. 55 to 61 inclusive appear to introduce new factors into Clause 20 which will affect how net benefits are determined and are therefore beyond the scope of the clause.

33. Motion No. 62 was grouped with motion No. 8 and others.

34. Motion No. 64 appears to add to the scope and purpose of the Bill and infringes on the Royal Recommendation. It also appears to do indirectly what cannot be done directly, that is, amend the definition clause.

36. Motions Nos. 65 and 66 were grouped with motion No. 33 and others.

37. Motion No. 67 was grouped with motions Nos. 27 and 30.

38. Motions Nos. 68, 70 and 72 should be grouped for debate. Motion No. 68 will be voted on separately and a vote on motion No. 70 will dispose of motion No. 72.

39. Motion No. 69 was grouped with motion No. 8 and others.

40. Motion No. 70 was grouped with motions Nos. 68 and 72.

41. Motions Nos. 71, 72, 73, 74 and 75 were grouped earlier by the Chair.

42. Motions Nos. 76, 76A, 77, 77A, 77B and 77C are to be debated and voted on separately.

43. Motions Nos. 78 and 79 give the Chair some difficulty in what the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) is trying to achieve. If the motions have, as their purpose, the expansion of the scope of the Agency, then for obvious reasons, they are out of order. I will, however, ask the Hon. Member to explain their purpose before making a final decision as to their acceptability.

44. Motion No. 80 attempts to provide regulatory power that is not contemplated in the Bill, is novel, and new to the Bill and should not be proposed to the House.

45. Motion No. 81 should be debated and voted on separately.

46. Motions Nos. 82 to 88 inclusive appear to be directly related. Motion No. 82 attempts to give to a committee of the Senate or the House of Commons authority which was clearly not contemplated in the Bill prior to its adoption at second reading stage. Therefore, it should not be proposed to the House. Motion No. 83 is contrary to the contents of the clause and to the principle of the Bill as adopted at second reading. As motions Nos. 84 to 88 inclusive are consequential to this motion, they should not be proposed to the House.

47. Motion No. 89 should be debated and voted on separately.

48. Motions Nos. 90 and 91 are interrelated—a multiplicity of reports. Motion No. 91 appears to place an additional charge on the Treasury and thus involves expenditures not foreseen in the Royal Recommendation attached to the Bill and should not be proposed to the House. As motion No. 90 is consequential to motion No. 91, it would also appear to be out of order.

49. Motions Nos. 92 and 93 were grouped with motion No. 33 and others.

50. Motion No. 94 attempts to delete all references in the Bill to the Minister and replace them with Governor-in-Council or body designated by the Governor-in-Council except in the interpretation clause, namely Clause 3. In the opinion of the Chair, this is inconsistent with the interpretation clause and goes against the principle of the Bill as agreed to by the House at the second reading stage.

It is my understanding from the remarks of the Hon. President of the Privy Council, the Government House Leader (Mr. Hnatyshyn), that this Bill will not be called again until Thursday of this week. It would be the Chair's intention, when the Order is called at eleven o'clock a.m. on Thursday next, to give Hon. Members an opportunity to speak to the procedural regularity of the motions on which I have expressed my reservations.

• (1115)

For the benefit of Hon. Members, these are Motions Nos. 3, 5, 13, 21, 22, 26, 28, 29, 33, 37, 39, 40, 42, 43, 44, 45, 46, 47, 48, 49, 51, 54, 55, 56, 57, 58, 59, 60, 61, 62, 64, 65, 66, 71, 73, 78, 79, 80, 82, 83, 84, 85, 86, 87, 88, 90, 91, 92, 93 and 94.

For the moment, I suggest that debate begin on the Bill at the report stage on Motions Nos. 1 and 2.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. Just for the sake of better understanding and better work on this Bill at report stage, there are a couple of expressions that are new to Members, including myself. For example, at item 9 you said that Motion No. 13 seeks to introduce into the Bill new proposals which go beyond the "four corners of the Bill".

Second, in item 8 you state that Motion No. 12 has been grouped with Motion No. 8 "and others". Could you explain what "others" means?

Mr. Speaker: What is meant in the second case is that the grouping was already indicated in paragraph 6. I was trying to comment on each clause in order. This meant that in dealing with a subsequent clause, that clause was already grouped with an earlier clause.

If the Hon. Member looks at item No. 6 in the document, he will see the point that I am making. In other words, once I have given the grouping once, I do not repeat it.

With respect to "four corners of the Bill", I think pride of authorship allows me to say that it is meant to say outside the scope of the House of the Bill. We will now proceed to Motions Nos. 1 and 2.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 1.

That Bill C-15, be amended in Clause 2 by striking out lines 6 to 14 at page 1 and substituting the following therefor:

"(2) Recognizing that increased capital investment and innovative technology would benefit Canada, the purpose of this Act is to provide for the notification and review of proposed investments in Canada by non-Canadians in order to ensure that they contribute to economic growth and employment opportunities, and to encourage beneficial investment in Canada by Canadians."

Mr. Speaker: As I indicated, I propose to group that with Motion No. 2 by the Hon. Member for Essex-Windsor (Mr. Landgon).

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 2.

That Bill C-15, be amended in Clause 2 by striking out line 7 at page 1 and substituting the following therefor:

"the technology under the appropriate terms and conditions established by the government, would benefit Canada, the pur-".

Mr. Axworthy: Mr. Speaker, may I beg your indulgence to say that I very much appreciate the work that you and the Clerk's office have done in dealing with this substantially large number of amendments. As you say, we have the right to reserve our comments until Thursday but we certainly appreciate the effort that has gone into trying to bring some order to this legislation. The amendments themselves are perfectly clear but we are glad to be able to offer them in a coherent way in order to aid and abet the development of better legislation. Therefore, I want to express my appreciation to you and the staff.

In moving Motion No. 1, I think we should go back to what has been a continual demand for clarity by all those who appeared before the committee. Even in the statements by the Minister himself there was the admission that in dealing with an investment community it was particularly important for the Parliament of Canada to make its intentions clearly known and not confused with any form of ambiguity.

● (1120)

The reason we moved Motion No. 1 is to attain that objective. First is to demonstrate clearly that the major focus of this legislation is a review procedure for foreign investment. It is a weak review procedure, it is an ineffective review procedure, it is a review procedure that will have limited impact but nevertheless it is a review procedure. To try to camouflage that somehow in the Bill runs against the signalling that is required for us to show the investment community, Canadian and otherwise, what the purpose of this legislation is.

What we are trying to point out is that the investment should be clearly targeted at having a benefit for Canada. One of the overriding concerns that we have raised during the course of the second reading debate and during the committee hearings, which was underlined time and time again by witnesses who appeared before us, is that foreign investment by itself is not an untrammelled virtue. It must be measured and judged by the impact it has on jobs, new technology and direct economic benefits. A number of cases were brought forward to cite how in fact foreign investment could be used to reduce employment, to reduce technological development and to reduce economic performance in Canada and, that foreign investment itself could be used to strip down emerging industries in the high-tech field. It could put newer Canadian businesses out of business. It could be used to crowd out the market-place by the superior market power of the large foreign-owned corporations. The reason for having a review is at least to try to ensure that the ability of this country to protect its own investment community is one that is a clear purpose of this legislation.

It is important to set forward that purpose in a very obvious and unmistakable fashion so that we know there is a purpose here now. Our Party intends to introduce a number of amendments that we hope will be incorporated in the Bill to ensure that that review procedure is improved and we are able more effectively to judge investment applications that will have an impact on Canada in a beneficial way and not in a negative way. We recognize that there is a different philosophy at work, which is simply to say on the part of the Minister and his Government that all foreign investment regardless is good.

But the Minister does not follow the logic of his and his own Government's rhetoric because if that was the point they would have no review procedure whatever. As it is, they maintain a review procedure but the review procedure itself is not a particularly effective, worthwhile or important one because it does not deal with the kind of problems clearly identified during the course of our committee hearings. There can be serious damage or negative results affecting resource communities, smaller businesses in Canada and the investment community dealing in high technology. Those are the areas

where we have a high level of vulnerability in our business community. Most other countries do provide some protection. You have only to look at the Japanese market as an example of that. We have a review procedure without teeth. We have a review procedure that only because of the thresholds established and the vagueness of its terms will simply allow most of the investment that has a potential for some problems in our economy to be unreviewed and not judged as to whether it will protect Canadian workers, communities and Canadian jobs.

We have no quarrel with the other purpose of the Bill which is to promote Canadian investment. It has long been a major responsibility of the federal Government that the powers incorporated in this Act are powers which the Minister now virtually has as the Minister for Regional Economic Expansion. If it is there to be included in the Bill, there is no argument with that. We will be presenting amendments that will be used to identify clearly how the Minister might go about promoting Canadian investment in a more active, aggressive way. However, I do not think it would be proper for us to be presenting to the Canadian community on behalf of the Parliament of Canada a statement of purpose which tries to indicate that the primary rationale for this legislation is the promotion of Canadian investment. When we actually look at the substance of the Bill, parts of it deal mainly with setting out who is Canadian, who is non-Canadian, what the review procedures will be, and what the exemptions are to that area.

● (1125)

We think it is important. The Minister should agree with the logic of our position because he has been a proponent of the view that clarity is important and that we must eliminate uncertainty in the investment community. In the administration of an Act, as he well knows from his own experience, public servants, the legal community and others who must deal with the Bill—all those players who are involved with the administration of this Act—start out by reading its objectives as set out in Clause 2. The present Clause 2 is so vague, general and ambiguous that it is difficult to determine what in fact the Government is trying to achieve other than the general global interest of better investment. Legislation of that kind should not be passed; in itself it should relate to what are the prescriptions within the Bill. Therefore, we believe the amendments we have brought forward in no way deny the purpose of the Bill, in no way contradict the objectives set forward by the Government, but clarify, make more cohesive and more coherent and therefore make for a better piece of legislation. They would also establish more clearly what would be the operating principles by which the Bill would be administered and by which the applications would be made.

That is the purpose of the motion we are presenting today. We hope the Government will give it due consideration. We feel that we are presenting, as will always be the case at report stage of a Bill, amendments with the most constructive and positive point of view; that is, to have legislation which in fact will be more effective and more workable and for the general well-being of the Canadian economy.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I will begin by expressing a sense of appreciation to the Speaker for his efforts to unravel the great number of amendments which have been presented. What we are attempting to do within the spirit of the Bill as it was passed at second reading is to offer some constructive suggestions about mechanisms by which the Bill could be improved and elements which could be brought into the legislation that will in fact make it more useful.

What underlies the motion we have moved, and what in fact underlies the whole approach we are taking to this Bill, is the sense that direct foreign investment has both contributed to the country and to the problems of the country. Any attempt to deal effectively with this historically important phenomenon in Canada requires that we recognize the potential benefits as well as the potential problems and have a balanced approach which recognizes the significant leadership role of government, a leadership role which our amendment attempts to put right into the purpose Clause of this new piece of legislation.

During the committee hearings on this Bill we heard a great deal from business people about the potential problems which can exist in the context of foreign investment within this country. The former head of a large subsidiary here in Canada came before us and talked about some of the constraints under which he had to operate as the chief executive officer of his particular subsidiary.

● (1130)

Just this past week we have seen the parts producers in the automobile industry make precisely that same point, that left to themselves, foreign subsidiaries tend to constrain the opportunities that are necessary for the Canadian economy to create the jobs and establish the spin-off benefits which are essential to get our economy moving again.

Also, we have had concern registered to us by communities in the course of these hearings. They said to us that the possibility exists that we as a country can see jobs lost in our communities, that we can see workers and suppliers being hurt without a commitment on the part of the Government to take enough leadership in reviewing and encouraging the contribution of foreign investors to this economy.

We have moved the motion that we have to recognize the important role of the Government to set appropriate terms and conditions for foreign investment in this country. It is important to recognize that Government can give a leadership role to foreign investors. The Minister talked about this piece of legislation as signalling a new approach to foreign investors. Part of what we think has to be signalled is a sense of the responsibilities and the kinds of commitments to this community which foreign investors should accept when they come into this country and take over Canadian firms.

We will have a set of amendments which we hope to have included within the Bill. They will involve such important commitments to this country as the commitment to employment equity within firms that are taken over, commitments to economic spin-offs which will benefit all of Canada, commit-

ments to good labour relations because that too is crucial within our country. The strategy of our amendments will be a strategy that attempts to make the whole process of review more public. Second, it will try to be even more activist in encouraging Canadian investment within our economy. It will be a strategy that will broaden the range of items to be reviewed because of the necessity to flash signals to investors of what we as a country expect them to contribute to our country and our community.

We hope to see improvements in the criteria that are provided to establish what a net benefit is to Canada in the process of take-over. We hope to clarify the cultural heritage clause of this Bill. In addition, we hope to be able to plug some important financial loopholes which have emerged in the course of detailed scrutiny of this Bill. For instance, those loopholes leave us not even looking at the financial situation of companies intending to take over Canadian companies during the review process according to these criteria.

We have a set of concerns about whether this Act inadvertently leaves out of the review process some very important considerations which I think the Government would not want to have left out. Branches of American companies, for instance, need to be reviewed if an indirect take-over is likely to lead to consequences for them and the communities within which they reside in Canada. As well, we need to have a clear definition of what the asset level is of companies which are going to be reviewed. We need to have a sense of what control really represents. We will be offering amendments that attempt to control and improve the financial aspects and details of this Bill through suggestions that will tighten up the wording of the Act.

We start with a basic thrust that there must be a commitment by government to the communities across this country when something takes place that threatens those communities. I refer to take-overs that threaten the jobs of workers, as was the case of Black & Decker, or when a Canadian company goes bankrupt and has to sell its assets, as is happening with a stampings firm now in Smith Falls, about which the Premier of Ontario has expressed concern. When we see cases of companies shutting down, companies rationalizing, jobs being lost, opportunities for Canadian entrepreneurs and opportunities for Canadian communities lost, we see that government has a role and a responsibility. There is a leadership which this Bill should recognize to take and establish the terms and conditions under which we as a country and our communities across this country can expect the very best and most benefits from foreign investment.

We have to make a commitment right at the start of this Bill that we as a country and as a Parliament are taking that leadership. We must recognize our responsibility to set the terms and conditions under which increased investment and increases in technology will be made to contribute rather than to counteract the economic growth that this country requires.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I will introduce my comments by simply saying that the words in support of his motion expressed by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) and backed up by his buddy, the Hon. Member for Essex-Windsor (Mr. Langdon), were very similar to what we heard when the Bill was before the committee for such a long period of time.

We are dealing with a very fundamental difference between what the Socialist Party seem to espouse as expressed by the Hon. Member for Essex-Windsor, and to a great extent what the Official Opposition feel likewise to be the case. In considering Clause 2, which after all is the purpose of the Bill, and this is a very fundamental thing that we are dealing with, it is wise to remember what we are proposing to change. I felt that it might be good for the record what the existing Foreign Investment Review Act says under the purpose clause. It was passed in 1974, over 10 years ago, by the Government in power, now the Official Opposition, supported enthusiastically by the Socialists who were the rump group in the Parliament which maintained the Government of that day. This is what the Foreign Investment Review Act says:

> This Act is enacted by the Parliament of Canada in recognition by Parliament that the extent to which control of Canadian industry, trade and commerce has become acquired by persons other than Canadians and the effect thereof on the ability of Canadians to maintain effective control over their economic environment is a matter of national concern, and that it is therefore expedient to establish a means by which measures may be taken under the authority of Parliament to ensure that, in so far as is practicable after the enactment of this Act, control of Canadian business enterprises may be acquired by persons other than Canadians, and new businesses may be established in Canada by persons, other than Canadians, who are not already carrying on business in Canada or whose new businesses in Canada would be unrelated to the businesses already being carried on by them in Canada, only if it has been assessed that the acquisition of control of those enterprises or the establishment of those new businesses, as the case may be, by those persons is or is likely to be of significant benefit to Canada, having regard to all of the factors to be taken into account under this Act for that purpose.

● (1140)

The reason I read that into the record is because we must think of its tone. We must think of how offensive that purpose sounds to those who happen to be non-Canadians but might be considering investment in this country.

The reason we felt it was so important to change this type of image is that the record has shown, notwithstanding what the Hon. Member for Essex-Windsor (Mr. Langdon) has stated, that there has been a significant deterioration in this country with respect to job creation and with respect to the inward flow of capital to Canada. In short, the unemployment level of over 11 per cent that we inherited from the previous Government was due in large part to the fact that this type of legislation and its administration tended to kill the natural flow of economic funds that would benefit Canadians.

This debate is about jobs for Canadians. It is time the Socialists and their allies in the Official Opposition levelled with the Canadian public. To the extent that they are trying to frustrate the passage of this legislation, they are denying the creation of wealth in this country for Canadians and, most important, they are denying the creation of jobs for Canadians.

We should take a look at the change of thrust that has been suggested by the Hon. Member for Winnipeg-Fort Garry. I do not know whether or not the entire Official Opposition is behind that Hon. Member, but I can only guess that he has the support of the bulk of the Official Opposition. Our proposed Clause 2 reads:

Recognizing that increased capital and technology would benefit Canada, the purpose or this Act is to encourage investment in Canada by Canadians and non-Canadians that contributes to economic growth and employment opportunities—

That is our main purpose. The two Members from the Opposition who have already spoken propose to change that purpose very significantly. They do not propose to emphasize the encouragement of investment in Canada by Canadians and non-Canadians that contributes to economic growth and employment opportunities. They indicate that the Act should provide for the notification and review of proposed investments in Canada by non-Canadians in order to ensure that they contribute to economic growth. They are right back at it. They want to return to the Foreign Investment Review Act terminology. They want to return to the policeman, regulator and agency that discourages investment and economic activity in this country. That is why when this clause was proposed at committee stage, we on the Government side felt that it could not be accepted. It is time we changed the image the world unfortunately has with respect to whether or not we welcome investment in Canada.

A very credible organization, the European Economic Forum, puts out an assessment once a year showing how countries around the world are perceived with respect to investment and economic activity. A year or so ago, its report indicated that in a 24-country survey of how welcome was foreign capital on an inward moving basis, Canada ranked 24th out of 24. Last year, the current report surveyed 28 countries and using the same test, how welcome is the inward movement of capital to the country, Canada ranked 28th out of 28. Is it not truly amazing, Mr. Speaker, that the Official Opposition through one spokesperson, backed up by the Socialist representative from whom we have just heard, in spite of that fact, continues to pound home the belief that the old approach of the Foreign Investment Review Agency should be put in place once again?

The purpose we have set out is the purpose of encouraging investment by Canadians and non-Canadians in economic activity in this country. Since September when we took power, we have approved various foreign proposals for investment in this country. We did a recent survey to find out how many jobs had been created or are anticipated to be created as a result of this new money flowing into Canada. As a result of the applications that we have approved since September under the existing legislation, the figure is 21,000 new jobs for Canadians. We have been able to indicate that another 2,500 jobs will be saved. Think what can be done when we get the positive mandate that Bill C-15 will give us to look for more investment of this type from Canadians and non-Canadians.

We want to reverse the trend of capital flowing out of this country. Since 1979, the startling fact is that there has been a net outflow of foreign investment from Canada of $2 billion. That is shameful. Never before in our history have we had such an exodus of equity funds from Canada over such a time frame. This is the trend we feel must be reversed and those who speak against the thrust and purpose of Bill C-15 are denying the reversal of that trend and are denying jobs for Canadians.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have a couple of remarks to make regarding the statement of the Minister. I find it very funny to listen to the Minister speak about encouraging job creation when this very Minister accepted the cut made by the President of the Treasury Board (Mr. de Cotret) which removed some $200 million from his Department. From where did the Minister remove that $200 million? It was from his incentive programs. The very area of his Department which has a concrete effect on the high unemployment areas of the country has been cut. Yet the Minister rises in the House today to say, "Look at all these jobs we are going to create".

The Minister should realize that the real job creation in this country comes from the same sector as businesses that have survived the test of time in various areas that have experienced difficulty over the years and that is the sector composed of firms that have been owned and operated by Canadians. In the high unemployment areas, these firms have been family businesses in the primary sectors. The Minister should realize that.

The Minister made reference to the old policies of the Liberal Government, but he forgot to look at our new direction for change to see what we are advocating for the high unemployment areas of the country. The Minister forgets that his Government is saying to the fishing industry in eastern Canada, the greatest employer in eastern Canada, that it should consolidate. The financial statement, though, indicates that the consolidation of employment in the sector would have to be complemented by public and private initiatives to promote job opportunities in other sectors of the economy. What other sectors of the economy is the Minister referring to?

• (1150)

Mr. Gurbin: Mr. Speaker, I rise on a point of order. I think all Hon. Members are very interested in the comments of the Hon. Member but I wonder if it might be reasonable to expect him to discuss the contents of the Bill at some stage in his oratory?

Mr. Gauthier: That's not a point of order at all.

Mr. Deputy Speaker: I believe the Hon. Member for Gander-Twillingate (Mr. Baker) is through with his analogy. He has the floor.

Mr. Baker: Mr. Speaker, if the Hon. Member were here, and I presume he was here and listened to the Minister and heard what the Minister said—

Mr. Gurbin: I was watching and was very impressed.

Mr. Baker: He was watching on the television outside and found out that the communications system in the House of Commons probably increases the sound of the Minister's voice but doesn't do anything for his thoughts.

He even criticized the Liberal policy of direct job creation. What has that to do with the Bill before the House today? The point is, Mr. Speaker, that this Minister is introducing a Bill into the House and claiming that this is going to be the be-all end-all of employment opportunities for this country. At the same time he accepts the declaration of the Minister of Finance (Mr. Wilson) and the President of the Treasury Board and chops $200 million from the money which Canadians were using to establish new business and to expand their existing businesses.

The Minister tells us to look at the actions of the present Government since it got elected. Well, if we look at the actions of the present Government, we see in every single Department cuts which discourage economic development, the very thing which this Minister claims this Bill is now going to encourage. The Minister talks about jobs. He says, "Look at all the jobs we created since we got elected"—which are the very words he used—"look at what we've done in six short months". We hear that said every single day in the House.

The Conservatives say they have created 120,000 jobs. Let's look at the three administrations on a month-to-month basis; this present administration, the Turner administration and the Trudeau administration. We find that the greatest number of jobs on a monthly basis was created by the short-term Turner administration; 33,000 jobs a month. In the last three months of the Trudeau administration there were 32,000 jobs created. The present administration is down to about 26,000 jobs a month, but the point is that that was job creation in the entire economy and in most cases, Mr. Speaker, has nothing to do with the Government which is in power.

I should be saying now that the Turner administration created more jobs than any other administration, but I am not saying that and the Leader of the Official Opposition (Mr. Turner) would not say that. He realizes that a lot of these jobs which this Minister is trying to take credit for were not created by the present administration. The Minister should go back over the record and find out just how bad the record of the present Government is. But this Minister is embarrassed about the cuts in his own Department. He is embarrassed about the reduction in the amounts of industrial incentive grants he can now give out because of the statement made by the President of the Treasury Board and the Minister of Finance. He is thoroughly embarrassed and I am sure he now feels he has to have something positive to say and this is the only thing he can hang his hat on. Time will tell, Mr. Speaker, that this Minister is wrong, the Government is wrong, and perhaps we will see the Minister move to a new Department.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, it gives me pleasure to rise in support of Motion No. 2 which would require, if it were made part of this particular Bill, that investment and technology in Canada would continue under the appropriate terms and conditions as established by the Government of Canada. I feel this is extremely important, not as the Minister inferred because this is some sort of Socialist philosophy or plot, but for very good and pragmatic reasons, given the Canadian context. Developing technology is a means of developing new products which will permit us to be more competitive under export conditions. It also permits us to produce products within this country under more economically viable conditions. There is, along with the development of technology and the utilization and implementation of that technology, the possibility of creating a great many jobs as well as a lot of spin-off technology as the smaller companies develop ways and means of assisting with the various products required by the larger companies in order for their technology to be successful.

What we in this Party fear is a continuation—and I stress the word "continuation"—of the raids on Canadian technology which have been made by foreign corporations up to this time. In my comments, Mr. Speaker, in reinforcing this point, I am going to present to you a number of examples of what has happened within the last few years. I am sure that these occurrences are still in the memories of most Hon. Members of this House.

The first example of technology being developed and then being taken out of this country, and with it a lot of jobs which should have gone with that technology, is a technology which is of interest to me because a lot of mining rigs are required in my particular part of the country. We mine potash and we use electrical equipment to move that potash. In 1969 the General Motors Titan Division developed a mining vehicle which would carry heavy loads and ran with huge electric motors. This was developed in Canada, which made a lot of sense because Canada is one of the major mining countries in the world, and we do not, to a large extent, develop mining equipment in this country.

The General Motors Titan Division had developed this particular technology and were producing a truck which could be used in deep mining. Subsequently the General Motors Titan Division decided to sell this technology to a company in Texas. Not only was the technology in producing these heavy electric motors, and the trucks to go with them, lost to this country, but so were the jobs and the attendant technology to upgrade that particular product. It is now being produced in Texas and if Canadian mining companies want to buy this particular equipment they have to go outside of the country.

What makes it even more sad, Mr. Speaker, is that this all occurred prior to the Foreign Investment Review Agency "sticking its nose in", if we listen to Hon. Members on the Government side. There were, in fact, Canadian bidders who were interested in having an opportunity to bid on this company in order to keep the technology in Canada, but General Motors was not forced to open up the bids to Canadian companies and consequently that technology went down to the United States and was lost to us.

We have before us at the moment, I would remind the House, a possible loss of technology with the problems which the White Corporation is experiencing. An axial-flow combine

was developed in Canada with assistance by the Canadian Government. The back-up technology to develop that combine is in the Brantford area, and those back-up agencies and small businesses would be lost if this technology is permitted to leave the country. This is very likely to be the case if we pursued this new policy which the Government is proposing.

● (1200)

I would point out to the House that during the committee hearings the Science Council of Canada pointed out that it is very common in the Canadian experience for smaller, high technology companies, those companies with a high component of brainpower and expertise but not much capital, to be raided and bought by foreign corporations. They take control of the company and, sometimes within a few months, often within a few years, the employees have been transferred closer to the head office of the new owners and the research and development component in Canada is shut down. We are not only losing jobs, we are losing a lot of the brainpower and training from our universities and training institutions. We are also giving up an opportunity for employment in Canada for graduates from those institutions. We see it as extremely important for this particular amendment to include these high technology firms so that they continue to be subject to review by either this agency or some other agency of the Government.

I am told that the Canadian Advanced Technology Association expressed great concerns about these take-overs. It was not just the Science Council of Canada who, I remind the House, is responsible for proposing science policy for Canada. As part of that role, it saw great danger and future damage to the hightech and scientific communities through this particular Bill. But the Association also pointed out that take-overs would probably continue and accelerate, as had been the case prior to FIRA being introduced. They, too, recommended that there be some sort of review process so that we would not find ourselves being raided by large corporations from outside the country who are after our brainpower, and who quickly drain off the small high technology companies which succeed in Canada, simply as a means of augmenting their technology as a large corporation.

As well, I am told that recently statements had been made by a former chief executive officer of the Philco-Ford Corporation which described in some detail the deterioration of the research component of Philco after Ford had taken it over. We have seen that corporation move most of its research component to the head office in the U.S. and there is no longer any Canadian component to that operation. Even though there had been a very firm and useful robotics operation begun in the Canadian component of this corporation, that has now been taken away and is being done in the U.S.

I just wanted to show the House that there were a few very real examples of what happens when Canada does not provide a review process to make certain that foreign take-overs of our high technology corporations do not result in those operations no longer being operative in Canada. When those requirements are not part of the law, we lose technology, jobs, information and the potential for future growth.

Mr. Rod Murphy (Churchill): Mr. Speaker, I, too, would like to speak in favour of Motion No. 2 put forward by the NDP caucus in this House. With the limited time I have to speak, I do not want to go through the whole motion but it is intended to clarify the legislation. The clarification concerns technology and the appropriate terms and conditions established by the Government for the benefit of Canadians.

What we are saying is that the Government of the day would be in a position to set terms to make sure that investment benefits Canadians. That is a natural right of government and it is expected that government would do that. Before a foreign-owned firm buys out a Canadian operation, the Government would be able to say that there should be certain benefits to the Canadian populace, and some mechanism for the Government to make that sort of decision. I do not believe that even under the present system involving FIRA we really look very carefully at foreign take-overs of Canadian firms. It is interesting that almost every application which comes before Cabinet under FIRA is approved. We have heard in the past that the reason for that is that the very concept of FIRA scares away foreign investment in Canada. That might be the belief of some people, but we also have to look at the real situation here. What other nation has so much of its manufacturing industry owned by foreigners? What other country has the majority of its oil industry owned offshore? To save time in this debate, what other country is owned as much by foreigners and foreign-owned companies? I believe this has had a real detrimental effect on the development of Canada.

The very nature of a foreign-owned corporation is such that they have their own corporate strategy, their own goals and plans for the future. That is quite right and exactly what they should be doing. I would think that a board of directors based in New York is going to have concerns different from a board of directors based in Toronto, Winnipeg or, hopefully some day, in Thompson, Manitoba. That is the nature of the beast. But what we are saying through the amendment put forward by my colleague is that we think the Government of Canada should review those applications with a certain strategy in mind. That is not to say that the Government of the day is not going to have a different set of priorities than we as the NDP in government would have. But they would still have that right. They would still be able to put forward regulations and certain guidelines on development which obviously a Party of a different political persuasion would not have. But you would still maintain that right and I think that right is very important.

A Member of our caucus, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), talked about research and the damage there could be to Canadians if new Canadian firms which had advanced research were bought out and the research was then taken to an American or European-based corporation. That is what happened with Philco when it was acquired by the Americans. A lot of the research that used to take place here is no longer taking place here.

There was a study done by the Science Council of Canada, even given the present regulations of FIRA, and it indicated we are in a situation where most foreign firms were not spending as much money on research in Canada as Canadian-based firms. Further to that, where there was federal or provincial Government money put into a research project, Canadian firms on average matched that with the same number of dollars of their own money. Not in each and every case but on average. However, that did not happen when it was a foreign-owned corporation. In some cases it did happen and probably in a very beneficial way. However, on average, foreign-owned firms were not matching the money they received from the Canadian Government or provincial Governments.

• (1210)

By denying the amendment put forward by the Member for Essex-Windsor (Mr. Langdon), we are making it impossible for the Government to develop strategies for research *vis-à-vis* foreign-owned firms in the nation. We are a nation with our own problems but also with our own advantages. In order to develop we must be able to take advantage of the capacity of Canadians, their youth and relatively good education. We can do a lot in Canada based on our cheap hydro resources. We have a chance to develop but cannot take advantage of that as long as that development can be taken over in the future without any input from government whatsoever.

I come from a riding which is quite large geographically. It is two-thirds of the Province of Manitoba.

Mr. Lewis: Two-thirds of nothing.

Mr. Murphy: I hope you are on record for that one. I will be using it in my next campaign literature. I suspect the Member from the Conservative Party regrets saying what he did, because I certainly would use it in my next campaign literature.

I represent a riding which encompasses two-thirds of the Province of Manitoba. Jobs have been created by foreign investment in northern Manitoba. The City of Thompson has a fair sized workforce. Hudson Bay Mining and Smelting in Flin-Flon has a fair sized workforce. Those exist in part because of foreign investment. However, since there has been no Government strategy with regard to that investment, almost no research has taken place in those communities. Almost no women are hired by those companies. Despite the fact that the cities I mentioned are situated in the middle of a huge native population, there are almost no native people employed by those corporations.

Through the amendment before the House we are saying that the Governments of the day should consider affirmative action when foreign companies come into the country. Government should set forth the goals of Canadians, such as having more women and native people employed, having more research done, and having more regional development occurring in the nation. The Government should discuss these goals with the corporations as part of the decision-making process on whether there should be a foreign take-over. I think that is quite reasonable. Regardless of political philosophy, that is an expectation that most Canadians have of government. Government should have concern about how Canada is developed rather than only that it is developed.

That is what this very clear and precise amendment put forward by my colleague does. It does not say that foreign investors cannot come into Canada or that they must do 15,000 things in order to take over a particular Canadian firm. It does say that government should study any proposed investment and determine whether the appropriate terms and conditions are there. The amendment says that those terms and conditions should be established. This is not a very socialistic measure, Mr. Speaker. It simply says that we have a right to have input in our own future and that government should set out certain terms and conditions as to how the development of Canada should take place.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am glad to have the opportunity to speak on the amendments to Bill C-15. Both the Official Opposition and Members of the New Democratic Party have recognized, from the time the Minister presented this Bill to the House, and in particular in studying the Bill in committee, that the Minister has really not given any fair consideration to the concerns that have been raised by Members of the Opposition in this Parliament with respect to Bill C-15.

Mr. Stevens: We reviewed it fully.

Mr. Tobin: The Minister says that he has reviewed it fully. The Minister has created a Bill, the net effect of which will be to allow foreign investment to come into the country and cherry pick Canadian industries. The primary onus or initiative that existed in the Foreign Investment Review Agency, formed by the Liberal Party when in power, was to determine what foreign investment was good for Canada and would contribute to this country's national objectives and long-term economic health. Those measures, which were implicit in the Foreign Investment Review Act, have been totally wiped out by Bill C-15. We now have a Bill which allows foreign investors to come into Canada and take the best and leave the rest, that which is unproductive, inefficient, old and outdated and needs retooling, to the Minister and the taxpayers of Canada to look after.

A particularly vulnerable and sensitive industry is the fishery. Fishing operations can be picked up a piece at a time for less than $5 million. In Atlantic Canada foreign investment could come in without bringing any new technology or creating one single new job.

In the Atlantic fishery, aside from giants such as Nickerson's National Sea and FPI, small independent companies which can be bought for a lot less than $5 million, and therefore would not have to be reviewed by the Minister's agency under this Act, represent about 50 per cent of the total production of the fishery in Altantic Canada. This Bill could now make it possible for foreign interests, which do not now

have access to Canadian quotas of cod because they have been reserved for Canadian fishermen, to buy processing plants in single industry towns. Having bought those plants, they can then demand a share of Canadian fish in Canada's offshore. They can then demand to be allowed to bring factory freezer trawlers into the offshore.

• (1220)

The purpose of the amendment moved by my colleague, the Member for Winnipeg-Fort Garry (Mr. Axworthy), is to make it clear that the purpose of Bill C-15 is to show that we do welcome foreign investment that contributes to the economic lifeblood of this country. We welcome foreign investment that brings new technology to this country and explores heretofore unexplored areas of resource development in this country. We welcome foreign capital from investors who will treat this country with dignity and respect its value and culture. That is the purpose of this amendment.

The Hon. Member across the way smiles and mentions John Sheehan. Perhaps that is an example of a kind of foreign investment that he wants. Perhaps Members will recall that last time that John Sheehan became involved in a venture in this country at the insistence of and involvement by the Tory Government in Newfoundland under former Premier Frank Moores. The result was the biggest single corporate failure in this nation's history—$600 million—that precipitated the biggest single corporate failure in the history of Japan. It left the people of Newfoundland holding the bag for $70 million. It left the British Export guarantee department holding the bag for $110 million. If that is the Hon. Member's idea of what foreign investment should be attracted by this new Bill, then we in Newfoundland want no part of it.

Canadians who live in single industry towns where their culture and traditional lifestyle is dependent upon the resource sector are very worried because this Bill and its intent as expressed in Clause 2 makes it very clear that the Government has no concerns whether foreign investment creates new jobs or new technology. The Government has put Canada up for sale and no wise investor could be blamed for using the provisions of this Bill to cherry pick and come to Canada and pick those ripe industries and walk away from those that are not quite ripe. That is what will happen and the Minister has been told that.

I have given the fisheries as an example of an area sensitive to foreign investment. This Bill will allow foreign capital to come into the country to take over the most efficient and productive plants in small towns. While these take-overs do not seem to add up to much or give cause for concern when taken individually, the aggregate of 200 or 300 of such purchases could lead to a dominant position in the fishing industry.

Let us consider a Newfoundlander, Nova Scotia or Quebecer on the North Shore who lives in a small village where the fishery has been his lifeblood for hundreds of years. His way of life, his culture and history has been built on that industry. His greatest fear is that a small company that operates in those small villages will be taken over by a foreign concern.

Once that plant has been taken over, that company may claim to have a right to the quota offshore and instead of processing the catch in the plants of the small village it will put a freezer factory trawler offshore to process the fish there. As a result, the plants that have operated in these small villages will close down.

The people of Grand Bank have nightmares that Grand Bank will not be a vibrant fishing community in the future with colourful people and an interesting history but simply a boat named *Grand Bank* floating offshore. Where 400 people once made their living there, perhaps only 15 or 20 will make their living in this town.

This Bill opens the back door to foreign interests who are not interested in owning fish plants or employing people in small villages but whose only interest is obtaining the fish quotas that were unavailable to them up to this point. I urge Hon. Members to open their eyes, unlike the Minister, to be sensitive and show that they understand the regional nature of this country, and to support this amendment.

Hon. Bob Kaplan (York Centre): Mr. Speaker, the review of foreign investment is a very important principle that was established by the former Government back in the 1970s after a very considerable amount of study. I found it amusing to listen to the remarks of the Minister of Regional Industrial Expansion (Mr. Stevens) and his attempt to lump the Liberals and the NDP together as being responsible for this measure. I am proud that the Liberals are associated with this policy.

I am reminded of the original NDP attitude toward foreign investment review. When I was a younger Member of Parliament and the recommendations of the Gray report that led to this original Foreign Investment Review Act were brought forward, I recall the attitude expressed by David Lewis who was the then Leader of the NDP. It was that foreign investment review was a kind of smokescreen because there is no difference between a Canadian capitalist and foreign capitalist; they all want the same thing, which is to exploit ordinary Canadians.

We defended foreign investment review on a ground which I think deserves repeating. We believe there is a difference between Canadian ownership and foreign ownership. We do not agree with the NDP view that there is no difference between a foreign capitalist and a Canadian capitalist. That opinion animated our approach to foreign investment review.

On the other hand, we were certainly not opposed to foreign investment, but believed that Canadian investment was preferable since developing our own economy in order to have full autonomous control over it and to become a world-class economy in many industries would be better. We also recognized that with the opportunities in Canada and the high standard of living to which Canadians have become accustomed and to which we as parliamentarians should be dedicated to continuing, it was important to recognize that there should be a role for foreign investment in our country. We wanted our legislation to achieve the maximum benefits from any foreign investment that was made in Canada and that was the spirit in

which the legislation was established. I believe that is the spirit in which it was administered.

I am aware that it had some very bureaucratic aspects and that foreign and Canadian capitalists are discouraged by red tape and screening requirements. However, although the potential for directing review is considerably reduced pursuant to this legislation, it still provides for an element of review. I believe the Government has done this in recognition of the importance of such a review. The Government realizes that we are an autonomous country and that we should have some kind of control over the flow of foreign capital into our country, whether it is to take over existing Canadian businesses within the meaning of the existing statute or proposed statute, or whether it is to establish new enterprises in our country.

What is troubling about Clause 2 of the Bill which Motion No. 1 seeks to amend is that it does not make that position very clear. Anyone reading the purposes of this Bill would not realize that a review procedure, however, reduced, attenuated and diminished, is still contained in the legislation of the new Government. The amendment proposed by my colleague, the Member for Winnipeg-Fort Garry (Mr. Axworthy), makes that clear.

• (1230)

I think that there should be the kind of review that is presently provided for in the legislation about to be repealed. I recognize that it has bureaucratic features. I know in the last two or three years efforts were made to streamline those procedures, but I think they can be over-streamlined. What this definition, the statement of purpose by the Government, makes me worry about is the general concern I have about the attitude which the present Government is taking toward the American Government and toward Canada-U.S. relations. Any political party in our country that came forward with an anti-American policy would be defeated in an election.

Mr. Lewis: That is what happened on September 4.

Mr. Kaplan: It would be defeated because this is not an anti-American country. While I have no doubt that there are people in our country who have anti-American feelings, they are such a small minority in Canada that they would never be able to elect anybody to this place.

Mr. Lewis: The NDP.

Mr. Althouse: We are pro-Canadian.

Mr. Kaplan: On the other hand, just because we are not anti-American, it is not our primary purpose to be pro-American either. We are not elected to serve the United States. We are elected in our Party not to be anti-American and not to be pro-American. We are elected to be pro-Canadian.

We know Canadians like the country to the south of us. We know that we are very fortunate to have the kind of neighbour we do and we are fortunate to have the kind of relationship that we do with that neighbour. I do not think this evasive statement of purpose contained in the Bill should be allowed to stand. It conceals the fact that in a marginal way there will continue under this new legislation a kind of review of foreign investment. That is as it should be. We should review and take responsibility for and interest in all American policies that affect our country.

What worries me is that I do not think the Government of the day is doing it adequately. I do not think in the area of defence that the Government is adequately respecting the autonomy of Canada or that it is adequately respecting the fact that Canadians want their Parliament and Government to stick up for them and not as a primary objective be a handmaiden, an envoy, or a client of the United States.

Seeing the language stated in this statement of purpose and knowing what I do of the other kinds of policies that have been introduced by this Government, I might mention the area of defence and the united approach to multi-lateral relations as examples of what I am concerned about. One could also talk about the attitude that this Government has taken toward research-sharing projects and even about police exchanges where the treaties signed at the Shamrock Summit opened the Canadian door as wide to the American law enforcement authorities as it is open to Canadian law enforcement authorities. It is something I am uneasy about. I feel we should co-operate with the Americans but that we should co-operate on the basis of an autonomous and independent country whose citizens like the Americans and who want to have close relations with the Americans but whose citizens are not Americans. Our citizens are Canadians.

I have to mention also, in talking about the importance of the Government accepting the amendment contained in Motion No. 1, the experience in my own constituency with de Havilland. The de Havilland aircraft industry was foreign owned. In 1972 when it appeared that its foreign owner was not prepared to give it a world mandate to develop a STOL aircraft for a world market, the Government stepped in and was prepared to buy that company and see it develop, as it has developed over the years, two or three, perhaps even four, new products which are distinctively Canadian and particularly relevant to the Canadian environment, to Canadian market circumstances, to a traveller with less money in his pocket than the American traveller and to an energy-conserving world, which is the world into which Canada is moving rapidly and perhaps should be moving even more rapidly to develop world-class products.

I have heard the Minister who brought forward this legislation indicate his vision of the future of de Havilland. He would like to see it sold. When we on this side asked him for guarantees, the kinds of criteria we had in mind when we were talking about guarantees were the kinds of things contained in the Foreign Investment Review Act.

We are not against the idea of the de Havilland corporation returning to private hands. We are not ideologically committed to public ownership even of some very important industry, like a portion of the aerospace industry. We are not even committed that much to saying it has to be preserved 100 per cent in Canadian hands. But the Minister offered absolutely no assur-

ances at all. He said that we would have to wait and see. He said that we would be happy when we found out who the new owners of de Havilland were going to be and what the new rules of the game were going to be. We would like some statutory protections. The kinds of statutory protections that the legislation about to disappear contains were the kinds of safeguards and protections that we would like to have.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to take part in this important debate and to talk about Clause 2, which is in many ways at the heart of the proposed legislation.

There are two motions as I understand it currently before the House. First is the motion put forward by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). Second is the motion moved by my colleague, the Hon. Member for Essex-Windsor (Mr. Langdon). Both of these motions seek to strengthen what is at the present time a very weak and dangerous purpose clause of Bill C-15.

I might preface my remarks on these motions by pointing out that in my view Bill C-15 is one of the most important pieces of legislation to come before this Parliament. What we are talking about in essence is the economic sovereignty of this nation. We have had a very early statement by the new Conservative Government of the extent to which it is prepared to cede economic sovereignty to the American corporate sector.

I want to indicate that what we are talking about in this legislation is a move backward. It is a fundamentally regressive move. We in the New Democratic Party have always been of the view that rather than weakening the provisions of the Foreign Investment Review Act, what we as Canadians should be doing is asserting our economic sovereignty by strengthening those provisions. But this Government is moving backward. The effect of Clause 2 and the effect of this Bill is to allow American-based multi-national corporations to determine what is best for them, and it will be their corporate priorities which dominate decisions made with respect to investment of new capital and new technology in Canada. It is for that reason that we fundamentally oppose the blanket statement that increased capital and technology would benefit Canada.

There has been a whole series of studies conducted which have demonstrated without any doubt whatever that the net impact of major corporate foreign investment in this country over the past couple of decades, instead of creating jobs for Canadians, has had the opposite effect. To suggest without any terms or conditions that increased capital and technology will benefit Canada flies in the face of our experience as a nation with foreign capital and foreign-based technology.

It is for that reason that my colleague from Essex-Windsor has proposed an amendment to change that wording to read that we recognize that increased capital and technology under the appropriate terms and conditions established by the Government would benefit Canada.

There is a profound difference in that approach, an approach that recognizes it is up to the people of Canada, through our Government, our elected representatives, to determine priorities for new capital and new technology. It is not automatically acceptable that the foreign corporate sector should decide what are those priorities. The reality in many cases is that what is good for the foreign corporate community, for the American multi-national corporation, in the short term may be good for Canada, but in the long term it may be tremendously destructive of our economic priorities and may be tremendously destructive of jobs as that foreign corporation seeks to maximize its global profit as opposed to seeking to ensure that Canadian interests are well served. At the heart of the amendment proposed by the Hon. Member for Essex-Windsor is an assurance that it will ultimately be the Government which has the right to determine what are the appropriate terms and conditions and what are the undertakings which must be given by corporations which seek to invest in Canada from abroad.

● (1240)

As the Bill now stands, we are throwing open the door and effectively saying that any new capital or new technology would benefit Canada. As well, I would note that the purpose clause in effect contradicts the rest of the Bill. If there is to be a review process as the Bill sets out—and admittedly it is a very weak and ineffectual review process—what is the purpose of the review process if the Government in its preliminary statement in the Bill suggests that all increased capital and new technology is *ipso facto* beneficial to Canada? Obviously that makes a mockery of the suggestion that review is important, because review has no meaning if that is the Government's fundamental ideological bias. If nothing else, in order to provide for logical consistency in the Bill with the review process, the purpose clause, that is Clause 2, must recognize that it is ultimately up to the Government to determine what are the appropriate terms and conditions before permitting foreign investment in Canada.

Our concerns with respect to Clause 2 are part of our broader concern about the whole thrust of the Government in this Bill. For example, it is our view that by denying that in effect the Government has a role to play and that the people of Canada have a role to play in determining priorities for investment, the Government is making the review process a mockery and a sham. We believe, to the contrary, that the review process should be more public and more accountable to the people of Canada and to the people who work in corporations, particularly when we are talking about a corporate take-over. I have seen too many examples, both in my own constituency of Burnaby and elsewhere, of a corporation which comes into Canada, takes over a struggling Canadian company, makes certain promises, undertakings and commitments to the Foreign Investment Review Agency, and then proceeds to disregard those promises, to the detriment of the workers in the community and ultimately to the detriment of the community as a whole.

A very large corporation in my constituency was a classic example of that. It took a great deal of effort even to obtain a copy of the written undertakings which that corporation made

to the Government and ultimately to the people of the country and to the workers at the plant. When I asked what assurance there was that these undertakings were being fulfilled, in fact I was told that there was a monitoring process under way. When I delved a little more deeply, it was clear that the monitoring process was completely inadequate to ensure that jobs were in fact protected, as was the original intent of the review process. We believe that rather than weakening the review process, there should be greater public monitoring of the undertakings of the corporate sector that seeks to establish a new business in Canada or to take over an existing enterprise.

There should be far greater opportunity for intervention by the parties affected by the decision to take over a company or to establish a new company. Those affected parties will include workers, the community in which the company seeks to locate and, of course, possible competitors in the area which may be dramatically affected or undercut, whether it be through pricing policies, anti-labour policies, anti-worker policies, low-wage policies or inadequate environmental protection and so on.

One of the purposes of the amendment we are presently debating is to ensure that the Government has the right to establish conditions with respect to terms of employment and with respect to the impact of new technology, which so often has a particularly adverse effect on women.

I see Mr. Speaker indicating that my time for debate on this particular amendment is coming to an end. However, I want to reiterate that in many ways Clause 2 is at the heart of the Bill because it sets out the Government's broad thrust. In stating without any qualification that increased capital and technology would benefit Canada, the Government is denying the historic reality that in far too many instances the presence of foreign capital in the country has been destructive to the interests of Canadians. We in this Party believe that the motion which has been put forward by the Hon. Member for Essex-Windsor will at least enable the Government of Canada, on behalf of the people of Canada, to ensure that adequate terms and conditions are in fact established, so that new capital and new technology benefits the people of the country and does not solely provide for maximum profits for an American corporate entity.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I welcome this opportunity to speak at the report stage and to comment on the motion moved by my colleague from Winnipeg-Fort Garry (Mr. Axworthy). I would like to say, first of all, that I was listening carefully to the Minister when he spoke to the House earlier about the purpose of this Bill. The purpose, he said, is to create jobs. I do not think any Member of this House would be against that.

With the amendment in question we are attempting to make the Government understand there should be a number of conditions under which Canada is open for investment. Capital is welcome, but the country is not for sale! We want to maintain in the legislation a number of measures that will make it possible for Ministers to explain, if necessary, to foreign investors that if they are coming here to invest, it must be in Canada's interests and for the benefit of Canadians, for the purpose of providing jobs, research and development, and that, in terms of an international mandate, this means developing foreign markets for Canada, so that the country's economy will benefit from sales made on those markets and thus experience new growth.

Mr. Speaker, last year foreign investment in Canada totalled $4.1 billion. One thousand foreign companies or foreign investors, if you prefer, invested in Canada. Ninety-seven per cent of the proposals submitted under the Foreign Investment Review Act were approved. I find this encouraging. What does the Government want to do? The Government says: Hold everything! Through its negative stance on this federal legislation, the Government managed to convince Americans, Europeans and the Japanese that the Foreign Investment Review Act was a measure that discouraged investment. That is absolutely untrue, as the Minister well knows. It is just not true to claim, as the Conservatives have been doing for two or three years, that this legislation was bad for Canada. That is totally inaccurate. The facts are there. I repeat: least year, $4.1 billion, 1,000 companies, 97 per cent approved. Why? To create jobs. Why? To promote research and development and to give us a chance to compete on international markets.

• (1250)

The Minister said that Canadian capital was fleeing the country. It was his buddies who were going to the United States to invest, obviously, where interest rates were exorbitantly high, and as all Members of this House are aware, and we might as well admit it, whether we like it or not, we depend on the economy of our good neighbour to the South, the United States. When their interest rates are very high, of course Canada must follow, unless we decide to do what some people suggested, which is to introduce currency controls that would affect the right of Canadians to invest where they want to invest and where they will get the best return on their investment. If this is what the Government wants, it should come out and say so, but it should not try and have the House and the Canadian public believe that the Act, as it was, was bad legislation and was not in the interests of Canada.

Mr. Speaker, for many years Canada has been trying to break into the international market in the research and development area. Hon. Members will recall that the Canadarm is a very good example. Nevertheless, as a country, our record is well below that of other major industrialized countries in research and development. Why? According to the Science Council, Canada's performance could be improved if the level of foreign ownership in our industry were not as high. That is what the Science Council said. The multinationals have a tendency to concentrate their research and development activities in their country of origin, which is normal, and they usually ignore the scientific potential of Canadians.

Foreign firms undertake far less research and development activities in Canada than Canadian firms do. In 1982, the level of research and development in Canada by Canadian firms was 1.4 per cent of sales, while for United States firms, this was 1 per cent, and for firms from other countries 0.9 per cent. These figures are even more revealing if we consider the fact that foreign firms are usually bigger and have access to markets already opened up by the parent company.

In addition, the degree of technological imports tends to increase rapidly as the level of foreign ownership rises. Such imports may reduce the creative capabilities of Canadian industry, jeopardize the development of qualified Canadian researchers, and even force many of them to leave the country.

Mr. Speaker, without foreign investment review, without maintaining the right of the Government and the Minister to exercise effective control, foreign investment may have a disastrous effect on Canadian exports, which constitute nearly 30 per cent of our GNP, and are thus a major source of income for this country.

Although foreign companies export a large part of their production, they generally must comply with the parent company's trade strategy. I have said so before and I repeat that they do not develop their own trade network here in Canada. Their products are for the most part shipped to the parent company or to other branches. These internal exchanges may very well prevent the expansion of Canada's trade. I shall, if I may, recall two quite recent occurrences.

[*English*]

The Hyundai company is established in the Minister's riding. It was because of the existing FIRA regulations that we were able to convince this Korean company to invest in Canada and create jobs here. That I applaud. The other one is the White Farm implement company in Ontario. That is an important issue. Borg-Warner, the trustees or holding company of this implement company, under the present legislation has been asked to guarantee that the technology that White Farm possesses in Canada remains in Canada. That is essential. Otherwise, the research and development which has been developed over years and paid for by Canadians, and which should benefit Canadians, will not remain in Canada. That would be wrong.

I will terminate my remarks. I see you are raising your finger, Mr. Speaker, to indicate that I only have a minute left. I will just repeat what I said at the beginning. This country is open for business. Yes, we welcome investment to Canada, but come here with the national interest at heart. Make sure it serves the national interest of Canadians, first by job creation, second by research and development, which is long term planning that is good, and a world product mandate. Make sure it keeps those three matters in mind. Then investment is welcome to come here.

I would ask the Government to consider the reasonable approach that is proposed in the amendment of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). It is reasonable and would reinforce the Bill. It would give the Bill much more oomph and guts than it has with the Minister's proposals.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to enter this debate. We are debating the purpose of the Act. If we are to pass legislation through this House, the first thing we have to be clear about is the purpose of the legislation. I would like to take note of the purpose of this legislation as outlined in the Government's Bill. Under "Purpose", the Bill states:

> Recognizing that increased capital and technology would benefit Canada, the purpose of this Act is to encourage investment in Canada by Canadians and non-Canadians that contributes to economic growth and employment opportunities and to provide for the review of significant investments—

It goes on. Those are very fine words. We have chosen to amend this stated purpose. The purpose outlined in this Bill is to open the doors to foreign investment without a watchman at the door, simply having an unguarded entry into the country. We have moved a rather short but significant motion which comes into the clause at the word "technology" and reads:

> "technology under the appropriate terms and conditions established by the government, would benefit Canada,—"

We are emphasizing capital and investment under appropriate terms and conditions. In other words, we do not think that foreign capital should have a free hand in Canada. Rather, foreign capital should have to live by the standards of the Canadian community as expressed through our democratically elected institutions. The public interest should have an impact on the behaviour of capital in this country.

We are not prepared to leave ourselves to the mercy of decisions made in the boardrooms of international and multinational corporations. Those corporations have their own legitimate interest—to make a profit. Their aims do not always coincide with the national interest and the interest of the community. It is important that this legislation recognize that the community interest is primordial, that it comes first. We allow for people and companies to make a fair profit, but it has to be done in a way that serves the over-all community interest.

I will just give a brief example before one o'clock. In Manitoba, Toro Industries, a company which produces small pilling devices for gardening, decided to set up a plant and do some manufacturing in Manitoba. At the insistence of the provincial Government, the company accepted an affirmative action plan as a part of its industry in Manitoba. I think this is a concrete example of how government leadership can affect the behaviour of capital in a positive way and make that capital better serve the community.

• (1300)

That is the fundamental purpose of our amendment. It is to remind capital that it is there at the behest of the community. I will continue my remarks after lunch, Mr. Speaker. I see that you are indicating that my time is short.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At 1.02 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

TOURISM

HAMILTON EMPLOYMENT POTENTIAL

Ms. Sheila Copps (Hamilton East): Mr. Speaker, "jobs, jobs, jobs", was the Tory election cry, but that cry has left the people of Hamilton crying. Not only has the federal Government failed to take action to protect steel jobs from unfair international dumping practices, but the provincial Tories have refused to support the steel industry bid to recycle steel, not aluminium cans. The only Party which has taken a clear position on this issue is the Liberal Party. The New Democratic Party and the Progressive Conservative Party are both "reviewing" the situation.

The people of Hamilton do not want reviews. They want jobs, including people like Ernie Kablau, who has invested $800,000 and is ready to create 18 jobs by launching a Hamilton-based cruise ship on Lake Ontario. The Tory response was: "We won't help because Hamilton is not a tourism priority".

The Tories have always seen Hamilton as a dumping ground for projects like "Go Alert" but have never given us a chance to develop the tourism potential which could help get the Hamilton economy back on track. Instead, the Government is hindering. Not only has approval for Ernie Kablau's project been stalled by federal and provincial Conservatives, the project is now threatened because an American company has applied to do exactly the same thing. We want made-in-Canada jobs for Canadians, jobs in the steel industry, in tourism, home based jobs to make Hamilton proud. We don't want government red tape.

The hollow promises of the past federal Conservative election campaign are being echoed by their provincial cousins. Mr. Prime Minister (Mr. Mulroney), won't you crack the whip with your junior cousin in Toronto—

Mr. Speaker: I regret to advise the Hon. Member that her time has expired.

S.O. 21

CANADIAN NATIONAL RAILWAYS

RETENTION OF PRAIRIE HEADQUARTERS IN WINNIPEG

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, with friends like the four Manitoban members in the Cabinet, Manitoba does not need enemies. I am referring to the decision announced yesterday by the Government to establish the new position of senior vice-president for western Canada in the CNR. This position will be "based in Edmonton, and the new powers to be entrusted to it will reflect the reality that close to 70 per cent of CN's rail business is done west from Thunder Bay."

The fact is that the prairie regional headquarters of the Canadian National Railways is in Winnipeg. This announcement yesterday by the Minister of Transport (Mr. Mazankowski) gives rise to recalling the fears which Winnipeggers had two years ago when there were rumours there would be a reorganization of the CNR and only one region would be created out of two, the mountain and the prairie region, and that the new regional headquarters would be in Edmonton. Here we have what may well indeed be a foreshadowing of that future by having that new vice-president operate out of Edmonton.

I call on the Manitoban members of the Cabinet to make sure that this is not the beginning of the end for Winnipeg as a regional headquarters for Canadian National Railways. We have already seen the postponement of the VIA Rail repair shop in Winnipeg, the cancellation of the National Research Council project, and the leaking of work out of the CNR east to Toronto and now west to Edmonton. When are those Hon. Members going to stand up for their own province?

* * *

[*Translation*]

REFORM OF THE HOUSE OF COMMONS

FUTURE PROSPEC

Mrs. Lise Bourgault (Argenteuil-Papineau): Last Thursday, Mr. Speaker, the Government House Leader tabled the Government's response to the first report of the Special Committee on the Reform of the House of Commons, on which I have the privilege to sit.

Mr. Speaker, may I say that I found the response encouraging and that I am enthusiastic about the prospective changes this reform will bring for the benefit of Members of the House, a reform which will undoubtedly improve the perception Canadians have of this institution.

I invite and strongly urge Hon. Members to make suggestions and recommendations to the Committee, for it is important to reform Canada's Parliament so that every Member may be heard and have his or her say about legislation introduced by the Government.

I should add that, as a new Member, the Committee provides me with excellent opportunities to become familiar with the rules of this House. I am quite pleased that the Committee reached a consensus under the able guidance of Hon. James McGrath, and that the reform we advocate has been unanimously endorsed by the three parties in the House.

Finally, Mr. Speaker, I am particularly proud to belong to a Committee and a Government which historians will describe as having been among the most progressive in the reform of the Canadian House of Commons.

* * *

[*English*]

STEVE FONYO

ONE-LEGGED RUNNER REACHES BRITISH COLUMBIA BORDER

Mrs. Mary Collins (Capilano): Mr. Speaker, in about two hours from now something special will occur on the Trans-Canada Highway in Yoho National Park at the British Columbia border. There Steve Fonyo, our new Canadian hero, will start the home stretch of his "Journey for Lives". When Steve started his courageous journey in the chilly waters off Newfoundland, probably there were many skeptics. Over a year later, as we watched this courageous, gutsy young man maintain a gruelling pace, despite snow and rain, and in constant pain, we are touched deeply by Steve's dedication to the fight against cancer.

Steve's commitment has already raised over $4 million for cancer research, public education, and patient services, and more will come. One million dollars has come from the Government of British Columbia. I know that the people of British Columbia will show their generosity as Steve completes the last 1,000 kilometres of his journey.

On Sunday Steve ran 40 kilometres in blizzard conditions, uphill from the Morley Flats to Banff, and he will have tough days ahead through the mountains of British Columbia and the Fraser Canyon. Millions of Canadians show their admiration for Steve's courage and selflessness. He uplifts and inspires us.

Today, Steve, as you start on the last weeks of your journey, let our message reach you across the lakes and the plains and into the hills. Steve, we love you.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

THE ADMINISTRATION

ALLEGED DISMISSAL OF BETTY HEWES

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I am sure that many Members in the House today remember the old days in Quebec when parish priests would tell their parishioners that Heaven was blue and Hell was red. What a sad era for democracy!

Closer to us in time, we remember one election promise of the Prime Minister (Mr. Mulroney) to the effect that, under a Progressive Conservative Government, appointments would be made by an impartial committee. Such is not the case, far from it, and incumbents are not even given time to complete their mandate. As it happened, Betty Hewes has been dismissed as Chairperson of the Canadian National Railways' board of directors. She cannot possibly have been fired because of incompetence.

Mrs. Hewes was one of very few Western Canada women to hold such a position. If the Government insists on appointing Conservatives, it should at least replace women by women.

Mr. Speaker, I am flabbergasted to see that the Government has been unable to find a competent woman member of the Progressive Conservative Party to fill this position. It is an insult to the women of that Party, and I hope that my female Government colleagues will tell the Prime Minister, in no uncertain terms, that they disagree with this kind of appointments.

In addition, Mr. Speaker, may I say that Canadians, men and women alike, have just about had it with such partisan appointments and that, when they will vent their anger, the blue Heaven will turn red.

* * *

[*English*]

STATUS OF WOMEN

INUIT TAPIRISAT OF CANADA—WOMAN ELECTED PRESIDENT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I congratulate Rhoda Innuksuk, who has been elected President of the Inuit Tapirisat of Canada. As the first woman leader of the Inuit people she symbolizes the growing participation of northern women in leadership roles in public and political life.

One of Ms. Innuksuk's first priorities is to deal with the very serious social problems of young Inuits who are experiencing the highest rate of drop-outs, crime, suicide, and unemployment. I urge the federal Government to give every assistance to Inuit people so that they may find effective ways to deal with social and health problems which are related to their invasion by southern society which is disrupting the native way of life.

If the young people of the North are to have hope for the future, they must have access to education, training, and jobs which are relevant to their needs and to their communities. Native health problems must be an immediate priority of the federal Government. Lung cancer in Inuit women has increased by 21 times the national average, and youth suicide by six times. Inuit people have little access to medical services and often must leave their families and fly to strange and distant hospitals, even for childbirth. They should have decen-

tralized health services, staffed with trained community health aides.

I urge the Minister to make northern health needs his priority, and to encourage a new style of health delivery which will train local people as health care practitioners—

Mr. Speaker: I regret to advise the Hon. Member that her time has expired.

* * *

[*Translation*]

PARLIAMENT HILL

EXPULSION OF PEACE DEMONSTRATORS

Mr. Jean-Luc Joncas (Matapédia-Matane): Mr. Speaker, I would like to express my support for the firm and I would say courageous action taken by one of our colleagues with respect to the campers on Parliament Hill. I do not question the purpose of their demonstration which has been going on for two years. However, this kind of demonstration should not be carried to the point where it becomes an eyesore and an affront to public order and where the Government and people of Canada become the laughing stock of visitors from abroad.

Mr. Speaker, I have nothing against tolerance, but I do think there are limits to what we can tolerate.

At this rate, pretty soon these people will go and camp on anybody's front lawn, and will help themselves in the fridge, and we will have to go on being tolerant, as some people would have us believe. There are other ways to protest in our society, ways that respect the community, and which do not promote disorderly conduct and anarchy.

Once again, Mr. Speaker, I have no doubt that the Canadian people and the majority of the Members of this House approve the courageous action taken by our hon. colleague.

* * *

● (1410)

[*English*]

THE ADMINISTRATION

TASK FORCE ON PROGRAM REVIEW

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, one of the most important initiatives taken by the new Government has been the Task Force on Program Review headed by the Deputy Prime Minister (Mr. Nielsen). The task force is charged with a comprehensive review of all government Departments so that services might in future be delivered to the public in the most efficient and cost effective way. It is high time that this took place, and the selection of the Task Force leader lends credibility to the exercise. He is known for his integrity, ability, and concern for the taxpayers' dollar. He is not known, Sir, to curry political favour.

When the various reports are finalized it is likely, secrecy having gone out with the Xerox machine, that they will prematurely become public. It is equally likely that special interests, both within and outside of government, will react noisely if privileged positions are threatened. The Cabinet must hold its ground and follow up in a systematic manner with the implementation of the task force recommendations. To do otherwise would be for the present Government to be no different from its predecessor. The Government was chosen by Canadians to put our federal House in order, and this it must do.

* * *

FORESTRY

DELAY IN NEGOTIATING BRITISH COLUMBIA AGREEMENT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, all Members of this House are aware of the very special relationship which exists between Members of Parliament from British Columbia and Members of Parliament from Newfoundland. In fact it is well known that the people of our two provinces have been described as the book-ends of Canada. Therefore, in the spirit of that special friendship, I rise today to express my regret at the unfortunate disease which has afflicted Tory Members of Parliament from British Columbia. The disease is called Nielsenphobia. It causes those so afflicted to lose their voice, forget their constituents, and makes them simply unable to find their way around Parliament Hill.

Because they have lost their voice at a time critical to the people of British Columbia, in the spirit of the friendship between our two provinces I shall say for them what I know they would say themselves if they could find their voice or, for that matter, their backbone. It is this. Will the Prime Minister (Mr. Mulroney) and the Minister of Regional Industrial Expansion (Mr. Stevens) quit treating the people of British Columbia with such scorn and disrespect? Will they move immediately to resolve the $75 million squabble with the Province of British Columbia and immediately cease holding up for ransom the future of the most important industry in British Columbia, the forest industry, as a means of trying to resolve that squabble?

While I am at it, on behalf of the people of Newfoundland to the people of British Columbia, and through them to their Members, I hope you get over Nielsenphobia very soon.

* * *

THE DISABLED AND THE HANDICAPPED

ACCESS TO MPS' CONSTITUENCY OFFICES

Mr. Bob Hicks (Scarborough East): Mr. Speaker, I am certain that I speak on behalf of every Member of this House when I draw to the attention of all Canadians the fact that many Members of Parliament, like myself, are forced to rent a

constituency office on the second floor of a building which offers no access to the disabled or elderly. This regrettable situation arises because rents in many large urban areas in Canada are three times or more as expensive as those in rural or smaller communities. In effect, budgets for Members of Parliament do not reflect this reality whatsoever in order to deal effectively with this problem.

As a member of the Standing Committee on Management and Members' Services, I am aware this matter has been addressed. However, the speed at which progress has been made in this area would make a snail's pace appear supersonic. Meanwhile, in many communities across Canada the disabled and the elderly are denied proper access to the office of their Member of Parliament, access which should be a right for those people.

I know I speak for all Members when I say how sincere we are in our efforts to create easy access to our offices for all Canadians.

ORAL QUESTION PERIOD

[*English*]

GOVERNMENT ADVERTISING

AWARDING OF CONTRACT—ROLE OF DOUGLAS ROBSON

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Minister of Finance and concerns the Wilson family compact which resulted in a $234,000 cozy deal between the Minister, his brother-in-law, and his riding association president. It is unusual that the words uttered in the past by Tories such as "fraud", "deceit", and "sham", have now been replaced by "integrity", "objectivity", and sometimes even "sanctity", to describe the present situation.

Would the Minister tell the House if Mr. Robson, during his employment with the Minsiter, was privy to any information which could directly or indirectly assist him in obtaining government contracts? Furthermore, could he tell us whether Mr. Robson and Lawson Murray Ltd, have any other contracts, directly or indirectly, with the Government of Canada at the present time?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I indicated yesterday to the House that Mr. Robson was dealing in my office on a totally administrative basis. He was my executive assistant in 1979, as I said, and he understood the way I wanted the office set up. He was dealing strictly on an administrative basis; nothing to do with policy, nothing to do with the awarding of any contracts.

As far as a response to the second question is concerned, I do not know. I have nothing to do with contracts in the Government.

[*Translation*]

LETTING OF LUCRATIVE CONTRACTS—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): I have a supplementary, Mr. Speaker. The current situation is intolerable and shameful, and the Minister's defence is even worse.

Is the Minister actually informing this House and all Canadians that any company may send emissaries or representatives to work in a Minister's office and then, quite coincidentally, leave that office with lucrative government contracts, and if so, could the Minister inform the House whether this kind of attitude is reasonable, considering the Canadian taxpayer who must pay the cost of these contracts?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I made it very clear in my first answer why Mr. Robson was there. He was there because he was my former executive assistant in 1979. He knew the way I worked; he knew the way I wanted to have the office established. I was under a great deal of time pressures at that time if the Hon. Member thinks back, and I had to go immediately to Washington for a series of international meetings. That was the purpose of his work.

CONFLICT OF INTEREST GUIDELINES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to direct a question to the Prime Minister. I have in my hand a copy of his conflict of interest guidelines for Ministers of the Crown. Section III relates to avoidance of preferential treatment. It says that "Ministers shall not accord preferential treatment in relation to any official matter to relatives or friends, or to organizations in which their relatives or friends have an interest. Ministers must also take care to avoid placing or appearing to place themselves under an obligation to any person or organization which might profit from special consideration or favour on their part". Does the Prime Minister not feel that this guideline has been broken in this particular instance?

Right Hon. Brian Mulroney (Prime Minister): Inasmuch as the contract to which my right hon. friend refers is a contract that was awarded pursuant to objective criteria by another Minister completely, I am satisfied that there were no violations by the Minister, who is a man of great integrity. Having said that, I will certainly acknowledge that not only must Cabinet Ministers avoid conflicts of interest, they must also avoid even the appearance of conflicts of interest, which is why Canadians were so horrified when the Right Hon. Leader of the Opposition assumed the position of Prime Minister of Canada and for a number of weeks maintained important corporate directorships. There is the difference between what the Minister of Finance did and what was done in other circumstances. We will defend this Party's integrity any time and in any circumstances.

• (1420)

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Prime Minister is misstating the facts. I resigned every corporate directorship on June 30, the day I assumed the Prime Ministership of the country. That is a fact, and he knows that.

FORMER OFFICE HOLDERS

Right Hon. John N. Turner (Leader of the Opposition): I would like to draw to the attention of the Prime Minister the guidelines from Appendix 2, Post-Employment Guidelines for Ministers and, by reference, their staff. In any official dealings with former office holders Ministers "must ensure that they do not provide grounds or the appearance of grounds for allegations of improper influence, privileged access, or preferential treatment". Does the Prime Minister not feel that this particular guideline has been broken?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my right hon. friend raises the question of appearance, with which we must deal. I acknowledge that. There will be further guidelines filed very shortly which will tend to eliminate even that possibility of appearance.

I point out to my right hon. friend that after he became Leader of the Liberal Party and Prime Minister elect, he was given secret and confidential briefings. I never once protested because of my full confidence in his integrity, notwithstanding the appearance of a conflict. I hope he would extend the same generosity to the Minister of Finance today.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Prime Minister knows better than that. He knows that when I became Prime Minister elect I instructed the Clerk of the Privy Council to show me no documents that would provide a possibility of conflict with any of my earlier associations until they had been shed and I had assumed office. He knows that, and he can check that with the Clerk of the Privy Council.

PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): The Prime Minister's own conflict guidelines have been broken in two respects. The Minister admitted that he knew of this situation and discussed it with his brother-in-law, and yet did not stop it. In the first place there was preferential treatment given to his brother-in-law. Second, his former executive assistant, vice-president on leave from Lawson Murray, Mr. Robson, was given the appearance of preferential treatment after leaving the office of the Minister. What does the Prime Minister intend to do about this?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what we are doing, as was my tendency at the time, given my understanding of my right hon. friend's long tradition of honorability, was of course to give him the benefit of the doubt. When we came in we inherited the same guidelines. We have since improved upon them. They will be filed with the House. I think it is the kind of document of which my right hon. friend would be quite proud. We did not do it overnight. I raised no questions at the time, notwithstanding questions which were being raised elsewhere, because of my feeling for this matter.

I can give my right hon. friend the assurance that the integrity of the Minister of Finance is absolutely unquestioned. I will acknowledge that even any appearance must be dealt with. This we propose to do in the new guidelines which we will publish shortly.

* * *

[*Translation*]

THE ADMINISTRATION

ALLEGED PATRONAGE IN NEW BRUNSWICK

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans and concerns an absolutely shameless case of patronage in New Brunswick. Recently, the Minister fired ten wharfingers employed in Shippegan and other ports along the Acadian coast.

In a letter dated April 12, the Minister released the wharfingers from their duties effective March 31. The injustice was not only flagrant but also retroactive!

Does the Minister intend to undo this example of political interference in the Public Service or are we going to see further appointments of Progressive Conservatives to these positions?

[*English*]

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I know my hon. friend would want to know that any changes made in the case which he has raised have been as a consequence of consultation with Members of Parliament. If there has been some injustice which the Hon. Member can bring to my attention, I would, of course, be prepared to discuss it.

REQUEST FOR INVESTIGATION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, these particular 10 wharfingers won their jobs in an open competition. The local MP has told them that their replacements will start work on May 1. Is the Minister prepared to investigate this matter with a view to ensuring that these people can keep the jobs which they won fairly and squarely?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, my hon. friend's representation may not be completely accurate as to numbers or the reference to "fairly and squarely". As I said, if my hon. friend has representations to make about some undue injustice, I would be prepared to discuss it with him.

Oral Questions

CANADA ELECTIONS ACT

MINISTER'S ADVERTISING EXPENSES

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is with regard to the Wilson family compact. Yesterday in the House the Minister indicated that he did not know that his sister Wendy was on the board of directors of Lawson Murray Limited, the company headed by his brother-in-law, Doug. The Minister suggested that at all times he was dealing at arm's length with Lawson Murray Limited.

Would the Minister tell the House whether he is aware that one company, namely, Lawson Murray Limited, was paid $27,306.04, or 65.2 per cent of the Minister's total election expenses, during the Minister's election campaign?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know what this has to do with the matter that we have been discussing. This company helped me in the advertising during the election campaign, and that is what they were paid for.

Mr. Nunziata: Mr. Speaker, it is unusual that one company should be paid 65 per cent of the total election expenses.

Some Hon. Members: Oh, oh!

Mr. Nunziata: The Minister practised nepotism during his election campaign. He is now practising nepotism with taxpayers' dollars.

Mr. Hnatyshyn: Order.

Some Hon. Members: Oh, oh!

Mr. Nunziata: This leads one to question seriously the credibility and competence of the Minister to carry on as Minister of Finance.

Mr. Speaker: Order. Order, please. I am sure that the Hon. Member knows that he is rising in the House to ask Minister's questions with regard to their ministerial responsibilities. I am sure he knows that, and I am sure he has a question to ask.

Mr. Nunziata: Thank you, Mr. Speaker.

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GOVERNMENT ADVERTISING

AWARDING OF CONTRACT

Mr. John Nunziata (York South-Weston): In view of the fact that the Minister discussed the propriety of the $234,000 government contract to Lawson Murray with his brother-in-law, Doug, and his sister, Wendy, before it was signed, would the Minister not agree that he exercised extremely poor judgment in allowing his brother-in-law, Doug, and his sister, Wendy, to get the contract?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the premise of the Hon. Member's question is quite false. He made two mistakes in the preamble.

Some Hon. Members: Hear, hear!

IMPLEMENTATION OF NEW GUIDELINES

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Prime Minister. It is related to the issue of the Government awarding contracts to its political friends without any tendering procedure. Last September Canadians voted for a breath of fresh air in the Government's dealings in the area of patronage and tendering.

Are the new regulations in effect, and were they used in the consideration of the contract given to the brother-in-law of the Minister of Finance? Are they being used in the consideration of Camp Associates for the tourism business of the Government?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in the absence of the Minister of Supply and Services I would like to address the question specifically. I do not understand why the New Democratic Party keeps asking the same question over and over again. If they cannot understand a very simple proposition, I do not know what is wrong with them. The answer to the question was given to them yesterday.

When we first came into office we were seized with the old guidelines of the previous administration, the Treasury Board directive. What we did at an early date was bring forward new guidelines which are now in the process of being completed by Treasury Board, and which have been in effect since early this year with respect to the method by which advertising contracts will be selected. This is a cost efficient and a new method in which there is a greater degree of accountability. This is a system that I recommend to the New Democratic Party which does not use it in any provincial administration that I have heard of.

• (1430)

Mr. Murphy: Concerning the Minister's last comment, I would ask him to check to see what does happen in Manitoba, because they do have contracts going to Tory firms. That is allowed in that province.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. A supplementary question.

FILING OF GUIDELINES

Mr. Rod Murphy (Churchill): Mr. Speaker, in his response the Minister asked why we have to keep asking the same question. I would like to know the answer to that, too.

Yesterday, in reply to our Leader, the Prime Minister said that there are new guidelines and "we will be happy to file them at your earliest convenience." Today our office tried to

obtain those guidelines through the PMO. We were told that they are not available. What is the definition of "your earliest convenience"?

Right Hon. Brian Mulroney (Prime Minister): We will be filing them very shortly.

Some Hon. Members: Oh, oh!

Mr. Mulroney: My hon. friend will see that they are a tremendous improvement over what we inherited. They have been in effect.

Inasmuch as he mentioned Manitoba, I have noted that Joanne McNevin, former aide to the Leader of the NDP, is now a consultant with the Government of Manitoba. Mark Eliesen, research director under the NDP here, is Chairman of Manitoba Hydro.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Chairman of Manitoba Hydro. There's a guy who knows all about lights. Murray Wepler, former executive assistant to the Member for Ottawa Centre, is communications director with the Manitoba Government. It is the Member for Ottawa Centre who needs the communications help.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Cliff Scotten, former Secretary General, is strategy consultant to the Premier of Manitoba.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

Mr. Mulroney: I could go on, and on.

Some Hon. Members: Hear, hear!

Some Hon. Members: More, more!

Mr. Speaker: Order, please. The Hon. Member for Churchill, on a supplementary question.

ELIGIBILITY OF FIRMS TO SECURE CONTRACTS

Mr. Rod Murphy (Churchill): If the Prime Minister wants to compare systems, will he allow, in his new guidelines which he will finally show us, non Conservative firms to get government advertising contracts? They do that in Manitoba. You want to compare systems; will you do it here?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, absolutely non government firms, the same way that we have appointed so many members of different political parties.

With regard to Manitoba, can I go on to the second part of the list?

Some Hon. Members: Oh, oh!

Mr. Mulroney: You won't find a single Tory appointed in Manitoba or Saskatchewan by the NDP, and that is where your sanctimony is disserving you because the Canadian people know you're a bunch of frauds when it comes to the issue.

Some Hon. Members: Hear, hear!

Some Hon. Members: More, more!

APPLICATION OF GUIDELINES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Prime Minister is generally liked in Newfoundland because he reminds us of the key ingredient in our favourite meal, pea soup. You're a real hambone.

Some Hon. Members: Oh, oh!

Mr. Tobin: Mr. Speaker, my question is directed to the Prime Minister, but I want to tell him that we say in Newfoundland, you'd have to have the face of a robber's horse to expect Canadians to swallow your answers to the Leader of the Opposition's questions. Is the Prime Minister saying to Canadians. "Okay, so the Minister of Finance broke my guidelines. But that is okay, because tomorrow I will issue new ones." Do his guidelines have teeth and, if so, what happens to Ministers who breach them?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I didn't think that there was a Newfoundlander who could sink lower than Roger Simmons, but was I ever wrong.

Some Hon. Members: Oh, oh!

Mr. Mulroney: The Minister of Finance broke no guidelines and he broke no law. He is a man of great integrity, and the Hon. Member would do well to emulate the magnificent example of leadership and integrity that this gentleman has always inspired across Canada.

Mr. Tobin: Mr. Speaker, this Prime Minister is trying to suggest that he does not have guidelines. These are his guidelines. He issued them and he instructed his Minister to follow them. I ask the Prime Minister are his guidelines worth the paper they are written on, or is it a waste of time, a joke?

Some Hon. Members: Oh, oh!

Some Hon. Members: Out.

Mr. Speaker: Order. Now that we have been through the first part of Question Period maybe we can treat the second part with a little more calm and quiet.

Mr. Shields: Don't bet on it.

Mr. Speaker: Whoever said "don't bet on it", I think I am with him.

Oral Questions

FINANCE

FORTHCOMING BUDGET—MINISTER'S SPEECH IN CALGARY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I will try to change the tone. I rise as a humble and insignificant opposition backbencher.

Some Hon. Members: Oh, oh!

Mr. Waddell: I suppose that is better than being called a nobody, as said by the previous Government.

I wish to direct my question to the Secretary of State for External Affairs who is sitting next to that heavyweight to his left. Yesterday he confirmed in Calgary that the first Tory budget of this administration will encourage foreign investment, and that the Government is considering the elimination of the 25 per cent Crown share in federal lands. Would the Minister tell the House the position of the U.S. Government on the privatization of the Crown share by giving a preference to Canadian companies?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member would have to ask the United States Government.

MINISTER'S VIEW

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, could the Prime Minister tell the House whether he has discussed this change with the U.S. Government and, if not, does he personally take the view that this change should be discussed with the Americans before the Government makes a final decision? He has expressed this view in the past. Is this still his present view?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I don't know how long it takes the Hon. Member to catch up with events, but the Right Hon. Member for Manicouagan is the Prime Minister.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I think it would be prudent for the Government of Canada, when we are enacting legislation, to have some idea of the reaction that would come from either private investors or Governments in other countries. But I make the point that while we might seek some indication as to the reaction of other Governments, this Government of Canada takes Canadian decisions here, ourselves, and in the Canadian interest, no other interest.

• (1440)

ENERGY

PETROLEUM GAS REVENUE TAX

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have a question for the Parliamentary Secretary to the Minister of Energy, Mines and Resources. On March 28 it was a great day for Canada, the day the Western Accord was signed. There is one major highlight. The PGRT, the Petroleum Gas Revenue Tax, will not apply to new production commencing on or after April 1, 1985. Does this mean that the PGRT will not apply to any new production, including reserves that were shut in prior to March 28 and may come on stream or be produced after April 1?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, as the Hon. Member knows, the revisions to the PGRT were designed to create activity in the oil patch to provide new jobs and new exploration. Having said that, I can tell the Hon. Member that there is a working group under the aegis of the Minister of Finance that is taking a look at regulations to govern the new petroleum and gas revenue tax, and this group will be giving its report to this House in due course.

* * *

FINANCE

FORTHCOMING BUDGET—MINISTER'S CALGARY SPEECH

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, folllowing on the question from the Member for Vancouver-Kingsway, can the Minister of Finance tell us whether he authorized the Secretary of State to make these budget disclosures to the Chamber of Commerce in Calgary, or is this just another example of sloppy disregard for the budgetary process?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, maybe I could read the sentence that gave rise to the headline in *The Globe and Mail* today. It reads: "Our first major initiative was to replace FIRA and Michael Wilson's budget will continue the encouragement of enterprise and investment". It was two separate thoughts combined into one to make a headline.

Some Hon. Members: Hear, hear!

Mr. Johnston: Mr. Speaker, with that I think I should go to the Prime Minister.

Some Hon. Members: Oh, oh!

Mr. Benjamin: I wish you would.

PRESENTATION OF BUDGET

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, could the Prime Minister assure us today that when the Budget is delivered it will be delivered here in the House of Commons, and that it will be delivered by this Minister of Finance?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it will be delivered here in the House of Commons by this Minister of Finance, and it will be one hell of an improvement over previous Budgets delivered here.

Some Hon. Members: Hear, hear!

* * *

GOVERNMENT ADVERTISING

AWARDING OF CONTRACTS—APPLICATION OF NEW GUIDELINES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a question for the Right Hon. Prime Minister about the Lawson Murray-Wilson affair. It has to do with the Prime Minister's statement that the new guidelines, which he promises to let us have a look at soon, appear to prohibit the apparent or real conflict of interest in which the Minister of Finance found himself with respect to that contract.

Recalling both Conservative and NDP unhappiness with the kind of narrow, legalistic arguments we used to get from former Prime Minister Trudeau about something being right only because it was legal, why did the Prime Minister not, in anticipation of the new guidelines, instruct his Government to behave in that way because that is the way Members of the Government ought to have behaved in any case, and not just because there were no guidelines to say they should behave that way?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am not sure I get the full question except that I agree with the implication of my hon. friend that guidelines are worthless unless they are accepted both in spirit and in letter, and with enthusiasm, and when I indicated these guidelines, I indicated at the time of the appointment of Ministers that there would be enhanced and more rigorous guidelines at the earliest possible moment. I demanded of them what my hon. colleague would want, the highest possible standards of deportment. I believe that has been the case. You may quarrel from time to time with the procedures involved in awarding contracts. There will be procedures for them as well, and enhanced ones. Surely there cannot be the slightest doubt as to the integrity and the honesty of the Minister of Finance. That is absolutely beyond reproach.

INTRODUCTION OF NEW GUIDELINES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I never questioned the integrity and the honesty of the Minister of Finance. I ask the Prime Minister whether the new guidelines prevent this kind of situation from happening, and if they do prevent this kind of situation, why did the Prime Minister not ask his Minister and his Government to act that way before the guidelines came into effect because they knew what was the right thing to do?

If the guidelines do not prevent that kind of situation from happening, then obviously they are inadequate, but we will not know until we see them. When can we see them? And when will the Prime Minister say, as I think he ought to, that the Government ought to have acted in a way to leave out possible conflict of interest even before the guidelines came in, given the inadequacy of the old ones and the possible inadequacy of the new ones?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I share the apprehension, and I recognize the legitimacy of my hon. friend's point. As some of my colleagues here from the private sector are aware, when I was President and Chief Executive Officer of the Iron Ore Company of Canada I imposed on the management of that company the most rigorous and demanding conflict of interest standards I believe that existed anywhere in Canada. Those are the kinds of standards we must have. I can assure you that the guidelines that will be filed will be the most rigorous ever demanded of federal politicians at any time.

Mr. Blaikie: Prevent it from happening again.

* * *

ST. LAWRENCE SEAWAY

LEVEL OF TOLLS

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister of Transport. At a time when the marine industry is in the doldrums, when shippers and shipbuilding are on the decline, and passage-way on the St. Lawrence Seaway is decreasing rapidly, does the Minister consider this is an appropriate time to increase the Seaway tolls or the lockage fees on that great waterway?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, in response to the Hon. Member's question, a few months ago we announced the Government's intention to continue the tolls at the current level. There is at the present time no consideration being given to any increase in those tolls. I think the Hon. Member would know that any increase in tolls would be subject to consultation and collaboration with the American authorities as well.

Oral Questions

ENVIRONMENTAL AFFAIRS

TOXIC CHEMICAL CONTROL PROGRAM

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I would like to pursue a question that I asked twice yesterday during the environment debate of the Minister of the Environment, without getting a reply.

Why, as of April 1 this year, can Canadians no longer count on the toxic chemical control program which was suddenly dropped without any notice, a program meant to protect the health of Canadians? It measures the presence of toxic chemicals in lakes and rivers. It monitors the leaching into the Niagara River from the chemical dump sites there which are of great concern to four million Canadians who live in the Niagara Peninsula. Why did the Minister all of a sudden cancel this program, without any notice?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, the research program to which the former Minister of the Environment is referring was a temporary one which existed already under his mandate. He is therefore well aware of the terms of reference of this research program. It was a temporary one which was due to expire at the end of the fiscal year 1984-85. Mr. Speaker, this is the type of spurious issue and question which the former Minister of the Environment likes to raise in the House. If he should require further information, I would provide it to him in writing. This program has never been cut.

[*English*]

REQUEST THAT PROGRAM BE RENEWED

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, will the Minister look at her mandate, her responsibilities, her duties, and discover that if she were to do that she has the full power and responsibility and the mandate to go to Treasury Board and ask for a renewal of any program, particularly a program having to do with the health of Canadians? Why did the Minister surreptitiously cancel this program and not take the trouble to renew it for the protection of the health of millions of Canadians in the Niagara region?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, the dramatic stance which the former Minister of the Environment has taken does not fool anybody. I repeat that this program came to its normal end, and that if I did not reinstate it, it is because it was a temporary one and is now included in my main estimates.

• (1450)

[*English*]

HEALTH

NATIONAL EPIDEMIOLOGICAL CENTRE PROPOSAL

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In the House in the last week or so, as well as in northwestern Ontario, we have been concerned about the immediate impacts of the PCB spill, but I would like to take a look at the longer term. The Minister knows that the registration of incidents of birth defects and certain diseases can assist Governments, both federal and provincial, in pinpointing above average outbreaks. In some cases this pinpointing can allow Governments to determine that there has been an environmental cause or environmental link.

Would the Minister be prepared to provide sufficient funding for the operation of a national epidemiological centre so that we could monitor the eruption of any specific diseases in a specific area, and therefore react more quickly to the impacts of chemicals on our environment?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in response to the Hon. Member's question, he should be aware that both through the Department of National Health and Welfare and provincial Departments of Health there is a constant monitoring of any risk factors. If he is specifically referring to risk factors as related to the PCB situation in northern Ontario, which perhaps has given rise to the question but is not the specific point of his question, there is very close co-operation between the federal and provincial Governments in terms of assessing risk factors. At the moment, unless other evidence is made available to me, I believe the system is working well and protecting the health of Canadians.

MONITORING OF BIRTH DEFECTS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, agencies like the Canadian Congenital Anomalies Surveillance System have raised some concerns about the lack of proper funding for them to do the kind of job they need to do to monitor birth defects. Would the Minister reconsider the level of funding which is going to that organization, to ensure that at the very least, when children are involved, we begin to see some patterns to which we can react to make sure that we treat the problem, and not just a band-aid?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, on the questions of congenital birth defects and exchange of information, it has been my experience in discussing the issues with my provincial counterparts that what would possibly be more helpful is a more free exchange of information that is already available both within provincial jurisdictions and within federal jurisdictions. If he goes back to the Canada Health Act, there was a provision for information

largely to be used as a cudgel by the federal Government over the heads of provincial health Ministers.

I have said let's use this information in an open manner and, as we will do on May 16 and May 17 at a national conference of Health Ministers, look at the future together. Maybe we could use this kind of information. I believe it is there. It might have to be bolstered a bit, but I would rather go the route of co-operation than set up another superstructure which would really give us the information I think we already have.

* * *

[*Translation*]

FEDERAL BUSINESS DEVELOPMENT BANK

GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, there is a lot of talk in Government circles about dismantling the Federal Business Development Bank. The Bank, which has its headquarters in Montreal, employs 500 people whose salaries contribute $18 million to the economy of Quebec.

My question is directed to the Minister of State (Small Businesses). Since the Minister has just come back from a long trip across the country, can he now inform the House whether he intends to maintain the Federal Business Development Bank?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, to answer the Hon. Member's question, as you know, all Government programs are now under review, including the Federal Business Development Bank. We are in the midst of a review and organization process, and we should be submitting a reorganization program by the end of June or the beginning of July, and we will see what we will be able to do with the Federal Business Development Bank.

NEED TO ASSURE MAINTENANCE OF FINANCING FOR SMALL BUSINESS

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, the Federal Business Development Bank has been in existence since 1944, and it may be time to reassess its mandate but certainly not to dismantle the Bank. We have just been informed that during the last fiscal year, the Bank lent $85 million to 4,571 customers, and 40 per cent of its work is done in Quebec. Is the Minister prepared to inform the House that he will refrain from taking any drastic action with respect to the Federal Business Development Bank, so as to ensure continuity of financing for small businesses?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, we are rethinking the role of the Federal Business Development Bank. The role of the Federal Business Development Bank—

An Hon. Member: You have a headache.

Mr. Bissonnette: I hope the Hon. Member who just spoke listens to himself from time to time . . . As I was saying, the role of the Federal Business Development Bank is actually to support small- and medium-sized business, and we are trying to redefine that role. We will do so and we will have something to submit by the end of June.

* * *

[*English*]

PARLIAMENT HILL

REMOVAL OF PEACE CAMP

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister of Public Works. Yesterday the Minister, using the police forces at his disposal, threw the peace campers off the Hill.

Some Hon. Members: Hear, hear!

Mr. Keeper: He used the force of law to get rid of these idealistic young Canadians—

Some Hon. Members: Oh, oh!

Mr. Keeper: —who are trying to bring us a message about the survival of humanity on this planet. The Minister had another option. Rather than using police forces he could have taken peace initiatives. He could recommend to his colleagues that there be no more Cruise testing in Canada and that there be no participation in star wars.

Some Hon. Members: Question!

Mr. Keeper: Will the Minister consider recommending peace initiatives to his colleagues rather than abusing young people with police force?

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, the Hon. Member and all his colleagues in the House know full well that we are in favour of disarmament, and the sooner the better. I have already explained the reasons and, in a non-aggressive manner, I told those people a fortnight ago that they would have to leave Parliament Hill. They responded by urging me to throw them out. In those circumstances, I would suggest that nobody was taken by surprise. I said and I repeat that Parliament Hill will no longer be a camping ground, not even for the Hon. Member across the aisle.

[*English*]

REQUEST FOR RECONSIDERATION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the Minister seems to imply that the peace campers were simply camping, not demonstrating for the cause of peace. In his reply yesterday he said that there was no connection between the peace campers and the peace movement. In light of the fact that last night the Ottawa Disarmament Coalition

praised the Peace Camp as a symbol of the peace movement in Canada, will the Minister reconsider his decision to use police force against young Canadians who are protesting war actions in Canada?

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I made a decision. I said yesterday and I repeat today that anyone anxious to demonstrate in any way may do so in the appropriate manner. And, as usual, Mr. Speaker, there is no place to sleep on Parliament Hill.

* * *

[*English*]

GOVERNMENT ADVERTISING

AWARDING OF CONTRACT—APPLICATION OF EXISTING GUIDELINES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to put a final question to the Prime Minister relating to the Minister of Finance. What we are really trying to get at here, of course, is the question of a Minister's judgment. The Prime Minister has been referring to some brand new guidelines which he is going to introduce. Will he admit that the guidelines which I cited earlier this afternoon were in force throughout the entire relevant period relating to the facts surrounding the situation of the Minister of Finance? Were these guidelines not in force at all relevant times affecting the situation surrounding the Minister of Finance?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, those guidelines were in force, but they were not breached.

* * *

EXTERNAL AFFAIRS

U.S.S.R.—MINISTER'S DISCUSSIONS ON REUNIFICATION OF FAMILIES

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Right Hon. Secretary of State for External Affairs. It concerns his recent trip to the Soviet Union. Could he indicate to the House whether he discussed the reunification of families with Soviet authorities?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I discussed specifically with Soviet authorities the reunification of families and the very profound concern in Canada about questions of human rights in the Soviet Union. I also took the opportunity to indicate to Soviet authorities the view of the Government of Canada that there would be a much greater willingness on the part of the public of Canada to accept more extensive relations between our two countries if there were a change in the attitude by Soviet authorities toward questions of family reunification and human rights.

• (1500)

CLERK OF PETITIONS' REPORT

AUDITOR GENERAL—ACCESS TO NECESSARY WORKING DOCUMENTS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Ottawa Centre (Mr. Cassidy) on Monday, April 22, meets the requirements of the Standing Orders as to form.

* * *

Mr. Speaker: I have no ruling to make today, but I do want to make one small comment to the House. I might remind Hon. Members that our practice is to ask questions and answer questions through the Chair. We are beginning to develop the habit of referring across the floor to "you". I simply wish to remind Hon. Members that that is not appropriate.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL RESOURCES AND PUBLIC WORKS

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour to present the second report of the Standing Committee on National Resources and Public Works, in both official languages.

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

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PROSTITUTION AND PORNOGRAPHY

TABLING OF REPORT OF SPECIAL COMMITTEE

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to lay upon the Table of the House two copies in both official languages of the Report of the Special Committee on Prostitution and Pornography, also known as the Fraser Committee.

* * *

PETITIONS

CHANGES TO UNEMPLOYMENT INSURANCE ACT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have petitions from many Canadians across this country who are opposed to the change in the UIC Act which allows severance pay to be used in calculating unemployment insurance. I have the honour to present these petitions to the House of Commons.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Question No. 239 will be answered today.

[*Text*]

STUDIES REGARDING CHILD ABUSE AND NEGLECT

Question No. 239—**Mr. Howie:**

From January 1, 1984 to date, were studies regarding child abuse and neglect done for the Department of National Health and Welfare by (a) departmental personnel (b) outside consultants and, if so, what are the names and publication dates of these studies?

Hon. Jake Epp (Minister of National Health and Welfare): (a) No studies regarding child abuse and neglect have been initiated or conducted by departmental personnel from January 1, 1984 to date.

(b) From January 1, 1984, to date, no studies regarding child abuse and neglect have been initiated from the department by outside consultants, however, the two following studies have been completed:

(1) The Directory of Child Abuse Prevention Programs in Canada initiated in September, 1983, and financed by the National Clearinghouse on Family Violence, designed to help professionals and community groups become more aware of local and regional child abuse programs across the country. The Directory, with over 200 entries listed, was published in August, 1984.

(2) A three-year study funded by the Departments of Justice and National Health and Welfare on sexual offences against children and youth, (Committee chaired by Dr. Robin Badgley), was carried out from 1981 to 1984. The report of this study, entitled Sexual Offences Against Children, was published in August, 1984. A summary of this report was published by the Department of National Health and Welfare and was also released in August, 1984.

[*English*]

Mr. Speaker: The question as enumerated by the Parliamentary Secretary has been answered.

Mr. Dick: I suggest that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions Nos. 1 and 2.

Mr. Speaker: Before recognizing the Hon. Member for Winnipeg North Centre (Mr. Keeper), I would like to take this opportunity to make a few minor corrections to the preliminary statement that I made this morning concerning motions that appear on the Order Paper. This is purely correcting errors of numbers.

In paragraph 33 of the statement circulated to Hon. Members, I referred to Motion No. 62 as having been grouped with Motion No. 8 and others. This, of course, should have read Motion No. 63. Motion No. 62 was grouped with Motion No. 33 and others in paragraph 22 of the statement. Paragraph 41 should have read as follows: "Motions Nos. 71, 72, 73, 74 and 75 were dealt with earlier by the Chair". Finally, paragraph 35 is missing simply because it was not included. There is no change in the text as a consequence.

I will now recognize the Hon. Member for Winnipeg North Centre in order to continue debate.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to resume debate on the Foreign Investment Review Act. As I said before lunch-hour, what we are now dealing with is the statement of purpose for this legislation. I read the statement before lunch. It indicates that this legislation is meant to open the door to foreign investment without review. It takes away the watchman from the door as we allow foreign investment to come into Canada. We in this Party find that to be unacceptable. We want to amend this clause of the Bill to say that technology in Canada will be allowed into Canada under appropriate terms and conditions established by the Government, conditions which will benefit Canada.

It is the view of those in this Party that while it is useful to have foreign capital come into Canada, that capital must come here under our conditions. Capital must respect the values of the community. It is the community through its elected representatives that will determine the priorities that capital will serve. This morning I gave the example of Toro Industries which established a plant in Manitoba. As a condition of establishing that plant, it accepted that it would have an affirmative action program. In order to come into Manitoba, this industry accepted as a condition that it would have an affirmative action program.

This is what we mean when we say that we want capital to come into this country under appropriate conditions and for the benefit of Canada. I might elaborate. Affirmative action will mean that companies in the private sector will have

programs that promote the employment of minority groups and other disadvantaged people, women, natives, the handicapped, visible minorities. This is important because our society is built upon the notion of equal opportunity and equality of the human condition. We cannot have equality unless we take positive steps in that direction. If the marketplace is allowed to operate free of any restraint whatsoever, it will not produce equality. It will produce inequality.

It is necessary to have positive measures in place which assure equality. Affirmative action is one way of doing that. It is important that we can say to private sector companies that affirmative action is something the Government feels is important because it promotes greater equality among the groups in this country.

It is not enough simply to have legislation that is meant to attract capital. It is not enough to have legislation that is simply a neon sign saying "Canada for sale". It is not enough to tell foreign bankers that their money is welcome in this country. They must know that we are not going to give them a free hand, that they will have to live by Canadian standards if they are going to operate in this country. If capital operates in Canada, it has to operate according to Canadian laws and standards and serve the Canadian community. I gave the example of Toro Industries to indicate that this idea is practical, workable, has been done and that there is no reason why it should not be done today for all of Canadian through the legislation before the House. It is crucial that foreign capital serve Canadian interests, particularly since such a large percentage of Canadian industry is foreign owned. The behaviour of foreign capital in the Canadian economy is crucial to the over-all quality of life in Canada.

I see, Mr. Speaker, you are indicating that I have a couple of minutes left so I will wind down. My essential point is that this legislation is not good enough. It is not good enough just to open the door to foreign capital. We must set standards for the behaviour of foreign capital in this country. We need legislation which clearly indicates that when foreign bankers invest in Canada, they must invest for the benefit of Canadians. They will have to negotiate the conditions under which that investment takes place so that we, the elected representatives of the people, can be assured that that capital will serve the interest of the people. It must promote benefits such as greater equality, employment and development in underdeveloped regions of our country. It is crucial that we accept the amendment before the House today to amend the purpose of the Bill to the effect that capital is welcome here under appropriate terms and conditions that will benefit Canadians.

• (1510)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I too rise in support of the amendment because I have been hearing from Canadians from coast to coast who are extremely concerned about the Government's move to gut, abolish and abort the Foreign Investment Review Agency. It has reached the point at which some major investors in Canada, including the Bronfman family, have recognized the folly of this particular piece of legislation. This legislation contains no such guarantees as those provided by this amendment. There is no guarantee that this legislation will ensure Canadian jobs for Canadians.

It is a sorry situation when the President of the Steel Company of Canada is forced to make a public statement on the Government's lack of guts on the steel issue. Members of this House should be well aware that the steel industry in Canada has been competitive on a world-wide basis. Unfortunately, because of the lack of political will, the lack of backbone and in fact the position taken by the Government that it is prepared not only to open our doors for business but to put us up for sale, we find ourselves in the position of having to oppose this Bill.

I as a Canadian am frightened when I am told that we have to sell off our water if we are going to be able to save our economy. That is the kind of mentality the Government has instituted. The business section of today's *Toronto Star* indicates that the Bronfman family is extremely concerned. Stephen Jarislowsky, speaking on behalf of the Bronfman family, states that the gutting of Ottawa's Foreign Investment Review Agency has made the Montreal-based Seagram Company a take-over target for U.S. companies. I want to know whether or not those U.S. companies will guarantee Canadian jobs for Canada.

We can hearken back to the difficult economic times of 1982 when parent companies started to go under and to look to develop in other places. Did Consolidated-Bathurst of the City of Hamilton guarantee jobs for Canadians? No. As a matter of fact, at the first inkling of any kind of economic difficulty, that company pulled up stakes and left Hamilton just as Allen Industries pulled up stakes and left our community. Inglis, after the infusion of millions of federal dollars, also pulled up stakes and left the City of Hamilton. How can this Government which was elected on a massive mandate of jobs, jobs and more jobs now come to the Canadian people and ask us to support a piece of legislation which would mean further U.S. take-overs, further foreign take-overs and no job guarantees for Canadian workers?

The workers at the Steel Company of Canada and Dofasco are concerned about keeping Canadian jobs in Canada. The workers at the Steel Company of Canada and Dofasco want the Government to put some teeth into its anti-dumping legislation. The workers in the City of Hamilton want the Government to start taking a positive attitude toward Canadian investment instead of blocking people like Ernie Kablau who is trying to put almost $1 million in the way of tourism into our community. What kind of response has he gotten from Conservatives at both the provincial and federal levels? The Deputy Minister of Tourism told Mr. Kablau that the Government will give him money if he moves his boat to St. Catharines because Hamilton is not a tourism priority. When the Conservatives in Toronto developed a tourism map, they left Hamilton completely off the map. That has been the attitude of this Government and the attitude of the provincial Government.

Certainly the people of Hamilton and the people of Canada, when they awarded a massive majority to the Conservative Government of Canada, expected a little more. They expected some job guarantees. They expected the Prime Minister (Mr. Mulroney) to deliver on his promises. I might add, Mr. Speaker, that if he did deliver on a promise, it would be a first for this Prime Minister. The people expected him to deliver on his promise to create tens of thousands of jobs the moment he was elected. Instead of creating jobs, his Government has actually put at peril thousands of jobs not only in the City of Hamilton but across this great country.

The other morning I had an opportunity to speak to the workers at Susan Shoe Industries Ltd. in the great riding of Hamilton East. Those workers are concerned and frightened. They stand to lose up to 400 jobs because of the Government's refusal to provide the kind of job guarantees of which the Prime Minister spoke so eloquently during the dark days of July and August. Those dark days have clearly shown the Canadian people that the Tories are not interested in helping Hamilton. The Tories are not interested in job creation whether it be at the federal or provincial level. The Tories are only interested in awarding jobs to friends, family members and brothers-in-law.

The feeling on the streets about this Government is not a very good one. People from Hamilton, Toronto and northern Ontario are asking questions. They are asking why the Government will not live up to the kind of expectations it instilled in the Canadian people and why it has determined that its first act as a Government will be to gut the very instrument of job creation that was instituted under the former Liberal Government, the Foreign Investment Review Agency.

Canadians realize that in return for investment, we must have a guarantee of Canadian jobs. The labour movement speaks very eloquently to the issue of job security at this point in time. We are no longer talking dollar increases. We are talking about the 60-plus per cent of Canadians who fear for their jobs or the jobs of family members. Canadians from coast to coast are calling on the Government to provide those kinds of guarantees rather than to introduce legislation which will gut any guarantees we had previously instituted in the form of the Foreign Investment Review Agency.

I doubt we will hear very much from government Members. They have been exceedingly silent on this issue. I hope Hon. Members from Quebec will take heed of what the Bronfman brothers had to say on this particular issue. I do not think the Bronfman brothers are crying in the dark when blaming the Government for the potential loss of thousands of jobs in the distilling industry if there is an American take-over. I do not think they are speaking lightly. I think they are speaking on behalf of all Canadians who are beginning to recognize that the cosy relationship, the open-door policy and the up-for-sale attitude of the Prime Minister is not reflected by the Canadian people. In fact, quite the contrary.

The Canadian people are prepared to compete. In the steel industry, we have competed with the best. We have shown the world how to create the best product possible. What has been the response? The response has been U.S. protectionism. The Government of Canada cannot convince the U.S. Congress to lift the provisions that were instituted under the labelling provisions passed by the U.S. Congress recently. The Prime Minister made a promise. He wrote a letter to the people of the riding of Hamilton East indicating that once he was elected Prime Minister, he would immediately solve the steel labelling problem. Yet we have seen that the Prime Minister has not delivered on this promise, as he has not delivered on hundreds of other promises.

There is an issue of credibility at stake. We cannot look at the credibility of the federal Government without looking at the credibility of the Ontario Government. It is very hard to ascertain the credibility of the Premier of Ontario because he cannot get out of the Prime Minister's lap long enough to make a statement or engage in a debate. This issue goes beyond Party boundaries. It is an issue of job security which touches every Canadian.

• (1520)

I would encourage every Hon. Member of this House to speak out in support of the amendment of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) which will in fact ensure that the kind of provisions which were instituted under the Foreign Investment Review Agency, through the leadership of the Hon. Member for Windsor West (Mr. Gray) under the former Liberal Government, are not "gutted", in the words of the Bronfman spokesman, because of actions of this Government not only to open the doors but to put Canada up for sale. I don't think Canadians want to sell our water, Mr. Speaker, but this Government is selling us out.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I am pleased to have another opportunity to speak against this Investment Canada Bill. I think the most dangerous thing about this Government is that it refuses to recognize what is becoming very obvious, that is, that this Bill not only will have no beneficial impact on the economy of this country, but it will be a deterrent to investment. I find completely repugnant the attitude of this Government that there is something wrong about giving an incentive, an edge, to Canadians to invest and share in the benefits of their own country. We should not have to apologize to the rest of the world for wanting to put Canadian interests first and foremost in our own economy. It is becoming more and more evident that we are slipping more and more into the hands of foreign economic interests. The most important aspects of our economy are not going to be safeguarded. To the contrary, the safeguards which we have are going to disappear.

This Government has indicated that it wants foreign investment. There is nothing wrong with foreign investment. But to open the doors completely with absolutely no check on foreign investment is going to be the ruination of our economy and the principles which we want to follow in this country.

The Government says that foreign investment will create regional development, that we will develop in the areas which are undergoing regional disparity. Nothing could be further

from the truth. In fact, it has been proven that if we encourage foreign investment in a country, that foreign investment will go to the areas which are the most successful and not to areas which need economic assistance.

This Government has no concept of regional development whatsoever. In my own area of Cape Breton Island the unemployment rate is 29.5 per cent. It is the highest by far that it has ever been. This is an unemployment rate which this Government and Employment Canada acknowledges. The actual rate is well over 40 per cent. Yet when this Government came into power it cancelled projects which were going to create jobs. It cancelled these projects in accordance with its policy of political attrition, nothing more. And it has not only not replaced those jobs which were cancelled but it has not replaced the ideas which were in existence for creating jobs. This Government has not come forward with one idea. To make it more dangerous, the man who is in charge of regional development is also the Cabinet Minister in charge of the cabinet committee which approves funds for regional development and economic expenditures.

It is absolutely frightening, Mr. Speaker, that this Government not only has no conception of regional development but has no concern for people. We have in this Investment Canada Act a lot of verbiage which is not in the interests of Canada but is in the interests of the Minister of Regional Industrial Expansion (Mr. Stevens). He has managed somehow with his own limited horizons to convince his cabinet colleagues that this legislation is going to be in the best interests of this country. Foreign expenditure in this country is not going to be investment, it is going to be a buy-all. This is what we are going to see from foreign capital. It is the only thing we are going to see, and this Government will be responsible. Why does the Government not give incentives to encourage small business and Canadians to invest in their own country? It is not doing this. It is taking away the icentives which were there before.

With respect to the Small Businesses Loans Act, it has taken away what incentive there was—and there wasn't very much—for the banks to put small business loans funding into areas where the funding was needed. Since the Small Businesses Loans Act came into being, in my area with an official unemployment rate of 29.5 per cent, the chartered banks have not allocated $1 under the Small Businesses Loans Act. What is the purpose of this Act? It was had then, but now the Government is only guaranteeing 90 per cent of the bank's investment under this Act. It is requesting a 1 per cent initiation fee, as I would call it, to take on a loan under this Act and to get the security. The Government is completely ruining any incentive in this country.

The Federal Business Development Bank requires criteria which are more stringent than that of the chartered banks, if that is possible. That is exactly what it is doing. In areas of this country where investment is needed, and where the Government is saying the private sector is the area which has to redevelop the economy of this country, one cannot get a commercial mortgage because the financial institutions are not prepared to take the chance. Rather than helping Canadians to invest and to make an income in their own country, this Government has completely abandoned its responsibility. The Government is saying, in effect: "To heck with that; we can't be bothered. There is too much detail. They are only little people anyway and it's going to take too many of them to bail us out of the hole we are putting ourselves in, so let's throw open the doors to the multi-nationals and the big foreign companies and hope that they will invest in our country and bail us out."

The only thing that these companies are going to do, Mr. Speaker, is buy up our profitable companies which are short of capital—and there are a lot of good, solid companies which are short of capital. If the foreign companies wave enough dollars in front of these people, they are not going to continue to accept the insults of this Government, the requirements of this Government. They are going to take the easy way out. They are going to sell for the price which is being offered by these multi-nationals and foreign companies, and we are going to lose Canadian content and this country is going to be the worse for it. We will become merely an extension of the head offices of the foreign companies. Canadians are not going to have the advantage of having successful businesses in their own country.

What will be the result of this, Mr. Speaker? We are not going to have a Canadian content. If we hit a downturn, these branch plants are going to be the first to lay off workers. We are seeing that now. The foreign companies are consolidating, particularly in the energy field. The multi-national oil companies are getting rid of their diversifications. They are consolidating their operations and pruning in areas which require more attention than the money which is generated would warrant. This is happening in all sectors of the economy, world-wide. Who is suffering? It is the branch plants of these foreign companies, and a lot of them are closing. We are going to lose a lot of jobs as a result of that. The employment we want to achieve for the people is not going to be there. In the manufacturing sector we are losing jobs to the parent companies. We are encouraging these companies to be more productive and competitive and as a result they are mechanizing, increasing their technical capabilities and laying off people.

Where are the jobs we need coming from? They are not coming from Canadian investment, because Canadian investment is not going to be given the incentive it needs. They are not coming from the multinationals and foreign companies because they do not want to invest. They want to use their capital to buy what already exists. They will then reduce the number of jobs because what they buy will be a duplication of other operations they have.

● (1530)

This Bill is wrong. There is nothing wrong with foreign investment, as I have said, and nothing wrong with the Foreign Investment Review Act as it was. It encouraged foreign investment but looked after the rights of Canadians and Canadian companies.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I cannot say that it is really a pleasure to rise to speak on the matter of Investment Canada. It is a Bill which should not be before this House unless it were to strengthen the review process to ensure that investment in Canada benefits Canadians. What we have before us is an amendment which would correct an omission in the statement of purpose. The Bill states:

Recognizing that increased capital and technology would benefit Canada—

The resolution would rephrase that to state:

Recognizing that increased capital and technology under appropriate terms and conditions established by government would benefit Canada—

This seeks to correct an omission which could be a deliberate act. It could be the result of naivety, or the appropriate phraseology as suggested could have been omitted by oversight. I do not really believe that even this Government believes that increased capital and increased technology would of themselves benefit Canadians. To believe that would require us to ignore the experience of the Third World, South America and Africa, the expected beneficiaries of capital and technology from the western nations, particularly the U.S., but which have suffered to a tremendous extent as a result, and even now experience the effects of their attempts to establish at long last that foreign capital and foreign technology must benefit their countries and allow what it has in the past prevented, self-determination.

We could reduce the statement to the absurd or we could suggest that perhaps we are talking about the introduction of capital, as in Columbia, to grow marijuana and cocaine, or the introduction of weapons technology in peaceful nations, as has happened all over the world. We will not indulge in that exercise because I do not think even Conservatives would construe that as a benefit to this country,.

This could, however, be a deliberate act of omission because there are many within the Government Party who have rather strong allegiances to the international financial community, the multinationals, and could care less whether capital or technology introduced in Canada benefits Canadians so long as it benefits those who are already doing very well as a result of international investments which have only one end, that of pocketing huge profits to maintain a level of indulgence which benefits no one except those who are making huge profits.

I suppose there is some benefit from that approach because capital invested in Canada and reaping profits elsewhere will at least leave some small change for the rest of us. Fortunately, this is an attitude which is not perceived very happily by the Canadian people. They are not happy with this thrust to obsequious dependency on other nations in order to establish our future. They are not happy with the idea that we seek our economic future in investment and technology elsewhere when this has the effect of leaving too many Canadians unemployed, and provides no basis on which future economic developments and secondary industry will take place and thus create jobs. They do not want to see any future in which technology is allowed us only to the extent that it benefits people elsewhere.

If the omission is merely that of an oversight, then of course the amendment introduced is, I am sure, well received by those Members who noticed the accident. On that basis we might expect some support. But, really, we have a Bill which is for the sole purpose of producing some kind of a review process.

Surely it must be a trivial observation that if we are going to seek benefits from technology and capital, then we ought to define those benefits and assert the criteria which will be administered to ensure that those benefits will be forthcoming. For example, in Ontario over the last decade we have had numerous instances of plant closures. The fact of the matter is that 60 per cent of those plant closures have resulted from the closing of American subsidiaries. It seems to me that one of the conditions that Government would contemplate would be to ensure that subsidiaries are given sufficient market access in the export trade, that they have some research and development capacity, that some guarantee of the maintenance of jobs will be secured when examining investment in Canada on the part of American investors.

Having raised the issue of jobs, one thing is clear, as was determined by the Senate Committee in the U.S. and by the Harvard Business School. Most investment in Canada has produced far more jobs in the U.S. than it has produced in Canada. We cannot afford capital coming in and benefiting Canadians unless we assert that there are certain conditions which have to be met and which will benefit Canadians. Clearly this amendment should be supported by all sides of the House. It is helpful and will ensure that the intent indicated in the statement of purpose will be met.

In Windsor we have had the experience of American corporations where there could be no certainty, in the absence of Government demands for certainty, that Canadians would have jobs and continue to have jobs. I submitted in a previous speech an example of four companies there which, through closure, lost some 2,000 jobs in Windsor alone. That has to be looked after.

No other country would send its Prime Minister to New York to suggest that, "hey, fellows, we'd sure like to have you up there because really, after all, if you really think about us very seriously, we are so much like you that we are only the 51st state and on that basis we are very happy to have you determine where we will go on so many aspects of our society and economy and our politics." It is increasingly clear that the Americans, in their pursuit of armaments and defence spending, have established an economy which has distorted the economy of the entire world. Now they would fight back by demanding of others that they make concessions to this American aberration at the expense of those countries involved. That should be a lesson to us. The Americans have only one goal in mind, the American national interest. Canadians should have only one goal, Canadian national interest. Those national interests should not be established elsewhere. We should establish criteria to ensure that they are not.

Investment Canada Act

● (1540)

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to have the opportunity to participate in this debate. You will recall that when we discussed this Bill earlier in this session in the House of Commons Opposition Members objected quite strongly to the present state of the Investment Canada Bill which does away with many of the valuable protections that we had in the Foreign Investment Review Agency legislation.

I am sure you will know that we in our Party, and all Canadians, want investment. We all know that. No one is against having people come here to invest their money. That is not what we are discussing today. In our Party we want significant economic benefit for Canadians. That is the part of the equation which seems to entirely escape the Government. The Minister of Regional Industrial Expansion (Mr. Stevens) and other Members on the Government side should take some time to consider this legislation. They should consider the fact that we need protection to ensure that investments made protect Canadian businesses. I cannot help but wonder why the Government does not seem to be aware of the fact that, although investment is needed, it must be done in such a way as to protect the interests of all Canadian citizens.

I would like to give a few examples of things that are happening right now between Canada and the United States. We must wonder what we are getting in return from the United States for relaxing the FIRA legislation. One could say that we are going to get more investment. Perhaps we will, but perhaps not. The Government made its intentions known some months ago. I have not seen hoardes of new people coming into the country to invest. We know that 97 per cent of applications were approved by the previous agency known as the Foreign Investment Review Agency.

In the last few months some things have happened which are worrying members of the Liberal Party. For instance, we now have a U.S. imposed tariff on saltfish for the first time in the history of the country. That is very important for many people in the Maritime provinces. It has very great effects on them.

The Commerce Department of the United States has also imposed a tariff on Canadian hogs exported to the United States. I happen to represent an area that has many hog producers. We are told that this fee is only in place for an interim period. We are told that the funds will be put aside and if the decision is overturned the money will be returned. Perhaps that is so, but nevertheless it has had a devastating effect on hog prices in the country. Prior to this initiative by the United States Government hog prices were at 69 to 70 cents a pound. The price has now gone down to 57 or 58 cents a pound. At that price the farmers of my riding cannot subsist; they cannot make ends meet.

I cannot help but wonder if the Prime Minister (Mr. Mulroney) is not really telling Canadians that he wants Americans to have the bigger share of the economic pie because he does not trust Canadian entrepreneurs. Perhaps the Prime Minister has the same attitude toward Canadian entrepreneurs as he has toward Canadian workers. You will remember what the Prime Minister said as reported in an article in *Fortune* magazine of March 4, 1985. On the charge by political opponents that Mulroney "has put Canada up for sale" he said:

> Who wants to buy it? What is there so compellingly attractive about Canada that causes us to think that anybody is going to rush in simply because somebody says, "I'd like to do business with you."

Those are the words of the leader of the Government. He continued:

> We do not have a very good track record. Our products have not been of the highest quality. Our deliveries have been lacking in reliability. Our expertise has been in large measure borrowed. Our technology has been purchased. What the hell makes us so special? If somebody wants to buy some oil, somebody wants to buy some wheat, hell, we're in the business. That's what it's all about.

That is the attitude of the Prime Minister of Canada toward the workers of the country and presumably toward the small businessmen and enterpreneurs of Canada. With that kind of attitude it is small wonder that the Prime Minister of the country is willing to give away the store. He has displayed an attitude of contempt toward the people of Canada by making those statements. By making such statements the Prime Minister has told the people of Canada that it does not really matter whether we sell everything or, more particularly, give everything to the Americans because, according to him, what we have is not worth having anyway. He should be ashamed.

The Conservative backbenchers must have a talk with the Prime Minister about statements like that which he has made. I am sure that sometime, somewhere behind the curtains of the House, when they muster up this courage, which Tories are known to do sometimes, albeit not too often, they will tell the Prime Minister that they do not want him to speak like that about Canadian entrepreneurs and workers.

When the Prime Minister was elected he talked about a new era of optimism. He talked about tens upon tens of thousands of new jobs overnight, or as quickly as the Government could be sworn into office. Where are those jobs? Where is that new optimism that the Prime Minister professed he would have and would instil into everyone else in the country? The Prime Minister obviously gave us empty words last summer. We see that in this Bill. We saw that when he referred to the Canadian workers in *Fortune* magazine and we are also seeing it now through the issue of patronage. The words of the Prime Minister are not to be believed by the Canadian people. He made 338 promises. He promised the people of the country everything they wanted to hear and the people believed him. However, they are sorry now.

In a little more than a week from now the people of Ontario will be sending the Prime Minister a message via his provincial counterpart and close friend, the Ronald Reagan of the north, Frank Miller. They will be telling Frank Miller that they have had enough of Tories and that empty platitudinal promises are not to be believed by the people of Canada. Next week the people of Canada will tell the Prime Minister that they have had enough of the attitude and contempt he has displayed toward them by giving away the store in terms of foreign investment legislation, and the attitude he has displayed toward workers. They have had enough of the attitude he has

displayed in his so called solemn commitments to the Canadian people.

• (1550)

When discussing this Bill last fall, I recall that the Minister of Regional Industrial Expansion gave examples to Hon. Members of the kinds of activities that the Foreign Investment Review Agency was reviewing. He said that FIRA should not interfere with someone who attempts to set up a hotdog stand or small restaurant. At that time, I reminded the Minister that the largest restaurant chain in this country, and indeed in the world, is a chain of hamburger and hotdog restaurants. It is one of the most lucrative and profitable enterprises in the world. Our Party supports foreign investment but we want significant economic benefits for all Canadians.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I am pleased to participate in this debate. The purpose of the amendment put forward by my colleague is to allow the Government to maintain authority over the Canadian economy. The absence of such authority will be detrimental to our economy and not help the creation of jobs or the protection of existing employment.

This Bill is somewhat of a slight to Canadians because it is essentially suggesting that the Government does not have faith in Canadians to create the jobs and wealth that will improve our lot. The Government is suggesting that it is necessary to go beyond our borders in order to get that enthusiasm and willingness to expand.

This is similar to an attitude sometimes found in smaller communities where we tend to think it is necessary to bring in outsiders as consultants in order to build local roads or plan our cities. We sometimes believe that our local medical practitioners are not as good as those somewhere else. It is similar to the analogy that the grass is greener on the other side of the fence.

The purpose of our amendment is to show that the grass is greener on our side of the fence. We have the necessary human skills, intelligence and willingness to do those things which the Government would have us believe Investment Canada would do for us.

In fairness to the Government, its actions are consistent with the views of individual Conservative Members. During the committee last week, we had a discussion concerning the meaning of an entrepreneur. Very clearly, those members of the Conservative caucus who were present believed that an entrepreneur is someone who has dollars to invest. I believe that it is someone with a balance between having the financial wherewithal and the ability, energy and enthusiasm to create a worth-while endeavour. This means having the ability to combine one's knowledge with one's own capital or borrowed capital to develop an industry or business.

I am concerned that the defeat of this amendment will mean the loss of control over our economy as well as Parliament's ability to provide leadership. In some areas there is a real danger that we will not only lose control of the economy but jobs as well.

For example, a debate is taking place on both sides of our border with regard to the softwood lumber market. American legislators are trying to impose quotas on Canadian softwood going to their country because we have been able to compete successfully with their producers. If they fail in their attempt to block our wood going south, this Bill will provide an option to invest in places like Thunder Bay, British Columbia and Atlantic Canada to buy out the producers of softwood lumber, reduce their production or close them down while retaining the rights to the wood supplies. This will allow the parent companies in the United States to expand the market and create employment for Americans. This Bill could conceivably have such an effect on a pulp and paper industry which at times is very competitive with the Americans.

We have been accused of subsidizing our pulp and paper operations through grants and fees that are higher than those charged in the United States. This is another reason Americans may use the provisions of this Bill to acquire our assets and reduce operations at the cost of our communities and people. Many of these pulp and paper facilities are in one industry communities. I suggest that the direction this Bill would have us take is based on a blind belief in a system that no longer exists. While there is such a thing as private enterprise, corporate enterprise and public enterprise, the free enterprise system has not existed for many years.

I hope the amendments put forward by my colleague will be accepted so that the present mechanism may remain intact to at least allow Cabinet and the Government to review and set rules over and above those contained in the Act. If the Government does not accept this amendment, it is handing foreigners not only the keys to our cities, but the keys to our businesses, our jobs and our basic livelihood.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to once again participate in this debate on Investment Canada. Before Christmas, the Minister responsible for this legislation explained in quite bold terms that Canada is once again open for business and investment. Perhaps that is a key phrase that introduces a number of fallacies which this Government is trying to perpetuate from one coast to another.

The first fallacy is that somehow FIRA was anti-foreign investment and that the Liberal Party was anti-foreign investment. The second fallacy is that all of a sudden through Investment Canada the doors will be wide open for investment and that investment will flow in rapidly overnight creating the thousands upon thousands of jobs the Prime Minister (Mr. Mulroney) said would be created and would be required for Canada.

• (1600)

It should be pointed out in quite strong terms that those fallacies are just that. They are incorrect and unbased in fact. FIRA was not anti-foreign investment. It was a protective mechanism to deal with foreign investment. This Party as the

architect of that was pro-foreign investment as long as that foreign investment was pro-Canada. There is nothing wrong with that kind of attitude. There is nothing wrong with suggesting that when we look at foreign investment we need to look at it through the eyes of Canadians and Canada first, that we place our country before the interests of the board rooms of New York. We should be recognizing that that kind of attitude and philosophy is one that is suddenly in practice and in vogue with other countries throughout the international scene. When this Government begins to say we have to know how to compete with other countries, be competitive with other countries and be competitive in terms of our products and marketing them, then I think Investment Canada does not speak to that competitiveness. Investment Canada does not suggest that the Government knows the game and the rules to the game.

In addition to perpetrating a number of incorrect fallacies about foreign investment in Canada as it relates to FIRA and our Party, I think the Government has a block in terms of the Tory mind-set, Mr. Speaker. FIRA was a part of building this country. It was, is, or should be part of the building block toward building an independent, strong, and mature Canada. It was the same Party to which we can draw analogies to FIRA that blocked other initiatives that were worthy and contributed tremendously to the evolution and economic growth of Canada. It was the same Party that was against having our own independent flag. It was the same Party that was against having our own independent national anthem. It was the same Party that was against having our own constitution. FIRA was in the same category. FIRA was up there with the flag, with the anthem, and with the Constitution that suggested this country is old enough, mature enough, independent enough and has vision enough to suggest ways of building Canada on our own terms for our own people and for our own future. There is nothing wrong with having that kind of attitude. There is nothing wrong with trying to have a vision of that kind of future.

Unfortunately we see once again that the same opposition which handicapped this Government in the flag debate, in the anthem debate, and in the constitution debate is again handicapping the Government when it comes to economic growth.

Mr. Brisco: That is hogwash.

Mr. Marchi: The Tories have no sense of nation building. They have no sense of putting Canada first. They have no sense of being pro-Canadian.

Mr. Brisco: You brought on the national energy problems.

Mr. Taylor: Who sold out western Canada? It was the Liberals.

Mr. Marchi: The Tories are basically saying Canada is up for sale. Come in and get it. We cannot afford that. We could not have afforded that kind of opinion when we were discussing the flag, when we were discussing the anthem and discussing the Constitution and we cannot afford that sense of debate and priorities in this debate in 1985 with respect to Investment Canada.

It is that same mind-set and regressive unCanadian policy that we also see permeating the evolution of the Tories' immigration policy.

Mr. Brisco: Explain that.

Mr. Taylor: Explain that.

Mr. Marchi: It certainly ties in to the whole sense of the foreign investment debate right now. I hear Members saying "explain". If they would be patient and listen, that is exactly what I am going to do in the next four minutes that are allotted to me.

At the beginning of this month Members of the Conservative Party, of that Government, on the Labour, Employment and Immigration Committee suggested that increases in immigration for the next year and for several years should primarily consist of entrepreneurs. Essentially this means in ordinary English for Members across the aisle that only wealthy entrepreneurs need apply.

Mr. Brisco: Hogwash.

Mr. Marchi: That is the same philosophy we see permeating this Investment Canada Bill. The Tories' mind-set is blinding them because they cannot see, recognize or admit that thousands of average Canadians of different persuasion came to this country without the millions of dollars that the Tories are suggesting. These people made a life for themselves. They became success stories in Canadian terms. Thousands of average and poor immigrants came to this country and worked at jobs other Canadians did not want to do. All immigrants also brought with them trades and skills without the benefit of having the millions of dollars being suggested by this group of right-wing Tory members. All immigrants, regardless of economic status, and regardless of the fact they do not have the prerequisite of the chairman of the committee, who suggested that the ideal immigrant would be an individual who can start up his own business and have $500,000, or an immigrant who can come to this country and add to the economic growth, are first consumers, and second, they are willing to work. To suggest that economic growth cannot be contributed to by these people is a disgrace, first to the people who came here to work, and second, to other potential Canadians who wish to learn and live that same kind of life.

There is a tremendous resemblance between the philosophy which is dictating the immigration policy and the philosophy we see permeating this Investment Canada Bill, Mr. Speaker. It is a regressive philosophy. It is a philosophy that this Government will regret one day, because Canadians will suggest that we should be searching for foreign investment and we should be getting entrepreneurs to add to our economic growth, but we should not be doing it to the detriment of Canadians.

We should not be putting the United States first. We should learn that other countries are protecting their turfs. We should

deal with the realities of the international community and deal and respect those entrepreneurs here in Canada. They are Canadians who give of themselves. This Government is missing an opportunity to build on a nation. It is missing the opportunity to take that building stone and to work from it. The Tories should be learning that we need legislation to put guarantees in place that will see this country and its people put first.

It is not surprising they have not done that because the Tories have missed those opportunities in the past. They have missed them yet they are the same people who cheer our flag today, they are the same people who cheer our anthem today and they are the same people who cheered the Charter of Rights last week when it came into being. Where were they, Mr. Speaker, when the debate that was going to dictate the future course of those Canadian entities was in progress? That is the essential question. To bring it into real terms today, in 1985, where is the Government on Investment Canada *vis-a-vis* foreign investment? This Government is on the wrong side. Canadians recognize that and they will deal with it eventually.

Mr. Taylor: The people kicked you out and put us in.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for York East (Mr. Redway)—Pornography—Fraser Commission Report; the Hon. Member for Trinity (Miss Nicholson)—Trust companies (a) Western Capital Trust. (b) Minister's Statement; the Hon. Member for Vancouver East (Mrs. Mitchell)—Charter of Rights (a) Women's equality—Abella report. (b) Affirmative action.

• (1610)

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development, and Motions Nos. 1 and 2.

Investment Canada Act

Mr. Neil Young (Beaches): Mr. Speaker, I am pleased to have an opportunity to speak on Bill C-15 respecting Investment Canada, as the Government likes to call it. Investment Canada is the present Government's attempt to get away from the Foreign Investment Review Agency which was brought in by the previous Government.

There were many problems with FIRA but there were no problems with respect to the intention of the previous Government in terms of that legislative measure. In fact, in many cases the problems were probably as a result of the bureaucracy being involved in speeding up decisions. There is absolutely no question in my mind that FIRA did the job it was supposed to do. The previous Government was forced to take some action in terms of reviewing the foreign investment in this country when there was a minority Government. My Party pressured that Government to bring in a measure which at least filled a gap but with which we were not at all satisfied.

Investment Canada which is being proposed by the present Government will not do the job in terms of protecting Canadian jobs, Canadian industry and Canadian interests. This particular Bill, like the one of the previous Government, does nothing to strengthen the inherent weaknesses in the Canadian economy and in our industrial structures. It is safe to say that Canada is probably the only country in the western world which is presently going through a process of de-industrialization. Nearly every other western country is industrializing. Every sector of our economy, especially in the area of secondary manufacturing, is in a period of decline, whether it be rubber, electronics, electrical manufacturing or even the automobile industry which used to be the mainstay of our economy. Every one of them is in a period of decline.

One of the reasons for this is the large degree of uncontrolled foreign investment coming into Canada. If one wants to use an expression which was used in the early 1970s, it is the branch plant economy of the country. We were invited, by Liberal government policy, to open the doors willy-nilly to foreign investment without any real control on how that foreign investment would be applied in Canada. Surely as Canadians we have a responsibility, not only to ourselves but to future generations of Canadians, to tell foreign investors that we appreciate their investment in Canada and to encourage them not only in terms of providing jobs for people but in terms of developing this country as a first-class industrialized nation. We also have a responsibility to ensure that their investment is in the best interests of Canada and of Canadians, if we are to allow them to come into our country, to exploit our market-place and workforce in the sense of people working for wages and profits. It is not good enough to say that Canada is now open for business and that we want any kind of investment as long as it is investment. That would take us back to the Liberal policies of 1949 when that kind of encouragement first gave rise to the very serious structural problems with which Canada is faced today. As I said before, we are interested in investment, but it must be the kind of investment which is good for Canada and good for Canadians, and the kind of

investment which will be continued in Canada to develop us as an industrialized nation.

Several reports have been presented by well recognized groups. They are not necessarily groups with which I would agree, but they are certainly respected organizations. Recently they have released studies which clearly indicate that large foreign investment in Canada does not necessarily produce the kind of jobs about which this Government is talking. Much of the future investment being talked about at the present time will probably go into capital-intensive industries, such as exploration for oil, minerals, et cetera. That is capital-intensive investment, not necessarily labour-intensive. Just because huge chunks and dollops of capital investment come into Canada does not necessarily mean job creation. It could very well mean capital and profit creation, but not necessarily job creation.

If the Government were really serious about attacking the economic problems of our country, perhaps it should take a look at using some of the traditional approaches which we know work. For example, why does the Government not get into the housing market in a very serious way if it is interested in creating jobs? The figures are apparent and real to anyone who cares to look at them. For every one job created in building and constructing housing, another three to four jobs are created in spin-off industries. In most urban centres in the country there is a vacancy rate in adequate housing of less than 1 per cent. My office, like that of most other Hon. Members, in the last year or so has been inundated by people complaining that they do not have access to affordable housing. I am certainly not an old person, but when I was married and purchased a house it was a feasible thing to do. People still expect to be able to purchase their own homes. One cannot do that today unless one is in a high income bracket, or both partners are working, the husband and the wife. For most young couples getting married today the possibility of ever owning a home is minimal. There are more and more young married couples today who find that they have to move into their parents' homes in order to find accommodation because there is simply no available accommodation elsewhere. If the Government were serious about filling that obvious social need and creating jobs at the same time, perhaps it should get into the housing market in the way the private investor is not willing to do at the present time.

There is also another approach; that is, putting much more money into the pocket of taxpayers. Why does the Government not take a real look at correcting some of the injustices with which many senior citizens are faced simply because they do not have enough spending power? Why does the Government not take a look at putting more money into the hands of senior citizens so that they can live out the remainder of their lives in some dignity? At the same time this would put money back into the economy, and they would be making another contribution in addition to the one they have already made to Canada during their lifetime.

In the Investment Canada Bill the Government has hinted that it wants to increase investment in areas of technological change and technological development. I have not seen anywhere in the Bill, and I have not heard in the discussions by anyone on the government side, any reference to the effects of technological change on Canada's workforce. Very little is being done at the present time to train young people between the ages of 15 and 24 for skills which will be required for that big explosion, if it ever happens, in technological change or technological development. Young people, not only in my own riding but elsewhere, have written to me to indicate that they have gone through government programs to upgrade their skills for technological development only to find that they cannot obtain jobs because the Government has not placed any emphasis on creating employment opportunities in the fields for which it is training young people. That is very short-sighted, in my view.

I do not think we can say to young people in a very sexy way that we will open the doors to foreign investment in the country, that the doors are open to business, that all kinds of money will be attracted to the country and that jobs will be created. It is fooling no one. It sure is not fooling the people who are listening to this debate. It is certainly not fooling the young people of this country who are beginning to develop a very cynical attitude, not only toward Governments but politicians at every level when they start talking about job creation. They know what Governments and politicians are doing. They are putting up screens of public relations gestures, without any real meat in the proposals. If this Government had any sense at all, and the integrity it talks about, that is the kind of approach it would develop.

• (1620)

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, I am honoured to rise in this House today to speak on Bill C-15, Investment Canada, and the motions.

It is the commitment of this Government to adopt an approach of consultation rather than confrontation in our attempts to develop a shared view of our economic strategy and to adopt policies that will allow the private sector to sustain growth. Bill C-15 is one of the examples of this approach of consultation. Judging by the number of witnesses who appeared before the standing committee and the debate which resulted during clause-by-clause deliberations, Bill C-15 is noted to be an important Bill.

We can no longer take wealth creation for granted. Rather, we must vigorously pursue and encourage that which can provide us with wealth creation. I believe we are beginning to look realistically at our problems. Bill C-15 is one of the first steps toward a resolution of these problems.

After a decade of hostility toward foreign investment, Canada is now ready and willing to welcome foreign investment. Our Prime Minister (Mr. Mulroney) has stated that the Government of Canada is there to assist and not harass the private sector in creating the new wealth and new jobs that Canada needs. This new attitude is the beginning of instilling a confidence in all sectors of our country.

I do not want to take a lot of time because I am somewhat concerned, as are the people of Canada. We have had 16 or 17

speakers today in five hours of debate. They tend to be saying the same thing over and over. At second reading stage, we had 16.5 hours of speaking. In the standing committee, of which I am a member, we had over 40 hours of talking, debating and listening to important associations and witnesses.

I believe the people of this country concurred with the Conservative Government during the campaign with regard to changing things around and attracting foreign investment to this country. The people of this country have asked us to carry on and get on with making these kinds of changes. That is what we are all about. That is what we are attempting to do.

I wish to speak briefly on motion No. 1. It attempts to turn around the whole intention of the Bill. I want to mention first that it makes the review function the most important element in the legislation, giving the positive function of encouraging and stimulating investment a purely secondary or, one might almost say, inconsequential role. Second, it confines that small positive role solely to the encouragement of investment by Canadians.

That motion is entirely opposed to the spirit and philosophy of the Bill. In effect, it reintroduces the Foreign Investment Review Act that has been shown to discourage investment in this country. One needs only compare the purpose of the Foreign Investment Review Act with the purpose stated in Bill C-15 to see the difference in outlook. The Foreign Investment Review Act found foreign control a matter of national concern and saw to it that no investments could be made by non-Canadians unless they demonstrated significant benefit. The aim of the new Bill is to signal that this Government welcomes foreign investment because it recognizes that it is generally of benefit to Canada. For this reason it would encourage investment by non-Canadians as well as Canadians.

Since that is the main purpose of the Bill, it is described at the outset. It also provided for a review of significant investments by non-Canadians in order to ensure that the benefits are realized. Only by putting things in that perspective and that order can the preamble, as mentioned by a previous speaker, "recognizing that increased capital and technology would benefit Canada", have any meaning at all.

It is important to emphasize the difference between the philosophy of the Bill and that of the motion because the kind of thinking that wants to recreate FIRA, even making it a bit stronger, which is what they are attempting to do, is behind nearly every motion presented by the Opposition Parties. That kind of thinking made investors look on Canada as a very poor investment prospect.

From my experience in my riding, foreign investment has had a very positive impact on our community. I receive nothing but encouragement from my constituents. An American company is looking to settle in our community. They have brought to my attention that their most serious concern would be any sort of discouragement. They felt the FIRA Act had been just that. They were very concerned about it. They called me the other day to ask me to continue speaking in support of Investment Canada and this new Act.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, as one who looks at foreign investment from the perspective of acid rain, I want to bring to your attention an interesting number, namely, that there are 94 motions that were not accepted in committee and which have emerged here at report stage. Any seasoned parliamentarian, and I see many in the House today, knows that when a Bill generates that many motions at report stage there is a very profound difference of opinion. We have here a clash of views that evidently was not accommodated by the Government Party in committee. This is rather odd considering the fact that since the election, the Progressive Conservative Party has presented itself as the practitioner of consensus building, the practitioner of arriving at compromise resulting from consultations. If that is the way the Progressive Conservative Party manages the evolution of Bill C-15, then we are in serious trouble.

Evidently there is a profound difference of direction. It is embodied perhaps best of all in the difference of approaches. If you compare Clause 2 of the Bill with what is being proposed by our Party, you will notice that the purpose of the Act as proposed in the Bill is to encourage investment. It is as short as that. However, if you compare that with the alternative proposed by our speakers in committee and in the House today on the Official Opposition side, you will see the alternative approach which reads "to provide for the notification and review of proposed investments in Canada". There is a big difference between the Government approach to encourage versus the Liberal approach to provide for the notification. Why do we say that? Because to provide is to take an approach that implies careful analysis of the proposal itself.

• (1630)

In putting forward the amendment under Motion No. 1, our Party bases its thinking upon the experience it has had over the last decade. This experience has shown that a well managed foreign investment policy that takes into account the long-term benefit of Canadians is much better than one that simply encourages investment. We have seen to many plant closures in the past. We have seen too many losses in potential research and development opportunities because of foreign investment. We have seen losses in the movement of profits back to the investing countries. We have learned from these experiences.

What is so sad about the Government's approach, and I suppose this is also why we have put 94 motions differing from the Government's approach, is that the Government does not seem to want to take into account the lessons learned so far. It wants to begin from year zero as if nothing had happened to Canada, and as if we could not learn from past experience.

Mr. Lewis: Oh, oh!

Mr. Caccia: If the Hon. Member sitting behind the curtains has something substantial to say, why does he not resume his seat and have the courage to rise rather than making silly and indistinguishable noises that remind me of the caveman he usually is?

Mr. Lewis: Don't ever worry about me and courage.

Mr. Caccia: When we put stress on the importance of providing for notification of review, we do so because we have learned some good lessons from that in the past and we see that the necessity to review exists in the national interest. What is wrong with doing this in a more thoughtful manner, in a way that takes care of the long term rather than simply opening the doors?

The Bill as it is now proposed by the Government indicates that it will only provide for a review when dealing with significant investments. The definition of significant investment is unclear, but why should we leave open to review only significant investments? Surely there is a necessity in the Canadian interest for a thoughtful review, no matter the size of the investment.

When it comes to high technology, the technology of the future, investments from abroad are sometimes not significant. However, over a period of time these investments permit foreign industrial products to develop a base in Canada which would then permit the establishment of much larger foreign investment once the market has been exploited. This then permits the evolution of a real industry as a second step following what was not necessarily a significant investment.

In my recollection, this was the experience in the 1950s with electronics products. At that time we did see the first phase of investments by way of agencies that traded only in foreign-made products. These then became well established, and the industries then decided to take the next step of establishing industrial foreign investment at the expense of the opportunities for Canadians to secure those markets at home. We live in a very competitive world. Therefore, we must adopt the measures that are adopted by many other jurisdictions for screening investments, to find out whether or not they are in the interests of our own people and our own jobs.

When I see this Bill, I get extremely unhappy, to say the least. I recognize here a pattern which has already emerged with the dismantling of the National Energy Program. It makes me sick to think about what the so-called Progressive Conservative Government has done to the National Energy Program of which we were proud. We were looking forward to the results of the measures instituted in 1980-1981. They were a way of ensuring our destiny and of ensuring Canadian ownership over our own natural resources.

The Bill respecting investment in Canada also reminds me in a negative way of the evolution in Canada-U.S. relations since the Progressive Conservative Government took power. I make these statements in the presence of the Secretary of State for External Affairs (Mr. Clark) who is not very comfortable himself with the way things are going. Ottawa is being put in a position of imploring Washington to do the things that need to be done rather than being proud of asking that those things be done. We should be frank about asking our neighbour for the things for which we must fight, be they related to acid rain or trade interest. We have nothing to gain from creeping on our knees, imploring consideration from Washington. But that is what the Government has been doing for the last six months. I submit that that is the wrong approach.

The approach developed by Bill C-15 is the wrong approach. Dismantling the National Energy Program is the wrong approach. Future generations of Canadians will reject the tack that is being taken by the Government of Canada on this international front of great importance, because they will know that the rest of the world wants to invest in Canada. They will know, as do those of us who want to know, that Canada is one of the most desired places in which to invest in the entire world.

People are knocking at Canada's door to be admitted as immigrants. People are knocking at Canada's door to make investments because Canada is a rich and promising country. Therefore, everything is in our favour. We are in a strong bargaining position when it comes to directing and managing foreign investment. For the life of me, I cannot understand why we should take the route that gives up the store. That is not the route to take in the 1980s.

Canada is a sleeping giant. It has a financial potential which will always attract capital, today, tomorrow and 10 years from now. The sound approach, the approach that is in the interests of the Canadian public, would be to screen, as we have skilfully done over the years, and not to give up and let investment in without any conditions attached. That is not the way we should handle this very important policy.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I am pleased to have this oportunity to comment on the amendment that I understand to be before the House, an amemdment which would change the purpose of Bill C-15 from recognizing that increased capital and technology would benefit Canada to recognizing that increased capital and technology under the appropriate terms and conditions established by the Government would benefit Canada. We are talking about the element of discretion that we think is absolutely essential to maintaining any semblance of Canadian national integrity when it comes to the question of foreign investment.

• (1640)

I see that the Secretary of State for External Affairs (Mr. Clark) is here. I think that is appropriate because I believe he is one who was once reputed to be a red Tory. There is another reputed red Tory in the chamber, the Hon. Member for Waterloo, the Secretary of State (Mr. McLean). This must be a particularly difficult moment for them when they see a Bill making it to report stage in the House of Commons which could have as its title the title of a book once written by another famous Tory, George Grant. This Bill should be called "Lament for a Nation". We are talking about the end of the vision which many Tories, as well as New Democrats and Liberals, have held over the years for Canada, of an independent, economically sovereign country on the northern half of the northern hemisphere.

But what we have here are Hon. Members of the Conservative Party, under the present Prime Minister (Mr. Mulroney),

who have become absolutely raving continentalists, both with respect to economic policy and to bilateral relations with the United States. I believe it is a very sad day, not just for the country but for the Progressive Conservative Party, that this element within its tradition seems to have completely disappeared. There seems to be no one on the government side with any appreciation of that tradition who has any fight left in him at all. All those Hon. Members have been overawed, I suppose, by the mandate given the Prime Minister, and by the fascination with power. They have simply just shut up and become silent about whatever remnant there might be of that tradition.

I have to assume more and more that to speak of a "remnant" is perhaps exaggerating the case, because in all aspects of this government's policy we see no sign whatsoever with respect to Central America, disarmament, foreign investment or other questions as they pertain to the need for Canada to have an independent position in the world. We see no sign whatsoever of that element surviving on the government side. This kind of mindless statement which we find in the purpose of this Bill is unbelievable. It is unbelievable that we would make a statement that any capital, any technology, would benefit Canada, that we would want to be as a country that simple minded in our approach, or that we would not want to at least hint that we thought there was investment and technologies which might be harmful to Canada. This should come as a great surprise not just to Canadians who have thought about this at all, but to countries all over the world who know that in many instances capital investment and technologies from countries other than their own which have been introduced into their countries have been very harmful indeed. Yet in 1985, after all the evidence—not just Canadian evidence but the evidence of Third World countries and countries all around the world—indicating that we have to be discerning, make judgments and show discretion when it comes to what kind of technologies are employed where and for whose benefit, we haven't learned that we have to show that same kind of discernment, discretion and judgment when it comes to what kinds of investments we allow in our country.

We have the Progressive Conservative Party of Canada, in its incarnation as the federal Government, dragging us back to a time in which no mature country in the world would even conceive of being at this moment, that is, simply throwing the gates open in some sort of 19th century *laissez-faire* way to any kind of investment whatsoever. That is exactly the purpose of the Bill.

I would imagine that the Hon. Member for Bow River (Mr. Taylor), who on occasion has demonstrated some skepticism about the money lenders, the banks and some of the other financial institutions in our country and around the world, would be shocked that in this Bill we would have this kind of carte blanche statement which indicates that any kind of capital investment is to be regarded as a benefit, without condition. That is what is in the Bill as it is now. All we are saying is, for heaven's sake, let's at least indicate we have some critical faculties as a country.

The least the Progressive Conservative Government could do is indicate that it has some residual skepticism about the intentions of all foreign investors. Because if this Bill as it now reads was to be read by the international investment community, it would give the impression that we have a sign on our forehead which says, "Sucker". That's what it amounts to. The Bill is saying we now have a Government in Canada composed of 211 suckers. This Government is saying, We trust you, international investment community; we trust you banks; we know that you guys don't have anything but the national interest at heart so we are not even going to put in our Bill on foreign investment so much as an inkling that you guys have anything but our interests at heart. We are going to turn a blind eye to the fact that you operate according to profit strategies in that you are into the business of maximizing your profits. We don't believe all that stuff about you. That is just NDP rhetoric. We know that you guys are not really like that. We don't really have to put any kinds of conditions in our Bill having to do with foreign investment. That is the kind of simplistic, naive and innocent attitude that we are seeing in our Government.

But is it, Mr. Speaker, so simplistic, naive and innocent? I wonder. I would like to think, because there are a lot of fine human beings on the other side, that they are just sort of in the dark and have not grokked onto what's happening. I think that is true of most of those Hon. Members. But I also think that there are people calling the shots somewhere in this Government, and outside the Government, some very powerful people who want to see Canada returned to the colonial mentality which has so often characterized it over the years. If there ever was a sign of the return of the colonial mentality, it is in this particular Bill, which has all the potential to turn Canada into the late 20th century and early 21st century form of a banana republic.

We are talking about the future of our country and we are talking about Canada being now unwilling to do the very things which so many countries around the world now realize they have to do if they want to preserve their own national and economic integrity. That is, they must have some direct say and control over the kinds of investments which are made in their country.

But that is not where the Progressive Conservative Party is taking us. No, Sir. It is trying to recapture that golden age somewhere around 1955, I suppose, when we were part and parcel of the American economic empire. Everything was going smoothly. The Third World had not developed yet. There were no complications. The world was going along just fine. The Conservatives have got themselves convinced that all of the very deep economic problems which we are up against happened only because we had a Liberal Government for 16 years.

The Liberals caused a lot of problems, Mr. Speaker. We would all agree to that. But they did not cause everything. There are a lot of things which happened because of changes in the global economy and in the Canadian and North American economy that this Government is unwilling to face up to.

The Liberals were not willing to face up to it either, but they liked to pretend from time to time that they were. They knew that foreign investment was a problem so they created a Foreign Investment Review Agency and pretended to do something about it. They tried to have it both ways.

I will say one thing for the Conservatives, however, they do with enthusiasm what the Liberals used to do shamefully. When it came down to the crunch, the Liberals always did what the Americans wanted them to do but they used to have the decency to be ashamed of it, or to give some other reason. Not the Conservatives, though. They are honest in their stupidity. If the Americans don't want them to do it, they don't come up with another reason; they say, no, we are not doing it because the Americans don't want us to do it. You have to hand it to the Conservatives on that score. That's the kind of honesty one admires, I suppose, of persons who are not really in control of the world in which they live, and don't want to be in control. But that is what we are getting from the Government. That is what this Bill is a sign of. That is regrettable in the extreme.

● (1650)

[*Translation*]

Mr. André Harvey (Chicoutimi): Mr. Speaker, I cannot miss such a good opportunity to express my views about a Bill which reflects the basic ideological difference between the Party in power and the Official Opposition. Of course, Bill C-15 reflects the fact that our country must become increasingly open to the rest of the world. In the last few hours, the Official Opposition has found the answer to all the problems facing this country, especially job creation and investment. Members opposite have even mentioned economic sovereignty, saying that it should be preserved. Yet, Mr. Speaker, we have to ask ourselves what this economic sovereignty has cost our country in the last 12 years. The economic sovereignty mentioned by our Liberal colleagues has cost us nearly $200 billion in about ten years. Just ask the unemployed what it has cost, Mr. Speaker, between 1.5 and 2 million jobless. It is therefore important that our Government stick to its guns as far as this Bill and many other initiatives are concerned. What is involved here, Mr. Speaker, is part of the national rebuilding process initiated by our Government. Naturally, the Opposition parties are now powerless because they have been overtaken by the new national political reality which reflects our efforts to promote national reconciliation, as well as international reconciliation with our economic partners.

Indeed, Mr. Speaker, there have never been so many major agreements signed in this country as in the last few months. You just have to think of the oil agreement and of the national energy policy review. There has also been for the Quebec Government and Quebecers the general agreement of $1.6 billion which will be signed within a few days and is designed to deal with major problems in the areas of tourism, small business and forestry.

Faced with Bill C-15, which will show the whole world that Canada is now open to foreign investment, without any needless or artificial constraints, it is obviously easy for the Official Opposition to harp on about "jobs, jobs, jobs". Mr. Speaker, I remember that for four weeks, starting November 9, we were accused of victimizing the students, but nevertheless, our Government persisted and came out with the most progressive summer employment program ever, namely Challenge '85.

On that issue, the Liberal Opposition has been dismantled. For helping the aged, for the spouse allowance, $350 million. Although no government ever made such a significant effort, the Official Opposition never stops saying the Government is not doing enough. In spite of all that, I think it is important that this Government should proceed with Bill C-15 now before us and indicate to all Canadians that it knows where it is going in many sectors of Canadian activities, including foreign investment.

Mr. Speaker, our record concerning foreign investment is impressive. According to reports from experts, Canada ranks 24th on a list of 24 nations. There is room for improvement as far as attractiveness is concerned, that is our country's attractiveness to foreign investment.

Witnesses have appeared before the Committee, which sat many hours. The Opposition is demanding immediate jobs, but witnesses themselves have told the Committee that it is not possible to repair in three, four, five or six months the damage done by the Liberal administration. It cannot be repaired in less than two or three years. Two million unemployed cannot find jobs overnight. An international reputation is not rehabilitated overnight, Mr. Speaker. It is a slow, assiduous, perseverant process, and this legislation goes to show that our Government will give back confidence to Canadians and foreigners.

In an effort to ridicule every effort made by the Prime Minister, both on the international and national scenes, with all the goodwill we all are aware of, my colleague a few minutes ago asked the following question: "Who wants to buy Canada?"

Mr. Speaker, may I submit that at this moment, in the situation it was left in by the Liberals, nobody wants to buy Canada.

It is therefore important that the national reconstruction go on, despite the endless hours of debate on legislation. Currently, the Liberals are developing new roles. A few hours ago, the Leader of the Official Opposition (Mr. Turner) became the environment guru. He was ready to allocate all the funds needed to the environment. But he is the very man who fathered the series of federal deficits which started some ten years ago. He fathered the first $500 million federal deficit. He also fathered the second $1.5 billion federal deficit, and today's $36 billion deficit.

Mr. Speaker, national reconstruction calls for realism, and this Government will go on proving it. It must also be pointed

out that this nation needs both local and foreign investors. Do they know how much money debt servicing is costing? How much money the upcoming budget will have to provide for interest to repay for the Liberal damage? Seventy million dollars a day.

It is therefore obvious, Mr. Speaker, that we cannot accept amendments that would take us back to the former federal legislation on the screening of foreign investments. This Government wants to move forward, because over these past seven months we have shown that we were willing and able to sign significant agreements with provincial Governments. And this is obvious, Mr. Speaker . . . How could we fail to stress all the importance we see in our American friends in all our negotiations?

Perhaps some Hon. Members would prefer to have us negotiate with nations of the Warsaw Pact. Unfortunately, such is not our direction. Clearly this Government wants to move forward with this legislation which certainly is an important new departure on the international level bound to increasingly improve the management of this country's public affairs.

Mr. Deputy Speaker: Order, please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

Mr. Speaker: Is there unanimous consent for the House to proceed to Item No. 21?

Some Hon. Members: Agreed.

* * *

IMMIGRATION ACT, 1976

MEASURE TO AMEND

Mr. Dan Heap (Spadina) moved that Bill C-232, an Act to amend the Immigration Act, 1976 (determination of refugee status), be read the second time and referred to the Standing Committee on Labour, Employment and Immigration.

He said: Mr. Speaker, I am very glad to have the opportunity to speak again on this subject. This subject has troubled many people and the Government of the country for some years. I hope we are closer now to resolving it than we seemed to be before. This matter concerns how we treat people who are in Canada, having claimed that they are refugees from persecution in another country and should therefore be allowed to remain in Canada as refugees, and in most cases to be landed.

There is procedure in the Immigration Act which has turned out to be disastrously unworkable. That was pointed out several years ago. When I came to this place in 1981 it was pointed out, on the basis of experience, that it was not working right. In 1984 I spoke on a private Members' Bill with the same substance as this Bill. It was talked out at that time by Liberal Government members. Perhaps this Bill will be talked out today by Conservative Government members. I regret that year by year the problem grows worse. The commission does nothing about it and Governments, one after another, do nothing about it.

In this case the crisis has increased because on April 4 of this year the Supreme Court ordered that all these people are entitled to a hearing of their cases. The significance of that is that all but a very few of them were previously denied a hearing. Those 6,000 or 7,000 people whose cases had been decided have not had the opportunity to be heard directly by the decision makers. The other 13,000 people and their families who are waiting also do not have that opportunity. That has resulted in extreme unfairness in our procedure, as the Supreme Court has now acknowledged. This was pointed out many years ago by those dealing with refugee problems. Governments have been urged to rectify that. At least three years ago representatives of the Department of Immigration said it would cost too much money. At that time there may have been a backlog of 2,000 or 3,000 people. There is now a backlog of 20,000 people. We did not save money by putting this off and hiding our heads in the sand.

Last May a case was brought to the Supreme Court on which it made a decision after 11 months of deliberation. The commission could have guessed there was a possibility that the Supreme Court would decide in favour of the refugee claimants and order hearings. However, it appears that the commission is caught completely unprepared and has no advice for the Minister as to how this matter will be dealt with. It should be dealt with urgently, not only to save money for the Government, but more importantly, on basic principle. Some of these people have waited as long as eight years for decisions in their cases. If 20,000 cases are to be heard under the present procedures, many of them will have to wait years more.

It is not really necessary to carry on in this thick-headed fashion. It is possible, not only to save money and time, but to save human anguish by instituting these hearings. It is possible that we will not need to have nearly as many as 20,000 hearings in order to comply with the Supreme Court's decision. The senior staff of the commission has handled this in such a manner as to make the problem far more difficult than it need be. They have insisted, year after year, that oral hearings, such as have now been ordered by the court, were impossible because they would cost too much money.

Yet, after strong public pressure, a pilot project was begun two years ago. This pilot project has now handled approximately 3,000 cases. It has been found that, instead of two or three years, it takes an average of two or three months to

resolve a case. In other words, the argument that we did not have enough money in Canada to have oral hearings was proven wrong through the experiment. Those few who were allowed to go through this pilot project moved through about seven or eight times more quickly than the average. The executive director of the Department of Immigration knows that, yet they continue to stonewall any efforts to establish the right of a hearing as a right in principle. The result has been a great deal of unnecessary hardship to claimants.

For example, there have been people claiming refugee status who should not have been. They were not trying to deceive us, but belonged in another program. These people should have been brought in on humanitarian grounds, which is provided for in our legislation, or under special programs, which again are provided for in our legislation. A number of groups who could have been brought in under those programs were instead shut out by officials who interpretated their cases negatively without due grounds, leaving them with no rescourse but to seek refugee status since their hardship case was a real one and in many cases was closely related to a refugee claim, as the special program concept shows. Instead of being dealt with immediately, to their benefit, and to save money and staff time, they have been added to the backlog of which is now 20,000. This is bad for every genuine refugee claimant, the staff, and taxpayers.

I would like to give an example that was brought to our attention by a witness before the committee last week. It was pointed out by the witness that our procedures are inefficient as well as inhumane. According to the transcript, a woman from Chile said she had been raped about four times by the military before she left the country. That woman broke down throught out her entire hearing, and the lawyer also said she broke down because it was so hard for her. None of that came out in the transcript. All that one could see written in the transcript was "recess". In other words, the denial of that woman being able to speak directly to those who made the decision made it impossible for people making the decision to properly evaluate her case.

• (1710)

Another case involves a family that has been here for eight years. It is an extreme case, but it happened. They have been here eight years waiting to find out if they will be accepted as refugees. That case could be determined much more quickly if the commission did not put up roadblocks.

There is a further example to which I wish to refer in the testimony before the committee. It is a case of a mother from Uruguay. As the witness said, that country had a reputation for human rights abuses until there were some changes in the Government recently. Her daughter and her son are Canadian citizens. They sponsored her to Canada but she was refused because the youngest child was mentally retarded.

The father of that family of seven children was in gaol for five years, and two of the children had been in gaol, one for six years and another 13-year old for three years. Of her other five children, two or more had been in detention for periods of time. Those submissions were put to the immigration commission, explaining what this woman had been through. She has two children here who are prepared to assist her in settling in Canada. She needs to get out of Uruguay, but was refused admission on the basis of humanitarian grounds. The case went to the Immigration Appeal Board. The Immigration Appeal Board asked why she did not make a refugee claim. She made a refugee claim and was accepted as a refugee but that was three years later. That woman is a basket case from the tension that she has had to undergo in waiting for that decision. Had she been allowed admission on humanitarian or compassionate grounds in the first instance, she would not have been waiting with uncertain status, not knowing if she was going to be sent back to Uruguay where she had already been through hell.

I have heard it claimed by a number of others, not only by lawyers but by church people who have been dealing with refugee matters, that there has recently been a change in interpretation of humanitarian and compassionate guidelines by the commission. An experienced Immigration lawyer states:

> So now we find persons who should come under special programs are not considered under special programs and they are put into the refugee stream because they feel they have no other option. Persons where there is humanitarian and compassionate grounds, because they also have refugee grounds they end up in the refugee stream because they do not want to return to their country of origin for fear of persecution. That is one way of increasing the statistics of the number of claimants. And I think it is being done deliberately by the commission in order to keep their statistics up.

There are ways to deal with this backlog. Whatever will be the legislative result of the intention of the Supreme Court decision, we can deal with the backlog immediately, as several people have noticed. While the legislation is being considered for amendment, perhaps there are administrative decisions that could be taken to ease the backlog considerably. While it would not be eliminated, it would be reduced to a much more manageable proportion.

For example, on the basis of transcripts, there are people who have very strong and credible claims to have been persecuted back home. They not only have reason to fear persecution but in fact have experienced that persecution. Those people could be landed now, without a hearing, without further delay.

Second, there are those such as the mother from Uruguay I have mentioned, who have strong humanitarian claims under our legislation, strong grounds on a humanitarian basis for being admitted and landed in Canada. Those could be taken out of the 20,000 landed who are in the backlog.

There are young children, some preschool children who under our law—which Charles Dickens described as an ass, speaking of the law generally—are required to go independently to a refugee examination to be examined under oath. That child is then dealt with separately from the parents. They are not allowed to have their cases handled together as a group. Those children could be taken out of the stream and dealt with separately once their parents' cases have been dealt with.

There are also those who are from war zones. For those, there should be special programs of the sort we have already

had for people from Poland and El Salvador. Those should be taken out of the refugee stream and landed under whatever conditions are appropriate in that special program. At least they should be protected from being sent back to the war zone while it is a war zone.

There are others who could be classified under special programs and they all should be landed. For example, when the Iranians arrived at the Toronto Airport it eventually became obvious, after their hunger strike protest, that they would not be returned to Iran because it has already been our policy for several years not forceably to remove people to Iran. In that case, why were they being kept in detention for months on end at the detention centre near the Pearson International Airport? We knew that they would not be moved to Iran and there was nowhere else to move them. In fact, most of them have been given refugee status. If they had not made their point with a hunger strike, they might still be sitting in detention at the Pearson Airport.

There are those who should qualify as long-term residents simply because they have been here. They are like other people who are not in the refugee stream and have the same qualifications as those who have been found acceptable under our present laws. They have been living satisfactory lives in Canada, paying their way and breaking no laws, other than the immigration law they broke at the beginning. They have been paying their taxes and contributing as useful members of Canada. Many of these people have been landed.

Many of the people in this 20,000 refugee backlog would fit that classification and should be landed now. If that were done, and if we could land those who could be landed under our other programs, it would greatly reduce the 20,000 people whose cases the Supreme Court has directed shall be heard. A decision like that would not be in conflict with the Supreme Court decision because the Supreme Court declares that they have the right to be heard. If they are asking to be landed and they are landed, they will not quibble about the right to delay that landing in order to be heard.

Therefore I would ask that the substance of this Bill I have proposed be referred to the Standing Committee on Labour, Manpower and Immigration. I ask that the Committee be urged to act quickly, in consultation with the Minister, for the reduction of this backlog of 20,000 potential oral hearings, and for the fashioning of improved legislation so that a backlog like this will never build up again.

[*Translation*]

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, I welcome this opportunity to take part in the debate on Bill C-232, and I am sure this will come as no surprise to the Hon. Member sponsoring the Bill.

Mr. Speaker, the Hon. Member for Spadina (Mr. Heap) made a very interesting and thought-provoking speech in which he described some of the problems that immigration authorities must face daily when deciding whether or not to grant refugee status. Later on in my speech, I will try to put these problems into context for the benefit of the Bill's sponsor and the other Members of this House.

First of all, the problems described by the Hon. Member are certainly not new, either to the Minister or her staff. A comprehensive study of the subject will soon be released when Rabbi Gunther Plaut submits his report on the subject to the Minister in a few weeks. Our policy is in fact under permanent review, and it is no coincidence that this review process has led to a program for refugees that is very highly esteemed at the international level. However, there is no easy solution—

• (1720)

[*English*]

Miss Nicholson (Trinity): Mr. Speaker, I rise on a point of order. It has been traditional that replies are given by the Parliamentary Secretary.

Mr. Lewis: Mr. Speaker, I rise on the same point of order. I think it is fair to say that this is Private Members' Hour and every Member in whatever his or her capacity is entitled to address the debate, and that is what is happening.

Miss Nicholson (Trinity): Thank you, Mr. Speaker. It was my misunderstanding.

[*Translation*]

Mr. Deputy Speaker: Very well. The Hon. Member for La Prairie (Mr. Jourdenais).

Mr. Jourdenais: As I was saying: ... with regard to a refugee program that is very highly esteemed at the international level. However, there is no quick and easy answer to what in recent years has become a very complex immigration problem.

I am sure that all parties concerned ... Opposition Members want a realistic and humanitarian policy that will help those who are really in need. This means that we must implement a program that makes a distinction between individuals who are likely to abuse the system and those who really need a fair system for the recognition of refugee status.

It is a fact that we are experiencing a number of problems with our system for the recognition of refugees status, even if it is much admired by representatives from the United Nations and other countries. The fact that it has become increasingly difficult to distinguish quickly between bona fide refugees and individuals who are only trying to take advantage of the system for personal reasons has become a very big and complex problem. We must find answers that are not too simplistic, that will not aggravate the present situation and will not make the difficult task of helping bona fide refugees even more difficult.

The Convention of Geneva on the Status of Refugees defines a refugee as a person who, owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing

to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it.

Since Canada is not geographically located near a country from which we can expect to receive a large number of refugees, the experts, and I am referring to members of the Joint Committee of the House of Commons and the Senate and members of Cabinet, have decided that our main role in refugee programs would consist in admitting individuals who have already been accepted as refugees in other countries. Thus, Canada is playing a fundamental part in helping first-entry countries to be more generous to people leaving their country for valid reasons. While we were expecting only a small number of people to come to Canada when we implemented our determination of refugee status system, this belief has proved to be unfounded.

Under the system provided in the Immigration Act of 1976, any person liable to be expelled from Canada can claim refugee status. This provision does not cover only those who wish to enter Canada but also those who have been residing in this country for some time as visitors or immigrants. The 1976 amendments also provided that the Refugee Status Advisory Committee would be created and make recommendations to the Minister about the validity of these applications. Under these amendments, the Minister decides whether the claims are valid, and those he turns down can then be referred to the Immigration Appeal Board.

It is at the second stage of review that the Supreme Court has ruled that a hearing is compulsory. This has allowed the claimants legal access to a standard consistent with the rights guaranteed under the Charter of Rights. However, this is not the last step in the process. Those who claim refugee status can dispute before the courts the legality of the process by which their claim was examined. They have a right to appeal under the provisions of Section 28 of the Federal Court Act, and the rulings of this court can be appealed to the Supreme Court of Canada. In the meantime, before their status is definitely established, the claimants may remain in Canada. Canada does not expel or deport those who are waiting for a ruling on their refugee status.

What has happened in fact is that the majority of claims have not been found valid by the Minister. It would be impossible to determine whether the new system allowing each claimant to be heard will produce substantially different results, even though an international survey reveals that the results of the former system were not excessive. However, it has been impossible at the administrative level to process claims rapidly, even in cases which are obviously not legitimate. The defence groups which maintain that the review process is not fair enough have encouraged the claimants to exhaust all possible legal channels. The already long delays in processing refugee claims have therefore become even longer.

As the delays have become longer, systematic attempts have been made to abuse the determination of refugee status system. Temporary Canadian residents quickly learned that in order to remain and work in Canada, they only had to claim refugee status. It was obvious that even the weaker claims would require nearly as much time as the most complex ones. The two or three countries responsible for the greatest number of refugee status claims in Canada are in fact parliamentary democracies where the rule of law prevails and where persecution under the terms of the Convention is nearly unknown. Nearly all claims were unjustified, but they caused a complete breakdown of the review system. The waiting periods grew longer, especially since certain people understood how to exploit the system by applying for refugee status, thus avoiding being quickly expelled from Canada.

Other countries have also found themselves with an increasing number of people claiming refugee status while their country of origin was going through an economic crisis. In fact, these people wanted to leave their country of residence for purely economic reasons. Host countries, such as Germany, Sweden and Switzerland, reacted by tightening the requirements for being granted refugee status, while Canada was relaxing its own criteria.

• (1730)

The substantial increase in the number of people who, in the last two years, have come to Canada by requesting refugee status has put a much heavier burden on those who must rule on the legitimacy of these claims, but those who suffer the most because of this are the genuine refugees. They must often wait a long time before knowing what will happen to them, and the immigration services have no control procedure because they cannot expel from Canada those whose request has been turned down. Bona fide claimants can no longer be granted refugee status quickly.

The Advisory Committee on the Refugee Status has a huge backlog. For example, during the 18-month period from October 1983 to this day, the number of applications and appeals has gone from 9,100 to 13,500, which does not include another 600 cases always on hold for want of staff to undertake the first inquiry. The acceptance rate has dropped from 38 percent in 1981 to 33 percent recently. In addition, an increasing number of people are systematically swindling.

The Advisory Committee on Refugee Status has tried to make the system as fair and flexible as possible. The output of the Committee has been increased through the appointment of new private members and an increased administrative support. A program of personal interviews was launched in June 1983 to identify as soon as possible the true refugees. In spite of those changes, there are 3,500 cases on hold. The settlement of some matters has been sped up, but the delays continue to pile up.

The Immigration Appeal Board has known similar problems. Only the obviously deserving cases are formally heard before the Board. A year in average elapses before that hearing. In the Federal Court, the average delay for a hearing is six months at present.

Since it takes sometimes three to four years to settle certain matters, an important immigration movement has developed which the government cannot manage or control. Therefore, we must conclude that the bill does not go far enough. The Hon. Member for Spadina (Mr. Heap) suggests that hearings be held before the Advisory Committee on Refugee Status. By doing so, there would be one more step in the process for the determination of the refugee status which already provides for a hearing. What is the purpose of this proposal? Is the present system unfair? No. Are refugees sent back home? No. The problem, Mr. Speaker, is due to increased delays and the bill of my hon. friend will in no way settle it. Therefore, I object to his proposal.

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I rise today to support Bill C-232 concerning the determination of refugee status.

As the Hon. Member for Spadina (Mr. Heap) pointed out, the refugee status determination process should have been reviewed long ago. Unfortunately, changes do not come easily because of the complexity of the administrative structure involved. Still, the Liberal Government had sponsored a pilot project in 1983 with a view to experimenting with a new procedure to determine refugee status. Applicants were interviewed personally by a member of the Refugee Status Advisory Committee. Instead of waiting for 18 months for a decision, it often took only two months.

In my opinion, it is an excellent idea to force the Advisory Committee to hear in person the applicants for refugee status. Committee members would then be able to pass judgment more rapidly and more efficiently, and that would cut down the painful waiting period which is the lot of too many applicants. Notwithstanding what some Progessive Conservative Members may think, that would not necessarily increase the costs to be paid by Canadian taxpayers for future refugees. Efficiency does save money.

Indeed, Canadian taxpayers do not save any money when people are kept waiting for one or two years, and even four years in some cases. Refugee status applicants have a hard time earning a living and they are worried. Some of them actually become a burden to their family and friends.

Mr. Speaker, Bill C-232 opens up a new vista in light of the decision of the Supreme Court to force the Immigration Appeal Board to hold personal hearings for applicants who challenge the first ruling. Is there anything more logical than hearing the personal representations of people who are concerned about their survival? The way things are now, the Committee makes a decision after considering the transcript of interviews between immigration officials and the applicant as he or she enters Canada. The parliamentary committee has heard much evidence to the effect that applicants cannot adequately express their fears and anxieties. I think that giving refugee status applicants an opportunity to present their case personally is a more compassionate way to deal with future refugees. But as I said, Mr. Speaker, humanitarian considerations aside, I also want to lay emphasis on the huge savings which would result from a more equitable, more effective and more humane refugee status determination process.

First of all, the costs resulting from the slowness of the bureaucratic process would be eliminated. When a case takes two or three years to move from the Refugee Status Advisory Committee to the Immigration Appeal Board, to the Federal Court, and finally to the Supreme Court, a lot of energy and hence money is wasted.

Secondly, I should like to emphasize a most interesting aspect of the 1983 pilot project. In committee, many witnesses have stated that those who are not really refugees do not like to appear personally before committee members, and that, on the contrary, the persons who are real refugees are anxious to be heard by them.

Considering that about one third of the people seeking refugee status are real refugees and that the others are caught in the process for lack of another way to come to Canada, Mr. Speaker, you will agree that such a hearing would contribute to a more equitable process for the determination of the refugee status.

There are now people who have no right to come to Canada under the Immigration Act and who are using the loopholes of the Act to do so. There is an easy scheme for those who do not fit in any of the immigrant classes. They come to a Canadian port of entry and claim refugee status as defined by the United Nations Convention. If the determination process was fair and quick, the persons wrongly seeking refugee status could be expelled in a matter of weeks. Whoever is not truly a refugee would not spend money to come to Canada and risk being deported two months later. That is a matter of common sense, is it not?

Mr. Speaker, the people who are not really refugees know that it can take as much as five years for their case to move from the first level of decision making to the last. They find it worthwhile to borrow money and take the complicated steps required in order to find a haven for five years.

Those are facts which are common knowledge abroad among the people living in communities with a large number of potential emigrants. They are also common knowledge in Canada among the ethnic groups where people want to help a distant relative or friend to come to Canada. This works against real refugees who need immediate assistance and whose lives may be in danger in their countries of origin, and it works also against Canadian taxpayers.

It would be easy indeed to blame the current problems on the Liberal Party. But it is not so simple. I mentioned earlier a pilot project introduced by the Liberal government in 1983. The responsibilities of those in power cannot be underestimated or excused on another political group. Any government can always act to solve the problems Canadians have to face.

It can be said that the Conservative government has acted quickly to change a number of administrative practices in the area of immigration. Last fall, the Minister ordered immigration officers not to provide prospective immigrants, including refugees, with any legal aid during the hearings they have with

them. As I indicated earlier, the Advisory Committee on refugee status decides whether the applicant will be admitted or not on the basis of these interviews. Now, these interviews are very intimidating for those people who do not know our laws or customs and who know that a wrong answer can send them right back to their country to live in difficult conditions.

• (1740)

Another example of the will of the Conservative Party to change our immigration policy is the over emphasis put on the entrepreneurs' program. Conservative members of the Parliamentary Committee are more concerned with the need to give a first-rate treatment to investors immigrants than with the need to deal with social problems resulting from the present situation.

Whereas Conservative members of the Committee want to increase the number of immigrants from 85,000 this year to 200,000 in 1986, they are not as willing to grant them the minimum services for an adequate integration.

We know that the lack of services which I would call essential, is sometimes rather serious. The Conservative Party thinks it will save money by cutting into services to immigrants whereas the social effects resulting from this lack of services are more costly than those services themselves.

The refusal to provide a language training course to all those who need it will eventually lead to immigrants being combined in ghettos and in low-paid and tedious jobs. If, later on, immigrants have to apply for unemploymnt or welfare benefits, that will foster racism. People will say that they are taking advantage of the work of Canadians.

Now, Mr. Speaker, many people who have to work with immigrants will tell you that those people are eager to work, to earn their living and support their families and to contribute to the economic development of Canada. However, in order for them to do so, they must have available to them the tools that will enable them to get integrated in a normal way into the Canadian society. They must have available to them services paid for by Canadians who will get largely repaid for them. This is what is important to understand when speaking of services provided to immigrants.

Bill C-232 giving claimants to refugee status the right to be heard in person by the Refugee Status Advisory Committee is a step toward a process of determination of the refugee status more equitable for everybody; perhaps in this way we will see an end to the many and unspeakable abuses of which the prospective refugees are the victims.

Those abuses are terrible, Mr. Speaker, and are not a great credit to Canada. Some journalists from *The Globe and Mail* asked a few prospective immigrants to go to some consultants or lawyers specialized in immigration matters. Those prospective immigrants had fictitious backgrounds totally unacceptable under the Immigration Act. Yet those people were told by almost every consultant and lawyer consulted that they could get admitted for a fee of $500 in one case, $1,500 in another case and $4,000 in a third case. It would therefore be necessary to regulate the immigration consultants since those consultants deal with those who are totally unaware of the Canadian laws and standards. As for lawyers specialized in immigration matters, the Bar takes upon itself to penalize them. It remains however that few immigrants will have the courage to question the fees or the quality of services offered by the lawyers because this requires knowledge in the field.

In conclusion, Mr. Speaker, I believe Bill C-232 is a step in the right direction. I am sure that a more equitable process of determination of the refugee status will allow savings for Canadian taxpayers, and will be more humanitarian for prospective immigrants.

This will be a more efficient way for us to fulfill our international duty of welcoming refugees. Finally, since the Supreme Court recently ruled in a similar way regarding the Immigration Appeal Board, the process of determination of the refugee status will also be more logical.

[*English*]

Mr. John Oostrom (Willowdale): Mr. Speaker, it is indeed an honour to participate in the debate on Bill C-232 on the subject of refugees, introduced by the Hon. Member for Spadina (Mr. Heap).

The Hon. Member for Spadina called this Government thick-headed and accused it of stonewalling on various issues. I would rather commend it and say that Canada's efforts in formulating and administering the refugee policy is one I believe we can look at with pride. After all, Canada has accommodated more refugees per capita than virtually any other country in the world. We have only to remind the House of the 50,000 Vietnamese refugees we took in. In addition to those from Vietnam, people came from Iran, South America and many other countries, especially eastern Europe.

Canadians have shown the capacity to care, that often neglected quality of reaching out to those who are suffering persecution for reasons of race, religion or politics, of giving comfort to the homeless and the stateless. We have also shown a concern to ensure that our institutions and our administrative practices reflect those humanitarian ideals that we have set for ourselves.

What we are concerned with here today is the maintenance of a realistic balance. The hard truth is that we must weigh our humanitarian instincts and goals against the obligation that every sovereign state has of maintaining the integrity of its borders. In other words, our international commitment to refugees must be fulfilled in tandem with immigration control factors and the protection of the interests of Canada.

Unlike other countries, Canada has not until recently faced the phenomenon of large numbers of people claiming refugee status suddenly appearing at our doorsteps. In the past, geography has acted as a buffer, if you will, providing a degree of isolation from turbulence in other lands that gave rise to large numbers of refugees. In many respects, this is a shrinking world. The movement of people either as tourists or immigrants has increased. Canada welcomes many visitors and newcomers each year to her shores. In fact, we have benefited

from the dramatic increase of world travel because of the tourist trade. By the same token, we are no longer isolated from other countries where strife and civil unrest are not uncommon.

According to reliable estimates, there are some 70 million to 80 million people in the world today who have been permanently displaced from their homes. They move because of war, revolution, poverty, or simply in the hope of creating a better future for themselves and their children. Some of these people are refugees, others are not. The challenge is to distinguish between the two in a way that is fair and practical.

A procedure was established after we signed the Geneva Convention in 1969 whereby an individual could claim recognition as a convention refugee, either upon arriving in Canada or after admission to Canada if that person faced removal from Canada. Later, in 1978, the Refugee Status Advisory Committee, separate from the established program on immigration in the Immigration Department, was set up for the sole purpose of advising the Minister on refugee claims. The Minister was given the power to appoint committee members, but it was given little in the way of additional guidelines.

The creation of the advisory committee was a bold step in the evolution of a refugee policy, but there was some criticism. Some critics felt that the committee's recommendations were too harsh or arbitrary, that the United Nation's definition of a refugee was unduly restrictive and that the system did not provide adequate guarantees or fairness to all claimants.

● (1750)

In February of 1982, the Government acted to move the entire system in the direction of increased fairness and openness. The new reforms clearly separated the refugee determination process from immigration procedures to ensure that refugee cases are assessed on the basis of human rights considerations alone. Earlier this month, the Supreme Court concluded that the system designed in the late 1970s does not meet the standard of justice required under the Canadian Charter of Human Rights and Freedoms, and has indicated that all claimants must be heard orally by the Immigration Appeal Board.

While our refugee determination system has been undergoing a process of reform and liberalization, more and more of the world's people have become refugees as a result of war, persecution and minority-majority conflict. Inevitably, the people displaced by these factors look toward the industrialized nations for help. The channel of last resort is that provided by the refugee asylum structures in developed countries like Canada. Even though these channels do not provide guarantees of long-term help for these people, these structures provide access to work and social benefits, at least on a temporary basis.

As more people use these systems, the greater the backlog and the longer the delays, even for those whose claims on the refugee determination system are tenuous at best. Thus the potential for abuse is great indeed. Since 1980, we have witnessed a manifold increase in the number of refugee claimants. This places an enormous strain on our resettlement resources.

Recent refugee claimant arrivals have averaged about 600 a month. About 13,500 cases are now under review, as the Hon. Member for Spadina said earlier, and more are under judicial appeal. Yet, only about one-third of those who claim refugee status have their claims upheld. Many of the claimants have been using the refugee system to get around our immigration laws. Not only is this unfair to those who are legitimately following the procedures, but it jeopardizes the entire immigration system.

I believe we would be faced with a serious dilemma if we were to endorse the proposed Bill. After all, claimants already have a right to an oral hearing at the Immigration Appeal Board. I doubt their protections will be enhanced by two oral hearings. We would, as I have stated earlier, appear to be improving the determination process, while in fact we would be undermining the claims process through further delay. By lengthening the period of time that individuals would be able to remain in Canada, more people will be drawn into the process, because being in it gives them access to working in Canada, living here, and in some cases drawing social benefits normally reserved for permanent residents.

Our Immigration Act recognizes in law our humanitarian concerns, and through the refugee determination system that exists today we are able to ensure that no one is sent from this country until he or she has received a full assessment of his or her refugee claim. One of the lawyers dealing with these cases, Patricia Ann Ritter, referred to me the case of Mr. Simon Bancroft Hall. His detention was reviewed on a weekly basis, pursuant to statute, and on April 9, the first working day for the commission after the Supreme Court of Canada decision, at a review of Mr. Hall's detention, the senior immigration officer submitted that it was the position that in light of the decision Mr. Hall would be heard as he had been denied an oral hearing previously. Something is being done.

This is not to say that the system is without problems, but to deal with these problems on a piecemeal basis is not really the answer. Therefore, we on this side of the House can only conclude that the Bill would do nothing to enhance the fairness and openness of the refugee determination system.

Mr. Gordon Taylor (Bow River): Mr. Speaker, after the very splendid address we just heard, I would like to enlarge on one or two points.

I believe our immigration system must be very fair. It has to be fair to Canadians who are living here now, and many Canadians who are jobless feel that the immigration laws are too lax. However, the laws must be fair to those in other countries who are trying to come to this country and who are doing so legally. I think we must emphasize that particular point.

There is a growing feeling in Canada that too many people are coming to our nation. I do not think anyone objects to people coming to our country because of terrible conditions in their own lands, but those who come here in a purposely illegal

fashion should not be considered. I cannot follow the fact that some of them are waiting here for six and eight years.

One of my constituents contacted me when one of his relatives came to Canada from Yugoslavia. This man had applied twice to come to Canada and had been rejected. However, he came anyway. He got on a plane and simply came to Canada irrespective of the law. I do not think that is fair to those who make applications and wait for approval in their own countries. This man had a hearing in Toronto within two weeks of his arrival. My constituent contacted me and said that the man was here. He told me how he got here. I said I would get the hearing set as quickly as possible. I contacted officials and the hearing was held within two weeks. That man was sent back to his country. He claimed that he could not go back because he would be killed. That was nonsense and his relatives told us that. We were told that that was simply an excuse to leave his own country. Later on we found out that he wanted to leave his wife and three kids. That is like a Canadian who gets married in Alberta, gets divorced and leaves his wife on welfare rather than pay maintenance orders. These Canadians end up in Prince Edward Island, or any other province, with a common-law wife and more youngsters, following which he heads for British Columbia in order to avoid another maintenance order. That kind of person is no good to any country.

I believe we have to be absolutely fair to those wonderful citizens of other countries who want to enter Canada, and want to do so legally. I have no sympathy for those who come here illegally. I do not think they should be kept here for six, seven or eight years. If they come to Canada illegally they should be sent back immediately. They should not be kept here month after month when they have no right to be here at all. If an immigrant enters Canada and is classified as a refugee, he should not have special privileges over those who are entering Canada legally from China, Yugoslavia, Czechoslovakia, Japan, Korea or any other country. He should not have special privileges simply because he did something under the table. Let us give those who want to come to Canada legally the first opportunities. Let us not cry crocodile tears for those who come here illegally. Let us not try to keep them in the country month after month.

An Hon. Member mentioned that people were paying $1,500 to come here. The Hon. Member should let us have the names of those people, because I am sure the Minister would prosecute them. We do not want people to buy their way into Canada. We want them to come in legally. Those who come in legally are the kind of people who will make good citizens.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

PORNOGRAPHY—FRASER COMMISSION REPORT

Mr. Alan Redway (York East): Mr. Speaker, on March 22 I asked the Minister of Justice (Mr. Crosbie) when we could expect to have the Fraser Committee Report dealing with pornography, and when we would be in a position to start to deal with that subject and tighten up the laws, rules and regulations of this country with respect to pornography. The Minister at that time advised me that the report was coming shortly. I am pleased to say that by some interesting coincidence the report of many, many pages dealing with the subject of pornography was released today. I know that the people of this country are very pleased that it is out so that we can start to deal with this subject.

Pornography is something which I suppose has been around as long as history itself. The fact that it has been around, however, does not deter from the fact that at this time it poses a very serious problem in this country. In recent years we have seen a great increase in the volume of pornorgraphy over that of a few years ago. Pornography is also of a much more explicit and violent variety. In fact, I venture to say that most of the things which we see on our television screens, in print and in theatres today are things which would not have been tolerated just a few years ago.

Pornography now is seen and observed by the public not only in books, the theatre and on the movie screens, but of course daily on television and also now on video casettes. Everyone is concerned about this subject but we have not been able to come to grips with it. There are a variety of reasons for that, but it is basically that there is a great difference of opinion and variance in attitude towards the entire subject of pornography. Many people share my view and my concern that not only is it something which offends taste but it is also something which is inherently harmful to society and does have the potential for breeding violence against other people, either of a sexual or otherwise criminal nature.

There is a concern as well on the part of many of us that there is a softening up process going on. We are being bombarded constantly with this sort of material and that has a tendency to soften everyone to the whole concept. Over time, people start to feel that there is nothing wrong with this sort of material. On the other hand, there are many people in the country, Mr. Speaker, who feel that to restrict and limit pornography is in fact some sort of infringement on basic human rights and an infringement on freedom of speech. It is because of that sort of feeling that we have this great conflict and are unable to come to grips with the whole subject.

I firmly believe, however, that even those who feel there is a restriction on freedom of speech in doing something to restrict pornography believe as well as the rest of us that child pornography is a real problem and of concern, is something which should be restricted and dealt with. I am pleased to see that the Fraser Commission Report does deal with the very subject of child pornography. It suggests that it should be an offence when it involves those under the age of 18. That deals very clearly with the concern that while adults perhaps can consent and understand what all of this is about, children cannot. Clearly it should be an offence and I am very pleased to see that covered in the Fraser Report. I would hope that the Government will deal quickly with that aspect of the report.

● (1805)

The other aspect, of course, is that which deals with pornography generally and the question of whether there should be some other restrictions on pornography, apart from child pornography. The Fraser Committee has again outlined recommendations dealing with that.

The Fraser Committee is not the first forum which has made some recommendations regarding this kind of pornography. I understand this House dealt with the subject in a previous Bill. There have been recommendations from feminist groups and from the Standing Committee on Justice and Legal Affairs. Many of their concerns focus on two points. First of all, the question of whether pornography should be defined according to a public standard or whether there should be some objective test to deal with pornography, and secondly, whether it is only sexual acts which should be considered as pornography, or that violence should be considered separately. The Fraser Committee has recommended that there should be two separate offenses there, and also that we have an objective test.

It remains to be seen how quickly the Government will act on this matter, but I hope that the consultations have now come to an end. We have studied this subject long enough, and I hope the Government will now act very quickly. I am looking forward to hearing from the Parliamentary Secretary on the Government's response, and how soon it will act.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I appreciate the Hon. Member's concern about this very serious problem. As he said, the report of the Special Committee on Pornography and Prostitution was tabled by the Minister today. The Committee benefited from the submissions and briefs which were received in the public hearings and from research done by the Department of Justice. There are upwards of 100 recommendations contained in the report which will require consideration by the Government.

The Government especially wants to consult with the provincial Attorneys General in order to deal with the people who are on the, shall we say, practice end of any laws we pass—the people who have to prosecute. Naturally we want to see that the laws suggested in this House by this Government are capable of being put into practice at the working level by the people who handle them. In addition, there will be public interest groups which will want to be heard on the direction these amendments should take.

I can tell the Hon. Member that the Minister is especially concerned about the dramatic increase in sexually explicit material which has become more widespread and more readily available throughout Canada. I can assure him that the Minister will carefully consider the Fraser Committee's recommendations before proceeding to draft and introduce legislative proposals in respect of pornography and prostitution, and that such proposals will not be introduced prior to consultation with the Attorneys General. The legislation that we hope will result from this process will be developed only after careful study and consideration, and we welcome the Hon. Member's participation in that process just as we welcome that of any Member of Parliament.

TRUST COMPANIES—WESTERN CAPITAL TRUST. (B) MINISTER'S STATEMENT

Miss Aideen Nicholson (Trinity): Mr. Speaker, on April 3 I raised with the Minister of Finance (Mr. Wilson) the matter of a discrepancy between an event occuring on March 29 and a statement made by the Minister of State for Finance (Mrs. McDougall) in the House on the same day. The event was the failure of Western Capital Trust in British Columbia barely one week after the Government announced its plan to bail out the Canadian Commercial Bank.

On March 29, during the debate on the Government's Bill to bail out that bank, the Minister described that situation as an isolated incident.

● (1810)

The Minister said:

> There are no other financial institutions in the country at the moment that are appearing to be insolvent in any way.

On April 3 I asked why the Minister of State for Finance would have said that to the House when she surely must have known that Western Capital Trust was in serious difficulty and was closing its doors as she spoke. The Minister of Finance replied that the remark of the Minister of State for Finance arose from her hope of success in the company's merger negotiations and that departmental officials had been meeting with Western Capital Trust over the winter on this matter.

That response makes no sense at all. The Minister of State for Finance said that no institution other than the Canadian Commercial Bank was in difficulty on the very day that Western Capital Trust announced that it was obliged to wind up its operations. Naturally, I take it for granted that the Minister would not intentionally mislead the House. The only remaining explanation is that she did not know what was going on. Why did she not know? Did her officials fail to brief her? Did the Minister of Finance fail to inform her?

Let us look at the chronology again so that this will be quite clear. On February 12 the Minister of State for Finance, responding to a question about another trust company, said:

I would like to reassure the House with respect to other western trust companies, that I'm not aware of any which are on the brink of collapse.

On March 29 the Minister also said that no institution, other than the Canadian Commercial Bank, was in any difficulty. On March 29 Western Capital Trust closed its doors. On April 2 the Minister of State for Finance then said that officials in the Department of Finance had met continually over the winter months with officials from Western Capital Trust. On April 3 the Minister of Finance said:

Mr. Speaker, for some months now the Government has been working with Western Capital Trust to try to assist it in merging with another, stronger trust company. At the time the Minister made that statement it was expected that those merger negotiations would be completed successfully. That is the basis for her comments.

Again, that simply does not make sense since the company in question, Western Capital Trust, was closing its doors even as the Minister spoke.

The issue of confidence in our financial institution is, of course, very important. The whole system depends on confidence. It is the cornerstone of our financial system. Members of the Opposition who ask questions in the House do not do so out of a desire to undermine confidence in the system. In this case, all the questions that I asked came long after the events had been made public. When Ministers make statements which appear to be contradicted by fact, and do not explain the discrepancy, it does not inspire confidence. I hope that, given the opportunity now, the Government will give the House a clear statement.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I welcome this opportunity to elaborate on the situation for the benefit of the Member, who obviously has put a lot of thought into her comments.

Western Capital Trust had been monitored by officials of the department of Insurance for some time. In that regard, the examiners of the Department of Insurance, following an inspection of the books and records of the company in late 1984, concluded that the company had some $3 million worth of capital, but that additional capital was required to fully comply with the borrowing provisions of the Trust Companies Act. The company's annual financial statement was filed with the Department on February 28, 1985, indicating that the company had $3 million of capital at December 31, 1984. In an accompanying letter the company's auditors indicated that the financial position of the company was fairly presented in the annual statement.

● (1815)

During 1984, several different plans had been put forward to enable the company to fully comply with the borrowing provisions of the Trust Companies Act. The company sold large blocks of mortgages for cash to reduce borrowing, and it tried to arrange for private placement of preference shares. But none of these courses of action were successful so a formal report on the company's overborrowed situation was submitted by the Superintendent to the Minister of State for Finance (Mrs. McDougall).

That report recommended that limitations be placed on the company's licence so as to reduce its borrowings and thereby bring the company into compliance with the Act. A copy of the report was provided to the President of the company and he was given an opportunity to discuss the matter with the Minister. The Minister was up to date and current on everything that was going on, and was being briefed by her officials.

The President of the company chose to revive negotiations to merge Western Capital Trust Company and another corporation. Further meetings were held with the Superintendent of Insurance and the Department's examiners began a review of the assets of the other corporation early in March. The Minister and her officials were entitled to believe that everything was proceeding to merge the company. However, the Minister received a telex on March 29, 1985, from the company's directors requesting that the company be wound up.

I think it should be brought to the Hon. Member's attention that on February 28, 1985, the company filed the financial statement with the Department of Insurance, and it clearly showed that the company had a capital and surplus position of $3.1 million. The certificate bore the certification of the company's auditors. Under these circumstances, with an annual statement showing that the company was solvent and with the question of a possible amalgamation still under active consideration, it was unreasonable to characterize this particular company as being on the brink of collapse at the time the Minister made her statement.

CHARTER OF RIGHTS—WOMEN'S EQUALITY—ABELLA REPORT. (B) AFFIRMATIVE ACTION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, on February 1, I asked the Minister of Justice (Mr. Crosbie) to take positive action on the question of equality. Specifically, I asked him to act on the Abella Commission recommendations to legislate mandatory affirmative action and contract compliance before April 17, when the Charter of Rights would come into force. We have now received the Government report on employment equity which was tabled by the Minister of Employment and Immigration (Miss Macdonald) a number of weeks ago.

Critics from my Party felt that the Government proposals were weak. We expressed our concern that there was no enforcement mechanism for contract compliance and companies which have contracts with the Government were left to establish their own targets for employment equity. As with the Liberals before, Tories seem to be reluctant to enforce mandatory affirmative action.

I also asked that funding for the Human Rights Commission be increased so that adequate staff may be hired to deal with the many additional complaints which will result from the Government's equity program. For several years we have had federal legislation which requires equal pay for work of equal

value so that women will be paid at the same rate as men in similar job responsibilities. Despite this legislation, there has not been systematic change even within areas of federal jurisdiction. I have urged the Government to enforce equal value pay in every department and Crown corporation so that women will no longer have to appeal individually on a case by case basis to the Human Rights Commission.

● (1820)

On April 17 we celebrated the Charter of Rights and the coming into being of the equality clause. Having equality rights on paper, however, does not mean that people will be treated equally. Unfortunately, the Conservative Government delayed changes to legislation, and also to regulations which are clearly discriminatory and do not conform to the Charter. For example, the discrimination under the Unemployment Insurance Act is evident because it unfairly restricts benefits for unemployed women on maternity leave. They are eligible for fewer benefits because they happen to be pregnant. Another example concerns maternity leave in the military. We support the position of the National Action Committee on the Status of Women on this very important issue.

Another example of unfairness is the fact that while the Government has given lip-service to equality compliance in Crown corporations, Air Canada is establishing a very negative precedent by trying to bargain away women's rights to full-time jobs that are decently paid.

The Government by its inaction now has forced women to fight legal and very expensive battles to achieve their rights under the New Charter of Rights. A legal assistance fund is necessary to undertake test cases before the courts. Such a fund should be independent of government and political bias. I asked the Minister of Justice recently to celebrate equality on April 17 by generously contributing to the legal education assistance fund which has been established as an endowment for legal challenges by women related to equality under the Charter. Once again the Minister of Justice refused to act. This Government's inaction was a disappointment on this memorable and historic day.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I thank the Hon. Member for closely following the issue of equality in employment, which became even more important with the proclamation, on April 17 last, of the relevant provisions of the Canadian Charter of Rights and Freedoms.

The Hon. Member knows, since she has just mentioned that fact, that women and minorities are the people who celebrated last week the historical proclamation of the provisions on equality which our Government acted to amend in the context of the debate on equality in employment.

The Hon. Member will also remember that on March 8, in this House, the Minister of Employment and Immigration (Miss MacDonald) announced the implementation of measures for employment equity, the very words used by Judge Abella which singularly expresses the goals we are pursuing in order that women, natives, handicapped people and visible minorities may prove their worth in the workplace.

It was announced then, Mr. Speaker, that following study, debate and consultation, we would be introducing measures of unprecedented scope, the effects of which will be as far-reaching as the Hon. Member and myself might wish them to be.

In short, our action with respect to employment equity will consist of the adoption, by the federal Government, of decisive measures in employment sectors coming under its control and its jurisdiction. In the process, Mr. Speaker, we are encouraging provincial Governments and municipalities in implementing positive action programs.

Before the end of this session, Mr. Speaker, we will table in this House a legislation that will seek to make it mandatory for companies subject to federal regulations and having less than one hundred employees to take action to achieve employment equity and report each year to this House on their efforts in that area. Such legislation is presently in preparation and, as announced by the Hon. Minister on March 8 last, we are consulting with the representatives of the industry, the unions and the target groups on the way to present those reports. Furthermore, we are formulating directives in this regard.

We have also asked Crown corporations to implement equity measures in the area of employment, and to take the steps needed to be able to present to Parliament annual reports on their performance through the ministers responsible for those corporations.

Mr. Speaker, we are developing a program of contracts related to the implementation of equity measures in the area of employment. Under this program, businesses which have contracts exceeding $200,000 and have at least 100 employees will also have to implement equity measures in the area of employment, and we will control their implementation.

In all those areas, our action is based to a large extent on the conclusions and recommendations of the Abella report.

In conclusion, Mr. Speaker, I am convinced that the Hon. Member, like women and minorities all over the country, will realize that we are taking strong and responsible steps to promote equity in the area of employment, and we hope we can count on her support when the legislation is tabled in this House.

[*English*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

The House adjourned at 6.26 p.m.

HOUSE OF COMMONS

Wednesday, April 24, 1985

The House met at 2 p.m.

● (1405)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

MULTICULTURALISM

ARMENIA—IMPORTANCE OF ALL CANADIANS TO KNOW HISTORIES OF COMMUNITIES COMPOSING CANADA

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, speaking on behalf of the Liberal Party of Canada, the Right Hon. Leader of the Opposition (Mr. Turner) and my Liberal colleagues, I wish to express to Armenians the world over our feelings of esteem, sympathy and understanding and join them in their desire for peace, justice and equity.

In the past, Armenia was exposed many times to persecution and atrocities. Its blackest day came on April 24, 1915. This date, which is being commemorated today in the Parliament of Canada and throughout the world marks the beginning of the dispersal and massacre of the Armenian people—the first holocaust of this century. Canada, a country that is still building its future, has thousands of Canadians of Armenian origin.

Mr. Speaker, I hope that soon, the Parliament of Canada will commemorate the anniversary of this tragic event every year on April 24, out of solidarity with the entire Armenian community in the diaspora. Canada, one of those rare countries born in times of peace, is interested in the history of every new cultural group that came to settle in this country after Confederation. In Quebec, we have a motto: Je me souviens. All Canadians should know what happened in Armenia, and when they do they will understand that realizing what happened in 1915 may help to prevent a recurrence of those tragic events.

* * *

[*English*]

DISARMAMENT

PEACE DEMONSTRATIONS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the Ambassador for Disarmament told Canadians last week that the best hope of influencing government military and foreign policy was to take to the streets. Tens of thousands of Canadians will do that in the coming days. In Vancouver, where thousands took to the streets last year, thousands will again walk for peace this Saturday. Once again they will demonstrate their opposition to Cruise missile testing in Canada. The Liberals refused to listen. When will this Government listen? Once again Canadians will call for a nuclear weapons freeze followed by massive reductions. When will the Government listen?

Those who walk for peace on Saturday will also demonstrate their opposition to star wars. When will the Government say no to star wars and no to Canadian participation?

Those who walk for peace will demonstrate their anger at the Government's attack on the Peace Camp. The Government is wrong when it claims that the Peace Camp is not supported by Canada's peace groups. Today alone I have heard from Project Plowshares, Regroupement pour la non-violence, Lawyers for Social Responsibility, the national office of Operation Dismantle, and others, denouncing the harassment of the Peace Camp.

I urge every Canadian to take to the streets this weekend and say no to star wars and no to the nuclear arms race. We hope and pray that the Government is listening.

* * *

[*Translation*]

PROTECTION OF EMBASSIES

PINKERTON'S AGENCY—VALUE PLACED ON AGENT'S LIFE

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, Pinkerton's of Canada Limited has offered a modest $1,000 compensation payment to the family of Claude Brunelle, the security guard killed on duty last March 12 during the attack on the Turkish embassy in Ottawa.

As one of Canada's major security agency, Pinkerton's shows how little consideration it has for its employees and their families. It makes little sense to realize how such an important company as Pinkerton's rewards the devotion and dedication of its guards whose duties are just as dangerous as those of policemen. One would think that Pinkerton's practically reacts as a near-bankrupt company or as a business whose management has completely lost any sense of reality and of the real value of human life.

S.O. 21

[*English*]

If these guards must carry guns and risk their lives, the company should carry an insurance policy to protect their families.

* * *

HISTORIC EVENTS

ANNIVERSARY OF ARMENIAN MASSACRE

Mr. Gerry Weiner (Parliamentary Secretary to the Secretary of State for External Affairs): Mr. Speaker, today, April 24, 1985, is a special day of remembrance for the Armenian community. It is the seventieth anniversary of the commencement of the tragic events of 1915 in the Ottoman Empire. Canada sympathizes with all the victims of those events, indeed with all victims of armed conflict. We recognize that the Armenian community has made a vital and vibrant contribution to Canada's development.

Seventy years have now passed since those tragic events. Canada, of course, was not involved, except to open its doors to the unfortunate victims. We can now neither pass legal judgment on those events nor support territorial claims which might now be made. We can, however, express our deepest sympathy to all who suffered during the events of 1915.

Part of the compact between Canada and the victims we welcome has been that while Canada offers a free society as a place of refuge, violent protest in Canada will not be tolerated. Today, within the best spirit of our tradition, we have seen a peaceful demonstration of remembrance in Ottawa. I know that the great majority of members of the Armenian community object to terrorist tactics. As a Member who has many Armenian constituents, I would call upon their leaders to condemn such activities in the clearest and strongest terms. Let us work together to build a better future, and a better Canada where the rights of all are fully respected.

* * *

HISTORIC EVENTS

COMMEMORATION OF ARMENIAN MASSACRE

Mr. Sergio Marchi (York West): Mr. Speaker, as has already been mentioned, today Canadian Armenians from across the nation have gathered on Parliament Hill. They are here to commemorate the seventieth anniversary of the Armenian genocide in which over 1.5 million Armenian men, women, and children perished. I am sure that all Members of the House, and indeed all Canadians, abhor the violence that has marked world history. Events such as the Armenian genocide have mindlessly taken the lives of innocent victims.

Only one week ago Canada was proud to celebrate the entrenchment of Section 15 of the Canadian Charter of Rights and Freedoms. Canada is now proudly regarded as a world leader in the areas of human and minority rights. Moreover, through our multicultural and immigration policies, Canada has made sincere attempts to treat all peoples and all minorities fairly, while at the same time reaching out with a compassionate hand.

In the coming weeks countries throughout the world will gather in Canada to discuss the subject of human rights. Not to acknowledge human rights abuses is virtually an admission that they are acceptable. As a participant in this conference, and as the host country, Canada has a tremendous responsibility to take a leadership role.

Today the Armenian commemoration serves to remind us all, in a profound way, of the importance of fulfilling our commitments to human and minority rights.

* * *

ATOMIC ENERGY CONTROL BOARD

WITHDRAWAL OF BOARD NOMINATION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise with some embarrassment to defend the Hon. Minister of Energy (Miss Carney). She has been set adrift by her Cabinet colleagues while she is on a slow boat to China on government business. Let me explain how.

On Monday the Minister of Energy informed Dr. Ursula Franklin, a distinguished scientist at the University of Toronto, that she was appointed to the Atomic Energy Control Board. That is a nuclear watchdog agency of the Government of Canada. Dr. Franklin was contacted by Atomic Energy Control Board officials and was even briefed for a board meeting.

I must say that the Government took the wind right out of the Opposition's sails. We had been saying that the Government had carried political patronage to untold heights. Ministers were appointing every Tory bagman and advertising person to government jobs and contracts. Here was the appointment of someone who was a scientist, an environmentalist, and a well qualified person, to a board that had been under criticism for being very inactive. Alas for poor Pat Carney who has no clout in the Cabinet; alas for poor Dr. Franklin, because her appointment was revoked and shanghaied from her on Tuesday.

• (1410)

I am sending a postcard to the Minister of Energy (Miss Carney), who is in China, pointing out that the Cabinet has acted as the Energy Minister Control Board.

* * *

THE LATE FOSTER HEWITT

TRIBUTE TO PIONEER HOCKEY BROADCASTER

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, I rise to put on the record of the House a tribute to the late Foster Hewitt whose funeral was this morning. Although he did not play the game whose popularity he increased, he was "Mr. Hockey" to two generations of Canadians for whom

Saturday night was always more "live" because of his broadcasts.

To an impressive degree, those broadcasts went beyond sports and entertainment. They contributed to our consciousness as a people during years when we were still evolving from colony to nation. If hockey is our national sport, a major reason is the impact of Foster Hewitt himself. His breathless exclamation, "He shoots; he scores", has become part of our language.

But there are other reasons why he merits the flood of tributes which have poured out since his death. At a time when it is often difficult to distinguish between a hockey game and an alley fight, or even a Question Period, his speech and decorum exemplified what used to be called sportmanship.

Foster Hewitt belongs to all of Canada, but he was a lifelong resident of Metro Toronto. He spent his last years at the Providence Villa and Hospital in Scarborough West, and as its Member I am honoured to pay this brief tribute to him in the House of Commons.

Some Hon. Members: Hear, hear!

* * *

EXTERNAL AID

NEPAL—CANADIAN GIFT OF MEDICAL TRAINING CENTRE

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I had the privilege of spending most of last week in Nepal on behalf of the Hon. Minister of External Relations (Mrs. Vézina) responsible for the Canadian International Development Agency.

My role was to officiate, along with our ambassador to Nepal, Mr. Bill Warden, at the handing over ceremony to His Majesty's Government of the $4.4 million Dhanakuta Community Medical Auxiliary Training Centre and six outpost health centres. These projects will contribute significantly toward extending health services to all Nepalese by the year 2000.

It was not only refreshing to have witnessed the completion of a very successful CIDA project, but I was proud to have been received by such grateful hosts.

Our assistance to Nepal during the course of the last 15 years has been mainly in the areas of health care, surveying and mapping, water resource development, and civil aviation. The pride that the Nepalese have in our Twin Otters is a remarkable advertisement for a superb Canadian aircraft.

As I walked through some Nepalese villages at the lower reaches of the Himalayas, I witnessed the hunger, the poverty, the disease, and the unsanitary living conditions of many of their people, and I was reminded of the strengths of our country, and of the quality of life that the majority of Canadians enjoy.

Nepal looks upon Canada as a country of peace, as a friend, and as a generous supporter. We should all be grateful that we live in the most respected nation on earth.

S.O. 21

[*Translation*]

AIR TRANSPORT

QUÉBEC—GOVERNMENT POSITION

Mr. Carlo Rossi (Bourassa): In a report made public last week, Mr. Speaker, Montreal's Economic Development Board confirmed that the city's growth is due to the transport industry.

When it comes to air transport, however, the Conservative Government gives the Province of Quebec and Montreal arguments which the weekly *Finance* describes as being flimsy and malicious.

Among others, Mr. Speaker, the Minister of State (Transport) (Mr. Bouchard) has owned up to being incompetent in his attempt to justify his inefficiency in trying to keep in Montreal what the Province of Quebec may have left of the major air transport industry.

In his April 22, 1985 editorial, François Roberge concludes that, owing to the weakness of the Quebec caucus, Montreal is lagging far behind on many fronts.

Mr. Speaker, I would urge the silent Quebec Conservative caucus to forget about shameless patronage and get down to brass tacks before it is too late.

* * *

[*English*]

INDUSTRY

GREAT LAKES FOREST PRODUCTS LIMITED

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, yesterday's *Globe and Mail* Business Section reported that Great Lakes Forest Products Limited of Thunder Bay and Dryden hopes to get some relief on corporate taxation from the Government of Canada. This is not some impoverished company. Last year it had profits of $26.8 million. To date it has received $48 million in direct grants from the Ontario and Canadian Governments. This company already owes the Canadian taxpayers $125 million in deferred taxes.

• (1415)

Great Lakes had decided to invest $32 million in Canadian funds to build a pulp and paper mill in the United States that will ultimately lead to elimination of jobs in British Columbia. Great Lakes still has not compensated the natives of White Dog and Grassie for the destruction of their livelihood some ten years ago.

I submit, Mr. Speaker, that this company not only has no right to expect any further support from the taxpayers of Canada, but must be required to meet its commitments to Canadian society.

The Prime Minister (Mr. Mulroney) should call Mr. Charles Carter, President of Great Lakes Forest Products, 807-475-2110, and tell him that the answer is no, that Great

Lakes has been at the trough once too often as far as we are concerned.

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES—APPLICATION TO MINISTERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. It concerns the current conflict of interest guidelines, guidelines that he admitted yesterday were in force. When they were put in force by the Prime Minister when he formed the Government, did he meet with his Ministers, either individually or collectively, to discuss the guidelines with them? Did he say to his Ministers that he expected the guidelines to be followed? Did he say to his Ministers that if they were not followed there would be sanctions?

Right Hon. Brian Mulroney (Prime Minister): I cannot remember the exact sequence, Mr. Speaker, but I can give my right hon. friend the assurance that I did all of those things and conveyed to them, as he might properly expect, that Canadians want and will receive the highest standards from their public servants, particularly those to whom ministerial responsibility has been entrusted.

* * *

[*Translation*]

CONFLICT OF INTEREST

GUIDELINES—THE MINISTER OF FINANCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I re-read the conflict of interest guidelines this morning, after listening very carefully, yesterday and the day before, to the answers given by the Minister of Finance and the Prime Minister. The conflict of interest guidelines have been violated: I know it, the Prime Minister knows it, and the Minister of Finance knows it. My question is as follows: Has the Minister of Finance offered the Prime Minister his resignation? Has the Prime Minister met with the Minister to determine whether his judgment was sound enough to warrant that the Minister continues to work in his department?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there has been no conflict of interest on the part of the Minister of Finance, whose professional reputation and integrity are well known in the House and throughout the country. There was no violation of the guidelines by the Minister, who today is behaving, as he always does, with great integrity and dignity.

[*English*]

REQUEST FOR MINISTER'S RESIGNATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister admmitted yesterday that the guidelines are in place. I read them to the House yesterday. It appears to us quite conclusively that the guidelines have been broken. I waited on Monday, and yesterday, and today, for some recognition on the part of the Government that bad judgment had been exercised by the Minister of Finance. But every answer that I have heard, particularly yesterday, just made the situation worse.

If the current conflict of interest guidelines in force mean anything at all, will the Prime Minister relieve the Minister of Finance of his responsibilities?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know that the vast majority of Canadian citizens would agree on many things, but one is that no one has any lessons to learn in terms of probity and integrity from the Liberal Party.

Some Hon Members: Hear, hear!

Mr. Mulroney: The Minister of Finance is a man of unimpeachable integrity. He has at no time been in violation of the guidelines. The decision involved was taken by a Cabinet colleague in the exercise of his important responsibilities. That ultimate decision was exercised by public servants. I can say to my right hon. friend something which I am sure will not surprise him, because I know exactly the high regard in which he holds the Minister of Finance. I can tell him that we have absolute confidence in the integrity and probity of the Minister of Finance today and at all times.

● (1420)

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Humber-Port au Port-St. Barbe.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: What childish prank are you going to pull today?

Mr. Speaker: Order, please.

PRIME MINISTER'S POSITION

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, yesterday the Prime Minister, in answering questions from Members on this side of the House, denied absolutely that there had been any breach of conflict of interest guidelines by the Minister of Finance with respect to preferential treatment, or the appearance of preferential treatment. What exactly did the Prime Minister mean yesterday when he said in response to a question from the Leader of the Opposition, as reported on page 4017 of *Hansard:*

Mr. Speaker, my right hon. friend raises the question of appearance, with which we must deal. I acknowledge that.

The guidelines outlining conflict of interest provisions deal with both real conflict of interest, real preferential treatment given to friends or family members, and the appearance. The Prime Minister yesterday acknowledged at least the appearance. How can he stand in his place today and say there has been no breach of the conflict of interest guidelines?

Right Hon. Brian Mulroney (Prime Minister): Because, Mr. Speaker, I said no such thing. I agreed with my right hon. friend that the obligation is to avoid even the appearance of conflict. I acknowledged no such appearance of conflict which implies guilt by the Minister of Finance. I think that is a fundamental and a fair distinction which must be made.

The situation is not uncomplicated. We came in and we inherited from the previous Government a system of guidelines which we followed in the early months, which placed a specific responsibility on the Minister of Supply and Services that he exercised. In the pursuit of his mandate he determined that those guidelines were deficient, that they ought to be improved, and that the ultimate responsibility in such matters of contracts should rest with public servants. That is what we did. The guidelines are in the process of being so enhanced, and will be filed with the House. I see no impropriety at any time which involves the Minister of Finance.

Some Hon. Members: Oh, oh!

Mr. Mulroney: On the contrary, I see a man of great integrity and so recognized.

POSITION OF MINISTER OF FINANCE

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Prime Minister knows that his advertising management group is headed by two Tory campaign workers. He knows that, and the House knows it, but we are dealing with the Minister of Finance. The Minister of Finance himself has admitted in the House—and my supplementary question is directed to him—that he discussed this whole matter with his brother-in-law, Doug Lawson, and that having discussed it he decided that it was okay. I ask the Minister of Finance: would he behave in exactly the same way again should this kind of circumstance arise? Does he still think that it is okay?

Mr. Clark (Yellowhead): Order.

Right Hon. Brian Mulroney (Prime Minister): That, Mr. Speaker, is a completely hypothetical question, but I will tell you that we acknowledge our obligation—and I have never tried to shirk it one bit—to have stringent and rigorous guidelines in the conduct of these matters, and we shall have them.

An Hon. Member: Read *Hansard*.

Mr. Mulroney: Well, you say, "Read *Hansard*". When the Liberal Party was up to here in Coalgate, its Members said that guidelines were only for guidance; where there were conflicts of interest coming out their ears, they said that guidelines were only for guidance. We say guidelines are for professional conduct and to assist the public, and to make sure the public trust is recognized and honoured at all times. The Minister of Finance has always upheld the public trust.

• (1425)

Some Hon. Members: Hear, hear!

POSSIBILITY OF PATRONAGE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister on the same subject. For a number of days we have been trying to obtain an explanation from the Government of a contract that was given to the brother-in-law of the Minister of Finance. The Government has responded in the House, and elsewhere, by saying initially that it was simply the Opposition that was trying to make an issue of this kind of question.

Today the Prime Minister said something else to the press, and I want to quote him. After first blaming the press for raising the issue, he is reported to have said to a reporter: "Just because the Press Gallery in Ottawa decides there is an issue does not mean it's an issue in Canada." Will the Prime Minister explain what he means? Is he saying that questions about the possibility of patronage are serious matters only when they are raised about other Parties and other Governments, or will he admit that there are appropriate questions to raise about his own Government?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, let me just try to deal with the matter raised by my friend. My recollection is that in a scrum this morning, in engaging in what appeared to be a little bit of debate with a distinguished member of the Press Gallery, he indicated that this was a matter of national outrage, which is what he implied, and referred in rather disparaging terms to the reputation of the Minister of Finance. I said just because the Member for York South-Weston says this is a matter of national concern does not make it so, because the Canadian people know full well that the Minister of Finance is exactly what he appears to be, a man of overwhelming honesty and integrity. Everybody in Canada knows that. That was the context in which I said it.

Some Hon. Members: Hear, hear!

CONTENT OF NEW GUIDELINES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister should know that it is not simply a matter of integrity. In other systems of government in the parliamentary system, men and women of integrity have in fact resigned when they made a mistake.

Some Hon. Members: Hear, hear!

Mr. Broadbent: It is not necessarily a question of integrity. Since the Prime Minister has come back to the very specific issue that is involved here, I want to ask him if the guidelines that he has promised to bring before the House, or at least announce in the House, would have made it impossible for a contract to be awarded to a close relative of a Minister of the Crown, i.e., would the kind of decision that was made in the case of the Minister of Finance be possible under the new guidelines that he is now going to bring in?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asks (a) a hypothetical question *ex post facto*. I can assure my hon. friend that the guidelines that will be brought in, as they properly should be, will be the most rigorous and demanding ever placed before the House of Commons.

REQUEST FOR EARLY INTRODUCTION OF GUIDELINES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister's record is about 99 per cent solid in the House for not answering the question. Presuming that the new guidelines about contracts are going to be stringent enough to exclude the possibility of a future mistake of the kind that has just been made, instead of blaming the Opposition and blaming the press in a free society for doing their job, why does the Prime Minister not admit his mistake and bring in the guidelines right away?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, maybe I have a 99 per cent record, but we know why the Hon. Member is at 19 per cent.

Some Hon. Members: Hear, hear!

Mr. Broadbent: You are wrong again.

Mr. Mulroney: Just keep it up. Every day you are sinking like a stone, and I love it. The only thing worse than a socialist is a sanctimonious socialist. The Canadians have had it up to the gills with you. The patronage practised in Manitoba and Saskatchewan makes Maurice Duplessis look like a choir boy.

● (1430)

In point of fact there was no conflict, but my response to my hon. friend is as well that new guidelines, more vigorous guidelines, and more demanding guidelines, are required and will be implemented. I think they will do honour to the House and will satisfy the very serious requirements of my hon. friend.

EMPLOYMENT OF DOUGLAS ROBSON

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have another question concerning the Wilson family compact and it is directed to the Minister of Finance. Yesterday the Prime Minister told the Hon. Member for Humber-Port au Port-St. Barbe the following, as reported on page 4019 of *Hansard:*

The Minister of Finance broke no guidelines and he broke no law.

Would the Minister now confirm what I know from speaking to the Deputy Registrar-General, which is that Mr. Robson never signed a conflict of interest document when he worked for the Government in 1979, nor did he sign one when he worked for the Government again in 1984, as he should have? Why did the Minister of Finance neglect to request from Mr. Robson a signature on a document regarding conflict of interest, before he hired him?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make one thing clear. The contract that has been referred to by many Members today was signed by the Minister of Supply and Services and not by myself. In response to the question regarding the conduct of Mr. Robson, he took an oath of secrecy back in 1979. That is the oath of secrecy under which he has been operating.

* * *

[*Translation*]

GOVERNMENT ADVERTISING

LAWSON MURRAY COMPANY—ADJUDICATION OF CONTRACTS—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a supplementary for the Minister of Supply and Services concerning the Wilson family compact.

Yesterday, the Minister of Finance informed the House that he did not know whether Lawson Murray Limited had been awarded further contracts by the Government of Canada since September 4 of last year.

Could the Minister of Supply and Services now inform the House whether the Government has negotiated, either directly or indirectly, any further agreements or contracts with Lawson Murray since September 4 of last year?

[*English*]

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, last fall the Bank of Canada asked my Department to supply an agency to carry on this program of advertising marketable government bonds. We selected from among the firms that we know, trust, and in which we have confidence, the firm of Lawson Murray to undertake work amounting to a total contract of about $200,000 for a fee of $30,000.

That firm replied to us on February 14 by way of letter saying that the Government has been wasting hundreds of thousands of dollars on this program, that the previous Government had been wasting all that money and that it was unnecessary. I think that that is laudable behaviour. I am very proud of the performance of Lawson Murray in this regard. I think I did an outstanding job in hiring that firm for the Government. I might say that there is an additional small contract we gave the firm in March, and any time I can give a

contract to a company that will save the taxpayers half a million dollars a year, I am going to do it.

Some Hon. Members: Hear, hear!

UNTENDERED CONTRACT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Prime Minister. Does the Prime Minister believe that it is appropriate for the relative of a Cabinet Minister to receive benefits from an untendered contract?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I have tried to explain to members of the New Democratic Party on at least five or six occasions the nature of the advertising agency business in this country. I repeat that we selected Lawson Murray because it is known to us—

An Hon. Member: It sure is.

Some Hon. Members: Hear, hear!

Mr. Andre: Absolutely. The firm is known to us. It has our trust because—

Some Hon. Members: Hear, hear!

Mr. Andre: —it is an expert in this field. The firm demonstrated the wisdom of our decision by coming up with savings of at least a half million dollars a year, and I repeat, I will always sign those kinds of contracts.

BENEFIT FROM CONTRACT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my supplementary question is directed to the Prime Minister. Is it the opinion of the Prime Minister that it is appropriate for the relative of a Cabinet Minister to receive benefit from an untendered contract with the Government?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, we wanted—

Mr. Benjamin: We want Brian!

Mr. Andre: The guidelines indicate—

Mr. Deans: How about getting your boss to answer for a change?

Mr. Andre: Because—

Mr. Deans: Is he afraid to answer? Is he afraid of the answer?

Mr. Andre: Mr. Speaker—

Mr. Speaker: Order, please. If the House would like to hear the answer, it will come to order.

Mr. Andre: Mr. Speaker, as Minister of Supply and Services I am responsible for contracting for some $7 billion worth of goods and services each year.

Mr. Deans: Then he should fire you.

Some Hon. Members: Oh, oh!

Mr. Andre: As the Minister responsible, it is up to me to ensure that all guidelines respecting conflict of interest are satisfied. I assured myself that all guidelines were satisfied. I repeat, I think it was a great contract. I would do it again tomorrow if the opportunity came up.

MINISTER'S CONVERSATION

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Minister of Finance, the man the Prime Minister says has great and unimpeachable integrity. Yesterday the Prime Minister stated in the House that not only must Cabinet Ministers avoid conflicts of interest, they must avoid the appearance of conflicts of interest. I would like to ask the Minister of Finance, first, whether or not he agrees with that statement, and second, after having discussed the contract with his brother-in-law before it was signed, why did he, as a man of integrity, not veto the contract and avoid any impression of a conflict of interest?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it very clear. The contract was awarded before I spoke to my brother-in-law. He advised me after he got the business. He said that he did not think we needed to do this business and that he did not think it was a cost-effective use of funds. I asked him to give me his advice on this matter. He subsequently wrote to the Bank of Canada on February 11 indicating that this was not business the Government should be doing. On that basis we let the business lapse and, as my colleague has indicated, we have saved somewhere between $400,000 and $600,000 a year.

PRIME MINISTER'S POSITION

Mr. John Nunziata (York South-Weston): Mr. Speaker, how can the Minister of Finance and the Prime Minister continue to defend sleazy, slimy, Tory patronage when they campaigned so vigorously against patronage in the last election campaign? Let us be straight with the Canadian public. Given the fact that the contract went to the Finance Minister's brother-in-law, would the Prime Minister not agree that there is the appearance of a conflict of interest, or at least a very small appearance of a conflict of interest?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I noticed one day that the Hon. Member was, (a) described as a member of the Liberal rat pack which, (b), often embarrassed the Leader of the Liberal Party. I can see why *The Toronto Star* for once was right on both counts.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Very few Members have left such a forgettable impression upon this place as has the Hon. Member. When compared with the remarkable accomplishments and universal acclaim of the reputation of the Hon. Minister of Finance, I can say without hesitation or fear of contradiction that the Canadian people very much support the integrity of the Minister of Finance because they know it is there 100 per cent.

RECEIPT OF BENEFITS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I noticed that when the Hon. Member for Hamilton Mountain asked a supplementary question of the Prime Minister, the Prime Minister was rising to answer the question when the Minister of Supply and Services rose. I would like to give the Prime Minister another opportunity to answer the question. Does the Prime Minister think it is appropriate for a relative of a Cabinet Minister to receive benefits from an untendered contract?

● (1440)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I indicated to my erstwhile friend, the Leader of the NDP, who is probably yours, too, the guidelines were being tightened up, and we are very much in need of them in the conduct of public life.

Mr. Benjamin: Is it appropriate?

Mr. Mulroney: No, in a perfect world—and, of course, the NDP believes that things are always perfect—there would not be the slightest problem at any time. I will acknowledge that from time to time administrative difficulties arise, particularly when a new Government comes in and inherits guidelines, and new situations come up. I will acknowledge that everything is not perfect. But we conducted ourselves honourably and we are bringing in new guidelines to improve upon that. I would hope that would satisfy my hon. friend.

Some Hon. Members: Hear, hear!

APPLICATION OF GUIDELINES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like to ask the Prime Minister once again does he think it is appropriate for a relative of a Cabinet Minister to receive benefits from an untendered contract. If he does not think it is appropriate, and if that was possible under the old guidelines but not under the new guidelines, then why did he not order his Cabinet to behave in that way? Why does the Minister of Supply and Services keep insisting that he is happy with everything that happened in accordance with the old guidelines, if the Prime Minister feels that there is a need for new ones?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend perhaps is not making the essential distinction between the two sets of guidelines to which reference has been made. One was raised by my right hon. friend, the Leader of the Opposition, the day after we came in, after I had conveyed to them the guidelines for the conduct of individuals as Cabinet Ministers and Ministers of the Crown. I then assigned, in writing, the Deputy Prime Minister to review all of the guidelines with regard to Ministers of the Crown and their conduct, with a view to enhancing them and tightening them up. The Deputy Prime Minister has done that, and those will be filed with you very shortly.

With regard to the inheritance which we received, and the guidelines with respect to the tendering apparatus for the awarding of public contracts, the Minister of Supply and Services took the decision independent of me or any other Minister, according to objective criteria. He inserted public servants into that decision-making process.

In both cases there was no violation of any guideline at any time. What we have done is enhanced the severity, properly, of both sets of guidelines to ensure that the Canadian people are well served by their public servants.

REQUEST THAT MINISTER OFFER RESIGNATION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to direct a question to the Minister of Finance. I have been observing the situation for the last three days very carefully—

Some Hon. Members: Oh, oh!

Mr. Chrétien: —and I know how important it is for the Minister of Finance to be above reproach.

In view of the fact that the Minister of Finance will bring down a Budget in a month, and in view of the fact that everyone recognizes that we are not questioning the integrity of the Minister of Finance but his judgment—he made an error in judgment in letting the contract go to his brother-in-law and his former assistant—will the Minister of Finance do what he should do under the circumstances, and offer his resignation, to relieve the Prime Minister of having to defend him on a daily basis in the House?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, because of the premise of the question from the Hon. Member for Saint-Maurice, I will repeat what my colleague has said again and again, and which I have also stated in the House. The contract in question was let by me, by my Department. It had nothing to do with the Minister of Finance. It was let by my Department. If anybody has a conflict of interest it has to be me. Again, the contract ended up saving the taxpayers a ton of money, and I am proud of it.

Some Hon. Members: Hear, hear!

RESIGNATION SOUGHT

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, as the Ministry of Finance was the client of the Department of

Supply and Services, and as it is the responsibility of the Minister—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Could everybody in the House please listen to the question? Instead of yelling back and forth it would make things so much simpler.

Mr. Chrétien: Mr. Speaker, as it was a contract for the benefit of the Ministry of Finance, will the Hon. Minister of Finance do what we expect from the Minister of Finance under the circumstances in order to clear the air completely, and ensure that the Minister of Finance who will present the next Budget will not have his name being questioned in the House of Commons and in the nation?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I should not have to say this to a former Minister of Finance, but what we are talking about is the Bank of Canada, a different institution, not the Department of Finance. The Bank's office is in a different location. It has its own staff, separate from the staff of the Department of Finance. The Bank called us and said it needed an agency to undertake a program. We hired the agency. The wisdom of our decision is demonstrated by the fact that we are saving hundreds of thousands of dollars.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

TRANSPORT

INQUIRY IF MEASURES TAKEN TO RECOVER EXCESS PAYMENTS TO CERTAIN COMPANIES

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, could we perhaps have two minutes of minding the business at hand? My question is directed to the Minister of Transport. Considering the fact that according to the Auditor General's report last December, the then Minister of Transport, in April 1983, gave VIA Rail $75 million more than was budgeted and that in 1981, the Minister did the same for Canadian National to the tune of $46.5 million, could the Minister inform the House whether he has taken steps or intends to take steps to recover the excess payments made by the former Liberal Government? Yes, you guys over there!

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, in reply to my hon. colleague, first, this particular issue arises from some very legitimate differences of opinion in accounting practices. Second, it may very well have to do with the disposition of the thirteenth and fourteenth billing, which occurred as a result of the kind of open-ended contractual arrangements which VIA Rail has had with the two operating railway companies. Hopefully, that is being cleared up by the establishment of a new costing arrangement. With respect to the specific question regarding accounting practices, that is also a matter which is being looked at. Hopefully, it will be resolved satisfactorily.

* * *

CONFLICT OF INTEREST

AWARDING OF CONTRACTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. A few minutes ago the Minister of Supply and Services said, in reply to a question, that if he had to make the decision which was made, in terms of the contract which went to the brother-in-law of the Minister of Finance, he would do it again. After that the Prime Minister acknowledged that, perhaps, the Government had made a mistake in this instance. My question to the Prime Minister is simply—

Mr. Clark (Yellowhead): Stick to the truth.

Some Hon. Members: No.

Mr. Broadbent: Oh, the Prime Minister did not acknowledge that he made a mistake. I want clarification from the Prime Minister.

In light of what the Minister of Supply and Services said, that the same decision would be made again, will the Prime Minister assure the House that a decision to award a contract to a relative of a Minister of the Crown, without a tender, will not be made again by this Government?

Right Hon. Brian Mulroney (Prime Minister): That is like the clarity I heard on the news at noon on the CBC, when the Hon. Member for New Westminster-Coquitlam said that the NDP is out of NATO, and the NDP Leader said: "We're in". That is the same kind of clarity and reason.

I tried to respond to my hon. friend. We inherited two sets of guidelines, one for Cabinet Ministers, which is being approved. I do not think it is appropriate for me to respond to nor is it appropriate for the Hon. Member to ask a hypothetical question. All I can do is tell him that we are committed to upholding the highest possible standards of human conduct in the exercise of a public trust. We have two sets of guidelines, and in both cases we are tightening up and enhancing them to the credit of the Government and to the credit of the House of Commons.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question to the Prime Minister was not hypothetical. It was straightforward and clear. I am looking for a policy decision from the Government. Will he assure the House that the newly-elected Conservative Government will not make any decision in the future which will give a contract on an untend-

ered bid to a close relative of a Minister of the Crown? It is very clear. Can we get a yes or no answer?

● (1450)

Right Hon. Brian Mulroney (Prime Minister): I think there is a contradiction in the Hon. Member's suggestion of an untendered bid. I just want to be absolutely clear. I see the point that the Hon. Member is trying to bring forward, and I agree with him. I agree very much that the conflict of interest regulations should be very severe in regard to all of our associations and all of our families. I accept that, and always have, and said it right from the beginning. What I do not accept, and what I reject with the greatest of vigour, is the implication that any person, including someone sitting in the back benches of the Liberal Party, can have the temerity and impunity to try to slander the integrity of a most honourable Canadian. That I am not going to put up with.

Mr. Deans: We are not doing that.

Mr. Mulroney: In fairness, I will agree with the Hon. Member; I limited my comments to that great Canadian. But I responded fully to your concerns and I think the Member will be well pleased with the severity of the regulations as brought in.

APPLICATION OF GUIDELINES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister. I would like to ask him whether he feels the conflict of interest guidelines apply to him, and if he can tell us whether immediately upon assuming the Prime Ministership of this country he resigned all of his corporate directorships?

Right Hon. Brian Mulroney (Prime Minister): Long before that.

LABSEA INCORPORATED DIRECTORSHIP

Ms. Sheila Copps (Hamilton East): Well, can the Prime Minister tell this House why it took him almost two and a half months after he assumed the Prime Ministership of this country to resign from Labsea Incorporated, a company in which he shared the directorship with his great and good friend Frank Moores?

Right Hon. Brian Mulroney (Prime Minister): I will be happy to. I resigned from all of the publicly and privately held companies with which I was associated long before becoming Prime Minister. It may be that there were either charitable organizations or universities, or some private companies in which I would have had either a minor interest, or a directorship on a hospital board, or some such thing like that. I will be happy to check the record. My principle, which I set out and which I followed, was to resign absolutely all of my business holdings. If there is an exception to that, I can assure you that, (a), it would have been inadvertent and, (b), it would have been of no profit to me.

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THE DISABLED AND THE HANDICAPPED

TRANSPORTATION REQUIREMENTS—RATUSHNY REPORT RECOMMENDATIONS

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, my question is directed to the Minister of Transport. Can he report to the House on the progress being made with respect to the implementation of the Ratushny report which deals with the transportation requirements of handicapped Canadians?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I would advise the House that the recommendations brought down by Professor Ratushny were excellent recommendations. I should also advise the House that we have been working very closely with the Advisory Committee on the Handicapped. It would be my intention within the next couple of weeks or so to announce a plan for the implementation of the recommendations which have been brought forward by Professor Ratushny, and also the recommendations brought forward by the Advisory Committee on the Handicapped. I should say as well that we will be designating the Minister of State for Transport as responsible Minister for all matters relating to accessibility for handicapped and senior citizens.

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CANADA MORTGAGE AND HOUSING CORPORATION

TORONTO RENTAL INCREASES

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Labour, who is also responsible for CMHC. On April 16 I asked him why his Department was planning to increase rents in CMHC controlled apartments by in excess of 10 per cent, including the Main Square apartment complex in Toronto. The Minister replied that the present Government was raising the rent in order to recover from the previous administration's six and five program.

Does the Government not realize that many of the individuals in those buildings were already victimized by the previous administration's six and five program? Why are the Government and the Minister trying to stick it to these people again? How many other groups are going to be victims of this kind of thing?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I would like to explain to the Hon. Member once again that the rent increases are made subject to the guidelines of the Rent Review Board in the Province of Ontario and can be substantiated before that board. The Hon. Member should also be made aware that in the Main Square project some 25 per cent of the units are rent geared to income, and if by increasing the

rents some of those individuals would have difficulty paying, they may apply for rent geared to income.

However, I think the Hon. Member would have to agree that individuals who have the ability to pay should pay, so that we can use scarce dollars to subsidize those who need assistance. I would think that would be something that this Government and he would support.

MINISTER'S POSITION

Mr. Neil Young (Beaches): Mr. Speaker, I wrote to the Minister some weeks ago and I am still waiting for a reply on this issue. However, I have in my hand a letter he sent to the local Progressive Conservative candidate in Beaches-Woodbine in which the Minister says the opposite to what he has just told the House. He knows that CMHC does not have to go before the Rent Review Board in Ontario.

Is the Minister advocating to the Public Service groups, the superannuates, and everyone else who lost income under the six and five program, that they should now come after the Minister to make up their losses?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the Hon. Member asked a question in the House earlier on Main Square, and I replied in the House. The Hon. Member has applied to bring his question up on the adjournment debate and I hope that debate can come forward. I would reiterate that CMHC rent increases would relate to the very same guidelines, and the Corporation would be in a position to substantiate them if it were called to appear before the Rent Review Board. That is what I said in my first reply and that will be the course that CMHC will follow. I think the Hon. Member should appreciate that because it is not bound by law, as he knows, to appear before or abide by the Board.

Mr. Young: Why don't you do it?

Mr. McKnight: We are substantiating the increases with reference to the same guidelines that the Ontario Rent Review Board would require.

* * *

[*Translation*]

TRANSPORT

CONSTRUCTION OF VIA RAIL MAINTENANCE PLANT—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to ask the Minister of Transport whether he realizes that since last September, several thousand jobs depending either directly or indirectly on the transportation industry have been lost in the Montreal area. Since the Minister will soon be making a speech in Montreal within the next few days I am told will he take advantage of this opportunity to give the go ahead for construction on the VIA Rail maintenance centre that would create some badly needed jobs in the Montreal area?

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, I can inform the Hon. Member for Papineau that we are aware of the economic situation in the City of Montreal. However, I would like to correct the impression the Hon. Member is trying to give the House in claiming that the maintenance centre—our decision is to be taken at a later date, depending, as we have always said, on our financial resources—would necessarily be a centre to create jobs. I may remind the Hon. Member that since maintenance is currently being carried out by Canadian National, transferring all the maintenance now being done by CN to a hypothetical maintenance centre would represent a considerable loss of jobs. So this is a case where it is more a matter of transferring jobs than creating new ones. That is the context in which we are weighing various possibilities. Now I am ready for another question.

TRANSPORT INDUSTRY'S FRAGILITY IN MONTREAL—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, I have a supplementary.

I would like to ask the Minister whether he is aware of the fact that a report by the economic expansion office of the Montreal Urban Community has revealed that the transportation industry in Montreal is showing signs of being considerably weakened, and however the Minister would like to explain this, I would like to know what his Government intends to do to create jobs in the transportation industry in Montreal.

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, I think the Hon. Member has a marvelous capacity for forgetting that he was in power for 20 years before September 4.

The situation in Montreal today did not come into being on September 4. You had any number of opportunities to prevent what is happening now and you did nothing, absolutely nothing. Mr. Speaker, that is the situation in Montreal and it all happened under the Liberal regime. Instead of creating a debt of $35 billion, you should have had some concern for what was happening in Quebec.

* * *

● (1500)

[*English*]

IMMIGRATION

RESIGNATION OF REVIEW COMMITTEE CHAIRMAN

Mr. Dan Heap (Spadina): Mr. Speaker, today we have been hearing about guidelines. There are guidelines in immigration too. It seems that in immigration the jungle guidelines are often more dangerous than the predators. In fact we read that

the chairman of the Minister's review committee for long-term illegal migrants is both guide and predator.

In view of today's *Globe and Mail* report of Mr. Greenbaum's conflicting role, can we expect the Minister of Employment and Immigration to replace him immediately?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I read *The Globe and Mail* story this morning. I can tell the Hon. Member, and other Members of the House, that I discussed this matter with Mr. Greenbaum, and he has since submitted his resignation.

Some Hon. Members: Hear, hear!

Miss MacDonald: While I have received assurances from Mr. Greenbaum that there was no impropriety in any of his actions, he and I nevertheless felt that, because this is a position which is of a quasi-judicial nature and any suggestion or hint of impropriety would undermine the confidence of that process, it would therefore be better if he were to submit his resignation.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, April 23, 1985, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE ON COMMUNICATIONS AND CULTURE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Communications and Culture, in both official languages.

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE ON EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Mr. William C. Winegard (Guelph): Mr. Speaker, I have the honour to present the second report of the Standing Committee on External Affairs and National Defence concerning the Report of the Canadian Emergency Coordinator on the African Famine.

[*English*]

In accordance with Standing Order 69(13), the committee requests that the Government make a comprehensive response to the second report.

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

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PETITIONS

CALL FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, I have the honour to present a petition from 1,305 citizens of Port Alberni, British Columbia. The signatures were gathered by a woman whose daughter was murdered. The signatures call for the reinstatement of capital punishment for the offence of premeditated murder in Canada.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Question No. 271 will be answered today.

[*Text*]

NUNACOM INCORPORATED

Question No. 271—**Mr. Blenkarn:**

Is there a company called Nunacom Incorporated doing market research for any Department and, if so, who are the real beneficial owners of the shares of Nunacom Incorporated or any company called Nunacom?

Hon. Ray Hnatyshyn (President of the Privy Council): No.

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the other questions stand?

Some Hon. Members: Agreed.

[*English*]

MOTION TO ADJOURN UNDER S.O. 30

AWARD OF ADVERTISING CONTRACT

Mr. Speaker: I have received notice of an application under Standing Order 30 from the Hon. Member for Windsor West (Mr. Gray).

Hon. Herb Gray (Windsor West): Mr. Speaker, in accordance with Standing Order 30 I move, seconded by the Hon. Member for Saint-Jacques (Mr. Guilbault), that the House adjourn for the purpose of discussing a specific and important matter requiring urgent consideration, namely the advertising contract awarded without tender to a company headed by a relative of the Minister of Finance (Mr. Wilson), and the failure of the Prime Minister (Mr. Mulroney) to enforce conflict of interest guidelines in the aforementioned matter and other circumstances related to this case.

Mr. Speaker: The Hon. Member for Windsor West (Mr. Gray) gave me notice of his intention to request an emergency debate under Standing Order 30. As Members know, there are a number of tests which the Chair is required to apply to an application under Standing Order 30.

First, the matter proposed to be discussed must be a specific and important matter requiring urgent consideration. As our precedents confirm, not only must the matter be a genuine emergency, there must be an urgent need to debate it with a minimum of delay in the national interest. The Chair must also take into account whether an early opportunity to debate the issue is likely to occur. We are now into the third Supply period and only three of the allotted days have so far been used. The Opposition has the option of choosing this subject as their subject of debate for the next allotted day.

Let me make it clear to the Hon. Member that it is clear to me that the matter is important which is, in my view, why it has loomed so large during the Question Period for the past few days. However, I am not persuaded that it is related to a genuine emergency as contemplated by Standing Order 30. I am therefore unable to find that the request fulfils the requirements of Standing Order 30.

* * *

[*Translation*]

MOTIONS FOR PAPERS

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all Notices of Motion for the Production of Papers be allowed to stand.

Mr. Speaker: Shall all Notices of Motion for the Production of Papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT, 1985

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-18, an Act to amend the Criminal Code, to amend on Act to amend the Criminal Code and to amend the Combines Investigation Act, the Customs Act, the Excise Act, the Food and Drugs Act, the Narcotic Control Act, the Parole Act and the Weights and Measures Act, to repeal certain other Acts and to make other consequential amendments, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise on a point of order. There are two items I would like to raise in terms of the business of the House this afternoon dealing with the particular Bill which has now been called for consideration by the House. First, there have been consultations between the Parties and I believe there will be a disposition to deal with report stage and third reading of this Bill today by unanimous consent.

The second point is to address the question of admissibility, if I might, with respect to some of the motions put forward at report stage.

Mr. Speaker: The Hon. Member is not the only Member with that interest. There are 16 motions on the Notice Paper at the report stage in amendment to Bill C-18, the Criminal Law Amendment Act, 1985. I intend to hear procedural arguments in a minute.

Motions Nos. 1 to 4 are identical. These motions present some procedural difficulty to the Chair in that they seem to go beyond the scope of the Bill and appear to amend the parent Act.

Motions Nos. 5 to 8 are also identical. These motions will be debated together and a vote on any one of these motions will dispose of the other three.

Motions Nos. 9 to 12 are identical and again give the Chair some procedural difficulty in that they also appear to go beyond the scope of the Bill and attempt to amend other statutes not included in Bill C-18.

Motions Nos. 13 to 16 are identical and should be debated together. Again, a vote on any of these motions will dispose of the other three motions.

I am prepared to hear procedural arguments from Hon. Members on the acceptability of Motions Nos. 1 to 4 and 9 to 12, should they wish to do so. Perhaps, for the sake of convenience, I could hear them in the order in which I was given notice of their intention to proceed. I will therefore start with the Hon. Member for York Centre (Mr. Kaplan).

• (1510)

Mr. Kaplan: Mr. Speaker, before making arguments on the motions perhaps I could indicate our agreement with the Government House Leader as to our willingness to debate all stages this afternoon.

Mr. Robinson: Mr. Speaker, on behalf of my Party I am also pleased to indicate that we are prepared to debate both report stage and third reading this afternoon.

Mr. Speaker: Perhaps we should indicate for the record that there is agreement by unanimous consent that the matter will proceed through all stages today.

Some Hon. Members: Agreed.

Mr. Speaker: The Hon. Member for York Centre (Mr. Kaplan) on a procedural issue.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I might indicate at this time that I will make my arguments relating to all of the motions that you have referred to, which I think will be of assistance to the Chair.

These are a set of amendments which would make it possible for war criminals residing in Canada to be prosecuted under Canadian law, within Canada, for crimes to be defined by the amendments that were committed in other countries, particularly during the Second World War, according to some of the submissions we have had.

I submit that this motion and the others are within the scope of and relevant to the subject matter of subclause 5(3), and therefore of Clause 5 and therefore of the Bill, and is therefore admissible.

Bill C-18 deals with over 200 subject matters which include not only drunk driving, computer crime, and telewarrants, but murder, perjury, lotteries, threats, forcible entry, weapons, wiretaps and a host of other topics. It is a very heterogeneous Bill. It does not deal with the entire criminal law but with a great part of the criminal law.

The effect of Clause 5 of Bill C-18 is narrower. It amends Section 6 of the Criminal Code which sets out and deals with a number of specified crimes committed outside Canada which can be tried in Canada, although they are extraterritorial. In particular, these include air piracy and the murder of diplomats.

Subclause 5(3) of Bill C-18 does yet a narrower set of things. It amends Section 6 of the Code to add to it two new extraterritorial offences—hostage taking and the diversion of nuclear material—to those which can be tried in Canada by virtue of Section 6.

The present motion seeks to amend subclause 5(3) to add two more crimes abroad to those to be added to Section 6—namely war crimes and crimes against humanity, including but not limited to those of the Second World War—with the amendment being closely modelled on the hostage taking and nuclear material provisions, and also drawing wording and concepts from the Charter of Rights and the Charter of the Nuremberg Tribunal.

The scope and subject matter of a clause or subclause is not the same thing as the text of the clause or subclause. If it were, no amendment would ever be possible.

There are at least five precedents for these motions being admissible. First, in 1977, in Bill C-51, the Bill proposed to add additional crimes to the list of crimes that were contained in Section 178.1 of the Criminal Code, which sets out the crimes whose investigation can justify an application to wire tap.

In the committee, amendments were accepted and adopted to add additional crimes to the list of crimes being added to that list. The reference is Justice Committee proceedings, 1977, issue 23.

Second, in 1976, in Bill C-84, the Bill to abolish capital punishment, the Bill set out which murders would be considered first degree murders. At report stage a motion by the Hon. Member for Durham—Northumberland (Mr. Lawrence) was ruled to be in order and was adopted, to add an additional item to the list of crimes which are first degree murder, namely a murder committed by a person already convicted of a murder. The reference is *House of Commons Debates*, 1976, pages 15091-15093 and 15195-15196.

Third, in 1954, at the adoption of what is basically our present Criminal Code, in Bill C-7, the Bill contained a provision, Clause 400, which is now subsection 415(1) of the Code, sidenoted "Printing circulars, etc., in likeness of notes", bank notes. In the Senate, at Government request, subsections (2) and (3) were added, creating and limiting a separate but not dissimilar offence sidenoted "Printing anything in likeness of bank note, etc." The reference is *House of Commons Debates*, 1953-54, pages 3918-3920.

Fourth, in the very committee proceedings which dealt with the present Bill, Bill C-18, Clause 10 proposed to amend Section 73 of the Criminal Code which deals with forcible entry and forcible detainer of real property. In the Code, Section 73 defines forcible entry and forcible detainer and Section 74 makes them each an indictable offence subject to two years imprisonment.

The committee, no doubt correctly, considered Clause 10 to open up the law of forcible entry and detainer to amendment and further amendment, to the point where our committee adopted a new Clause 11, changing them from purely indictable offences to offences punishable either on indictment or on summary conviction. In other words, hybrid offences. That is a provision that was not contained in the original Bill. The reference to that is our meeting of April 15, 1985, at page 461.

Fifth, again in the present Bill C-18, Clause 137 amends Section 605 of the Code to provide a Crown appeal against, among other things, a stay of proceedings in a case by indictment. Our committee adopted a new Clause 181 to amend Section 748 of the Code which was not amended by the original Bill, to provide a similar Crown appeal against a stay of proceedings in summary conviction cases. Again, a whole

area of law, Crown appeals against stays of proceedings, was open to amendment. The reference there is Bill C-18, first reading version, and *Votes and Proceedings*, April 15, 1985, at page 465.

I submit that all of the foregoing precedents argue that the war crime amendments presently before us should be admissible.

Subclause 5(3) does not simply add hostage taking and nuclear material diversion to Section 6. Rather, it opens Section 6 to amendments by the addition of whatever additional crimes, outside Canada, Parliament may choose to now make triable inside Canada by adding them to that list. It does not create new crimes; it just alters the consequences of existing crimes and that is the proposal of this motion.

I submit that in cases of doubt, motions ought to be ruled in order rather than out of order, to permit debate.

Finally, if you do not agree with these submissions, I would ask that you seek unanimous consent, as was done in some of the cases I have referred to, to make it possible that these important amendments be added to the Criminal Code at this time.

Mr. Speyer: Point of order.

Mr. Hnatyshyn: Mr. Speaker, I will begin and I know the Parliamentary Secretary wishes to make a contribution.

Mr. Speaker: Would you prefer that I hear the Hon. Member for Burnaby (Mr. Robinson) first?

Mr. Hnatyshyn: That is fine.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I will be very brief because many of the points I was going to make with respect to admissibility have been made by my hon. friend, the Member for York Centre (Mr. Kaplan). I would only underscore the fact that the motions which we are now dealing with, which are four identical motions, would not change the essential thrust of Clause 5, the relevant clause. Clause 5 already makes reference within the four corners of the clause to a number of crimes which did not in fact occur within Canada. This includes the whole question of hostage taking and the diversion of nuclear materials. These are being added for the first time.

If the purpose of the amendment was to add to Clause 5 a matter which was not considered criminal in Canada, then certainly I would agree that we would be going beyond the scope of Clause 5. Instead, what is being proposed here in these amendments is that a provision be added dealing with the subject of war crimes.

● (1520)

There is no question that war crimes are recognized in this country as being crimes and as always having been crimes. The Constitution Committee, of which I had the honour to be a member, and I know the Hon. Member for Saskatoon West (Mr. Hnatyshyn) was a member as well, unanimously supported an amendment to Section 11 of the Charter of Rights which makes it very clear that should Parliament wish to act to make provision for trials in Canada of war crimes, that would not in any way offend the provisions of the Charter of Rights with respect to retroactivity.

I want to remind the House that on this question of trials within Canada for individuals who are suspected of having committed crimes against humanity, war crimes, this is not the first time that this issue has been raised either in the House or in committee. I recall vividly questioning the Liberal Minister of Justice, the Hon. Member for Shawinigan (Mr. Chrétien), and questioning the former Solicitor General, the Hon. Member for York Centre (Mr. Kaplan), on this very point and being told in no uncertain terms that it was the policy of the Liberal Government not to permit trials in Canada of suspected war criminals. I might say that I find it passing strange to find the Member for York Centre in his new manisfestation standing up before the House and suggesting that we supported an amendment which would permit such trials.

Dealing specifically with the question of admissibility of this motion, I want to underscore the fact that once again it is within the broad framework of Clause 5. It does not make a change that is fundamentally different. My colleague from York Centre has already cited one particular precedent on this matter. I would urge Parliament to move forward in order that those individuals who for one reason or another cannot be extradited to other countries be tried in Canada.

The admissibility of this motion, which is the matter to which I am addressing my remarks at this point, while it may be open to some debate and some discussion, Your Honour might very well agree having heard the persuasive arguments on this point and subject to what my ditinguished colleague, the Government House Leader, will say, there does exist sufficient doubt that this matter should be put to the House for substantive debate. In the unlikely possibility that the Government House Leader is not prepared to support that particular suggestion, I urge the Speaker—and I know it is not up to the House Leader—to be persuaded by what will hopefully be unanimous sentiments in the House to reconsider. But if that is not the case, Mr. Speaker, I would be prepared to move a motion seeking unanimous consent to permit this particular matter to be debated.

Mr. Speaker: Further procedural arguments? The President of the Privy Council.

Hon. Ray Hnatyshyn (President of the Privy Council): With great difficulty I will attempt to deal exclusively with the procedural part of the matter. Some elements of policy have entered into these arguments but I will deal with the procedure exclusively. I think that is precisely what we are required to do at this time.

As you have pointed out, Mr. Speaker, Motions Nos. 1 to 4 in my humble submission seek to introduce a new class of offences into the Criminal Code which class is clearly not referred to in the long title of the Bill as passed at second reading stage. The Bill as passed did not deal with "war

crimes" and hence these proposed motions, all of which are identical, clearly are contrary to our practices as set forth in Beauchesne's Fifth Edition, Citation 773(1), which reads:

An amendment is out of order if it is irrelevant to the Bill, beyond its scope or governed by or dependent upon amendments already negatived.

And this was given ample support by Erskine May's Twentieth Edition at page 555, which reads:

An amendment is out of order if it is irrelevant to the subject matter or beyond the scope of the Bill or if it is irrelevant to the subject matter or beyond the scope of the clause under consideration.

Furthermore, Mr. Speaker, I think there are serious grounds for doubting whether these amendments are relevant to the clause which they seek to amend.

Motions 9 through 12 appear to be attempting to amend the Fugitive Offenders Act and the Extradition Act which are not now before the House. Such amendments in my submission, are out of order inasmuch as they are contrary to the provisions of Beauchesne's Fifth Edition, citation 773(8)(a), which reads:

An amendment may not amend a statute which is not before the committee.

You will, of course, be aware that the rules which apply to the admissibility of an amendment in committee apply equally at the report stage, Mr. Speaker. I would refer you to Beauchesne's Fifth Edition, Citation 792, which reads:

The moving of motions in amendment to a public Bill at the report stage is governed by the practice or tradition which has developed whereby only the same class of amendments which were moved at the committee stage may be moved at the report stage.

I may say that I make this argument on the basis of the procedural argument. It has nothing whatsoever to do with a question of policy. Allusion has been made by both the Hon. Member for York Centre (Mr. Kaplan) and the Hon. Member for Burnaby (Mr. Robinson), whose constituency I have visited on a number of occasions—

Mr. Robinson: You are welcome back.

Mr. Hnatyshyn: —in support of the Hon. Member to make sure that he returns. I simply say, Mr. Speaker, that, as you know, if unanimous consent is sought this Government has taken early and strong initiatives in terms of this whole question of resolving the matter of war criminals in Canada and war criminals. We have set up a commission headed by the distinguished jurist, Mr. Justice Deschenes. I think from that point of view you will understand why we think that excellent work which has already commenced must be carried on. Accordingly, it would not only be inappropriate but presumptuous of us to make a decision on this basis with respect to a most important issue. I share the recollection of the Hon. Member for Burnaby in questioning the Hon. Member for York Centre when he was Solicitor General and I recall very clearly the position he took as part of the three-person committee of Cabinet with respect to this issue in which he indicated that retroactivity was not acceptable to him at that time. I say that with the greatest respect to the Hon. Member and I think we want to have this matter dealt with by the commission. Accordingly I do not think that unanimous consent would be forthcoming.

Mr. Speyer: I rise on the same point of order, Mr. Speaker.

Mr. Speaker: I will recognize the Hon. Member for York Centre (Mr. Kaplan) first.

Mr. Kaplan: Mr. Speaker, reference has been made to decisions in which the Members who have spoken indicated that I participated. I want to indicate to them that there was a considerable development of policy during the period I was Solicitor General and that development of policy was in the direction of taking over firmer action against war criminals in Canada.

I recall earlier opinions to the effect that nothing could be done, including extradition, issued by former Governments. These were changed in the early years by bringing arguments to the attention of law officers of the Crown. I feel at this time that there is a sufficient development of legal opinion to justify—

Mr. Speaker: I have allowed the Hon. Member to speak for an obvious reason, which was that somehow matters of debate entered into a matter of procedural argument. I cannot imagine how that would be possible here in this sort of Chamber.

Further procedural argument? The Hon. Member for Cambridge (Mr. Speyer).

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, at the outset of your remarks you seemed to indicate a distinction between the different groupings. Indeed, arguments were made by the official critic for the Liberal Party and for the New Democratic Party. All of these groupings were dealt with together. My friend, the President of the Privy Council (Mr. Hnatyshyn), spoke with respect to the first grouping of four. That was really the core of the amendments dealing with war crimes.

The other following three groupings are derivatives of the first one. No individual argument has been made yet to the points that you raise, indirectly or by implication, with respect to the second grouping, namely Motions 5 through 8 and also Motions Nos. 12 to 15. I would like to have an opportunity to debate those particular motions at the appropriate time.

Mr. Speaker: The Hon. Member's argument to some degree is well founded. I indicated that I was prepared to hear the admissibility issues with regard to Motions Nos. 1 to 4 and Motions Nos. 9 to 12 at the same time. As far as I am concerned, I have heard the arguments with regard to the matters I have raised and I am now prepared to rule.

• (1530)

I have sympathy to some degree for the arguments being made by the Hon. Member for York Centre (Mr. Kaplan). The question the Speaker has to consider—and I am now indulging in a minor *obiter dictum*—is: When is an amendment an amendment and when is it a subamendment? In my

judgment, from what I have seen, having read the matter, I think it is clear that the citation to which the Hon. President of the Privy Council (Mr. Hnatyshyn) referred in terms of Beauchesne does apply. What in fact is being attempted here is to introduce measures, however legitimate they are in the minds of many Members, which go beyond the original scope of the Bill and therefore must be ruled out of order.

If I may make one small comment on the references the Hon. Member made, particularly the references to what was already done by the committee itself, the Chair has not been asked to comment, will not comment and does not comment on decisions by the committee. However, I think the Hon. Member knows that such a decision by the committee would not represent a precedent or anything that would bind the Chair. I understand the purpose of the introduction of those points, but it is certainly not clear that what the committee did would bind the House or should bind me. If anything, in precedent terms, it would go the other way around. I think the Hon. Member knows that. Therefore, I will rule out Motions Nos. 1 to 4 and Motions Nos. 9 to 12 as being, in my view, out of order.

I must also deal with the question of the request for unanimous consent. As the Hon. Member knows, we do many things here by unanimous consent. They are those things that we cannot otherwise do, and we do them by unanimous consent here in order to be more expeditious. Normally, for instance, we may, as we have indicated today, notwithstanding the general rules about when things may be done, choose by unanimous consent to go through all three readings. However, what is out of order is out of order. The Speaker is in a difficult situation, appreciating what the Hon. Member wants and understanding the seriousness of his concern. The Chair must say that a request to try to make something which is out of order in order by unanimous consent cannot be accepted by the Chair on the simple basis that it is either in order or it is out of order. Something cannot be made to be in order by a decision of the House.

The argument has always been that the House thinks it has the right to waive all its rules by unanimous consent at any time. It does have the right to do some things by unanimous consent which it would not otherwise do. It can decide to do a Bill in one day as opposed to in three sittings, but I cannot accept the request for unanimous consent. I say that notwithstanding that the Hon. President of the Privy Council has already indicated that consent would not be forthcoming.

I am not by this comment changing what the practical effect would be. I am really wanting to give notice for future attempts to use unanimous consent. It is reasonable to do things we otherwise cannot do and to expedite them through the procedure of unanimous consent, but clearly it would be an offence to the House to ask, in a sense by unanimous consent, to do something which cannot be done because the Chair must find it out of order.

If I may be perhaps a little more explicit, it comes close to suggesting that the House have a procedure to overturn a ruling of the Chair. If that is what the House wishes to have, if it wishes to have that power, the House has a different method, that is, amending its Standing Orders through the reform committee. Those are my views on both the amendment and the request for unanimous consent.

Mr. Robinson: Mr. Speaker, I am not in any way questioning the Speaker's ruling with respect to the question of seeking unanimous consent. I would just, however, seek clarification of the Speaker's ruling in light of its serious implications. I think the Speaker recognizes that the House has certainly traditionally understood that effectively we can take a decision on just about any question as long as we do it by unanimous consent. I wonder if the Speaker would elaborate or clarify whether the Speaker is in fact suggesting that it is only in matters of time, where there are requirements with respect to time—and the Speaker spoke about expediting certain matters—as opposed to matters of substance and substantial questions of order. Is it that distinction which the Speaker is making, that the House can in fact give unanimous consent to in effect not observe procedural requirements with respect to time? Perhaps the Speaker—

Mr. Speaker: No, the Hon. Member will know why I cannot stand here and indulge in a long clarification at this point. He must also understand that what I am trying to say is that what the House cannot do, it cannot do by unanimous consent. In other words, the request for the amendment is out of order, as I have said and I have ruled. It is out of order whether it is moved by the President of the Privy Council personally. It is out of order if it is moved. It therefore cannot be introduced by unanimous consent because it is *ab initio* out of order and cannot be made in order by a decision to make it in order. That is the point I am trying to make.

Mr. Hnatyshyn: Mr. Speaker, I rise at this point to indicate that I understand what you have said. I think there is probably a sense, as I understand it, in the House that one does not try to do what is illegal by unanimous consent. I think that principle would be accepted by everyone here. On the other hand, when the House of Commons operates by unanimous consent, in many instances it has the effect of setting aside a Standing Order. I just did not want to get ourselves into a position where we were tying our hands with respect to doing something which has the unanimous consent of all Members of the House and is in the interests of not only this institution but of our country. I do not want to put Your Honour in a position of having to explain your ruling, by any means. However, I simply thought it would be appropriate at this time for me to ensure that we in the House understood each other and that there was in fact a clear understanding that unanimous consent very often is a matter whereby Standing Orders are set aside by virtue of that act.

Mr. Speaker: The point I am trying to make to the House is that the House must also know there are matters which cannot simply be done by consent. I think logic makes that clear. I just wanted to use this opportunity, since it was clear that there would not be consent anyway, to put that on the record; it seemed like a good time.

Mr. Robinson: Mr. Speaker, with respect, it is not clear to me at all. Is the Speaker saying—

Mr. Speaker: Order, please. Then the Hon. Member might come to see me in chambers and I will try to explain it.

Mr. Speyer: Mr. Speaker, I rise on a point of order. As a consequence of your ruling, the substance of the war crimes amendments which are being proposed in the different groupings is derivative and makes no sense.

Mr. Speaker: Could the Hon. Member please tell me to what amendments he is referring?

Mr. Speyer: The other motions—

Mr. Speaker: The Hon. Member is aware that Motions Nos. 1 to 4 and Motions Nos. 9 to 12 have been ruled out or order.

Mr. Speyer: Mr. Speaker, you have ruled Motions Nos. 1 to 4 out of order, if I understood your ruling.

Mr. Speaker: And the other four.

Mr. Speyer: And the other four.

• (1540)

Mr. Speaker: I take it the Hon. Member is now making a case that Motions Nos. 5 to 8 ought to be ruled out of order as well?

Mr. Speyer: Yes.

Mr. Speaker: I am in some difficulty. Shall we move back to Motions Nos. 5 to 8? I have already ruled them in.

Mr. Speyer: Mr. Speaker, I wonder if I could have the opportunity of making my argument. I asked for the opportunity to make an argument. I understood that what we were doing initially was debating in groups Motions No. 1 to 4, Nos. 5 to 8, Nos. 9 to 12 and Nos. 13 to 15 and there were different considerations.

Mr. Speaker: Order. What I indicated in the beginning was that I had procedural difficulties with Nos. 1 through 4 and Nos. 9 through 12, that I found Nos. 5 to 8 in order. I indicated I would hear procedural argument on the matters that I thought were out of order. Is the Hon. Member now asking me to go back and hear the admissibility question on Nos. 5 to 8, because if he is doing that, I will be happy—

Mr. Speyer: Mr. Speaker, I asked for it initially. I had understood that you were going to—

Mr. Speaker: With respect, I did indicate that I thought Nos. 5 to 8 were in order. I saw the Member rise to deal with the question that I asked on Nos. 9 to 12. The "blues" will bear me out. If the Member is now wanting to revert to Nos. 5 to 8, I will be perfectly happy to hear him on Nos. 5 to 8. Can I now hear him on Nos. 5 to 8?

Mr. Speyer: Mr. Speaker, on this point of order I asked for the opportunity, and I thought that it was given, to debate all procedural matters that were relevant to the motions that are on hand. My understanding was that pursuant to my request, I was going to have that opportunity to debate Nos. 5 to 8.

I make the first point, the threshold point that the core of Motions Nos. 1 to 4 goes to setting up a new offence that deals with the prosecution of Nazi war criminals retrospectively. Your Honour has ruled that to be out of order. That is Motions Nos. 1 to 4.

From Motions Nos. 5 through to the end of the motions, No. 15, they are totally derivative of the first four and make no sense whatsoever. I think probably the critic for the Liberal Party would agree with that. In other words, having ruled out of order Nos. 1 to 4, the rest of the motions make absolutely no sense on their face. Second, even if we can deal specifically with respect to Motions Nos. 5 through 8, Motions Nos. 5 through 8 say:

> That Bill C-18, be amended in Clause 5 by striking out line 2 at page 9 and substituting the following therefor:
>
> "Canada.
>
> (4.1) For greater certainty, it is hereby declared that a person who has been found guilty in absentia outside Canada, but who has not yet been punished, shall not be entitled to plead autrefois convict on account of that finding of guilt."

That is what Motions Nos. 5 through 8 say. In terms of the Bill itself, I am at page 8, line 36, and I quote:

> Where a person is alleged to have committed an act or omission that is an offence by virtue of this section—

I ask that you pay particular attention to the restricting clause in this subsection:

> Where a person is alleged to have committed an act or omission that is an offence by virtue of this section and that person has been tried and dealt with outside Canada in respect of the offence in such a manner that, if he had been tried and dealt with in Canada, he would be able to plead autrefois acquit, autrefois convict or pardon, he shall be deemed to have been so tried and dealt with in Canada."

The point I am making is this. *Autrefois acquit* and *autrefois convict* are special pleas. They are pleas like guilty or not guilty, but they really in essense form the thrust of the law as it deals with double jeopardy. These go through all of the Criminal Code. If you notice the amendment that is submitted in Motions Nos. 5 through 8, there is absolutely no limitation with respect to the pleas of *autrefois*. In other words, Motions Nos. 5 through 8, and each one is similar, contain absolutely no restriction whatsoever, whereas the clause itself only applies to matters that are within Clause 5. The amendments that are being made or the motions being brought before you on Clauses 5 to 8 are absolutely unlimited in their scope. They would apply to any Sections of the Criminal Code whereas the actual amendment in the Bill itself on page 8, commencing at line 36, states that the limitation of *autrefois acquit* and *autrefois convict* only applies by virtue of this Section. We are dealing with international terrorism and hijacking. In my view, it is clear on the face of it that there is a conflict between the motions and the Bill. The one is far broader than the other, and inconsistent.

Finally, if I could deal just with common sense, Clause 5 deals with extraterritorial jurisdiction. You have made certain rulings with respect to war crimes dealing with extraterritorial jurisdiction. The rest of the motions make absolutely no sense because they are totally derivative of your finding on the first four.

Mr. Speaker: I thank the Hon. Member for his argument. My ruling remains, the motions are in order. The Hon. Member is asking the Speaker to do something that any Speaker might like to do, which is to go beyond the procedural admissibility of an amendment and have some concern for the quality of the amendment, if you will. No Speaker can do that. The only thing the Speaker is asked to do is determine the procedural admissibility of an amendment.

There is nothing in Amendments Nos. 5 to 8 on their face that is derivative in the sense that the Hon. Member means. The Member means that their effect may be derivative to another motion. That cannot make the amendment itself out of order in terms of the putting of an amendment. As someone once said, it does not have to make sense to move it. I am left with a dilemma. I think the Hon. Member has made a profoundly interesting argument with regard to the amendment, but not the procedural admissibility of the amendment.

I apologize to the Hon. Member if I misunderstood his earlier intervention and its purpose and if I caused him any trouble, but certainly I find that Motions Nos. 5 through 8 remain procedurally in order.

Mr. Kaplan: Mr. Speaker, I would simply observe that based on your earlier ruling that you would not find it acceptable, as you did not find it acceptable, to consider what was out of order to be in order by unanimous consent, neither would you be prepared to accept unanimous consent that something which you have found in order is out of order.

Mr. Speaker: I think the Hon. Member knows that he has a way of achieving unanimous consent by not moving them, if that were to be his intention. May I therefore proceed.

Mr. John Nunziata (for Mrs. Finestone) moved:

Motion No. 5

That Bill C-18, be amended in Clause 5 by striking out line 2 at page 9 and substituting the following therefor:

"Canada.

(4.1) For greater certainty, it is hereby declared that a person who has been found guilty *in absentia* outside Canada, but who has not yet been punished, shall not be entitled to plead *autrefois convict* on account of that finding of guilt."

Mr. John Nunziata (York South-Weston) moved:

Motion No. 6

That Bill C-18, be amended in Clause 5 by striking out line 2 at page 9 and substituting the following therefor:

"Canada.

(4.1) For greater certainty, it is hereby declared that a person who has been found guilty *in absentia* outside Canada, but who has not yet been punished, shall not be entitled to plead *autrefois convict* on account of that finding of guilt."

● (1550)

Hon. Bob Kaplan (York Centre) moved:

Motion No. 7

That Bill C-18, be amended in Clause 5 by striking out line 2 at page 9 and substituting the following therefor:

"Canada.

(4.1) For greater certainty, it is hereby declared that a person who has been found guilty, *in absentia* outside Canada, but who has not yet been punished, shall not be entitled to plead *autrefois convict* on account of that finding of guilt."

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 8

That Bill C-18, be amended in Clause 5 by striking out line 2 at page 9 and substituting the following therefor:

"Canada.

(4.1) For greater certainty, it is hereby declared that a person who has been found guilty *in absentia* outside Canada, but who has not yet been punished, shall not be entitled to plead *autrefois convict* on account of that finding of guilt."

On Motion No. 8—

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I want briefly to indicate the intent of this particular amendment. I recognize the concern that has been addressed by the Hon. Member for Cambridge (Mr. Speyer) but the intent of the amendment is to ensure that in a case in which an individual has in fact been found guilty in another jurisdiction or *in absentia* but despite the finding of guilt has never been punished for the offence for which he has been found guilty, he should not be able to claim in Canada that he has been found guilty and convicted and therefore not be put on trial for the offence here in Canada.

It has been argued that this particular amendment is irretrievably linked to the earlier amendments with respect to war crimes which were ruled out of order. In fact, that is not the case. Certainly the argument would be more compelling if the provisions with respect to trials of alleged war crimes in Canada had in fact been part of this Bill and ultimately part of the Criminal Code of Canada. We can only hope that following the report of the Deschenes Commission, such provisions will in fact be enacted by this Government which has not slammed the door shut to the possibility of trials in Canada as did the previous Government. That possibility does exist.

It is essential, particularly in the case of an individual who may have been found guilty in a jurisdiction with which Canada does not have an extradition treaty, that that individual should not be able to come forward and claim that he has already been convicted so he should not face trial. Certainly a significant amount of time has passed since the occurrence of war crimes but the passage of time can surely in no way diminish the gravity of these crimes. If indeed there are individuals in Canada against whom evidence exists of implication in war crimes and if in fact Parliament recognizes that they should not escape their day of reckoning and makes provision for trials in Canada with all of the legal safeguards inherent in our system of criminal justice, then I would submit

that this amendment which is very much in line with Section 11(h) of the Charter of Rights is most important.

In the absence of this amendment, it might very well be possible for such individuals to claim that they were found guilty in another jurisdiction even though they were not punished and thus successfully evade the possibility of being brought to justice. That would be doing a very grave injustice to the victims of these crimes and to their families, many of whom are still alive and living in Canada and elsewhere.

With respect, I would suggest that it is most important that this amendment be adopted in order to ensure that these people do not avoid the possibility of prosecution and ultimate conviction. Hopefully this amendment will be adopted and in the near future, following the report of the Deschenes Commission, hopefully a system will be put in place in this country that will permit trials in Canada with proper Canadian judicial safeguards of those individuals against whom evidence exists of possible participation in crimes against humanity.

On Motion No. 7—

Hon. Bob Kaplan (York Centre): Mr. Speaker, I too wish to address Clause 5. I agree with the Hon. Member for Burnaby (Mr. Robinson). These amendments in Motions 5 through 8 were introduced primarily because of their relevance to the war crimes amendments with which my Party agrees and which we were hoping would be made part of the Criminal Code amendment package at this time.

Although that portion has been ruled out of order and Government Members have denied unanimous consent to make it possible for the Criminal Code to be amended at this time so that war crimes could be dealt with by domestic procedures under criminal law, the amendments in Motions 5 to 8 are still relevant and valuable. They apply to other extraterritorial crimes and, as my colleague has indicated and as I on behalf of my Party support, these amendments are here to remind the country that there is unfinished business and that our Party is in favour of adding war crimes to the catalogue of crimes within the Criminal Code for domestic prosecution.

I hope that members of the Government will support these amendments. Not only will they be relevant to war crimes if the Government decides to proceed by amending the law, but in connection with nuclear material crimes and diplomatic crimes, the issues addressed in Motions 5 through 8 may still be relevant.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I will be very brief. As I said in my argument to Mr. Speaker on the procedural matters, these particular motions are totally derivative of the main question which is whether or not there is going to be in this legislation the prosecution of war criminals in a retrospective sense. The determination of that issue will be made after the report of the Deschenes Commission. The derivative amendments which are Motions 5 through 8 will be considered at that time. We are not ruling them out out of hand but they are totally inappropriate at this point in time, so the Government will be voting against those amendments.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Shall I dispense?

Some Hon. Members: Dispense.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 5. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed to the motion please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it. I declare the motion lost.

Some Hon. Members: On division.

Motions Nos. 5, 6, 7 and 8 negatived.

The Acting Speaker (Mr. Paproski): The next grouping is Motions Nos. 13 through 16.

Mr. Jacques Guilbault (Saint-Jacques) (for Mrs. Finestone) moved:

Motion No. 13

That Bill C-18, be amended in Clause 212 by adding immediately after line 35 at page 152 the following new subclause:

"(6) Section 5, subsection 40(1), sections 41, 56 and 59 and Schedule I of this Act shall come into force on the day this Act is assented to."

Mr. Jacques Guilbault (Saint-Jacques) (for Mr. Nunziata) moved:

Motion No. 14

That Bill C-18, be amended in Clause 212 by adding immediately after line 35 at page 152 the following new subclause:

"(6) Section 5, subsection 40(1), sections 41, 56 and 59 and Schedule I of this Act shall come into force on the day this Act is assented to."

Hon. Bob Kaplan (York Centre) moved:

Motion No. 15

That Bill C-18, be amended in Clause 212 by adding immediately after line 35 at page 152 the following new subclause:

"(6) Section 5, subsection 40(1), sections 41, 56 and 59 and Schedule I of this Act shall come into force on the day this Act is assented to."

Mr. Robinson: Mr. Speaker, I rise on a point of order. I believe that it can clearly be said that the next amendment is

consequential to Motions 1 through 4 which were ruled out of order. In view of that, I am prepared to withdraw Motion No. 16 with the consent of the House.

The Acting Speaker (Mr. Paproski): Is there such unanimous consent?

Some Hon. Members: Agreed.

Motion No. 16 withdrawn.

• (1600)

Mr. Kaplan: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): The Hon. Member for York Centre (Mr. Kaplan) on a point of order.

Mr. Kaplan: Mr. Speaker, I was out of the House for a few moments during the time at which amendments were put forward on behalf of my colleagues and myself by the Hon. Member for Saint-Jacques (Mr. Guilbault). In our view, those motions have fallen in logic, if not pursuant to the Standing Orders.

The Acting Speaker (Mr. Paproski): Is there unanimous consent to allow the Hon. Member to speak?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): If the Hon. Member wants to withdraw the motions, he may do so by unanimous consent.

Mr. Kaplan: Mr. Speaker, with unanimous consent, I would seek to withdraw Motions Nos. 13, 14 and 15, on behalf of myself and my colleagues.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some Hon. Members: Agreed.

Motions Nos. 13, 14 and 15 withdrawn.

Mr. Speyer: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): The Parliamentary Secretary to the Minister of Justice (Mr. Speyer) on a point of order.

Mr. Speyer: Mr. Speaker, having concluded the debate with respect to the motions that were on the Order Paper, I have spoken to the official critics of both the Liberal Party and the New Democratic Party with respect to further amendments. There is one amendment to Clause 36 for which I think you will find unanimous consent. The amendment is as a result of incorrect translations from English to French. The errors were caught by the editors. I have given copies of the amendment to the official critics and I think, Mr. Speaker, that you will find that there is unanimous consent for the amendment to be adopted.

The Acting Speaker (Mr. Paproski): Is there unanimous consent to give notice?

Some Hon. Members: Agreed.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice and Attorney General of Canada) moved:

That Clause 36 of Bill C-18 be amended:

(a) by striking out lines 13 and 14 of the French version on page 26 and substituting the following:

"lyste par le procureur général pour l'application de l'article";

(b) by striking out line 21 of the French version on page 27 and substituting the following:

"à l'article 237, peut lui ordonner immédiatement ou dès que possible de lui";

(c) by striking out lines 40 and 41 on page 29 and substituting the following:

"(2), un juge de paix qui est convaincu, à la suite".

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

Some Hon. Members: Agreed.

Motion agreed to.

Hon. Perrin Beatty (for the Minister of Justice and Attorney General of Canada) moved that the Bill be concurred in.

Motion agreed to.

Hon. Perrin Beatty (for the Minister of Justice and Attorney General of Canada) moved that the Bill be read the third time and passed.

Motion agreed to and Bill read the third time and passed.

Mr. Kaplan: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): The Hon. Member for York Centre (Mr. Kaplan) on a point of order.

Mr. Kaplan: Mr. Speaker, I understood that we were going to proceed with the third reading debate on Bill C-18 at this time.

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member for York Centre that we have just passed the Bill.

* * *

CUSTOMS ACT
SPECIAL IMPORT MEASURES ACT

MEASURE TO AMEND

Hon. Perrin Beatty (Minister of National Revenue) moved that Bill C-40, an Act to confirm certain acts or things done on behalf of the Deputy Minister of National Revenue for Customs and Excise and to amend the Customs Act and the Special Import Measures Act, be read a second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, I will try to make my remarks shorter than the title of the Bill, which is rather lengthy.

The Bill before us today has an important bearing on the capacity of my Department to carry out its responsibilities effectively in respect of the Customs Act. Timely adoption of the Bill will be of benefit both to the efficient operation of the Department and also to the public which the Department serves, particularly Canadian importers.

Essentially, Bill C-40 deals with the authority of people authorized by the Deputy Minister of National Revenue for Customs and Excise to exercise or perform any of his powers, duties or functions under the Customs Act and the Special Import Measures Act.

Specifically, Subsection 46(4) of the Customs Act authorizes the Deputy Minister to re-determine the tariff classification or to re-appraise the value for duty of goods imported into Canada. This is an important function of the Department, both to ensure that legitimate duties are collected and to ensure that importers are fairly dealt with.

The present Customs Act does not specifically authorize other people to perform the Deputy Minister's functions to make decisions under Subsection 46(4). In practice, over the years, as the volume of such decisions has grown, the Deputy Minister has directed the appropriate Assistant Deputy Minister and officials working under his supervision to make such decisions in his name. With the current volume of cases—an estimated 5,700 in the fiscal year which just ended—it would be utterly impossible to conduct our affairs in any other way.

However, we have reached an impasse as a result of a decision which was handed down by the Federal Court of Appeal in February. In the fall of 1984, the Tariff Board, which hears appeals against decisions made under Subsection 46(4) of the Customs Act, questioned whether it could legally hear appeals when the decisions appealed from were not made personally by the Deputy Minister. The Board referred the matter to the Federal Court of Appeal which, in its February 22 judgment, agreed that the Board lacked such jurisdiction and, further, that the Deputy Minister of National Revenue for Customs and Excise had no legal right to delegate his authority. The Department is, of course, respecting the Court's decision and currently, aside from some cases of critical importance which are being made personally by the Deputy Minister, no action is being taken under Subsection 46(4).

The situation cannot be allowed to continue. Cases which require a decision are continuing to pile up. It is unfair to Canadian taxpayers and unsatisfactory to Canadian importers to allow it to continue.

I might point out that the situation which was created by the Court's decision clearly points to the need for a completely revised and modernized Customs Act which is geared to the realities of business conditions in the 1980s. The present Act is more than 100 years old. While it has been amended many times, it is simply not geared, in many of its provisions, to the volume and complexity of administering customs matters today. Very shortly, I hope to bring before the House a Bill for a totally revamped and modernized Customs Act which will deal with many of the archaic and outdated provisions of the current Act, including the one before us today. In the meantime we have to take action on Bill C-40 to restore the capability of the Department to administer its responsibilities effectively.

● (1610)

The recent ruling of the Federal Court of Appeal also has implications for decisions made under the former Anti-dumping Act. Although this Act was repealed in December of 1984 and replaced by the Special Import Measures Act, many of the Deputy Minister's functions and duties under the former Act, including making decisions appealable to the Tariff Board, were carried out on his behalf by other officials. By implication, the Federal Court's judgment also invalidates such decisions made under the Anti-dumping Act. It is important that we now validate the functions and duties performed by subordinate officers in the past or in the future with regard to this Act as well.

I should point out to the House that the Special Import Measures Act, which is now the instrument for dealing with the anti-dumping matters, has also been amended to clarify the authority of people authorized by the Deputy Minister to exercise or perform his powers, duties and functions. Essentially the Bill accomplishes the following things. First, it recognizes that the Deputy Minister of National Revenue for Customs and Excise may authorize other people to exercise or perform any of his powers, duties or functions under the Customs Act and the Special Import Measures Act. Secondly, it validates acts of the Deputy Minister in exercising his powers or performing his functions or duties under the Special Import Measures Act and the Customs Act. Third, it validates acts done in the past and in the future by people authorized by the Deputy Minister to exercise his powers or perform his duties or functions under the Anti-dumping Act.

The job of ruling effectively and fairly on the thousands of complex tariff cases which come before the Department each year requires many highly trained specialists supporting the Deputy Minister. The provisions authorizing people to carry out the Deputy Minister's powers, duties and functions will be dealt with clearly in the new Customs Act when it comes before the House in the near future.

In the meantime, in the interests of getting on with the job, I would ask for the support of Members on all sides of the House in giving speedy passage to this legislation. I understand there have been discussions among the Parties and there is an agreement that we would have one speaker per Party on this Bill, and that we should consider all three stages today. I want to publicly express may thanks to my colleagues on the other side of the House for their co-operation which has been extremely helpful to us in allowing us to bring the Bill forward and resolve it on a speedy basis. I see that my friend from Gander-Twillingate (Mr. Baker) is coming in and I believe he may be the spokesman for his caucus on this matter. Let me simply reiterate to him my appreciation of the co-operation

extended by Members on his side of the House to the Government in accomplishing this matter. We come under criticism from time to time for not passing substantive, pithy legislation; surely with the passage of this Bill today we will be able to set to rest any such claims in the future. I want again to thank Hon. Members for their co-operation.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, just very briefly, the legislation before us today is simply a housekeeping Bill and will certainly facilitate matters for the Deputy Minister and all those people who expect the Deputy Minister to sign thousands and thousands and thousands of documents. The intent of the original legislation was questioned, as I understand it, in the courts and I think this legislation is necessary. Any obstruction to it would be seen by a great many Canadians who are so affected to be an obstructionist tactic and the legislation therefore should proceed as quickly as possible.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I, too, would like to rise in support of this Bill. We recognize it is of a housekeeping nature, but I wonder if I can ask the Minister to advise us what the impact is, particularly the retroactivity section—

The Acting Speaker (Mr. Paproski): Order, please. This is debate and there are no questions or answers. The Hon. Member has the floor for his Party in debate.

Mr. Angus: Mr. Speaker, I knew that and I was sort of rhetorically asking if the Minister could provide us with some information on the impact the retroactivity clause will have on any pending litigation. We would just like to have an understanding of what will happen. Secondly, we have a couple of minor modifications to propose to the Bill at the appropriate time.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, very briefly, I am of course in favour of the Bill and its necessary housekeeping and administrative changes. I just wanted to bootleg in a vote of thanks to the Minister of National Revenue (Mr. Beatty) for the establishment of a customs office in Yellowknife, the capital of the Northwest Territories. The people wanted this for a long time; it has now been established. I have personally inspected it and find it working very well. Thank you very much, Mr. Minister.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is as follows: Mr. Beatty, seconded by Mr. Andre, moves that Bill C-40, an Act to confirm certain acts or things done on behalf of the Deputy Minister of National Revenue for Customs and Excise and to amend the Customs Act and the Special Import Measures Act, be now read the second time and referred to Committee of the Whole.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into Committee thereon, Mr. Paproski in the Chair.

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-40, an Act to confirm certain acts or things done on behalf of the Deputy Minister of National Revenue for Customs and Excise and to amend the Customs Act and the Special Import Measures Act. Shall Clause 1 carry?

On Clause 1—

Mr. Angus: Mr. Chairman, on Clause 1 I would like to move:

That immediately prior to the words "Deputy Minister" the words "Minister and/or" be added.

Mr. Baker: Mr. Chairman, I wonder whether the Hon. Member could clarify which line that is since the Deputy Minister is mentioned three times in Clause 1.

Mr. Angus: Mr. Chairman, I assume that would actually be each of the references to "Deputy Minister".

Mr. Baker: Mr. Chairman, I do not know if that is admissible. I am just wondering why the Member is suggesting this. If I understand his amendment correctly, I certainly would not agree, with every action taken by the Minister in the exercise of a power or the performance of a duty or function purported to be done on behalf of the Minister. I do not think we should agree to an act purported to have been done by the Minister but assigned to somebody else as being agreed to in Clause 1. Is that the intention, because we are talking about the Deputy Minister here?

Mr. Beatty: Mr. Chairman, I might be able to clarify this for my colleagues. Let me just give some background. The Deputy Minister has some authority given to him under the Customs Act and other statutes which is unique and distinct from my responsibility as Minister. Usually when the Deputy Minister acts, he acts in my name on authority delegated from me. In some instances he has specific authority given to him by the Act which allows him to operate in his own name. What happened was that the decision made by the courts found that a decision by the Deputy Minister, because of the volume of requests made of him, to delegate that authority to his subordinates was not permitted; it was *ultra vires*. None of the actions that we are talking about here is delegation of my authority. Consequently, any reference to the Minister of National Revenue here would be irrelevant in that all we are doing is seeking to validate actions of the Deputy Minister of National Revenue and his subordinates. The effect of including reference to the Minister of National Revenue does not pose a particular problem for me; it is just that it is irrelevant in this context.

• (1620)

I imagine that my colleague, the Hon. Member for Gander-Twillingate, might have some concern that inadvertently a

reference to the Minister of National Revenue in this context might allow the validation of some action which is not contemplated by Parliament at the time we are passing this Bill. If we are to protect the rights, powers and prerogatives of Parliament, we should be very careful to confine the scope of the Bill to keep it as narrow as possible.

As I said, it poses no particular problems for me if my colleague wants to make reference to the Minister of National Revenue. However, the effect of doing that would be to substantially broaden the scope of the Bill and presumably to cover all sorts of areas which were not anticipated at the time we had the discussion between Parties. They would be areas in which the court has expressed no difficulty at all. The concern expressed by the court was strictly with regard to powers which are specifically assigned to the Deputy Minister and which were delegated by him to subordinates.

If, on reflection, my hon. colleague feels, as I do, that it should be confined to validating those actions of the Deputy Minister, I certainly think he would find consent on this side of the House to withdraw the amendment because it would ensure that Parliament knew what it was voting on at the time.

Mr. Chairman, since some bootlegging has already gone on, perhaps the House would allow me to bootleg a response to the rhetorical question. I will give a rhetorical answer to the question asked by my colleague. The effect of this Act would be to retroactively validate decisions that were made in delegating authority. The understanding of both importers and the Department head was that the actions of the Deputy Minister in delegating his authority, which was a practical necessity, were both necessary and proper. On a technicality the courts found that he did not have the authority, under the statute, to delegate his powers as Deputy Minister. This would regularize that procedure for the future and retroactively validate decisions made on that basis in the past. This poses no problem, to the best of my knowledge, to the private sector or others. It simply assures us that practices which have been followed for years, and were accepted to be appropriate, are brought into conformity with the law.

Mr. Baker: Mr. Chairman, I rise on a point of order.

The Deputy Chairman: I would like to rule. Do you have another question?

Mr. Baker: Mr. Chairman, I would like you to rule as to the admissibility of the word "Minister", keeping in mind that we certainly do not want to extend any more powers to the Minister of this particular Department.

The Deputy Chairman: It goes beyond the scope of the clause. Unless you have any further arguments in regard to this, I must rule. First, there is a difficulty with regard to the way in which the Member proposed this particular motion. Second, it goes beyond the scope of the clause. It is not acceptable and it is redundant. Therefore, I must rule it out of order.

Mr. Nickerson: I would like to follow up on the question of the Hon. Member for Thunder Bay-Atikokan and the response given by the Minister of National Revenue. We were given the assurance that nothing untoward would happen as a result of the passage of this Act. The specific question as to whether there is any legislation pending right now that would be affected by the passage of this Act was not answered. Could we have an answer to that direct and specific question? Is there any legislation pending which would be influenced by the passage of this legislation?

Mr. Beatty: Mr. Chairman, if I correctly undertand the question, the answer would be no. There is no legislation that I am aware of which is before the House at the present time that would be affected by this—

Mr. Nickerson: I am sorry. Maybe I should have said "litigation pending or in process".

Mr. Beatty: Mr. Chairman, off the top of my head, the answer would be that I am not aware of any. The difficulty is that if the Bill did not pass we would have a complete gridlock in terms of the ability of the Department to make these determinations. Over 5,700 a year would have to be personally made by the Deputy Minister of National Revenue. We are essentially amending the law to ensure that the procedures which have been followed on a routine basis in the past are allowed to continue.

Mr. Nickerson: I would like to thank the Minister for that partial assurance. I will give an example of the reason I ask this question. Some months ago, when the previous Government was in office, a Bill was introduced to make minor changes to the Yukon Quartz Mining Act. We were told that it was a simple administrative matter and that it was necessary that this be done. It certainly appeared that way on the face of it. The House passed that Bill very quickly and afterwards we found out that one of the reasons for the introduction of the Bill was that there was a court case pending. Through the passage of that legislation we cut the ground out from beneath the litigant. We did a disservice to someone who had a legitimate case before the courts.

I want the assurance that we will not be doing that to any other person as a result of the passage of this legislation this afternoon. I quite agree with the Minister that it is a necessary thing to do and that probably 99 times out of 100 cases we would be acting in favour of the people involved. However, I would like to have the assurance that we are not cutting the ground out from underneath any litigant's feet.

Mr. Beatty: Mr. Chairman, I can indicate that to the best of my knowledge that is the case. I can also indicate that if the amendment does not pass today, the effect would be to declare null and void all of the decisions which have been made by officials in the name of the Deputy Minister. I can pretty well guarantee that those people who were unhappy with the decision made, even if it was soundly made, would use that legal basis to try to undo the decision that was made.

The purpose of the amendement before us today is to try to establish due process to allow a method of appeal and to allow determinations to take place. The effect of not allowing that to proceed would be to create a serious inequity for many people.

I cannot give the Hon. Member the assurance that nowhere before the courts at the present time is there any case which relates to this. However, I can tell the Hon. Member that there is no hidden agenda here. There is no intention to try to frustrate the ability of an individual to protect his rights. Indeed, it is just the opposite. The effect of striking down many of these decisions would cause great inequity and unfairness. It would hamstring the ability of the Department to carry out very essential functions.

Mr. Baker: Mr. Chairman, the effect of not passing this particular piece of legislation would be to render null and void the appeal procedure. In fact, it could operate in reverse for a great many cases that have been satisfied on behalf of the citizenry of the country. It was with that information that I recommended that our caucus accept this particular Bill and this particular clause.

● (1630)

The Deputy Chairman: Shall Clause 1 carry?

Some Hon. Members: Agreed.

Clause agreed to.

Clauses 2 to 4 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed from Thursday, April 23, consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions Nos. 1 (Mr. Axworthy) and 2 (Mr. Langdon) (p. 4001).

Mr. Baker: Mr. Speaker, could you clarify where we are as far as the amendments are concerned and whether we are dealing with Motions Nos. 1 and 2 as a package? I would like that clarification and to know whether or not I am permitted to speak?

The Acting Speaker (Mr. Paproski): Motions Nos. 1 and 2 are grouped for debate with a separate vote on each motion. The Hon. Member for Gander-Twillingate has the floor (Mr. Baker).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I suggest that we have heard many opinions expressed as far as these amendments are concerned. If one reviewed the record in order to read what Members of the Official Opposition have said about these amendments, one would see that the amendments themselves are absolutely necessary if the intent of the legislation is to be followed within the legislation—

The Acting Speaker (Mr. Paproski): Order, please. I know that the Hon. Member realizes why I am rising since he spoke initially in this regard, and I regret that I was not in the Chair then because I would have enjoyed listening to the Hon. Member, but I am afraid that he is not entitled to speak. Therefore, I must recognize another Hon. Member for debate.

[*Translation*]

The Hon. Member for Yorkton-Melville (Mr. Nystrom).

Mr. Lorne Nystrom (Yorkton-Melville): Thank you very much, Mr. Speaker. You are very good in French and I congratulate you. You are almost as proficient as the President of the Privy Council, the Hon. Member for Saskatoon West (Mr. Hnatyshyn).

[*English*]

That being said, I want to say a few words about Motion No. 2 that is before the House. Motion No. 2, which is in the name of the Member for Essex-Windsor (Mr. Langdon), reads:

"The technology under the appropriate terms and conditions established by the government, would benefit Canada, the pur-"

This is an important motion because it deals with the whole question of technological change, science and technology and research and development which are so important in society today.

I have had a good look at the industrial set-up of our country and ownership in our country. One of our greatest problems is that very little research is done in our country compared to that in other countries around the world. In fact, I am sure that you, Mr. Speaker, as a Member from Edmonton are as dismayed as I am that so little research is done in Canada and that there are so few jobs for young people in research and development compared to jobs in the United States, Japan, western European countries and most other industrialized states.

If I remember correctly, the percentage of our Gross National Product that is spent on research and development is approximately that of countries like Egypt or Ireland. I suggest that says a lot in terms of some basic faults in our economy.

One reason for the small amount of research and development in this country is the fact that much of our economy is foreign owned and controlled. Therefore, it is only natural that when decisions are made about where to conduct research and development, those companies do it at their patent plants in the United States, Japan or elsewhere. Of course, that is no surprise because if you or I were in control of a company and were going to conduct research and development, I think we would do it in our own country in order to provide jobs for our young people here rather than somewhere else in the world.

I am concerned that Bill C-15 will open the door further to foreign control and ownership of our economy, resulting in a loss of jobs in this country. I urge the House to accept Motion No. 2 because we cannot assume that foreign investment and technology will automatically benefit this country. A company often injects new capital to modernize and install new technology such as robotics and computers, which actually results in a loss of jobs. For example, approximately 80 per cent of the corporate tax breaks in Canada go to the largest corporations, which make up about one per cent of Canadian corporations. If one reviews the number of jobs being created as a result of those tax breaks in this country, it can be seen that in many cases large companies will eliminate jobs rather than create them as a result of tax breaks, new capital injection and modernization. They bring in new equipment that takes the place of human beings. I am not saying that we put in blindfolds and pretend that a new world of technology is not there. Of course I am not saying that, nor is the motion. The motion is saying that we should have enough power to make sure that if the new technology and capital are not going to help Canadians and be of benefit to Canadians then we should have the power to say no on behalf of the people of Canada and on behalf of the young people of this country whose futures are at stake.

● (1640)

The other point in arguing for the motion before us that I think we should acknowledge is that the Government must be playing a leading role in setting the terms and conditions under which capital and technology enter this country. We hear so much talk today about the private sector, free enterprise and the big companies. The Conservatives tell us, how great Ronald Reagan is in the United States and they tell us about the wonders that the American administration will do for us. We are opening up our Canadian house and saying to these big companies, "Come in. Do whatever you want. You are welcome". It is like having neighbours come into your house and saying to them: "Take over my house. Take over my kitchen and bedrooms. I will move out". That is the kind of situation the Conservative Party is establishing for us.

My colleague, the Hon. Member for Regina West (Mr. Benjamin) says that inviting in your neighbours means you live in the dog house or the garage. Where is our independence and where is our national pride? Where is that assertion of what is right for Canadians that other countries take for granted? I often criticize some countries for being too nationalistic. It is something like saying "You are Americans, you are American right or wrong, or you are Japanese, or you are French and that is all there is". But we are on the other extreme where we do not assert any kind of Canadian nationalism. It is a case of: whatever the foreign investor wants, the foreign investor will get. Even before these amendments to the Foreign Investment Review Act which abolish the Act and the agency are passed, the Act of the previous Government is basically defanged or the watchdog will be defanged or have its teeth pulled. It will be very weak. What is being done now is rendering the agency almost totally useless in terms of making sure that what is happening is for the significant benefit of Canadians.

I think there is so much more we can do in terms of a better standard of living, in terms of well-paying jobs for Canadian citizens and for our young people. A very good example is right in our own province of Saskatchewan. I see in the House the Hon. Member for Regina West, the Hon. Member for Moose Jaw (Mr. Gottselig) and the Member for Saskatoon East (Mr. Ravis) and I think of the Potash Corporation and the potash industry in our province.

A few years ago we had eight or nine potash companies in our province. The Hon. Member for Saskatoon West (Mr. Hnatyshyn) is here and he knows the story. The Blakeney Government, back in the mid-seventies, because of lack of control over the potash industry by the people of Saskatchewan and because so many profits were being sent out of Saskatchewan and out of Canada with no Canadian or Saskatchewan control, decided the time had come to establish in Canada, in Saskatchewan, the largest potash company in the world outside of the Soviet Union. This company is owned publicly by the people of Saskatchewan having its head office in Saskatoon with a Canadian president, Canadian staff, research and development done by Canadians and decisions made by Canadians. If that can be done in a small province like Saskatchewan with one million people, we can use that kind of determination and do that time and time again at the national level from one end of Canada to the other.

I know, Mr. Speaker, that you are an Albertan and that you are a very independent man. I am sure it makes you angry, as it makes me angry, to see so many of these decisions left in the hands of foreigners who make decisions that take jobs away from us. It is not just research and development or export and trade and jobs that we now have in Saskatchewan because we control the potash industry, but the fact is that many of these foreign firms restrict the export of goods of their subsidiaries located here in Canada. They want to export from the head office located in the States, Japan or Europe and restrict the exports of firms here in Canada.

Our colleague, the Hon. Member for Windsor West (Mr. Gray), did a major study a number of years ago in the early 1970s. If I remember correctly, he said in his report that the propensity to export among Canadian-owned firms in the same field was about four to one over that of subsidiaries of multinationals of foreign plants. In other words, if a company is Canadian-owned the odds are about four times as great that it will export compared to a plant controlled offshore. That is another reason why Motion No. 2 must be supported by this House so we can have more control and say over the capital and technology introduced in this country by a foreign company or by foreign investors.

Here we are not saying that all foreign capital and technology is bad. Of course not. We are saying that it is our house; it is our country. We have developed this country. We are going to keep it and it is ours. We want legislation to make sure it stays that way. I am sure that you yourself, Mr. Speaker, if you were not in the Chair would be standing up in this House

thundering about the terrible weakening of the foreign investment legislation by this Government that sits across the way. Perhaps, Mr. Speaker, you are lucky to be in the Chair.

The Acting Speaker (Mr. Paproski): Yes, I am. I appreciate the comments of the Hon. Member. The Hon. Member for Windsor West (Mr. Gray).

Hon. Herb Gray (Windsor West): Mr. Speaker, I am pleased to rise in the House at this time to speak in support of Motion No. 1 which asks that Bill C-15 be amended in Clause 2 by striking out lines 6 to 14 on page 1 and substituting the following words:

(2) Recognizing that increased capital investment and innovative technology would benefit Canada, the purpose of this Act is to provide for the notification and review of proposed investments in Canada by non-Canadians in order to ensure that they contribute to economic growth and employment opportunities, and to encourage beneficial investment in Canada by Canadians.

We believe that the amendment that I have just read would be the most appropriate statement of purpose of the Bill before us because, unlike the words in the draft Bill, the words in the amendment set out in a more clear-cut and realistic manner what it is that we as a Government should be looking at on behalf of the Canadian economy and Canadian workers.

If you look at Clause 2 of Bill C-15, Mr. Speaker, you will note that it says:

Recognizing that increased capital and technology would benefit Canada, the purpose of this Act is to encourage investment in Canada by Canadians and non-Canadians that contributes to economic growth and employment opportunities and to provide for the review of significant investments in Canada by non-Canadians in order to ensure such benefit to Canada.

This wording on the surface may sound useful and positive but I suggest that these words contain a number of important flaws and omissions.

First, the paragraph in the Bill as proposed to the House talks of significant investments. What does the Government mean by significant investments? If the Government is talking only about investment above a certain size, then the Government is making a serious error in that it is overlooking the fact that investments from abroad that could well be of importance to Canada could be important irrespective of size. When it comes to the high-tech sector, most of the companies are very small. If we have arbitrary restrictions based on size, and if we look upon only investments above a certain level as being significant, then we are putting on the books a Bill which overlooks the reality of how a number of important sectors in Canada are constructed.

Also, the emphasis in the words of the Bill before us, which we want to replace with the amendment proposed by my colleague, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), is on significant investment rather than on beneficial investments. This raises another important concern about the words of the Bill as presented to the House. The evidence accumulated over the years is very clear, that investment from other countries is not necessarily beneficial to the Canadian public interest. For example, the evidence is very clear that many companies in this country that are owned and controlled by people outside the country have restrictions on what they can do. They have restrictions on the kinds of exports they can carry out. In fact, they have restrictions on whether they can export at all.

• (1650)

Just a few days ago there was an important meeting of the board of directors of the Automotive Industries Association of Canada. This association represents those companies making parts for what is known as the automotive after market, that is to say, parts needed to repair or tune up cars once they have been sold in their initial new form and once they get beyond the initial warranty period. The president of the Automotive Industries Association, after that important board meeting, held a press conference in which he confirmed that many of the companies comprising the membership of his association have limitations of one kind or another about the extent to which they can export their products to other countries. Most of these companies are subsidiaries of American parent companies, and they are prevented from exporting in any way, shape or form to the United States. Others which may be prevented from exporting to the United States may well have some limited authority to export to third countries, and some cannot even do that. This has nothing to do with their ability to produce goods in a competitive fashion, in a way which represents a high level of technology, efficiency and productivity. These limitations may be good for the American or other foreign parent companies, but they are not good for the Canadian public interest.

Also, in the last two or three years there have been studies conducted by Statistics Canada which show that Canadian companies that are subsidiaries of foreign companies have a propensity to import raw materials and components from outside Canada which is higher than is the case for companies which are owned and controlled in our country. This means that there is not enough attention paid by very large numbers of firms in this country to the opportunity to source here or to get components or raw materials here which may be equally if not more competitive when it comes to cost and quality than what they are bringing in from other countries.

There is all sorts of evidence confirming the extent to which subsidiaries of foreign parents are limited in the degree to which they can carry out research and development in Canada. A few months ago a report was presented to the Ontario Legislature. It was the result of a study carried out by Mr. Bovey at the request of the Ontario Government into the plight of post-secondary education in this province. Mr. Bovey made some recommendations in his report to which I cannot give my agreement. There were suggestions that there had to be very large increases in fees for people who want to attend post-secondary educational institutions in Ontario. I fear this is something that would be implemented by a Conservative Government if it should be re-elected in the Province of Ontario. The possibility that this will happen would be a very good reason not to have that Government re-elected in the Ontario provincial election of May 2.

However, the point I want to make is that the Bovey report on post-secondary education in Ontario says something which is very relevant to the Bill and the amendment before us, and I want to put it on the record. Mr. Bovey and his commission found that foreign subsidiaries in this country have a propensity to support research and development in our universities to a much lesser degree than their parent companies are willing to support research and development in other post-secondary educational institutions, particularly in the United States. Also the Bovey report confirmed that foreign subsidiaries, particularly American ones, generally carry out research and development in our country to a lesser degree than is the case for their parents. This approach may well serve the interests of the parent companies, but this approach does not serve the Canadian public interest.

If there are subjects on which there could be some agreement by Hon. Members on all sides of the House, one is that we have to do more research and development in this country. The Government says that it expects more of this needed research and development to be carried out in the private sector. However, this expectation is only an empty and barren hope so long as the present situation which I have been describing continues, one in which subsidiaries of foreign parent firms are prevented from carrying out research and development activities to the extent that would be logical and practical if they had the full scope to carry out activities along the lines of their opportunities and potential.

A problem with the clause of the Bill in question is that it does not recognize these realities of the Canadian industrial and economic structure. Instead, in some kind of fanciful, unrealistic fashion, it seems to suggest that any degree of foreign investment here would necessarily be beneficial.

That is why—and I conclude—I strongly urge the House to accept the amendment offered on behalf of the Official Opposition by the Hon. Member for Winnipeg-Fort Garry. It will put into this Bill a much more realistic and honest statement of purpose, indicating that this kind of legislation has to serve the Canadian public interest and ensure that foreign investment is beneficial to Canada when it comes to jobs, research and development, exports, sourcing and all the things which count in this country. The words in the Bill now do not do this, and that is why I say the amendment has to be adopted by the House in the interests of the Canadian economy.

Mr. Les Benjamin (Regina West): Mr. Speaker, I rise in support of Motion No. 2 for a number of reasons. In earlier years in my experience in this Chamber we went through the exercise of the foreign investment review legislation. I might say in passing that because it was a minority Parliament, we compelled the Liberals to do something about the ownership of our economy.

This matter concerns our sovereignty and our economic independence. This matter concerns our nationhood. If we do not learn from history, we are condemned to repeat it. Throughout the entire history of our country, our experience with foreigned-owned corporations was that they seldom, if ever, did any significant research and development but, if they did, it went back to the head office of the parent company, usually the United States and sometimes Europe. Those investors do not invest in Canada just because they think we are such nice people or just because they want to help us out. They do not look upon those investments as if we were some kind of charitable case which needs help. We are not another Ethiopa. However, they invest in order to make a return on the investment and to protect the interests of the parent company, even when in the course of protecting the interest of the parent company they do harm to Canadian jobs, Canadian entrepreneurs and the Canadian ability to export and sell, even to the country of the parent company.

● (1700)

In the case of research and development and technological developments, we have that lesson in spades from foreign-owned corporations in this country. Most nations want and accept foreign investment. The question is not whether we have foreign investment, but what kind of foreign investment. There are two kinds. The first is ownership investment, ownership capital, in which the foreign investor comes into our country and acquires ownership, either by starting up a new corporation or buying out one. It owns it. It has ownership. That is equity investment.

The alternative in terms of foreign investment is loan capital. It has happened all these years. Hundreds of million of dollars of foreign capital have come into Canada as loan capital. You pay back the loans and you end up, whether a private corporation, a co-operative or a public corporation, owning it. You have paid back the foreign investors their loan capital. You have paid them with a good return on their loan capital. That is the route that our country should be taking.

The legislation is an admission by the Conservative Government of failure. It says that Canadians cannot generate sufficient capital within our borders. If that is true or partly true that Canadians cannot obtain Canadian capital to go into a Canadian-owned corporation, it is a betrayal of our sovereignty and our nationhood.

There is still a law in the Criminal Code against soliciting or living off the avails of prostitution. The Government is soliciting. I mean just that. It is soliciting, as it is worded in the Criminal Code, by prostitution our sovereignty and our nationhood. It is soliciting. It is working both sides of the street to get foreign investment. Then it wants to do a little pimping, which is also illegal under the Criminal Code. You cannot live off the avails of prostitution. The Government expects all Canadians to be party to that and live off the avails of that prostituting of our nationhood and our sovereignty.

In the area of research and development and technological developments by foreign-owned companies, the history of foreign-owned corporations in this country has been dismal and abysmal. Let me give an illustration. In the early 1960s, 1960, 1961 and 1962—the Ford Motor Company of Canada did some research and development in terms of putting out trucks that would do well in a tropical climate. It made a deal with Cuba. These trucks were to be produced by Canadian

workers in a Canadian automobile plant at Windsor, Ontario. The deal was consummated. Cuba was going to buy so many trucks. What happened? Our great friends and allies south of the 49th parallel said no to the Ford Motor Company in the United States. It in turn had to say to the Ford Motor company of Canada, its subsidiary and branch plant, that it could not sell those trucks to Cuba because this would violate the United States' Trading with the Enemy Act. That was a foreign corporation interfering with our sovereignty, the production of our workers. That has occurred on countless occasions.

If anyone here is under any delusion that somehow or other these foreign investors are going to invest in research and technological developments which could be sold from the branch plant in Canada in competition with the parent company in the United States or anywhere else in the world, they are dreaming in Technicolor. In no way will a parent company allow that. It never has, and I do not blame it for that. Why should it cut its own throat in its own local market?

This admission of failure appears throughout this legislation. FIRA was weak enough as it was. This legislation throws out the baby with the bath water. We welcome foreign investments in terms of loan capital or, if any of it is equity capital, it has to be minority ownership. Why do we keep underestimating ourselves and our capacity? Billions of dollars cross our borders every year which could be invested in Canada. Tens of millions of dollars will cross the border overnight. That is because some financial institutions, pension fund or speculators feel they can make an extra one-tenth of 1 per cent in interest on the U.S. dollar market or the gold market. They should be told to be good corporate citizens and invest here because there is so much to be invested here and so much to be done. This supine acquiescence, this blind, hypnotic following of a premise has been proven wrong all the way back to the 1880s. It has been proven wrong every time.

It did not take the United States long to reduce the foreign ownership holdings in that nation. They recovered them through, for example, British war debts from the First and Second World Wars. A lot of that lend-lease and assistance was paid for by giving up those investments to the United States. That was the price the British had to pay for their investments in a foreign economy. That is why it should be loan capital.

I think Motion No. 2 is deserving of support and inclusion in the Bill. From a quick reading I do not have any particular difficulty with Motion No. 1 of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). It tries to strengthen something that should not be there in the first place, but that is all we can do in the Opposition. I hope that those who sit on the government side will remember our bitter experience with foreign investors who owned a major portion of our entire economy. It tied the hands of our national Government and provincial Governments and tied the hands of Canadian corporations in terms of decisions that we can make.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. I have given him an extra 30 seconds.

Mr. Benjamin: If you gave me permission until now, could I go on for a while longer?

The Acting Speaker (Mr. Paproski): I'm afraid not. I will recognize the next speaker.

• (1710)

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I also have a few words to say about Bill C-15. I would point out that we on this side of the House are aware of the Government's intentions as indicated by the words of the Prime Minister: Canada is open for business.

First of all, we think that Canada never did stop doing business with foreign countries, it has always been open. That is why we would not want Bill C-15 now before the House to be nothing more than a cosmetic job to create the impression that this Government is more friendly and more open towards foreign countries than the previous administration was.

My leader adequately summed up our concern about this Bill when he said: Fair enough, Canada is open to foreign investors, but it is not up for sale. Our concern is that we want to make sure that, regardless of the Government's intention to ease the rules and the foreign investment review process, the national interest is adequately protected and that foreign investments really benefit Canada's economy, promote research, create jobs, and bring about a climate conducive to the growth of Canadian society. This is why my colleague representing the riding of Winnipeg-Fort Garry (Mr. Axworthy) deemed advisable to introduce an amendment aimed at clarifying our point of view, the purpose or objective of the Bill. We on this side of the House have little use for unnecessary investments—take-over investments, for instance, which do not create jobs.

The fact that a foreign corporation comes here to buy out a prosperous and profitable Canadian company might simply prove that, in the long run, that corporation will skim off all profits and leave us in a precarious situation where those profits will be taken right out of the country for the benefit of the parent corporation shareholders, without one single job having been created here. In our opinion, that should not be the ultimate purpose of legislation to promote foreign investment. Quite the contrary! We have absolutely nothing against a foreign company from any country whatsoever coming here to open a new plant, create jobs, and perhaps give us an opportunity to do research in its field of operations.

The proposed amendment to change the purpose of the Bill seems extremely important to me. If I may, Mr. Speaker, I would briefly compare the wording of both purposes so as to make their extent quite clear. First, let us consider the original

purpose as indicated in Bill C-15. I skip the first two lines to get to the part which is of more interest to us. From the end of line 2, Clause 2:

—the purpose of this Act is to encourage investment in Canada by Canadians and non-Canadians that contributes to economic growth and employment opportunities and—

The rest almost sounds like an afterthought:

—to provide for the review of significant investments in Canada by non-Canadians in order to ensure such benefits to Canada.

First, we see that the Clause refers to significant investments, and it seems to imply that the Government does not see any point in reviewing and scrutinizing all investments, as has been the practice so far.

However, the amendment standing in the name of my colleague from Winnipeg-Fort Garry reads as follows:

(2) Recognizing that increased capital investment and innovative technology would benefit Canada, the purpose of this Act is to provide for the notification and review of proposed investments in Canada by non-Canadians in order to ensure—

And here is the important part:

—that they contribute to economic growth and employment opportunities, and to encourage beneficial investment in Canada by Canadians.

What is important in the amendment moved by my colleague, Mr. Speaker, is that emphasis is put on the notification. We believe that every investor who wants to bring capital into Canada should at least, regardless of the size of the proposed investment give notification of his intention to a government agency which will review the investment and determine whether, in its opinion, it can be of benefit to Canadians. In fact, the amendment moved by my colleague also emphasizes the review process.

The Bill introduced by the Government does not specify which projects will be subject to review. First, the Government suggested that the previous administration was too restrictive and that the review agency had kept foreign capital out of Canada. This is completely false. If we look at the record of FIRA, we find that 3 per cent at the most of all investment applications made by non-Canadians and involving foreign capital were turned down. This means that the great majority of these investments, or 97 per cent, were consistently being approved. No one can therefore suggest that the avowed purpose of the previous administration was to prevent foreign capital from entering Canada. What concerned the previous Government and what should still concern this Government was to guarantee first of all that foreign capital did not enter Canada needlessly to purchase sound businesses, while creating no additional jobs and simply allowing profits and dividends to leave our country and go somewhere else. That is what we should monitor.

In addition, we must ensure that capital invested in Canada will, on the one hand, contribute to our economic growth, and on the other, create jobs because, in view of the present situation in Canada, this should be the main concern of the Government, as 1.5 million unemployed looking for work will tell you. We should therefore make sure, on the one hand, that foreign capital will create as many jobs as possible for Canadians and, on the other, that these will be attractive jobs and that the companies locating in our country will produce economic fallout by generating other small service industries. This is what we want. That is why my colleague from Winnipeg-Fort Garry (Mr. Axworthy) has moved an amendment to specify the purpose of the Bill so that we could be certain that this legislation aims at maximizing job creation, at ensuring quality jobs and at providing economic fallout for the community where these jobs will be created.

In our opinion, it is just as important—I see, Mr. Speaker, that you are telling me that my time is running out, but I would not want to close without saying that our Party believes it to be extremely important for the Government to review foreign investment plans to ensure that they will create businesses which will also benefit Canada in the field of research and development.

We know quite well that the general tendency of foreign parent companies is to carry out research and development at their headquarters either in Europe, in the United States, in Japan or elsewhere. We want to make sure that those who invest in Canada do not solely do so to make profits, which is perfectly normal, but we do not want that to be their only purpose. We do not want them to come here to find qualified labour and pay them as low as possible, although that is a legitimate attitude in any businessman. We do not want them to come to Canada merely because our country is rich in low-priced raw material while we realize that a foreign company could rightfully take that into account. We do not want a foreign company to come to Canada merely because there is a market. We think that those four legitimate aims will surely motivate the foreign company which would like to operate in Canada, but we think that at the same time, the Government should make sure that in trying to attain those legitimate goals, the company will also at least give minimum attention to the national interests of Canadians. That is why I support the amendment introduced by my colleague from Winnipeg-Fort Garry.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker—

Some Hon. Members: Speech!

Mr. Hnatyshyn: As much as I would love to speak on this wonderful Bill, I will restrain myself as I know opposition Members will want a full opportunity to compliment the Government for this initiative.

I have spoken with the Opposition House Leaders about the business for this week. If we are not able to squeeze report

stage of this Bill through before six o'clock today, we will carry on tomorrow with report stage of Bill C-15. I want to designate this Friday as an allotted day and I rise for that purpose.

• (1720)

Mr. Deans: Mr. Speaker, I wanted to assure the Government House Leader, as he can tell from his advantageous position, that we are working extremely hard to try to get this Bill through, but it looks very much as if it will be a task which is beyond even the best efforts of the Opposition.

* * *

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development, and Motions No. 1 (Mr. Axworthy) and No. 2 (Mr. Langdon) (p. 4001).

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, in fact it is not a pleasure to rise to speak on Bill C-15. As the House Leader for the Conservative Party indicated to the House, Bill C-15 is a complete disaster. Clearly, he recognizes that one of the most important amendments to the Bill is the one which will change the title to "Take-over Canada" or "The Sell-out of Canada". I am looking forward to debating that amendment well into next year, if the House continues to have a conscience and does not permit passage of the Bill.

I believe it is the opinion of most Members of the House that the Bill really does open the gates to foreign investors in Canada, which will lead the way to foreign control. It is an interesting statement by the Conservative Party that Canadians cannot do the job and are prepared to roll over and let someone else do the job which must be done. It is absolutely astounding that a group of people who profess to be Canadians and who profess to have confidence in the country and in the entrepreneurial skill of Canadian business, would permit the floodgates to be opened to foreign control of the Canadian economy.

The Government lacks the courage to take a leadership position, pull the country up by it bootstraps and assist people who want to invest in Canada. The Government lacks foresight. It cannot see the potential of Canada. I believe that will bode badly for the next four years.

With the moves which have already been made, including the "sell-out of Canada Bill", I would suspect that the Government is not looking at a second term. It certainly does not deserve a second term if this is the kind of imagination and leadership which it is capable of providing.

I believe the most sorry thing is the lack of confidence in the country. In fact, this country has the capital and the human resources. Given the opportunity, I believe that Canadian investment in the appropriate industrial and economic activities could create tremendous employment and put Canada back on the road to recovery.

As a passing note I might say that perhaps one should not examine the antecedents of the Bill. The present Leader of the Conservative Party, the Prime Minister of Canada (Mr. Mulroney), has shown us the limited nature of his thinking. One has to note that in his previous incarnation he was the President of the Iron Ore Company of Canada.

Mr. Hnatyshyn: I am the President.

Mr. Skelly: Well, the Government House Leader claims to be the President, but he was not the President of the Iron Ore Company of Canada. I know that he is a gentleman of integrity and would never have let that resource slip through the fingers of Canada at the whim of the American corporation which owned it. The gentleman was not just the President of the Iron Ore Company of Canada, he sat on the board of directors of the American corporation which owned the outfit. That is an interesting conflict. Whom does he really represent? Does he represent the interests of Canada, or does he represent the interests of American owners in Canada? I am wondering if this Bill does not in some way reflect the disposition of the Prime Minister of Canada. At the time when he was President of the company, I think that many Canadians would have felt that he had a serious conflict of interest, that in fact he did not have the interests of Canada at heart when he presided over the demolition of the iron ore industry.

It also appears that the mine was not closed because there was no iron ore in the region—and some people have argued that it was not productive—but that not enough further developments were made in Canada. It was more expedient for the American owners to open up new mines and import iron ore from Brazil rather than to continue the process in Canada. It is also interesting that the company did not try to derive benefits from resource exploitation in Canada. Maybe it should not surprise us that the Government lacks imagination and the courage to pull Canada together and take control of the economy.

The NDP over the years has put forward many propositions which would lead to greater benefits to Canada in terms of taking control of its national economy, deriving more from the production of resources, the creating of secondary industries, and ensuring that tax benefits accrue in Canada.

Canadian banks have been a bad example. They tend to have a conservative leaning. Canadian banks have been one of the worst players in the role of foreign investment in Canada. There was a time, which will continue as long as the Conservatives are in Government, when Americans did not have to invest in Canada. The Americans were able to come to Canada, using their U.S. assets as collateral, and borrow Canadian money to buy Canadian businesses. They could control the Canadian economy without in fact investing in it. That is the history.

This Parliament has not fulfilled its responsibility to Canadian people because it has not implemented a Bank Act

which would benefit Canadians instead of the bankers and a very exclusive level of society. The banks have been allowed a free hand to play the Canadian economy and to assist in the selling out of the Canadian economy. Under the present Conservative Government, I believe that the pace of the sell-out will accelerate, especially under this legislation.

Another disgusting institution in Canada is an offshoot of the banking system which is called the Federal Business Development Bank. The Conservatives want to shut down that institution for all the wrong reasons. I suppose Conservatives want the Bank of Tokyo and other foreign banks in Canada that they supported in the last Parliament to begin the process of lending. But the FBDB could be reshaped to become a valuable organization in encouraging and enhancing entrepreneurial capability in Canada. However, it seems that the federal Government, for a philosophical reason, will put a torpedo into that organization instead of cleaning it up.

Finally, we should revamp the tax system to ensure that penalties are given to the companies which come into Canada strictly to control and exploit the economy rather than to make a contribution. There should be benefits for appropriate investment which will enhance the economy and create further jobs. Our tax system should favour Canadians, rather than those who would take over.

* * *

• (1730)

BUSINESS OF THE HOUSE

Mr. Deans: Mr. Speaker, you will recall that just a few moments ago the Government House Leader designated Friday next as an Opposition Day. I have had an opportunity to discuss the matter with him and the Deputy House Leader for the Official Opposition. You will know, Sir, that Standing Order 62(4)(b) says:

> If an opposition motion pursuant to section (9) of this Standing Order is to be proposed on a Friday, forty-eight hours' written notice shall be given that the recorded division on the motion, if demanded, is not to be deferred.

I have no knowledge at this point as to whether or not a division might be demanded and I do not want to raise problems with regard to what may happen on Friday. But I wonder if, for the purposes of allowing that such a thing could occur, the House might give unanimous consent to consider that the requirements of Standing Order 62(4)(b) would be met if notice were given by 2 p.m. tomorrow, Thursday.

Mr. Hnatyshyn: Mr. Speaker, it is one of those situations where I think there is a misunderstanding between the Hon. Member and myself. I had not understood the Hon. Member to say that he wanted to leave the option open for a vote on Friday. I understood he wanted to leave the option open, if he could have a vote, which I understood would be deferred until Monday.

Mr. Deans: No.

Mr. Hnatyshyn: So I think under the circumstances it might be convenient for us to have a further discussion about this matter. I have no objection to a vote being called and being taken on Monday, but I had not understood he wanted to leave the option open to have a vote on Friday at the end of the debate. Maybe we can sit down and have a discussion with respect to what agreement we can reach. I am prepared now to agree that if a vote is attached to the motion, we would have the debate on Friday and there could be a vote at the end of the day, pursuant to the rules. That is satisfactory. But I do not necessarily want at this point in time to agree to the possibility of a vote on Friday on short notice.

Mr. Deans: Mr. Speaker, I would of course be quite willing to sit down with the Government House Leader and discuss the matter. The problem arises out of the Standing Orders because of the fact that we do not have a lot of notice for this Opposition Day. I think the Government House Leader has in the past attempted to give notice in sufficient time to allow for adequate preparation. But by giving notice at 5.20, on what I think might have been a Wednesday afternoon, this effectively precludes the Opposition from being able to utilize Section 62(4)(b), which of course is a Standing Order but is supposed to be able to be utilized.

I just want you to understand that the dilemma is that although the Opposition Day has been designated in time, and I concede that, there is of course the necessity for negotiation, or discussion at least, between the two Opposition Parties before a decision can be arrived at as to which of the two Parties will utilize the Opposition Day. It would be my hope, for example, because it might appear to be our turn, that we would have it. Nevertheless, that is not always the case.

The only reason I am asking for the opportunity to utilize Standing Order 62(4)(b) is that unless I ask for that now, and agree, therefore, to Friday right now, we would have to file a motion right now, which does not give us adequate time to discuss it, prepare it or decide upon it. We are caught in a very serious dilemma because it would then be possible for the Government at any time to announce Opposition days for Fridays and not give adequate time and, in so doing, preclude the opportunity for the utilization of Standing Order 62(4)(b). I am not suggesting that happened, but it could happen.

Mr. Hnatyshyn: The point is, Mr. Speaker, that what the Hon. Member is really asking for is the option to call a vote on a Friday, which is not the normal process. It is available to the Hon. Member and the Opposition Parties if they want to force a vote at the end of the day on Friday. I am saying that he can have a vote on any motion but we will have that vote deferred to Monday for the convenience of Members. I am not speaking only on behalf of my colleagues or myself, but on behalf of all Members. I think that is appropriate.

The second point I should make is that I gave the Hon. Member verbal notice, the usual courtesy, at the end of Question Period. He asked me to announce it on the floor of the House, which I was quite happy to do. Both Parties received notice from me shortly after Question Period. If all

we are doing is saying that there could be a vote attached to this and we will have a vote deferred to Monday, we can deal with that right now.

The Acting Speaker (Mr. Paproski): I will tell you what we should do, if I may. I think you should pursue it behind the curtains, or do you want to make a final statement now?

Mr. Deans: If I may, Mr. Speaker, it is important to clear up what may be left as a misconception. It is true that the Government House Leader indicated to me earlier in the day that he would call an Opposition Day on Friday. But it was only a very short while ago that he indicated to me that he had had discussions with the House Leader of the Official Opposition and that that indeed was going to happen.

Mr. Hnatyshyn: I talked to both Parties.

Mr. Deans: I am saying it was only a short while ago that I was informed, after discussions, that indeed it would happen. That is when I asked that it be announced today. It is not as though I knew hours ago that it was actually going to happen. I only knew a few minutes before the House Leader rose that in fact it was going to be called.

Mr. Hnatyshyn: I told the Hon. Member that earlier in the day, and I am not going to be fooling around on the floor of the House debating this matter now. I have tried to be as courteous as I can.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, all I would like to say is that even if we were informed of the intentions of the Government, it has to be realized that the formal announcement that it was going to happen was made just a few minutes ago. The Government House Leader has to realize that, first of all, we have to determine between the two Parties who is going to have the Opposition Day. Then, if a motion has to be written, if it has to be a votable motion, we have to sit down and write it. Now, I understand that the Government House Leader thinks of us as speedy, intelligent and efficient people, but to do all of this in 20 minutes I submit is forcing it on us. I thought that the one thing the Government House Leader would agree to is that the requirement that the motion be submitted by six o'clock be at least put off until tomorrow so that we have time to write something down if we have to. I think that is the minimum.

The Acting Speaker (Mr. Paproski): Order, please. We still have a few minutes for debate, and if there are any further negotiations I would appreciate it if the House Leaders for the respective Parties would please negotiate behind the curtains.

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions Nos. 1 (Mr. Axworthy) and 2 (Mr. Langdon) (p. 4001).

Hon. Jean Lapierre (Shefford): Mr. Speaker, it is a pleasure to take part once again in the debate on Bill C-15. Since the beginning of this exercise, I think it must be the fourth time I have had an opportunity to speak to this Bill and especially to draw the attention of the Parliamentary Secretary to the Minister of Regional Industrial Expansion, the Member for Charlesbourg (Mrs. Tardif), to possible amendments and especially to the dangerous aspects of the Bill she is steering through the House of Commons and which she steered through committee.

● (1740)

Mr. Speaker, there have already been a number of speakers on the amendment, and I am referring to Motion No. 1 by my hon. friend from Winnipeg-Fort Garry (Mr. Axworthy), and frankly this baffles me, because when I read the motion I did not think a debate would be necessary. I fail to see how a Member of this House could be opposed to the letter and intent of this motion. I can see some of our hon. friends opposite, and I would like hear them say why they are opposed to the fact that the Bill respecting investment in Canada is aimed at recognizing that increased capital investment and innovative technology would benefit Canada, the purpose of this Act being to provide for the notification and review of proposed investments in Canada by non-Canadians in order to ensure that they contribute to economic growth and employment opportunities, and to encourage beneficial investment in Canada by Canadians.

Mr. Speaker, it is like virtue and motherhood. I fail to see how the Parliamentary Secretary can object to having the amendment included in the Bill. I honestly thought her party was pursuing exactly the same goal. Does she really mean that her party is not interested in reviewing proposed investments in Canada by non-Canadians? Does she mean to say she does not think ensuring that such investments contribute to economic growth is a worthy objective? Mr. Speaker, I think it should be the core of this legislation. Who can object to the fact that investments contribute to employment opportunities? Mr. Speaker, I am sure you are not against creating jobs, and that like me, you fail to understand why our friends opposite are not rising to tell us: We agree. We are all for creating jobs. And who could object to encouraging beneficial investment in Canada? I am sure there is not a single Member in this House

who would dare to rise and say that he is against the objectives we want to add to Bill C-15.

Mr. Speaker, we are taking up this debate again to try and convince our friends opposite that they have done enough for the Americans. They have gone down on their knees and given the Americans everything they wanted, but they have not been very good negotiators. Sure, when President Reagan came they had a nice party. They even had the pleasure of hearing their leader sing. This reminds me, and those who read the biographical notes written by Ian MacDonald, that very objective journalist, will remember the story about young Brian who sang for Colonel McCormick. I am sure the Hon. Member for Champlain (Mr. Champagne) will be very interested to hear this story, because there is a connection with the deuce of spades. The Hon. Member for Champlain should know that when his leader was a boy, and the big boss from the States came up to the North Shore, after a couple of scotches Colonel McCormick would say to little Brian: Get up on the table and sing me an Irish song . . . And Mr. MacDonald reports that if Brian did a good job, Colonel McCormick automatically gave him a couple of bucks, probably in American dollars. Mr. Speaker, 40 years later, history repeats itself, the only difference being that this time, not Colonel McCormick but you and I are paying the piper! Canadians paid for the song that was sung for the President of the United States.

The Hon. Member for Laval (Mr. Ricard), who I am sure is listening, will now realize, after sipping all this Irish coffee with his organizers in Quebec City, after having applauded, that all that was a sham. He will now realize that with his tax dollars and those of his constituents, all they did was enjoy a good party among Conservatives, and have loads of fun. But except for that Canada has been lured, evidence of which they get every day, every week. I challenge any Progressive Conservative Member in this House to rise and tell me what they got from the American Government. We have until six o'clock, there are still 15 minutes left, if they have examples of anything their leader got from the Americans . . .

We know what he gave up, starting with Canada's pride and independence. We know what he gave up, and this legislation is proof enough. We know he has even further endangered our environment for another year, and I hope that Members representing rural constituencies do realize what that means for their communities. Those who have maple bushes simply have to look around their constituency. The Hon. Member for Beauce (Mr. Bernier) knows what is happening in those areas. But to the Prime Minister this is no cause for concern. Does he want to wait until the economy of those rural areas is completely down before responding to the acid rain problem? No sir, he decided to hire Bill Davis for a dollar a year. As my leader suggested recently in one of his speeches, certainly one dollar a year is still too much. Because if you look at what has happened since that appointment, all they had was a courtesy meeting. There probably is an emergency but all they managed to do was to meet in some "Maple Leaf" room in some airport to shake hands. Nothing has been accomplished, no progress has been made.

With respect to trade, which is of concern to all of us, Mr. Speaker, there also has been that kind of study group. The announcement was made in Quebec City with much fanfare, although the Governor General was absent. But we know this was intended, and as my colleague has just said, politeness is not necessarily one of our new Prime Minister's virtues any more than humility. They reached an agreement on trade, and with a lot of publicity, they appointed the Minister for International Trade and Mr. Brock. This was official, they were their personal attachés. What happened then? Even before they had time to ingest their Irish coffee, the President was back in the United States telling Brock: "That was just for the Quebec show, you have another job." So we wake up with the Minister of International Trade negotiating all by himself. There was nobody facing him, and this was supposedly the committee of two who had the absolute confidence of the two—as you would have me say—heads of state. This again was a sham. So we are stuck with that legislation which really is a flagrant example of subservience. More subservient than that is not possible! Just think of it! We allow American multinationals to come here, to take control of Canadian companies, to even shut them down if they happen to be too competitive, while we simply look on. It has come to a point where we say to the Americans, among others: "Do not worry, this country is for sale". This is exactly what the Prime Minister is doing. Despite the reference to those big investments that would allegedly create tens of thousands of jobs, we have all witnessed yesterday, those of us who are from Quebec, who pay taxes to Quebec, we have seen the budget tabled by the Quebec Finance Minister. He does not believe in your gamble, for he said the unemployment rate in Quebec would increase next year. This should be a cause of serious concern for these people who believe that this bill will create hundreds of thousands of jobs, who had made job creation a major part of their party platform during the last election campaign, and whose only contribution so far has been their decision to contribute to the arm race. I am quite worried about this.

I hope, therefore, that during this debate our hon. friends opposite will ponder the consequences of the summit, will realize that it was a jolly good show, that it was a major success for the organizers, that everybody had his fun at the expense of the taxpayers, but now that the euphoria of their victory has somewhat subsided, I hope they will realize that governing a country such as Canada is more difficult than bowing left and right once in a while. Mr. Speaker, you signal that my time has elapsed. There is still so much I have to say, but I will certainly have the opportunity to continue and share with you my feelings, as there are 14 other amendments to consider.

● (1750)

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to say a few words about this clause of the Bill because we believe that it is important that investment by the Canadian Government in the form of tax concessions to foreign and Canadian companies be made under terms and conditions that will benefit Canadians as a whole. Frequently, Canadian and non-Canadian companies have been able to get substantial grants to help the company and benefit the shareholder but which have been detrimental to the interest of Canadians.

I include in those companies some very important and progressive research and development-oriented Canadian companies in Canada. For example, one such company has one of the best records for investing in the research and development of new products and is at the forefront of the technological revolution. That company is Northern Telecom. It is a star among Canadian corporations, and deservedly so. Its sales in 1984 probably topped $4 billion. In 1983, its net profits were more than $1 million a day. The profits were up 92 per cent over the previous year. Stock, which had been worth $13 a share in 1982, is now selling at approximately $50.

Northern Telecom has invested very heavily in the research and development of digital technology. That investment has paid off handsomely for the company and its shareholders, as it should. Between 1976 and 1980, the number of the Northern Telecom workforce declined in Canada although its sales doubled. That is the sort of problem which I think we must face.

In the United States, however, the company's workforce increased from approximately 2,900 in 1976 to almost 19,000 at the present time. Therefore, if we are going to help companies in research and development through government grants or tax concessions, surely we should expect that the benefit will not go just to the company's shareholders but will go to Canadians as well.

More important to Canada is that not only has the number of Northern Telecom's workforce increased in the United States, the problem is that there are now 600 Northern Telecom employees in the United States who are scientists, engineers and other highly skilled people.

A Northern Telecom affiliate, Bell Northern Research, is jointly owned by Bell Canada and Northern Telecom. It now does product research and development in plants in Atlanta, Georgia; Mountain View, California; Durham County Park, North Carolina; Richardson, Texas and Ann Arbor, Michigan. This is an industry in which the company's research and development gives a very clear indication of the future direction in which that corporation is moving.

The question we must ask ourselves, therefore, is whether the company's future development and expansion is to be in the United States rather than Canada. If so, we must ask ourselves whether we are justified in giving the kinds of grants and tax concessions it has been given.

The company now has 14 plants in the United States. George Takoch, the author of an article which appeared in *Saturday Night*, asked "Are we witnessing the deCanadianization of Northern Telecom?" That is a crucial question because Northern Telecom is one of Canada's best companies. Bell Canada and Northern Telecom jointly own Bell Northern Research. They employ 2,500 scientists, engineers and other highly trained people in five laboratories in Canada.

Last year, the company announced a $20 million expansion in Ottawa, which will create 200 new jobs in research and development. While that sounds great, in 1983 Northern Telecom spent $900 million in research and development and capital investment. Approximately one-third of the research and development investment and about one-half of the capital investment was made outside of Canada.

The development of the company's electronic offices systems products has been allocated to the company's subsidiary in the United States. Northern Telecom's DMS-100 switch, one of its most important products, which was once produced only in Canada is now produced in Canada and in the United States. Recently, when the demand for that product increased, 1,000 new workers were hired in the United States but none in Canada. A similar situation occurred with the company's SL-1 digital business and communications system. In 1983, when demand increased, the Santa Clara plant in the United States was expanded. The Belleville, Ontario, plant was not.

I put this information on the record because Northern Telecom's growth is due to a large extent to substantial help which it has received from the Canadian Government. In 1968, Northern Telecom received a $6 million grant to bring its SP-1 telephone switching system on stream. Between 1976 and 1983, the Canadian Government supported that company in the form of tax relief to the tune of $26 million.

I believe that if we are to help companies like Northern Telecom, which is one of the best, we have a right to expect that the benefits will not only go to the stockholders but will go to all Canadians. That is the reason for our amendment.

[*Translation*]

The Acting Speaker (Mr. Paproski): It being 6 p.m., the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, April 25, 1985

The House met at 11 a.m.

● (1105)

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed from Wednesday, April 24, consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions No. 1 (Mr. Axworthy) and No. 2 (Mr. Langdon) (p. 4001).

Mr. Speaker: As I indicated to the House on Tuesday last in my preliminary statement on the motions standing on the Notice Paper at the report stage of this Bill, I am now prepared to hear Hon. Members on any procedural arguments that they may wish to make with regard to those motions that I indicated gave the Chair some procedural concern.

May I ask Hon. Members when they present their arguments on any one motion or group of motions that they indicate by the motion number or numbers to which motions they are speaking. Hopefully this will make for a more orderly presentation. I recognize the Hon. Member for Essex-Windsor (Mr. Langdon) on Motion No. 3.

Mr. Langdon: Mr. Speaker, had you intended to consider these motion by motion or for us to comment on your set of rulings as a whole?

Mr. Speaker: I had intended to recognize all Members who wish to comment on all of the procedural issues. It is my hope that every Member who does so will indicate to which motion their comments apply. I was only beginning with the Hon. Member for Essex-Windsor because his motion is first on the list of those that cause a procedural problem.

Mr. Axworthy: Mr. Speaker, since it would affect the way in which we proceed, perhaps you could clarify whether you want us to proceed by the rulings that you have made on motions or whether we speak to it as a whole. If so, I suggest that if we are to speak to the entire set of rulings, as the Official Opposition we should be given the opportunity to present our case first.

Mr. Speaker: I suspect that that is acceptable. I am in the hands of the House on this matter. I thought it might be easier to let all those who wish to speak do so rather than go through it *seriatim*. However, I will recognize the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) on the procedural question.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, as I indicated at the beginning of debate at report stage, we appreciate very much the time that the Speaker and the Clerk's Table have taken to try to organize some of these very complex amendments that were presented. We want to express our view that in large part we agree with many of the groupings that you have presented to the House. However, we would like to state that the amendments which we presented were in no way attempting substantially to alter or redefine the Bill but were presented in a spirit of constructive assessment and interest in improving a Bill which is a very critical piece of economic legislation and perhaps the most critical that has appeared before this Chamber during this session.

While we were pleased with many of the rulings, we would like to take issue with some of the comments on admissibility because we feel that the amendments we have presented fully meet the spirit that is contained in the Bill and the spirit by which the Speaker has tried to redefine the way in which the debate during report stage would proceed.

Although Motion No. 3 is an NDP motion, in the interest of good debate perhaps I may comment that I believe there is a way in which the admissibility of that motion could be honoured. I simply mention it because I know that the critic for the NDP will be speaking to procedural matters. I would only suggest that if an amendment to their motion would read something like as follows, "To seek the most positive performance in the interest of Canadians of past investment by non-Canadians", I think it would meet the test of admissibility very clearly. Therefore we would be able to debate what I believe would be a very useful area of discussion in the House. I only offer that as a comment, perhaps more for registry by the critic for the NDP and you, Mr. Speaker.

We have some serious concerns with respect to Motion No. 26. The inclusion of this item under the exemptions is really in keeping with a number of other parts of the Bill and already accepted in principle.

● (1110)

The purpose of the amendment is simply to add a further exemption which we would call industries of strategic importance. I would simply point out that the Bill itself, particularly if you go to Clause 48, contains references to the Bank Act which prohibits investment beyond a certain point in the banking area. Similarly, Clause 10(h) of Bill C-15 exempts from review any transaction to which Section 307 of the Bank

Act applies. In other words, the Bill has already accepted the definition that there can be exemptions to the Bill. Similarly, the present Bill, as approved in principle on second reading, exempts from review insurance businesses already regulated under the Canadian and British Insurance Companies Act; that is Section 10(k).

What we would argue is that this is simply a recognition that the principle of recognizing that certain exemptions from review are acceptable is already contained in the Bill. They are already registered in the Bill. We are simply introducing a further area by which exemptions can take place.

Let me give you a practical area, Mr. Speaker. Let us say, for example, that the Cabinet decides there is an industry of strategic importance and that it wants to exempt all foreign investment from being introduced. Let us say it is in a strategic mineral area, molybdenum or uranium. If there is not a clause such as this contained in the Act, then there would be a contradiction between that Act and the Investment Canada Act. We are simply putting forward a way of dealing with what we consider perhaps to be a lack of awareness in the drafting of the Bill. In fact, the Government might want to reserve for itself the power to make that kind of exemption. It is a reserve clause or a basket clause that would allow it, which sometimes may be the case, to prohibit any form of investment. That, however, should be done under another policy or another piece of legislation and not be subject to the review matters under the legislation now before us. That is the reason for Motion No. 26. I would ask your consideration, Mr. Speaker, because it is done obviously in the spirit of trying to help the Government out of what might be a potential problem down the road.

On Motions 28 and 29 we will make no comments.

In Motion No. 33 there is this interesting wording contained in your findings, that something about it is going beyond the four corners of the Bill. We have laboured long and hard to determine the exact meaning of "the four corners of the Bill". I thought for a moment, Mr. Speaker, that you were referring to some sort of shopping centre on Merivale Road.

Some Hon. Members: Oh, oh!

Mr. Axworthy: I think you would find the amendment we are presenting to Clause 15 of the Bill does not go beyond the principle already accepted that certain matters should be reviewed by Cabinet. I would ask you to refer to the testimony and statements by the Minister himself at committee where he indicated that he intended to consult with colleagues in Cabinet to deal with such matters. We are simply saying that that should be formalized in legislation, going back to the basic principles that Parliament should clearly enunciate the procedures that are to take place for the clarity of those who would be affected by the Bill and so not leave us with some amorphous or ambiguous form. If that consultation is to take place, it should be so stated. There is no draw upon a Royal Recommendation. It is simply a fact that the Minister has stated in questioning in the committee that he believes he would be following these practices anyway. We are saying that if that is going to be the case anyway, why do we not have it in the Bill?

That is the reason we think it is worthwhile to introduce an amendment which does not alter in any way the intent, purpose, or objective of the Bill but simply recognizes that it is something the Minister says he intends to do. We are simply thinking that from a parliamentary point of view it is important to have Parliament register that and have it written in the statute as opposed to leaving it in a way which could or might cause confusion in the minds of those citizens and businesses affected by the Bill.

• (1115)

On Motions Nos. 38 to 40 I will make no comment, but I will speak on Motions Nos. 42 to 49 which were declared out of order. The importance here goes back to the fundamental starting point of the clause, that is, the question of Canada's cultural heritage or national identity. I would ask Your Honour to refer to the second reading debate wherein the Minister specifically requested in his opening speech that this Parliament bring forward recommendations and amendments relating to the meaning of cultural heritage or national identity. We took the Minister at face value, at his word. I know that may be a dangerous practice, particularly with that Minister, but the fact of the matter is that we on this side of the House like to work on good faith. Therefore, we laboured long and hard in committee to provide for a very intensive examination. Also I suggest that Your Honour read the testimony before the committee in that area, which commanded or demanded the most attention by way of the questioning of witnesses and by way of testimony from witnesses. The proposed Motions Nos. 42 to 49 are ways in which cultural heritage or national identity would be defined in the Bill, not left to some kind of regulation which would run against all the basic practices that Parliament should decide, nor left in delegated instruments.

A very clear example of this is Motion No. 44. In effect, it deals with what is a new form of publication. It deals with data processing, software and all kinds of information which is now put on computer tapes. That is not only a question of cultural heritage or national identity; in a sense it is a modern day, 1980s version of the book, the recording or the transcript. This is the new way by which a modern society contains and holds information. We were particularly cognizant as a result of testimony of the fact that, by defining the whole area of data processing and software as part of a reviewable matter under the Act, we would then be allowing that incredible amount of information, which is very much part of our identity, to be wilfully taken by foreign owners and distributed and disseminated without any control or review whatsoever. That simply makes no sense.

I would argue strenuously that Motion No. 44 in particular is a form of the kind of cultural question and national identity which the Minister asked to be defined. We are saying that this is a new definition of what is contained in that area.

Similarly I would argue in terms of Motion No. 43 wherein we say that matters or investments in the area of defence production are very much part of our national identity. Mr. Speaker, you have been in the chair during numerous Question Periods in the past three or four months when there were major debates in the House about the whole question of star wars development and its economic implications relating back to Canada's sovereignty. What could be more at the heart of Canada's national identity as defined in the Bill than the question of our defence industry? Surely it is subject to the same kind of review.

Similarly we make the case for Motions Nos. 42, 45, 47 and 49. In effect, they all relate to the social impact of investment in one resource town communities, for example, in the high technology industry. All those areas were identified by witnesses who appeared before the committee as being very much a part of the way to protect our "national identity". If we lose control in those areas we would no longer have a national identity. This is why we recommend very strenuously that these articles be contained within the orbit of the Act.

● (1120)

Mr. Speaker: If I could interrupt the Hon. Member for just one second. With respect, we are supposed to be listening now to arguments as to the procedural admissibility of an amendment. The Hon. Member is making a very interesting and important argument about the substance of the amendments. May I suggest to the Hon. Member that if it is possible, it would be helpful if he would stick with the procedural admissibility question. May I also say to him that by indicating as clearly as he is that they are matters that are not in the Bill and not contained in the scope of the Bill that need to be introduced in his view to the Bill, he is making the procedural argument that they are beyond the scope of the Bill as introduced and therefore out of order. I take it he is trying to make a procedural admissibility argument at the moment. I suggest that he might want to restrict himself to that, both for his own sake and for the sake of the points we are supposed to be considering.

Mr. Axworthy: Mr. Speaker, I take note of your comments. I believe from the original submission that you brought forward to the House that you are asking for arguments as to why certain matters should be admissible. I thought I was speaking directly to the procedural point that the Minister had indicated, in this area particularly, that Parliament should help define, because as it now stands under Clause 15, the question of Canada's cultural heritage and national identity is not defined. It is left simply in those words. We are simply adding amendments which would further define the meaning of those two key phrases. That would be my basic argument for Clauses 42 to 49.

I should as well make the case of admissibility on Motion No. 48 because it is a special case. I would simply make the argument that I believe it is an oversight on the part of the Government because it will set up a conflict within the Bill. Later in the Bill, Clause 45, for example, says that any commitments made under the present FIRA Act would be held in force. However, there is nothing in the Bill to say that investors coming into the same area in which undertakings have already been made would also be required to make the same undertakings. Therefore, it would place them in a kind of grandfathering clause under Clause 45. A new competitor, a new foreign investor coming into the same area would be free of that kind of undertaking made under FIRA and therefore have an incredible competitive advantage.

We think that that should be a part of the reviewable area to make sure that those foreign investors who have already invested in certain areas of the economy and are held to those undertakings under FIRA are not held to disadvantage by new investors coming into the same area. Motion No. 48 is simply a way of dealing with that glitch in the Bill. I would ask you to take that into consideration.

I might now refer to Motion No. 64. The question that was offered again was whether this provided for a new definition under the Act. All we are saying in this case is that it is a way of calculating the question of additional cost. It is simply giving additional direction under this clause. To my mind, it does not constitute a new definition but is simply adding a way of calculating cost or rules for calculation. These are similar to those provisions already incorporated in Clauses 26 and 28 for calculating Canadian status and control. No new principles are introduced. Nothing new is added. These are items that incorporate in Clause 21 undertakings that are already in Clause 20. In order to develop the symmetry and the level of harmony between those two, we think that that should be considered for debate at report stage.

On Motions Nos. 70 and 72, Mr. Speaker, you argue that one vote on Motion No. 70 would be consequential on Motion No. 72. I would suggest that Motions Nos. 70 and 72 are quite different and I would ask that you separate the two for voting purposes. Motion No. 70 is designed clearly to indicate that the lack of ministerial action means the investment may proceed. Motion No. 72 is to specify that a notice rejecting an application is to contain reasons for rejection, as called for by many business groups. They have two quite different meanings and therefore I think there should be separate votes on those two motions.

● (1125)

On Motions Nos. 78 and 79, Mr. Speaker, you asked for a clarification of our position. Again I would simply say that our amendment in no way attempts to expand the scope of the agency. These motions simply seek to modify the rules for determining what has been acquired in Clause 28(3) of the Bill, a clause already approved in principle. These motions do not suggest new rules.

The Government has already defined Canadian control as being ownership of one-third of all shares. We are simply changing the fraction. That does not change the meaning of the Bill. There is a very old story about Mr. Churchill and Lady Marlborough which I will not repeat in this House, but I think we are simply haggling over the price. This particular

motion tends to haggle over which fraction of share control constitutes Canadian control. We make the submission to you, Sir, that what constitutes control is a proper point of debate. We have put a number of submissions during committee that make that case. We are simply incorporating that in the amendment and not changing the principle of the Bill. We feel that the level of what constitutes control may be a debatable item.

Mr. Speaker: Was I to understand that that comment with regard to Motion No. 78 also applies to Motion No. 79?

Mr. Axworthy: Yes, Sir. I am sorry, I should have made that clear. Those comments apply to both motions.

Again, we would provide no comment on Motions Nos. 80 to 88.

Finally, on Motions Nos. 90 and 91, Clause 44 of the Bill already provides for the Minister to make reports for operations under the Act. Motions Nos. 90 and 91 simply define more clearly what those reports should contain. Again, I would submit, Sir, that discussions during committee were very clear on this point. There were representations that there should be some ability to assess and determine the impacts of various investments.

In no way are we infringing upon the Royal Recommendation. It is already provided that the Minister must make a report. These motions simply further define what that report may contain so we may answer some of the questions raised by many of the interest and industrial groups which appeared before us.

I thank you very much, Mr. Speaker, for hearing my arguments. I know you will take them under your kind and wise consideration.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, first let me say that we find perfectly acceptable a good many of the decisions and suggestions you have made. Let me, if I may, make comments on a few of them. I have tried to order my comments on the basis of your particular numbering system.

If we begin with your No. 4, this may confuse us because No. 4 deals with Motion No. 5, but I hope it will in fact work out for the better. You have suggested, Mr. Speaker, that Motion No. 5 restricts the Minister's assistance to Canadian-owned businesses to exploit opportunities for investments and technological advances and thereby violates the principle of the Bill as agreed to at second reading. As I understand the principle of the Bill, it does two things. First, it provides support for investment in Canada by Canadians and non-Canadians. Second, it provides for different categories into which different businesses fall. Certain businesses have no responsibilities whatsoever with respect to this Act. Those are Canadian-controlled businesses and established foreign-controlled businesses. With respect to those businesses which are new businesses being established by non-Canadians, they are required by the Act to make notification of their investments. They are treated in a specific and separate way.

Third, there is a group of firms which consists of non-Canadian firms taking over Canadian firms. Again, they are treated in a separate way because they are subject to review if they are above a certain threshold. Again, that is a slightly different category. Finally, there are non-Canadian firms which are active in the area of cultural heritage or national identity, and they are also treated in a separate way.

• (1130)

Therefore, I think that the purpose of the Bill provides for discrimination with respect to the different categories of enterprise. It is that reflection in the purpose clause, and the subsequent reflection in the details of the Bill, which has led us, in a number of the motions which we have put forward, to suggest slightly different ways in which this discrimination could be precisely demarcated. It seems to us that the discrimination is evident in the purpose of the Bill.

With respect to Motion No. 5, we are suggesting that the discrimination which is evident in the purpose clause of the Bill could also be reflected in discussing the obligations and responsibilities of the Minister; not with respect to all of the activities of the Minister, but with respect to the seven different responsibilities which are set out in Clause 5. In this motion we are suggesting that one of the responsibilities should be aimed at Canadian-owned businesses. We are not suggesting that with respect to all the activities, because we agree that that would run counter to the purpose of the Bill. But we believe that since the Bill allows for discrimination it should be possible to reflect that discrimination to some degree in the activity of the Minister.

With respect to decision No. 9, which deals with motion No. 13, again we are talking about Clause 5 of the Bill which sets out the responsibilities of the Minister. It strikes me that that clause is a rather unusual clause to have within a Bill. It includes a great many activities of the Minister which are actually quite separate from the activities of the review agency. One of the activities which has traditionally been the responsibility of the Minister of Regional Industrial Expansion has been to promulgate certain codes of conduct for foreign-controlled enterprises within Canada.

For example, in 1975 the then Minister tabled new principles for international business conduct. That dealt with quite a number of the points which we have included in Motion No. 13. We felt that since Clause 5 was attempting to summarize the responsibilities of the Minister with respect to the different categories of enterprise, it was, indeed, proper to include within that a recognition of the Minister's responsibility which has been traditional and which the Minister has exercised to establish and monitor such codes of conduct. In fact, if that were excluded from the points which "the Minister shall" do, it could be taken as a step backward from previous policy, which has included the establishment of the codes of conduct. Again, without entering into the substance of it, our point is that this has traditionally been an area of activity for the Minister, with respect to foreign investment, and it seems to us

that it is procedurally correct to raise the point as to whether it should be included in the Bill.

Decision No. 13 dealt with Motion No. 22. It suggested that the motion went beyond the scope of the clause and would infringe on the financial initiative of the Crown. Motion No. 22 seeks to effect the set-up, the structure and format, of the review agency, which is what Clause 7 of the Bill does. Again, it would seem that there is room for differences of opinion as to whether this particular agency should be simply headed by a president or whether it should be headed by a president and a board of directors. As to whether that has potential implications, when the question was raised in committee my answer was that the present Bill, by establishing a president, implies a certain financial commitment to the salary of that president. We are making this amendment with the suggestion that a specific allocation of money should be divided between a full-time president and a seven-person board of directors which would be part-time. Therefore, it would not lead to an extra charge on the Crown.

I would like to speak on decision No. 23 which deals with grouping. It is, perhaps, the most important decision with respect to grouping about which I would like to raise some questions. I do so because Motions Nos. 34, 35, 36 and 38 all deal with the specific threshold levels within the Bill. They are attempts to raise the question of whether we should be talking about lower or higher threshold levels. Motion No. 38(a) does not deal with that. It deals with what we see as a problem within the Bill, that the asset level, which plays a crucial part in setting the categories which are important for the purposes of the Bill, is not effectively defined. Frankly, the problem is that there are different ways to approach an understanding of assets.

Assets can be determined either on an historical basis with depreciation included, or they can be determined on the basis of current market value. With this amendment we are attempting to make it quite clear that it is the current market value of the assets which should establish those levels. It is quite a different point from the point which has been addressed by the other motions.

The next decision with which I would like to deal is decision No. 24. That decision deals with Motion No. 37. In that decision, Mr. Speaker, you suggest that the motion would cause the agency to review the assets of non-Canadians, thereby discriminating against them, which is contrary to the purpose of the Bill. Again, I would make the general point that the purpose of the Bill, in fact, is discriminatory. The nature of the discrimination varies depending on the category, but there is certainly discrimination which exists with respect to non-Canadian controlled firms. It is not a blanket discrimination but the categories differ. Moreover, this motion does not attempt to discriminate against all non-Canadian firms. It simply focuses, as does the Bill itself, on those non-Canadian firms entering the country or establishing new businesses. The new point of concern is that as well as the size of the assets to be taken over, one should be interested in the size of the company doing the taking over. This does not require a review of those assets abroad but it does require that those assets abroad be reported to the Canadian Government, if the company were accepted, in the process of the review procedure.

● (1140)

The next one of your points with which I would like to deal is No. 29, which refers not to my motions but to the motions of my colleague. Those are Motions Nos. 42 to 49. I simply want to make the point that it does seem to me that the Minister has asked for guidance with respect to what is meant by "cultural heritage" and "national identity". These motions attempt to provide that guidance. Again, without entering into the substance, I think that an attempt to do that in the Bill is consistent with the purposes of the Bill and, in fact, was foreseen when the Bill was agreed to at second reading. The Minister in his opening statement to the Standing Committee in fact asked us to be particularly concerned, to raise questions with witnesses, and to provide some advice with respect to these points. Whether these particular motions reflect the advice or not is something that we can debate if they are acceptable. However, it does seem to me that it is consistent with the Bill itself.

The next point I wanted to deal with is No. 32 with respect to Motions Nos. 55 to 61. You suggested, Mr. Speaker, that this appears to introduce new factors into Clause 20 which will affect how net benefits are determined and are, therefore, beyond the scope of the clause. With all due respect, Mr. Speaker, that clause sets out factors to be taken into account where relevant, and the factors which are presently identified are extremely vague, very broad and cover a wide set of the particular concerns which our proposed amendments themselves attempt to make slightly more specific and pointed.

For instance, the present factors which are to be taken into account note the effect of the investment on the level and nature of economic activity in Canada, including the effect on employment. What we attempt to do with, for instance, Motion No. 60 is to make somewhat more specific the way in which that impact on employment is to be taken as a factor for consideration. In that particular case we suggest that we, as Hon. Members of the House, have recognized in a number of the considerations which have taken place in the last six months that one of the important factors in considering the effect of an investment on economic activity affecting employment is the employment equity aspects of that particular impact. So that particular clause is simply expanding on what is already recognized as the concern with employment effects, which is noted in sub-clause (a) of Clause 20.

I could make the same point with respect to each of Motions Nos. 55 through 61. They are attempts not to move beyond the scope of the Bill, not to introduce new factors, but to pinpoint more precisely the particulars of the factors which should be considered where they are relevant, as the opening statement within the clause makes clear. It seems to us particularly important to do this in part because we received representation in the committee from the foreign investment sub-committee of the Canadian Bar Association. It is not substance with

which I am seeking to deal here, Mr. Speaker, but the particular factors and the nature of those factors because the Bar Association pointed out to us that there was a vagueness within those factors which seemed to it to not reflect past practice of FIRA. It therefore felt it was important to try to offer somewhat greater clarity. Whether or not our motions do offer that clarity is, of course, a matter for debate, but that is the point. There is an attempt to be more specific, for example, with respect to considering the financial condition of companies which are initiating a take-over bid as one of the factors which will help to determine the likely impact on employment and other activities within the country.

I should perhaps make the point, Mr. Speaker, that this particular ruling is for us especially sensitive because we do feel that this was a case where in committee no questions were raised about the particular motions which were presented, whereas in other cases questions were raised. So I was particularly surprised by the rulings here and have attempted, at somewhat greater length than usual, perhaps, to make quite crystal clear the point we are attempting to make with these motions.

I have just three final points, Mr. Speaker. With respect to your ruling No. 44, you suggest that Motion No. 80 attempts to provide regulatory power which is not contemplated in the Bill, is novel and new to the Bill and, therefore, should not be proposed to the House. I was interested to see you identifying such ambitious purposes behind this motion. In fact, it was quite a minor, almost housekeeping matter, and I will attempt, if I can, to make clear why that is the case.

Clause 35 at this stage includes within it a suggestion that the regulations dealing with cultural heritage and national identity be tabled in front of the House of Commons in terms of this time formula. Our purpose is simply to suggest that it should not just be the regulations which deal with the cultural heritage and national identity part of the Bill but all regulations which deal with the Bill. The point is not, therefore, to include new regulatory powers but simply to see to it that, as with the specific regulations which deal with cultural heritage or a national identity, all regulations dealing with whatever aspects of the putting into effect of this Bill should go before the House, not for approval but simply to provide notice.

● (1150)

The next point I would like to comment on is No. 46, in which you make certain points with respect to Motions Nos. 82 and 83. I do not wish to raise questions about your ruling with respect to those motions, but I would suggest with respect that Motions Nos. 85 to 88 are not consequential on Motions Nos. 82, 83 and 84, but are simply attempts, as with some of the other points we have presented as motions and which you have accepted, to introduce greater public accountability and greater public access to what is taking place with respect to this important subject. So I would appreciate it if you could review those particular points again and see if they are indeed consequential.

Finally, and I appreciate your patience on these matters, with respect to your decision No. 50 dealing with Motion No. 94, you have suggested that motion is inconsistent with the interpretation clause and goes against the principle of the Bill as agreed to by the House at second reading stage. I would simply make the point that it is quite possible to have the purposes of this Bill put into effect with the Minister having basic responsibility, or the Governor in Council having over-all responsibility, for what is taking place with respect to the purpose. The motion attempts to raise that question for debate.

In that sense I do not think it runs against the principle of the Bill, although it is certainly something which the Government has indicated its disagreement with in committee. The motion involved was accepted in committee for debate and it was felt proper at least to have the debate on whether, as some witnesses have suggested, it makes more sense to put it under the Minister or more sense to have some Cabinet responsibility with respect to this important area. We feel it is appropriate to debate this at report stage even though it is not perhaps something on which we would make quite as strong a case as we have with respect to some of the other points I have been bringing before you today.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I will try to be as brief as possible but I want first of all to thank you and the House officials for your excellent and very comprehensive ruling. Given the large number of motions before us, it is obvious that many hours of work went into preparing this ruling and I, for one, found it very useful in considering what procedural arguments would be appropriate.

I want first of all to deal with those motions about which you have expressed some reservations and then deal with another motion which raised some doubts in my mind and which you may also want to consider with respect to admissibility at the conclusion. Since my colleagues in the opposition have dealt with all of the motions, I think I will just run down the motions about which you have raised some reservations in your preliminary ruling and give you my views with respect to the acceptability or otherwise of the motions.

Dealing first with Motion No. 3, the reservations you brought forward at the time were that this motion violates the principle of the Bill and is argumentative. I support you in that inasmuch as the principle of the Bill is violated because it proposes to change the purpose of the Bill in which the principle is clearly explained. I refer, of course, to Beauchesne's Fifth Edition, Citation 773(5), and Citation 423 which says:

> A motion should be neither argumentative, nor in the style of a speech, nor contain unnecessary provisions or objectionable words. It is usually expressed in the affirmative, even where its purpose and effect are negative.

Dealing with Motion No. 5, I would remind you again that in committee all these amendments were ruled inadmissible because one of the principles of the Bill is that the Minister should encourage investment in Canada both by Canadians and non-Canadians, whereas this motion would restrict assistance to exploit opportunities for investment and technological advancement to Canadians only. This I submit, Sir, is clearly

contrary to the principle of the Bill as agreed to at second reading stage. Again I refer to Beauchesne's Fifth Edition, Citation 773(5).

With respect to Motion No. 21, it proposes a new agency whose purpose is entirely at variance with the intent of the Bill and I suggest to you, Sir, it is clearly out of order. The authority for that is Beauchesne's Fifth Edition, Citation 773(1).

Motion No. 22 suggests the appointment of a board of directors. Clearly no board was contemplated by the Bill. With respect to the financial implications, the directors would incur expenses which would necessitate a charge on the Consolidated Revenue Fund, which violates the principle of the prerogative of financial initiative on the part of the Crown. The authority is Citation 514(2) of Beauchesne's Fifth Edition.

With respect to Motion No. 29, by virtue of this motion the agency's role and function would be greatly expanded over those contemplated in the Bill, hence it is beyond the principle contained in the Bill. I cite Beauchesne's Fifth Edition, Citation 773(1). It is doubtful that the amendment is offered at the right place since the rest of the clause concerns itself with the kinds of investments to be subject to notification and does not concern itself with the role and function of the agency. The authority I quote is Beauchesne's Fifth Edition, 773(3). Clearly the expanded functions of the agency would impose a fresh charge on the Treasury and as such would require a Royal Recommendation.

Moving on to Motion No. 33, it is highly questionable whether Parliament has the right or indeed jurisdiction to create a Cabinet committee by Act of Parliament. Clearly I suggest this goes well beyond the scope of the Bill. I think you had indicated the consequential amendments were found irregular on the above ground, namely Motions Nos. 54, 62, 65, 66, 71, 92 and 93.

Motion No. 39, as on Motion No. 5, I suggest—

Mr. Speaker: May I interrupt? I noted particularly that the President of the Privy Council (Mr. Hnatyshyn) did not mention Motion No. 73 as being consequential. Was there some reason for that? The original indication was that we had found Motion No. 73 as consequential. I take it that he is not making a case that it is not consequential?

• (1200)

Mr. Hnatyshyn: It is consequential.

Mr. Speaker: The case is not being made that it is not consequential?

Mr. Hnatyshyn: No. With respect to Motion No. 39, as with Motion No. 5, this is contrary to the purpose of the Act and out of order.

With respect to Motion No. 40, this proposal was clearly not contemplated in the Bill and would be contrary to the purpose of encouraging investment in Canada as agreed to at second reading. Again, the authority is Beauchesne's Fifth Edition, Citation 773(5).

With respect to Motions No. 42 to 49, all these types of investment, notwithstanding the representations made by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), are entirely new to the Bill and completely beyond its scope. Motion No. 51, being a consequential amendment to the preceding motion, is also out of order.

Dealing with Motion No. 64, the amendment would add a definition to the Act which was not contained in the Bill itself, namely a definition of "net benefit". I suggest that this is clearly beyond the scope of the Bill. The authority is Beauchesne's Fifth Edition, Citation 773(1).

Motions Nos. 78 and 79 seek to impose a definition of "acquisition of control" which is much different from the Bill as agreed to. In the Bill, one-third of voting shares of publicly traded companies if acquired is considered "acquisition of control", whereas the amendment would reduce that level to 5 per cent, thus expanding the jurisdiction of the agency well beyond that which was agreed to at second reading.

This expansion of jurisdiction of the agency seems to be beyond the scope of the Bill. Again, the authority is Beauchesne's Fifth Edition, Citation 773(1). Dealing with Motion No. 82 in the name of the Member for Essex-Windsor (Mr. Langdon), the committee has not been given the power to approve regulations emanating from the Bill as agreed to at the second reading stage, whereas this amendment would grant this power which is beyond the scope of the Bill. Again, the authority is Beauchesne's Fifth Edition, Citation 773(1).

Motion No. 83 which was put forward by the Member for Essex-Windsor would see all information gathered under the Act made public whereas the Bill as agreed to at second reading calls for the information to remain privileged. Clearly this is contrary to the principle of the Bill. I refer you to Beauchesne's Fifth Edition, Citation 773(5). Motions Nos. 84 through 88 are all consequential to Motion No. 83 and should be ruled out of order for the same reasons.

Let us move on to Motions No. 90 and 91. These proposed motions seek to require that the agency undertake to compile and prepare many reports not foreseen when the House agreed to the Bill at second reading. As well, the preparation of such reports would require expenditures not contemplated in the Royal Recommendation. Beauchesne's Fifth Edition, Citation 540, would apply in this case. Citation 540 states:

> The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the Royal Recommendation is attached, must be treated as laying down once for all (unless withdrawn and replaced) not only the amount of the charge, but also its objects, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown not only if it increases the amount but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge.

Motion No. 94 in the name of the Hon. Member for Essex-Windsor clearly is contrary to the principle of ministerial direction which is contained in the Bill as agreed to at

second reading. Again, the authority is Beauchesne's Fifth Edition, Citation 773(5).

I would now like to turn to Motion No. 14 which seems to go beyond the scope of the Bill as well. The amendment, if adopted, would in my view, greatly expand the powers of the Minister well beyond those contemplated in the Bill. If accepted, this amendment would in my submission, call on the Minister to exercise powers which do not fall within his jurisdiction and may indeed infringe upon provincial labour jurisdictions. Furthermore, this motion is redundant inasmuch as it calls for the Minister to ensure that employers respect bargaining rights of workers whose rights are at present amply protected by the Charter of Rights, the Canadian Labour Code and provincial labour legislation.

I submit that Motion No. 14 is irrelevant to the Bill and beyond its scope and ought to be inadmissible if we are to continue the practice amply outlined in Beauchesne's Fifth Edition, Citation 773(1), which reads:

An amendment is out of order if it is irrelevant to the bill, beyond its scope or governed by or dependent upon amendments already negatived.

Therein ends the lesson, Mr. Speaker.

Mr. Speaker: First, may I thank Hon. Members for their enlightened arguments. May I also get myself into deep trouble by congratulating all three intervenors on the quality of their arguments and suggest that procedural arguments are perhaps the most limiting and difficult arguments to make in the House and I was very impressed.

Obviously, the Chair will take the time to examine these arguments and come back to the House at a later date with a definitive ruling. For the moment, debate will resume on Motions Nos. 1 and 2 now before the House.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I would note with some satisfaction that this Bill has received the usual attention given to a Bill at committee stage. I want to make it perfectly clear at the onset of my intervention that we as an opposition are not opposing this Bill for the sake of opposing. We feel very strongly that some important measures are not in this Bill. We hope that the Government will listen carefully to the debate that will take place at this stage of the Bill and will agree to the inclusion of some amendments prior to its receiving Royal Assent.

The reason for my concern is that I represent an area of this country which has been adversely affected in past years by companies that have invested in Sudbury and small one-industry towns throughout northern Ontario simply from the standpoint of making a profit and without regard to any benefits to Canadians who live in those one-industry towns.

That is why our Party is greatly concerned about the wording of this clause of the Bill with respect to the very wide and unusual definition of "benefit". It is unusual in the sense that it does not specifically include what the Government of the day means by a benefit to Canadians.

The previous Liberal Government had in place the Foreign Investment Review Act which established the Foreign Investment Review Agency. That agency, by its name, implied that there would always be a review of any application by a foreign multinational or foreign investor before buying out a Canadian enterprise. We made it very clear in that review that we wished to have a definition of what benefits that company's take-over would have on the affected companies and their employees.

I think it is important to note for Canadians, despite the rhetoric by the Conservative Party and the Government about the adverse effect of FIRA on foreign investment in this country, that from 1975 to 1984, with the exception of 1981 when the implementation of the National Energy Program dictated that many Canadian dollars would flow outside Canada for the purchase of Petrofina, there was a steady increase in the number of dollars invested in Canada. In other words, the perception that FIRA was responsible for a decline in foreign investment in Canada is simply that. It is not fact. It is a perception that was held by the Opposition at that time and I think it was used to put forward the case that FIRA was not beneficial to Canadians and had to be overhauled.

• (1210)

The Tories have replaced FIRA with Investment Canada. I do not want Canadians to go away once this Bill is passed through Parliament with the impression that Investment Canada is not going to have any review function. There will be a review made by the Government under Investment Canada. What is disturbing is that there is no definition of what that review should entail. There is no definition of what the Conservative Government means by a benefit to Canadians.

As I said at the outset of my remarks today, I come from an area of our country that we call a one-industry area. It is not unusual. We have outside of the major urban centres of Canada, Montreal, Toronto, and Vancouver and I suppose to some extent, Mr. Speaker, from that great city you represent of Edmonton and one other to the south, the very distinguished city by the name of Calgary, a large percentage of our population living in one-industry towns. That is why the previous Liberal Government placed importance on having a Department of Regional Economic Expansion so we could at least, by use of proper tax incentives and tax grants, entice certain companies to locate in those areas of the country economically deprived in relation to other urban centres of Canada. Having grown up in an area of the country so dependent on a one-industry town, I am more than aware of the requirements that a Government at least have a proper review done of any take-over by companies that operate in one-industry towns.

Under the previous Bill, the Foreign Investment Review Act, we did give a definition of what "benefit" meant. We wanted to make sure that it was quite specific that technological transfer would be prevented by a take-over of a company in Canada. By that benefit we wanted to know what it meant in terms of job opportunities for Canadians who lived in these one-industry towns of which I speak. We wanted to protect job opportunities not only for the workers who are presently

operating in those firms but for the next generation of Canadians. If we are going to have a viable economic base in these areas of Canada that depend so much on one industry, there has to be some degree of Government intervention to be sure those job opportunities will exist for the next generation.

I have a great deal of concern about the direction this Government is now taking on the disposal of Crown corporations. Concerning the idea of transfer of technology, let us contemplate the possible sale of the Crown corporations de Havilland and Canadair. There is no question in my mind that Canadians should be proud of the technology that has been developed in the aviation field. That technology has led to the production of aircraft that will be used in world-wide markets, namely, the Dash-7, Dash-8 and the Challenger jet. These products will have the majority of their sales outside the national boundaries of Canada. Once you have products that can be sold on a world market basis with a world mandate as a result of technology developed here in Canada, you have the guarantee that Canadians can benefit in terms of job security and job creation because of the technology acquired in our country.

This section of the Bill gives me a great deal of concern. It does not require the possible purchaser of one of those two Crown corporations, as an example, to guarantee that the technologies developed at Canadair and de Havilland will not simply be taken up as a sponge with water, removing the assets of those Crown corporations and transferring them to a foreign country. There is nothing in the Bill to prevent that. I think you would agree with me, being the impartial man that you are, Mr. Speaker, that the kind of technology developed by those particular industries that benefit in this case not particularly the hinterland region of our country but mainly Montreal and Toronto would be adversely affected if we did not define in this Bill what a benefit meant. As far as I am concerned, a Bill worth anything with respect to Investment Canada has to guarantee that in the event that we are going to have foreign companies buy out these national companies such as Canadair and de Havilland, that they guarantee there shall not be a transfer of that technology which we as Canadians have paid for in research and development grants, in dollars from this Government, over the past few years.

With respect to the definition of "benefit" in this Investment Canada Bill, there is no guarantee that the jobs presently held by people living in Toronto and Montreal will be retained. I think Canadians would expect that if we are going to have a wholesale change in our Crown corporation structure, at least the Investment Canada Bill should spell out in detail what is meant by benefits and not leave it to some commission or board of bureaucrats to define. I think the fact that we want to protect that technology should not be in the control of bureaucrats but under the control of the political masters of this country who know how so important technology is to their constituents.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, as you know, during the recently put arguments by my colleague on the admissibility of certain of our amendments we indicated that our intentions have been to make more clear the intent of the legislation. We would like to establish some guidelines that can be more easily understood and to set out in the Bill some reference to terms and conditions that might be deemed to be appropriate by the Government of Canada in the interests of Canada when dealing with questions of foreign investment in our country.

I think it is fair to say that we have benefited over the years from foreign investment. I do not think anyone would deny that. There have been areas where the investment itself, though beneficial in the first instance, turned out to be less than beneficial in the long run. The Government has the responsibility now, as it has had in the past, to make sure that the benefit we derive from investment is not simply immediate. The view being expressed at the moment tends to be that whatever we can get now, let us get it and hope that it works well in the future. We should be looking at assuring ourselves, when we do permit investors to enter Canada, whether to purchase an existing company or to set up a new one, that there is a clear understanding of their obligations to Canada and the benefits we will derive will be more than simply a handful of jobs that may or may not have any lasting benefit either to the employees or to the communities in which they locate.

I say that because I have had experience over the last few years in dealing with a number of companies that have come into Canada with great fanfare under the legislation still in effect, namely the Foreign Investment Review Act. At the time companies were establishing their claims before the Foreign Investment Review Act, they often promised all manner of wonderful things. It was not uncommon when reviewing the permission sheet setting out the conditions that had to be met under the various categories to draw the conclusion that this was to be a long-term investment resulting not only in jobs immediately but in development of new technology from which Canada would derive immediate and long-term benefit. We were to begin to see develop within that operation engineering and scientific developments which would cause sort of a mushrooming effect within that segment of the economy. Out of all that Canada was to have opportunities for university graduates and the universities themselves to undertake new courses. There were to be all kinds of useful and probably desirable side effects. However, the promises having been made were about as much value as the paper on which they were written.

● (1220)

Quite frequently, after a relatively short period of time the company failed to live up to its obligations. It failed to provide jobs. It failed to provide new technology. It failed to provide new research and development. We asked the Government at the time, as did you, Mr. Speaker, to require that the company live up to its obligations. Inevitably the answer came back that economic conditions had changed, that the company, after all, knew more about its operations than we did and that, therefore, if it chose not to abide by the terms and conditions established at the onset of its locating in Canada, it was really too bad, that was all that could be said.

We are trying to make clear what we expect in terms of performance. For example, at one time in Canada there was an operation known as Otis Elevators. At that time it was called Otis-Fenson, but it became Otis Elevators and was in the forefront of conveying people automatically whether by escalator or by elevator. It was on the leading edge of the new technology. It employed substantially large numbers of people. It built all around the world. In fact, there was hardly a building in Canada of any size which did not have an Otis product.

Then along came United Technologies. United Technologies is a company which is well known in its home state of New Jersey for its harsh treatment of communities and for not living up to its obligations. At the time United Technologies applied for permission to take over Otis I personally objected, along with many other Members. I pointed out that its record of performance was one of which we could not be proud, that its record would not stand any kind of test with regard to good corporate behaviour. I suggested that it would be inappropriate for the review agency of the day to approve the take-over. It was approved anyway. We were to get more jobs, new technology, new engineering and all kinds of wonderful world mandates. We were to grow by leaps and bounds. The new Otis was to be in the forefront of world technology and, by God, Canada was to be a recipient of all the benefits.

Well, Otis is almost closed now. A handful of people now work there. All the viable parts of the operation have been shipped away to other parts of the world. All that is left is a very tiny operation. Where once there were hundreds of employees, there are now less than a hundred. By all statements and indications, within the next very short period of time the company will cease to exist in Canada in any meaningful or worth-while way. This angers me, but there is no point in getting angry any longer about it. It distresses me that the Government did not pursue with sufficient vigour and diligence its responsibilities to Canada when it gave permission to United Technologies to take over that vibrant and large employer.

I sense that the new Conservative Government, unless we are able to get certain kinds of amendments incorporated into this Bill, is even less willing to extract from those who would be prepared to invest the kinds of commitments which would ensure that Canada would receive lasting benefit. Also I sense that there is a feeling in the Government that any investment is good investment and that any technology is good technology, notwithstanding the fact that our experience shows that that is frequently not the case. I could refer to a whole list of them, but I chose that one because it is a larger one.

I notice Mr. Speaker indicating that I have only a minute remaining, but experience shows it is not true that just because some major corporation or some investor some place else happens to have money to invest, it will necessarily benefit Canada. Therefore, we have to be absolutely clear in the legislation that not only do we hope to see new investment—and we do—but that there will be appropriate terms and conditions established by the Government with regard to the kind of technology and the commitment to future growth any potential investor must undertake. We have to be absolutely clear right from the outset that the United Technologies of the world—and there are many of them; I am sure the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) will remember the United Technologies take-over of Otis—no matter how much money they are prepared to put in, no matter how much they are prepared to commit themselves on paper, are of no long-term value to Canada. The only thing which can save us from the manipulation which that kind of corporation undertakes is firm guidelines established in law.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is very kind of you to recognize a Conservative. I notice that there are not as many of us jumping up and down as there are members of the Opposition. There is a very good reason for this. The debate so far on this Bill has flogged it to death. The same old arguments are being rehashed time and time again by members of the Opposition. It is a stated fact that we on this side of the House do not rise to engage in that type of activity. We only rise when we have something sensible to say. That is precisely what I will do right now.

Some Hon. Members: Sit down.

Mr. Nickerson: I hope that I will not be the exception to the rule. What I am about to do will utterly confound you, Mr. Speaker, because I intend to speak to Motion Nos. 1 and 2 that are before us. No other speaker has done that as yet.

Motions Nos. 1 and 2 deal with the preamble or the statement of purpose of the Bill. I do not really like the idea of writing down preambles or statements of purpose in Bills. Perhaps it would be better to have a bunch of "whereas" clauses prefacing a Bill. In my opinion one should be able to determine the intent of a Bill by reading it. One does not need to have a statement of purpose at the front of it. It serves no useful objective in statute law. That is certainly the position I take. It lends itself to all kinds of flowery language, all kinds of motherhood statements.

• (1230)

That is precisely what we have in the three versions of the preamble from which we have to choose today. We talk about increasing capital, increasing technology, encouraging investment and all this type of thing. I do not think that adds anything to the actual law that is contained in the Bill before us. In statute law or in legislation we should try to confine ourselves to giving directions to people to do something or to writing down prohibitions, that people are not allowed to do something else, together with the necessary definitions and a list of penalties. If we can avoid political statements and flowery language which is rather meaningless in law, we should certainly avoid that.

What we have before us is a choice of three statements of purpose. To be quite frank, I do not really like any of them. At the end of my presentation I will make a proposal, not in the form of a motion but just as a suggestion, as to what I think the statement of purpose would be which would most accurate-

ly reflect that which is contained in the Bill. Each of the choices before us is kind of coloured with the ideology of the Party that is proposing it.

The NDP proposal is the one that I would write off almost immediately. What they want to do is to impose their view of life and the way that society should be ordered by saying that terms and conditions established by the Government would govern any type of investment in Canada. In fact, they say it is the Government that can determine better than people in private industry what is good for business in Canada. I certainly would not subscribe to that point of view. I would therefore write off the NDP suggestion.

Let us look at the proposal of the Liberals. If we had to make a choice among the three proposals, I suspect that theirs might most accurately reflect what is actually in the Bill. It is not that good, but it is not that bad either. All you would have to do to make it acceptable would be to change the wording a little in the fourth line to say in the third and fourth lines, "The purpose of this Act is to provide for the notification and review of certain proposed investments in Canada". They say "all proposed investments in Canada", but that is not the purpose of the Bill. The purpose of the Bill is only to bring the provisions of the Act into effect on certain investments, not all investments.

The whole idea behind the Bill is to get away from the existing law of FIRA, which has to review every application and, therefore, clogs up the whole machinery of Government. If we look at the original wording in the Bill, that proposed by the Government, we can see a few faults with it. I suspect that an expert grammarian might well find that there are some mistakes with grammar, especially in the English version. The French version does not quite say the same thing. It appears to be a little better.

In that preamble we talk about encouraging investment in Canada by Canadians. That is a good political objective. I am sure everybody in this House wants that to happen. It is a very good statement of purpose, but it ain't the purpose of this Bill. If you read this Bill, Mr. Speaker, it does not deal with that aspect of investment whatsoever. The statement of purpose of the supposed Bill is much wider than the Bill itself. It is a good political objective, a good objective for all Canadians, but it does not really refer to what is in the Bill.

In concluding my short presentation on this business, I would propose the following preamble or statement of purpose, if we need to have one at all. I would make this refer to exactly what is in the Bill. My statement, my purpose of the Act, my Clause 2 would read simply as follows: "The purpose of this Act is to provide for the review of significant investments in Canada by non-Canadians in order to ensure benefit to Canada". That, in my opinion, is a very simple statement. It is accurate. It reflects precisely what is in that Bill.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, it is not our intention to oppose the views of the Government, which is responsible for introducing Bills. However, we must be very careful and examine Bills very thoroughly, as my colleagues did on committee, to ensure that they are in the interests of our country and in the interests of the people of that country. What worries us is the general philosophy of this Bill. My colleague, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), who moved an amendment to Clause 2, was very careful to make sure this Bill would not be an open invitation to anyone outside Canada, an invitation indicating that, to quote the Right Hon. Prime Minister (Mr. Mulroney): "We are open for business". I may add that I agree it has been the custom of this country to welcome foreign investment, and that our current prosperity and standard of living are at least partly due to the fact that we have had foreign investment in this country, but we must make sure such investment is not uncontrolled.

There must be some control on foreign investment in this country. Just because someone tells us: I have a couple of million or billion to invest, does not mean we have to roll out the welcome mat right away. For instance—I see two of my colleagues from the Province of Quebec and two from the Maritime Provinces—I do not think it would promote regional development to ask investors to come and set up shop in this country, because we believe that if foreign investment in this country is not regulated, it will go where? To Southern Ontario, to add to the wealth of an area of this country that is already wealthy enough. I am not saying it should not be any wealthier than it is, but it should not get economically fatter at the expense of the Maritime Provinces or the Province of Quebec or even certain areas in the Western Provinces. I think we have a duty to act this way.

Mr. Speaker, some people say that FIRA was a disaster. However, if I remember correctly, and I hope my colleague from Winnipeg-Fort Garry will correct me if I am wrong, that in spite of that disastrous institution called FIRA, last year we had more than $4 billion worth of investment in Canada. I want someone to correct me if I am wrong, because I would not wish to mislead the House, but I understand that these investments were approved because they were in the best interests of the Canadian people. When this Bill was introduced in the House, I said that one of my main concerns and I am reminded of this when I see the young people who work for us in the House of Commons was to ensure that Canadian jobs would be protected. What assurance do we have that the jobs of our young Canadians will be protected by this Bill? What assurance do we have that it will protect small businesses, which have far fewer resources to protect themselves against massive investment? In my view, one of the problems we should consider is the definition of cultural identity in Canada. How can we be sure, when we look at the problems throughout our cultural industries which are faced with a giant competitor, and I am not even talking about the Francophone community—

● (1240)

[*English*]

I am not particularly worried about the cultural identity of the Francophone community at this time, but I am extremely concerned about the cultural industries of English-Canada that have much more competition from our southern neighbour which tells us there will be protection. We are not against the Government having the right to legislate. We are only calling upon government Members to reflect on the matter and see that it is essential that we protect Canadian industries.

I am not for "Canada first, Canada only". We live in a competitive world and we must accept outside investment. Outside investment has been good for Canada; there is no doubt about that. However, I challenge government Members to show me a country in this world that is not careful about outside investment. Why should Canada be different from any other country in the world?

We are not being anti-American. The United States is our best market. If my memory serves me correctly, 72.6 per cent of our trade is with the United States. Does being careful about our Canadian institutions and industries mean that we are being anti-American? Are we being anti-American when we ask questions like how much assurance we have that we will have our fair share of research and development? Research and development is very important to Canada. It is very important to the young generation that is now being educated at immense cost.

Think of the money that is being invested in the universities in Newfoundland, for instance, in order to give the best education to the young people of Newfoundland. This is being done at immense cost. Often young people graduating from this university cannot find jobs in their home province and have to go to other provinces and in particular Ontario. Think of all the young people in Nova Scotia and Prince Edward Island where there is no development whatsoever. These young people have to immigrate within Canada in order to find jobs because there are not enough jobs in their home provinces.

If it were the policy of my Party to be anti-American, I would denounce that policy. It is not anti-American to be careful and to protect our institutions and investments. It is not anti-American to have certain rules, rules which are not stupid but exist for the protection of our Canadian industries, our researchers and those who wish to develop and invest in Canada in the best interests of Canadians.

We are not being unfair. We are not unfairly taking up the time of the House collectively to reflect on the need for care. I listened to the Hon. Member for Western Arctic (Mr. Nickerson) who spoke a few moments ago. Some Members of this House listen to each other. The Hon. Member for Western Arctic himself is not totally satisfied with the actual definition of the purpose of the Bill. If I understood the Hon. Member correctly, he is not making an amendment but he would like to make a suggestion for a different definition of the purpose.

My hon. colleague who put forward this amendment has a suggestion as well. It may not be the same suggestion the Hon. Member for Western Arctic has in mind, but even the Hon. Member for Western Arctic, a government Member—and I am not trying to divide the Government—has at heart, as do other Members, the best interests of Canada. This is not a partisan matter. The Hon. Member has told us that he would like to see a purpose for this Bill that differs from the one put forward by the Government.

I do not wish to take all of the time that is at my disposal. However, I would like to say that it is the right of all Members to reflect on this matter. We are told that under the new Government we are living in a new era. If this is so, and if some amendments put forward by the Opposition seem to improve the Bill, why would the Government not accept these amendments in good faith having in mind the interests of Canada?

I am sure the Hon. Member for Western Arctic will support me wholeheartedly in suggesting that the Government listen attentively to all the speeches that will be made and to all the amendments that will be put forward, whether they come from NDP Members with whom I disagree from time to time, from Members of the Official Opposition or from Members of the Government. If these amendments are in the best interests of Canada, I do not see why the Government should not accept them.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a pleasure to follow the Hon. Member for Saint-Denis (Mr. Prud'homme) and to hear his very thoughtful words. As well, it is always a pleasure to hear once again from the Hon. Member for Western Arctic (Mr. Nickerson) and his always interesting perspective on the discussion at hand.

As we discuss this very important Bill and as we discuss at the moment the purpose of this particular Bill, I would like to recognize that what we are discussing today is the importance and extent of foreign ownership in our country. When looking at foreign investment in any western industrialized nation and the subsequent amount of foreign control, I challenge Members opposite to identify one single country which comes even near to having the same amount of foreign control as we have here in Canada.

It is important that we as parliamentarians recognize that we are discussing a matter of profound importance that reflects upon the foreign control of our economy. We must recognize that there is more foreign control over our economy than any other western industrialized nation. As a matter of fact, there is more foreign control over our economy than there is over the economies of most nations of the world, industrialized or non-industrialized. In rather simplistic terms, that means that future economic development decisions for Canada are being made not in offices in Kamloops, Vancouver, Toronto or Montreal but in offices in Houston, New York, Tokyo, Hamburg and London. I do not think anyone would suggest that a parent company located in Tokyo would make corporate decisions with their first priority being jobs and the development of technology and new markets in Canada.

At this time 1.5 million Canadians are out of work and a great many young Canadians are about to leave universities, colleges and high schools. These graduates will be seeking employment for the first time. The futures of the plants, mines and offices in which they would like to work are being determined not in Canada but in other countries. There is no other country that tolerates this kind of situation.

Let us assume that this discussion was taking place today in the American Congress. I think we would all agree that the manufacturing sector of an economy is the most critical sector in terms of dynamic growth and expansion. If the American economy's manufacturing sector was 48 per cent owned and controlled by outside interests, Congress would be in an absolute uproar. Congress would find it completely and utterly intolerable.

The manufacturing sector of the American economy is owned 3 per cent by outside interests. Many Congressmen are concerned about the level of foreign influence over their economy. Yet our manufacturing sector is 48 per cent foreign controlled. If we were to look at other sectors, it would be much higher. What I am saying is that no other country would tolerate this situation. But what is the new Government doing? It is saying that we should have more foreign investment in Canada. In fact, Canada has more foreign ownership than any other western industrialized nation. The Government is saying that there should be more foreign investment and control over the economy and that there should be fewer regulations and controls, and less monitoring.

• (1250)

Other industrialized nations, such as Norway, Austria and Japan, have their own versions of FIRA. They have their own versions of a government body which reflects the views of the people of those nations. After all, that is what a government does. We should not be hesitant about having government guidelines, directions or regulations, because the government which determines them is a reflection of the people of the country. This Government reflects the economy, corporate and labour interests of Canada. What we are talking about is simply a reflection of what the people of Canada want. When no other country in the world leaves its borders wide open to foreign investment and foreign involvement in its economy, why should we be taking steps to open our borders even wider to foreign involvement? The logic escapes me.

I come from a constituency in which single-industry towns play a very important role in the economy. Entire communities are based on a single plant or mine. The Hon. Member for Western Arctic also has a number of those settlements and communities in his constituency.

Mr. Nickerson: I have no-industry towns.

Mr. Riis: He has no-industry towns. Well, I suppose that is an interesting point, although I suspect the fur trappers might disagree. But Kamloops-Shuswap, which is a one-industry town, has developed as a result of foreign investment and control over the local economy. In the case of that sawmill, the decisions are not made in Vavenby, Savona, or in the town in which it is located. Nor are the decisions made in Kamloops, which is the central urban centre for that region, Vancouver or Toronto. They are made in Florida because that is where the head office is located. The company wanted to expand into new areas and needed some cash to develop in those areas, so it decided that it was in the best interests of the corporation to close down a major mill and put about 600 people out of work. The mill was closed not because it was not profitable, or because of any difficulties in local affairs, but because it was part of the corporate planning to close down that operation. If the parent company had been located in Canada, I am not certain that the same decision would have been made. I use that as an example of the general assumption which has been made with this Bill, that any kind of foreign investment and foreign involvement in Canada is good.

Mr. Nickerson: You have not read the Bill.

Mr. Riis: My hon. colleague from Western Arctic has suggested that I have not read the Bill. I have read every clause of the Bill. I have made notes on every clause of the Bill, and I plan to speak to about 150 motions over the next two months if that is what is necessary. I will do that to try to convince Members opposite that there are better ways in which to approach this matter. The Hon. Member who suggested that I have not read the Bill will be encouraged by my remarks, stage by stage, as we go through the Investment Canada Bill.

I come from a part of Canada which has large cattle ranches. The cattle industry is a major industry. Because there are no restrictions or regulations governing investment in that industry, a number of major Europeans have invested in it. A number of Europeans have purchased large cattle ranches. They are all absentee landowners. They do not plan to use the investment as a major base of operations. In a sense, it is a way in which they can diversify their capital outside Europe. The kind of agricultural activity which results is very different. It is not in the best interests of the local economy, nor is it in the best interests of the local towns and villages which service the cattle industry. It is for this and many other reasons that I am concerned about the purpose of the Bill, as outlined in Clause 2.

[*Translation*]

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I am pleased to rise to speak to Bill C-15, but considering the late hour I would seek the unanimous consent of the House to call it one o'clock.

[*English*]

Mr. Speaker: Is the House agreeable to that?

Some Hon. Members: No.

Mr. Speaker: I am afraid that there is not unanimous consent for the proposal.

[*Translation*]

Mrs. Killens: Very well, Mr. Speaker. I am speaking today to the first amendment to Bill C-15 because, if the amendments now under consideration were to be rejected, I would be concerned.

Mr. Speaker, reading the amendment ought to be enough to see that it makes sense. It is only normal that we in the Official Opposition try to protect Canadian investors while at the same time extending fair welcome to foreign investors. I suggest that the Minister and his Parliamentary Secretary take a closer look at the Canadian situation. The United States is not the only country with which we could do business; other nations are interested as well in participating as investors to create employment in Canada, an issue which has been the subject of many debates.

Throughout the last election campaign the Conservative Party promised the moon, but you know that, as in the case of last summer's rallying of the great sailships in Quebec City, Canadian men and women do not always believe what they see or hear. We might have a repeat performance with this piece of legislation should the House fail to adopt the proposed amendments.

If we intent to promote equity in foreign investment, it stands to reason that we would seek to protect and attract investments beneficial to Canada and, consequently, to all Canadians. We want to use this measure to help Canadian investors, but it would be regrettable if they were to be discouraged and give up as a result of overly generous treatment of foreign investors by the Government.

The Government has to keep the upper hand with this Bill by leaving the door open to some form of control over investment projects of non-Canadians. It might very well welcome the participation of those investors in the creation of jobs in Canada, but under certain conditions. Proof would be required that such investments would spur Canada's economic growth. The wording of the first amendment is so clear that we simply fail to understand why Hon. Members across the aisle do not realize what it would do for investment in Canada. Our first concern is to promote job creation, fair enough. Nobody can possibly be against job creation in this country.

In one of my earlier intervention on this Bill, Mr. Speaker, I drew the attention of Hon. Members to the significant role of women in Canada's economic sector.

[*English*]

Mr. Speaker: It being one o'clock p.m., I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

HISTORIC EVENTS

ADMIRATION INSPIRED BY ARMENIAN PEOPLE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, yesterday we marked the tragic anniversary of the atrocious massacre seventy years ago of thousands of Armenians. Armenia, land of princes and cradle of civilization, had often suffered the horrors of war and persecution, but its blackest day was on April 24, 1915, when hundreds of thousands of Armenians, men, women and children, were killed. The world was aghast. People could hardly believe what had happened.

Today, we remember, and we sympathize with the vast majority of Armanians who commemorate this day as law-abiding and peace-loving citizens. We remember their tragic history, not in order to revive feelings of hate but to instill in ourselves a horror of what hate can do. We shall never let the horror of this act be forgotten. At the same time, we admire the Armenian people who survived the terrible suffering inflicted on them.

* * *

[*English*]

PUBLIC SERVICE

INDEXING OF PENSIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, a great number of federal pensioners with the Public Service of Canada are expressing concern over the announcement made by the President of the Treasury Board (Mr. de Cotret) last week which talks about an end to pension indexing for public service pensions.

That announcement came in the course of a generally positive agreement with the Public Service unions relating to master contract bargaining. However, there is no agreement with respect to the elimination of indexation provisions for the Public Service pension plan. That kind of an agreement has not been reached, and it is wrong for the Minister to suggest that federal superannuates may have lost their current form of indexing in favour of a vague and unspecified system of inflation protection.

What is happening is that there will be joint management of the federal Public Service plan, and that joint management will include new means by which inflation protection will be administered, but it should be made very clear, however, that indexing is not being taken away.

The President of the Treasury Board should know that his remarks have inspired fear and panic in the minds of many federal superannuates, both in my riding of Ottawa Centre and across Canada. The Federal Superannuates' National Association reports that it has been besieged by calls and

correspondence from its membership asking for clarification of the Government's announcement.

I don't think what happened was fair, and I suggest that the President of the Treasury Board should make a statement to clarify that no deal has been struck to end pension indexing and, further, to reassure these senior citizens, who have contributed so long to the Government of Canada, that the Government does not entertain any such plans in its negotiations—

Mr. Speaker: I regret to inform the Hon. Member that his time has expired.

* * *

THE ADMINISTRATION

SAVINGS ACHIEVED THROUGH CONTRACT

Mr. Gordon Taylor (Bow River): Mr. Speaker, on September 4 last the people of Canada in every province and territory of our country spoke loudly and clearly in giving the Progressive Conservative Party, under the leadership of the Right Hon. Brian Mulroney, a mandate to govern Canada, to cut costs, and to get full value for every dollar spent. The Progressive Conservative Government is doing this and yet, in spite of the mandate, the Liberals and New Democrats daily obstruct and oppose in order to prevent the Government from carrying out its mandate. Many instances can be quoted, but look at the last one.

The Government let a contract which will save the people of Canada at least a half a million dollars, and just because the company has a relative in the Cabinet, the Opposition cry loud and long. Had the contract been given to friends of the Liberals or the New Democratic Party at twice the price, the way the last Government worked, not a word would have been heard.

Our Government and the Ministers involved should be applauded for saving $500,000 of the people's money, but the Opposition doesn't say a word about the savings. It wallows in the garbage pit of character assassination. Go ahead, Mike and Harvie, keep saving money and getting full value for every dollar spent. Ignore the obstructionists. The Canadian people are right behind you.

* * *

[*Translation*]

THE ADMINISTRATION

APPOINTMENTS—CRITERIA—GOVERNMENT POSITION

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, for several weeks, in fact for over six months, the Opposition parties in this House have been attacking every single appointment made by this Government since it was elected. The Liberals are doing this quite shamelessly and take a moralizing tone that is hardly appropriate in their case. As for the New

Democratic Party, it is green with envy, since it knows perfectly well it will never have this privilege.

An Hon. Member: Hear, hear!

Mr. Desjardins: Mr. Speaker, the Liberals who held sway over this country for 75 years were never very fussy about practising nepotism and acting as if they owned the country.

On September 4, Mr. Speaker, Canadians voted for sweeping changes, and it therefore makes perfect sense for a new Government to proceed with a large number of appointments at all levels of government administration. This Government was elected with a clear mandate to govern this country and make decisions, and it is therefore imperative that it should seek out competent and trustworthy people to carry out the policies it has formulated.

Mr. Speaker, Monday evening I was listening to an open-line program on the French CBC network, and the vast majority of callers agreed with and supported without reservation the appointments made by this Government. It is important to listen to public opinion, and I am convinced that the majority of Canadians agree with the attitude taken by our Prime Minister (Mr. Mulroney) in this matter and the choices he has made. What Canadians want above all, Mr. Speaker, is competence, and they trust the judgment of our Prime Minister.

* * *

HOUSE OF COMMONS

PERTINENCE OF STATEMENTS MADE UNDER S.O. 21

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, it would seem that Conservative Members are still under the impression that the 15-minute statement period is designed for self-congratulory messages. Mr. Speaker, it has reached the point where Progressive Conservative Members take the floor to pat themselves on the back for all those patronage appointments. Just about the only thing they can do, Mr. Speaker, is to rise to congratulate one another and rejoice about the "Smiling Brian of Baie-Comeau Fan Club" where people pay $100 for the privilege of attending benefit luncheons to fill Party coffers. And yet, Mr. Speaker, that same Party is opposed to any amendment in the interest of 80,000 elderly Canadians who feel deprived. The behaviour of Progressive Conservative Members is scandalous.

* * *

[*English*]

AUTOMOTIVE INDUSTRY

CHRYSLER CORPORATION—WINDSOR ENGINE PLANT

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, Chrysler Corporation has just announced a major new joint

venture with Samsung Corporation in Korea to produce auto parts. This direction will lead over the years ahead to severe pressures on Canadian parts producers who will be placed in direct competition with a country where trade union rights are far less respected than here in Canada.

Since Chrysler clearly has many funds available for investment now—this project is suggested to cost over $350 million—I call upon Chrysler to come through on the promise it made when it received loan guarantees from the Canadian Government. Chrysler promised to reactivate its engine plant in Windsor, which would add several thousand jobs in parts production here in Canada. The previous Government did not make Chrysler keep its promise. I call upon this Government to make Chrysler do what it promised.

If Chrysler has money for Korea, it should also have money for Canada, to meet its past commitments.

* * *

NATIONAL ANIMAL HEALTH WEEK

PROMOTION BY VETERINARIANS

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, I rise today to advise the House about Canada's first National Animal Health Week, starting on April 28. This is a public information program sponsored by the Canadian Veterinary Medical Association, whose president is in the gallery today. It was established to increase public awareness of the important role of animals in society, and to promote improvements in animal health care.

Animals play several important roles in Canada today; as a source of food, in recreation entertainment, in many scientific and medical advances, and in improving levels of mental and physical health of mankind through human-animal bonding.

Across the country veterinarians will distribute special animal health newspapers, buttons, posters, and colouring books. They will have open houses and tours of veterinary clinics, and they will give public lectures. Animal health technicians will begin a project of pet visitations in senior citizen homes.

Just as we believe people in our society are entitled to proper housing, food, sanitation, and health care, veterinarians, including myself, believe that animals are entitled to no less. Promoting public awareness of the advances of animal science, veterinary medicine, and the psychology of human-animal bonding, is a laudable goal. I ask the House to join me in supporting the Canadian Veterinary Medical Association in this fine undertaking.

• (1410)

CHARTER OF RIGHTS

LORD'S DAY LEGISLATION STRUCK DOWN

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, a weekly "pause day" is part of the Canadian way of life. It is not so much a religious right as a social right. It is the right to be free from work for a day, free to do whatever one chooses; to go fishing, sleep in, watch the Toronto Blue Jays march to the pennant, even to go to church, but to spend a day however one likes and enjoy one's family and friends. This social right and freedom may now be threatened by the Charter which was designed to protect rights and freedoms. It behooves Parliament therefore to consider what can be done to guarantee our traditional "pause day".

Only a minority of Canadians are protected by collective bargaining agreements. For the majority, protection probably must come from Parliament. Parliament can pass laws which will not discriminate against minorities but it can give assurance to a majority. It should not threaten the right of anyone to work on Sunday if he wishes, but it should protect the right of all those who wish just the opposite, to pause from work on Sunday so that they can work better on Monday.

* * *

[*Translation*]

THE ECONOMY

CONTRIBUTION OF NATIONAL PARKS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, the development of our national parks ought to have priority because they make a significant contribution to the Canadian economy.

[*English*]

Ninety per cent of the millions spent by park visitors is concentrated in the transportation, retail, restaurant, and accommodation industries. Every dollar spent by a visitor generates $3.73, and every dollar spent by Parks Canada increases total domestic output of goods and services by $3.10. Parks Canada generates, directly and through visitor spending, $1.98 in labour income for every dollar it spends. For every dollar spent by Parks Canada and park visitors, 98 cents are recovered at one time or another by the various levels of government.

[*Translation*]

Mr. Speaker, it is about time the Minister realized that, instead of slashing national parks budgets, she should promote the development of that great natural wealth.

[*English*]

THE ECONOMY

RESULTS OF GOVERNMENT POLICY

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, spearheaded by the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson), the new Progressive Conservative policy of economic revitalization is gathering strength as it rolls across the country, creating jobs and bringing prosperity in its wake. Since September 4, 112,000 new jobs have been created, and the number of unemployed has fallen by 50,000. Interest rates have fallen drastically as a result of the Conservative low interest rate policy. The bank rate has dropped 2 per cent in the last 6 weeks alone. The prime rate stands at 10.75 per cent, its lowest level since October, 1978. Mortgage rates are at a 13 month low, and construction cranes again dot the skyline.

Confidence and economic growth have returned to Canada under a PC Government. Our dollar is stabilizing, and inflation is under control. In fact, after a decade of Liberal-Socialist darkness, the light of opportunity again shines across our fair land. Sir, Canada welcomes the return of Conservative prosperity and economic well-being.

Some Hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

UNITED STATES—REFUSAL OF ENTRY TO EMINENT CANADIAN AUTHOR

Mr. Rod Murphy (Churchill): Mr. Speaker, a plot has been revealed. Americans and Canadians can now sleep safely in their beds knowing that Farley Mowat has finally been exposed.

What red-blooded Canadian did not feel there was some nefarious threat or hidden meaning behind books called *The Boat Who Wouldn't Float*, or *The Dog Who Wouldn't Be*? The man who wrote those books has been seen talking to unsuspecting school children. He has had courses named after him which is certainly reminiscent of Maoism and Marxism. He has been seen sneaking into Government House. He has been known to prowl our northern frontiers. But now, thanks to the superior work of the U.S. immigration officials, we are no longer fooled. The kilt is again recognized as a sign of subversion.

After reading *Never Cry Wolf*, we know that the Wolf Cub movement is certainly a subversive organization. Thousands of innocent young men are now identified as suspected terrorists. The son of the Prime Minister (Mr. Mulroney), the son of Marc Garneau, are now suspicious characters in Canada. Speaking of Marc Garneau, why would anyone go to space except to talk to Russians?

This House owes a vote of thanks to the officials of the U.S. Immigration Department and the rules they enforce. Without their efforts, Farley Mowat would walk around this country pretending to be a well respected Canadian artist.

ORAL QUESTION PERIOD

[*English*]

GOVERNMENT ADVERTISING

AWARDING OF CONTRACTS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask a question of the Prime Minister. Each day we learn that more and more facts are coming to light in the Wilson affair. The brother-in-law of the Minister of Finance received a contract worth $234,000, and it was untendered. Not only that, the vice-president of the same company had been employed in the office of the Minister for some weeks just before the contract was awarded. Yesterday we learned that the Minister's brother-in-law and former assistant received a second contract without bidding.

Also, yesterday this House was advised by the Minister of Employment and Immigration, in a conflict of interest case involving Mr. Greenbaum, the chairman of the immigration review committee, that there was nothing wrong in Mr. Greenbaum's action, but nevertheless:

> —any suggestion or hint or impropriety would undermine the confidence of that process, it would therefore be better if he were to submit his resignation.

Is the Prime Minister in agreement with the words and action of the Minister of Employment and Immigration? If so, why is he not applying the same criteria to the Minister of Finance?

Right Hon. Brian Mulroney (Prime Minister): I am in full agreement with the attitudes as expressed by the Minister of Immigration. I am not applying them to the Minister of Finance because the situation is completely inapplicable. It is entirely different. There is a completely different set of circumstances and I think my hon. friend, who has both friends and relatives here and elsewhere, and who has served as a Minister of the Crown, is aware of that. He served as the Minister of Finance, and he would be the first to acknowledge that there is no comparison whatsoever between the situation which gave rise to the action taken by the Minister of Immigration and that of the Minister of Finance.

The case of the Minister of Finance, and I think we have been through it reasonably thoroughly, was handled quite properly according to objective criteria, by the Minister of Supply and Services, who rendered an objective judgment, in which decision public servants played the major role.

It happens that the integrity of the people involved was such, and I think it is important that my hon. friend acknowledge this, that they immediately wrote thereafter to the Government saying that "this kind of business is not good for the Canadian taxpayer and we suggest that you cancel it". This is

a practice which had been going on for years and years, and so we cancelled it and saved the taxpayers in excess of $500,000 each year. I think that is a tribute to them, and we should salute them for that.

* * *

[*Translation*]

THE ADMINISTRATION

CONFLICT OF INTEREST—MINISTER OF FINANCE

Hon. Jean Chrétien (Saint-Maurice): I have a supplementary, Mr. Speaker. We made it quite clear yesterday that the Minister of Finance should have put an end to it the minute he heard about this contract. He did not and the contract was awarded by his Department through the Department of Supply and Services. Will the Prime Minister admit that in a similar case in this province, then Ontario Treasurer Darcy McKeough, a man of outstanding integrity, immediately handed in his resignation rather than raising doubts about a conflict of interest when, unknown to him, a family company had been given a permit? Does the Prime Minister not think that, in this case, he should ask for the resignation of his Minister of Finance so that there be no doubt left about the Minister's integrity and even his judgment?

Right Hon. Brian Mulroney (Prime Minister): First of all, Mr. Speaker, I must point out that, inadvertantly I am sure, my colleague made a serious mistake when he said in his preliminary remarks that the contract has been awarded by the Minister of Finance. On the contrary, this was a Bank of Canada contract awarded by a different Minister altogether. I am being asked a hypothetical question concerning a Minister and an incident that occurred in Ontario. Well, here is a question for you: When the Minister of Finance, Mr. Lalonde, revealed a basic budgetary secret and dismissed the whole incident two minutes later by adding an extra $200 million, should he have resigned? I, for one, think he should have.

* * *

● (1420)

[*English*]

GOVERNMENT ADVERTISING

CIRCUMSTANCES SURROUNDING CONTRACT

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I do not think that it is a proper example at all. The Prime Minister referred to the Bank of Canada. The Prime Minister should know that the spokesman for the Bank of Canada in the House of Commons for all of the Bank's actions is the Minister of Finance. He should know that the Minister of Finance must meet with the Governor of the Bank of Canada every week. He should know that the assistant to the Minister had access to the communications between the Bank of Canada and his Minister. That very assistant to the Minister was at that time the vice-president of the company that got a contract without bidding. Does the Prime Minister not believe that all these facts require the resignation of the Minister of Finance so that we may have a Minister of Finance who will not be under a cloud when preparing the next Budget?

Right Hon. Brian Mulroney (Prime Minister): If ever there was a series of facts that called for the resignation of a Minister of Finance, it was when Mr. Lalonde got caught showing his Budget and it cost the Canadian people $200 million to falsify the facts. You defended Mr. Lalonde then, and I can tell you that you had no reason then. That is when a Minister of Finance should have resigned.

When a Minister of Finance should not resign is when he does nothing improper and nothing illegal, who in no way violates, directly or indirectly, the guidelines. That is the case of the present Minister of Finance whom I will defend in this House with pride, as will all Canadians.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S STATEMENT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Prime Minister mistakes the applause of his backbenchers for the approval of all Canadians. I can assure him that they are quite different.

Some Hon. Members: Oh, oh!

Mr. Tobin: Mr. Speaker, in responding to questions about the appropriateness of the resignation of his Minister of National Defence some time ago, the Prime Minister told the Ottawa *Citizen:*

> Canadians quite properly, even though they know we are less than perfect, quite properly are entitled to ask the highest possible standards of their public servants and of their elected officials.

Is the Prime Minister telling Members of the House, and through Members, all Canadians, that he believes that Canadians believe it is appropriate for a relative of a Cabinet Minister to receive an untendered contract to do work for that Minister's Department?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am glad that the Hon. Member quoted the statement that I gave the Ottawa *Citizen* because I think it is one with which we would all agree.

When the question arose in the House—indeed before—which involved the Minister of National Defence, I can tell you with great personal sadness that I advised the Minister of National Defence that, because of those particular circumstances, indeed his resignation would be appropriate. I think it was an honourable day. He did nothing wrong, but it was an honourable day for Parliament. It was a rare day, given what has happened in the past here, when a man stood up and did precisely that.

We recognize our obligations and I think we followed through, I can tell you not without considerable sadness, obviously because we owed the obligation of the highest possible standards to the Canadian people.

There is no relationship between the very unfortunate personal situation which involved the Minister of National Defence at the time and the awarding of a contract by the Minister of Supply and Services. I would hope that my hon. friend would be able to see that distinction because it appears to me to be quite obvious to all Members of the House.

Mr. Tobin: The Prime Minister says that there is no relationship, but the striking resemblance that I cannot help but note is that the Prime Minister just said seconds ago, "He did nothing wrong", referring to his Minister of Finance, but for the first time he has told the House of Commons that he solicited the resignation of the Minister of Defence. He did nothing wrong, but the Prime Minister solicited his resignation.

Mr. Speaker, the Prime Minister is telling us now that the Minister of Finance has done nothing wrong but he would not accept his resignation if it was offered. To that I say, behold the death of a well meaning Dr. Jekyll and the birth of Mr. Hyde.

Some Hon. Members: Oh, oh!

An Hon. Member: Shame!

REQUEST FOR MINISTER'S RESIGNATION

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my supplementary question is directed to the Minister of Finance. I have warned him that honour is like an island—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Is this Question Period or the Gong Show?

Mr. Speaker: Perhaps early in the Question Period the Chair could indicate that it would be appropriate once again if questioners and those responding were listened to.

Mr. Tobin: Mr. Speaker, I warn the Minister that honour is like an island, rugged and without a beach, and once we have left it we can never return. If he is to avoid the political perpetual purgatory that is the lot in life of the Solicitor General, will he now not do the honourable thing and resign forthwith his position as Minister of Finance?

Hon. Michael Wilson (Minister of Finance): No.

Some Hon. Members: Hear, hear!

Oral Questions

ATOMIC ENERGY CONTROL BOARD

WITHDRAWAL OF NOMINATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. On Monday a very distinguished Canadian scientist, Dr. Ursula Franklin, who has a reputation not only nationally but internationally for her competence, received a letter from the Minister of Energy, Mines and Resources confirming that she has been appointed to the Atomic Energy Control Board for two years.

She responded immediately with a letter seeking clarification of her responsibilities. I have obtained a copy of that letter. Within three hours of her conveying the contents of this letter to Ottawa, she received a phone call from the Minister's office, telling her that her appointment had been cancelled, that it did not exist, and that it was a non event. Would he explain this extraordinary sequence of events?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not think it was very extraordinary. The Hon. Member quite properly referred to the good reputation of the person involved. I do not think that there is any disagreement about that.

My information is that the person in question was indeed considered for appointment to the Atomic Energy Control Board. She expressed concerns about accepting this appointment because it would require her to take an oath of secrecy. In light of her concerns, the Government and the Minister were forced to reconsider the matter, and the appointment was never proceeded with.

REQUEST FOR RECONSIDERATION

Hon. Edward Broadbent (Oshawa): Dr. Franklin has categorically denied the reason quoted in the Press, that she said that she would not accept it if she had to take the oath of secrecy. She is publicly quoted as denying that. I spoke to Dr. Franklin on the telephone this morning in that regard, and she repeated to me in private that she at no time said that was the case.

She wrote a very serious letter to the Minister after being told that she had the appointment for two years. She simply wanted clarification of what was required as part of her responsibility. Therefore, will the Prime Minister say to the House, in light of what he has just said, and this new information that I am giving to him, that the Government will reconsider its decision in this case and fulfil its obligation to a very distinguished Canadian scientist?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will faithfully report my hon. friend's concern to the Minister of Energy, Mines and Resources upon her return. I do not personally know this distinguished individual. I have been informed that Section 18(1) of the Atomic Energy Control Act makes the taking of such an oath mandatory. I was also informed that there was some reluctance on her part

to subscribe to that. If that is not the case, I will discuss it with the Minister of Energy, Mines and Resources at the earliest possible moment, and I will be happy to report to my hon. friend.

REQUEST FOR ASSURANCE OF APPOINTMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I listened with care, as I always do, to what the Prime Minister had to say. Her letter in terms of its content is exactly what I said it was, namely, a letter of a responsible Canadian scientist who has been told she has been appointed to something, and wants clarification.

Considering what the Prime Minister has just said that he will investigate, given her eminent qualifications will the Prime Minister go further than that and tell the House that since she had already been offered the appointment, and if he checks into his own briefing notes or checks with the Minister of Energy and finds out the reason for taking back the offer that he gave to the House turned out to be false, will he assure the House that she will be offered that job once again?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will be happy to assure the House. My understanding was that Dr. Franklin's concerns related directly to the issue of those to whom she could or could not impart confidential information—

Mr. Deans: That is exactly right.

Mr. Broadbent: She was seeking clarification.

Mr. Mulroney: —which I supposed raised concern on behalf of those who are bringing her name forward. I have heard nothing but eulogistic comments in regard to the individual. As soon as the Minister of Energy returns, I will be happy to take the matter up with her again.

It was my understanding this was Dr. Franklin's position and therefore clearly at variance with the requirements of the statutes. Should that turn out not to be the case, I will be happy to discuss it with the Minister of Energy, Mines and Resources who, I also understand, holds her in high regard.

* * *

CONFLICT OF INTEREST

PRIME MINISTER'S DIRECTORSHIPS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Prime Minister. As of this morning the Prime Minister was listed with the Corporations Branch of the Department of Consumer and Corporate Affairs as a director of the following five companies which do not appear on the conflict of interest disclosure declaration which he signed on January 9, 1985. The companies include: Canadian Insurance and Investment Incorporated, Common Cents Canada Incorporated, Common Cents Incorporated, Nommoc Incorporated, and Showcraft Publications Incorporated. Will the Prime Minister tell the House and the people of Canada why he failed to disclose these directorships as required by the conflict of interest guidelines?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have a response to that. I would like to read it into the record, and I must read it into the record, Mr. Speaker.

Mr. Chrétien: Table it.

Mr. Mulroney: No, it is not a document. It is my response to the Member's question. It confirms:

> —the following companies, Canadian Insurance and Investment Inc., Showcraft Publications Inc., Common Cents Inc., Common Cents Canada Inc., Nommoc Inc. These are all privately owned companies, none of which have assets of more than $2,000. Mr. Mulroney became associated with these companies more than ten years ago as a director of these companies at my request and relinquished his directorships when he became Leader of the Opposition in June 1983 and has not received any remuneration or fees since then. Mr. Mulroney has not been associated directly or indirectly with any of these companies since June 1983.
>
> If any returns filed anywhere suggest or indicate anything different than what is stated above, they are incorrect and amended returns will be filed accordingly. Showcraft Publications Inc. and Canadian Insurance and Investment Inc. are in the course of being wound up.

This communication is signed by Frank B. Common Jr., Q.C.

These were companies of Mr. Common and his family, who was one of my law partners, and any lawyer in the House, including my hon. friend from Saint-Henri-Westmount, knows these arrangements are made from time to time. I did it to convenience a friend and partner. I received no benefits.

Some Hon. Members: Hear, hear!

FILING OF RESIGNATIONS

Ms. Sheila Copps (Hamilton East): Mr. Prime Minister, a supplementary question. This is sloppy management of the worst kind.

Some Hon. Members: Sit down.

Some Hon. Members: Oh, oh!

Ms. Copps: The Prime Minister has an obligation to the people of Canada to ensure—

Mr. Andre: Apologize.

Mr. Stevens: Apologize.

Ms. Copps: —that the federal Department of Consumer and Corporate Affairs does not include his name as a director.

I want to know when he filed his resignation, if he filed his resignation before he became the Prime Minister and, if he did not, why not, because he is clearly in violation of the conflict of interest guidelines—

Some Hon. Members: Louder.

Ms. Copps: —which require him to file all of the corporate directorships which he held within the two years prior to him

becoming the Prime Minister. I think that the Prime Minister owes the people of Canada an explanation.

An Hon. Member: Only the rat pack is applauding.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend missed a sentence that I read which stated that Mr. Mulroney became "a director of these companies at my request and relinquished his directorships when he became Leader of the Opposition in June 1983."

I also had to resign from the Canadian Red Cross, la Fondation Robert Cliche, the John Diefenbaker Foundation, the Juvenile Diabetes Research Foundation, the National Ballet of Canada, and the Ottawa Civil Service Recreational Association.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

An Hon. Member: Go back to Ontario. Peterson needs you.

* * *

HEALTH

HAULAGE OF BEEF OVER TRANS-CANADA HIGHWAY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of National Health and Welfare. Last Tuesday the Minister received a report informing him that an Alberta truck driver had hauled a load of beef through northern Ontario over the PCB route to Asbestos, Quebec, dropping off carcasses in Sudbury and Brockville, and depositing the remainder of his load for distribution in Quebec. By now many consumers will have purchased and perhaps eaten some of this beef.

Since people in these communities will be very anxious about the potential health risks from the exposure to PCBs, will the Minister undertake a full national inquiry into this matter and report to the House so that people can be assured that every precaution is being taken to deal with this incident and to prevent similar incidents in the future?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the points which the Hon. Member makes are essentially correct. It is true that hanging meat from Brooks, Alberta, was transported to Asbestos, Quebec. We became aware of that on Tuesday night. Yesterday investigations were launched, both at the two locations in Ontario and primarily in Asbestos, Quebec, including the wholesaler who is handling the meat. As of today—and I am not trying to compromise the Hon. Member in any way, but I have given her some private information as well—we have been able to look at six samples, six sides, or six carcasses out of the 57 that were in the truck. Of those most of them—that is the outside fat content—seem to be negative on PCBs, but there are two samples that have been found to be positive. The levels are very low. Despite that, all the technological information that I have received indicates there would not be a health risk. Despite that, we have indicated—

Mr. Speaker: Order, please. I think this answer is getting a little long. The Minister may have a statement on motions to make? A supplementary question for the Hon. Member for Vancouver East.

REQUEST THAT NATIONAL SURVEILLANCE PROGRAM BE ESTABLISHED

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have a supplementary question. I asked the Minister whether he would conduct an immediate national inquiry which should involve both his Department and the Department of the Environment. I know he is very concerned about this, but the people involved are even more concerned. We want more than just assurance that there have been six samples tested.

Is it true that in his Department at the present time there is no national surveillance program available to determine health risk factors from environmental situations such as this? If it is true, will he immediately institute such a surveillance program which will conduct long-term research and will also involve people who may not even be aware that they were subjected to exposure?

● (1440)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I was not trying to abuse the time of the House. I was trying to give information to ensure that panic, which can so easily be raised in these kinds of questions, does not in fact happen. That was my point.

I say to the Hon. Member that the Department is capable of handling the issue. We have looked at whatever carcasses we could. We have said—and I was going to give this information to her and to the House—that anyone who is concerned because of quantities, especially those with sides of beef in their freezers, can get in touch with the Sherbrooke office of HPB. I want to say to her—and I have also spoken to the Hon. Member from Asbestos—that we are willing to give whatever service we can, but I do not intend, because of the low levels, to create any fear or panic where it does not exist.

* * *

AGRICULTURE

IRISH BEEF IMPORTS

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, my question is directed to the Minister of Agriculture. During the last week I have spoken with many beef farmers in my area about a possible increase in the quota for Irish beef and the detrimental effect of such a decision. They fear the decimation of the beef industry, the bankruptcy of many farmers, a loss of over a hundred jobs for every million pounds of imports, and disruption of our traditional export markets. Could the Minis-

ter tell the farmers of Canada and this House the status of the negotiations over Irish beef imports?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's concern about the subject, as I do that of many colleagues in all quarters of the House who, I expect, have received many representations on the subject. I must make it very clear that despite what has been said from time to time by various people, both within and outside the industry, and despite what certain people have read, the fact of the matter is that the negotiations continue. As of this date no final decision has been reached.

* * *

CONFLICT OF INTEREST

EMPLOYMENT OF DOUGLAS ROBSON

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, like most Canadians, I am amazed, astonished, and in fact deeply offended, as I am sure is everyone in the House, by the incredible series of events which have taken place in the office of the Minister of Finance. I have reviewed the record. I would like the Minister to confirm or deny in the House the following statements, to clear the record: first, that Douglas Robson worked in the Minister's office under an oath of secrecy in September and October, 1984; that Douglas Robson had access to information in that office, classified as secret, and had private meetings with the Deputy Minister of Finance, Marshall "Mickey" Cohen; that Douglas Robson did not sign the conflict of interest guidelines required of exempt staff; that there was a verbal agreement—

Mr. Hnatyshyn: Order Paper!

Mr. Johnston: This is all for the record, Mr. Speaker.

Mr. Speaker: With respect, the Hon. Member has asked three questions. Perhaps we could deal with the first three.

Mr. Johnston: Well, Mr. Speaker—

An Hon. Member: This is the House of Commons.

Mr. Speaker: Order, please. In fact, for the record, the Government has taken 50 per cent of the time of the questions to answer today. I have kept the clock for those who make points to me on the side. I think the Hon. Member has put his question. I invite the Hon. Minister to answer it.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the answer to the first question is yes, the answer to the second question is no, and the answer to the third question is no. The reason Mr. Robson did not sign the conflict of interest guidelines was that at that time he didn't have any need to; there wasn't a requirement. In 1979, he didn't. The reason he didn't was because there was a technicality in the conflict of guidelines which would have required him to resign a directorship on a charitable organization that had very close family ties to him. He was trying to negotiate with the Registrar General to avoid signing the conflict of interest guidelines, or to take those out of the conflict of interest guidelines. The election came and that was never resolved.

* * *

GOVERNMENT ADVERTISING

AWARDING OF CONTRACT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, he took the oath of secrecy but apparently he was not given access to any secrets. That is curious.

My second question is directed to the Minister of Supply and Services. Within a month after his leaving the Department of Finance, a contract for $234,000 was awarded to Lawson Murray. When was Lawson Murray first contacted with respect to that advertising contract?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, it was the end of October, October 31, that the Bank of Canada—not the Minister of Finance—a separate institution, a separate board of directors, a separate administration—

Ms. Copps: But the same Minister.

Mr. Andre: —following Treasury Board guidelines, Chapter 485, approached the advertising management group for an agency to undertake the management of its marketable bonds program. We selected Lawson Murray on the basis of its expertise and experience in handling financial institutions. The wisdom of our choice in that regard is demonstrated by the fact that by letter of February 11 it was pointed out that we could save $500,000 per year by not carrying on the program which had been unnecessarily carried on by the previous administration for years and years. I repeat again, I am proud of the contract, and I am proud of the fact that we selected Lawson Murray.

Some Hon. Members: Hear, hear!

* * *

CONFLICT OF INTEREST

UNTENDERED CONTRACT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister. It is the question I asked yesterday to which I did not receive a reply. Does the Prime Minister believe that it is appropriate for a relative of a Cabinet Minister to receive benefit from an untendered contract with the Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I indicated to the Member yesterday—

Mr. Deans: You didn't answer me yesterday.

Mr. Mulroney: If not to the Hon. Member, then to one of his colleagues, surely. I indicated that at the earliest possible

moment—and they are in the process of being completed now—in both instances, with regard to the conduct of Cabinet Ministers as Ministers of the Crown, and with regard to tendering procedures and granting of contracts, we would bring in new guidelines with new degrees of severity. I think those guidelines will be of service to the House and will be very, very frugal in regard to taxpayers' dollars.

RECEIPT OF BENEFIT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am delighted to hear that, but it is not the answer to my question. My question is quite simple. Does the Prime Minister believe that it is appropriate for a relative of a Cabinet Minister to receive the benefit of an untendered contract with the Government of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, you have a situation where a Canadian citizen tenders to the Government or—

Some Hon. Members: Untendered.

Mr. Mulroney: —services are made available to the Government of Canada—

Ms. Copps: It is a tender situation but there was no tender.

Mr. Mulroney: —and public servants, pursuant to objective criteria, make a determination. I suppose that you may have a question as to whether the relatives of anyone in this House at any time can have any association with the Government, and it is a question which will be considered in the guidelines. But I think my hon. friend, in asking the question, which perhaps inadvertently casts aspersions on an agency—

Mr. Deans: I want an answer.

Mr. Mulroney: —should recognize that a half a million dollars a year of the taxpayers' money has been saved because of that—

Mr. Speaker: Order, please. Fair is fair.

Mr. Mulroney: —and I think Canadian taxpayers are delighted.

Mr. Deans: Your baloney does not sell any more. Why don't you answer the question? Are you afraid of the answer?

Mr. Speaker: Order, please.

PRIME MINISTER'S STAFF

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Prime Minister. I would like to ask him whether any relatives of his staff have been awarded any untendered government contracts.

● (1450)

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, some members of the Liberal Party were not here prior to September 4 and are perhaps not aware that the Department of Supply and Services does all of the purchasing of goods and services on behalf of the Government. We process some 350,000 contracts a year. The ones above $1 million come to my desk. The ones below that are handled by public servants. I will have to ask the public servants to go through that list of 350,000 to find out if any of the companies involved had any relatives associated with anybody in this House. I'm sure the Hon. Member realizes that it will take several years before we can get back to him.

BIOLINK MANAGEMENT LTD.

Mr. John Nunziata (York South-Weston): Mr. Speaker, perhaps I can be more specific. With the greatest of respect I would appreciate an answer from the Prime Minister, because Canadians want to hear from the Prime Minister. Rather than taking several years to answer, he can answer in a few moments. Can the Prime Minister confirm that Biolink Management Ltd. was given a $220,000 untendered government contract, that the president of the company is a former aide to the Minister of Justice and married to an assistant in his office, the PMO? Does the Prime Minister consider this situation to be a conflict of interest?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have heard of guilt by association, but this gives a brand new meaning to it. What I do know is this. It is perhaps a little less nefarious than the manner just set out. Indeed, a very reputable distinguished man in Ottawa by the name of Chester Burtt, who is widely known, rendered distinguished services, for example, to the Hon. Member for Saint-Maurice when he was a Liberal leadership candidate. He worked for him. That is one of the reasons we retained him, his credentials were so high. Apparently he formed an association with another very distinguished Canadian of whom everyone speaks highly, the former executive assistant to the Hon. Member for Windsor West. They formed a company and made an offer of services to the Government which involved the public service, and we took advantage of it, I think to the advantage of the taxpayers of Canada.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

EXTERNAL AFFAIRS

PROPOSED DUMP FOR RADIOACTIVE WASTES—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of the Environment and concerns the dump for radioactive wastes which the American

Government is thinking of locating at Holland Pond in Vermont, on the Canadian border next to the Eastern Townships.

The Americans are considering the site because there are very few people living in the area on their side of the border, but they are ignoring—

[*English*]

Mr. Speaker: Order. We have now come to the point where I cannot hear the Hon. Member. Is it possible for the House to allow the Hon. Member to put his question?

[*Translation*]

Mr. Cassidy: Thank you, Mr. Speaker. I will repeat my question for the benefit of the Minister.

My question concerns the dump for radioactive wastes which the Americans are thinking of locating at Holland Pond in Vermont, on the Canadian border next to the Eastern Townships; the Americans are considering this site because there are very few people living in the area on their side of the border. However, they are ignoring the fact that there are 200,000 Canadians living in the area on the Canadian side. In view of the potential risk to Canadians which would continue to exist for thousands of years, will the Canadian Government make it clear to the Americans that the dump is unacceptable to Canadians?

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, at the request of the Secretary of State for External Affairs, our embassy immediately informed the Department of State of our interest in this matter. Our officials are working actively on this case and are monitoring developments very closely. For the information of Hon. Members, I would like to point out that a meeting was called yesterday, where we were represented by the Hon. Member for Sherbrooke (Mr. Charest)—I wonder where the Opposition was since we might have had some common interests—and we intend to pursue the matter and to take steps in order to—

Mr. Cassidy: Mr. Speaker, I have a supplementary. The Government has announced that Canadians have an interest in this matter. Could the Minister inform the House quite frankly that this plan to locate a dump site for radioactive wastes on the border is unacceptable to Canada?

Mrs. Vézina: Mr. Speaker, I said that we were monitoring developments very closely, and we will report on assessments of the situation as they are made.

* * *

FORESTRY

CANADA-QUEBEC AGREEMENT—DATE OF SIGNATURE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, my question is directed to the Minister of State (Forestry). Since the forestry industry is very important to Quebec, especially in my riding of Témiscamingue, could the Minister inform the House when he intends to sign the Canada-Quebec agreement on upgrading forestry resources?

[*English*]

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I very much appreciate the continued interest of the Hon. Member. It is not the first time he has asked a question on that. In the last two days we concluded another amendment to an agreement with the Province of Quebec. Hopefully that will be the last and we will be able to sign the agreement on Tuesday next in Quebec City. This $300 million agreement is an excellent one which will go a long way to create the kind of programs for silviculture and forest management that Quebec and Canada need.

* * *

[*Translation*]

HEALTH

REQUEST FOR INFORMATION ON KENORA INCIDENT

Mr. Alain Tardif (Richmond-Wolfe): My question is directed to the Minister of National Health and Welfare and relates to the Kenora incident, of course, but more specifically to the truck transporting many beef carcasses, most of which to be delivered in Asbestos in my riding. I appreciate that the Minister reassured the residents of the region by telling them he would take every step necessary to warn them and set them at ease, but can he tell us when and how many carcasses were recovered?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I believe the number of carcasses in the truck was 57. As I said, there were two sides that were delivered to two points in Ontario. The best information I can give on the number of carcasses that we have recovered is the number that we have recovered and on which tests were done. That in total was six, five I believe in the Asbestos area. The situation is that there are those residents who might have bought a side of freezer beef. That can be fairly easily traced. In the case where individual butcher shops received the meat and sold it, we obviously cannot trace that. That is why I offered the services of the Department at Sherbrooke. If they want to have any contact or help along those lines, we are willing to give it.

[*Translation*]

DELAY IN INTERVENTIONS BY DEPARTMENT AND BY PROVINCE OF ONTARIO

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, my supplementary question is directed to the Minister of the Environment. Considering the fact that the Kenora incident occurred on April 13 and that, as far as I know, the remaining carcasses were in fact recovered only yesterday or the day

before, I would like to know—and understand—why and how your Government and the Government of Ontario waited so long before intervening?

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I think that the situation in Kenora is now under full control. Yesterday I called a conference of provincial Ministers and we have decided to have an emergency meeting to see to it that in the future the provinces will accept their responsibilities in connection with PCB waste disposal.

* * *

[*English*]

TRUST COMPANIES

PIONEER TRUST—UNINSURED INVESTMENT CERTIFICATES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I would like to direct a question to the Minister of Finance in the absence of his colleague, the Minister of State for Finance. It concerns the collapse of Pioneer Trust last February in Regina. I have in my hand a copy of an application form for an income averaging certificate, from a Saskatchewan farmer. It states on this application form that his application was insured by the CDIC. The seal is here. It says "application for a six-year annuity". I also have an application for a seven-year annuity with the same insurance stamp of approval. This man later found that he was not insured because CDIC does not insure these kinds of investments for more than five years.

● (1500)

Since I already gave this information to the Government over three weeks ago, can the Minister explain why the Government has not acted to reimburse the hundreds and perhaps thousands of innocent depositors like this man in Saskatchewan, who put a considerable amount of savings into these certificates, thought they were insured, but found later on that they were not? Why has the Government not reimbursed these people?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member knows that the Minister of State for Finance has been dealing with this matter and has had discussions with certain members of the Hon. Member's own Party as well as with people from the Government of Saskatchewan. When the Minister returns to the House I will bring the matter to her attention. I am sure she will be dealing with the matter forthwith.

* * *

CLERK OF PETITIONS' REPORT

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Nanaimo-Alberni (Mr. Schellenberg) on Wednesday, April 24, 1985, meets the requirements of the Standing Orders as to form.

PRIVILEGE

REPLY OF MR. MULRONEY DURING QUESTION PERIOD

Hon. Herb Gray (Windsor West): Mr. Speaker, I wish to raise a question of privilege. The Prime Minister (Mr. Mulroney), in an answer he gave during the Question Period which just ended, said that an associate of Chester Burtt in the firm of Biolink was a former executive assistant of mine. If the Prime Minister will check, he will find that he was in serious error because the individual in question was never my executive assistant. He was a departmental assistant and served in that capacity as a public servant. Therefore, he was not an exempt staff member. That is a very different matter. In this particular matter I think the Prime Minister has made a serious error for which he should return to the House to apologize.

Mr. Speaker: The Hon. Member has a fact he wishes to present to the House. However, it is clearly not a question of privilege, and I think he knows that.

I now recognize the Hon. Member for Parkdale-High Park on a question of privilege, of which he has given me notice.

ADVERTISEMENT IN UKRAINIAN NEWSPAPER BY FORMER MEMBER

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, I rise on a question of privilege. This is the first opportunity I have had to bring to your attention an advertisement which appeared in the April 6 to 13, 1985 issue of the newspaper *Vilne Slovo*, a paper circulated in Toronto. The advertisement was placed on behalf of the former Member of Parliament for my constituency, Parkdale-High Park. In the advertisement, Mr. Jesse Flis is identified as the Member of Parliament for Parkdale-High Park and a constituency office address and telephone number are listed. The advertisement is in Ukrainian and the English translation is as follows:

> Christ has risen—With the Holy Holiday of the resurrection of Christ, sincere best wishes to all Ukrainians in Canada and specially to the readers of the "Free Word" from: Jesse P. Flis, (Member of Parliament for Parkdale-High Park).

Referring to Maingot's *Parliamentary Privilege in Canada*, pages 21 and 22, I found the following:

> A person ceases to be a Member of the House of Commons when the Speaker addresses his warrant to the Chief Electoral Officer for the Issue of a Writ for the Election of a new Member.

By the same token, Maingot states on page 20 and 21:

> In Parliamentary Practice, the entry in the special edition of the Canada Gazette by the Chief Electoral Officer of the name of the person set out in the return commences the official existence of the member.

Under these definitions, Mr. Flis ceased to be a Member of Parliament once the Speaker had addressed his warrant for the last election and I commenced my duties as a Member of Parliament when my name was entered in the special edition of the *Gazette*. In fact, I think it can be argued that Mr. Flis ceased to be a Member at the dissolution of the last Parliament and since he did not succeed in being re-elected, there

can be no doubt that Mr. Flis is no longer entitled to the use of the title "Member of Parliament".

Maingot describes the subordinate nature of privilege on page 13 by stating:

> In order to perform its functions as a legislative body, a legislature requires absolutely certain privileges, rights or immunities; that is to say, it cannot carry on unless it has them.

In order to establish a definition of privilege, I looked to Beauchesne's Fifth Edition, Citation 16, which defines privilege as the following:

> —the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House, individually, without which they could not discharge their functions—
>
> The distinctive mark of a privilege is its ancillary character. The privileges of Parliament are rights which are "absolutely necessary for the due execution of its powers". They are enjoyed by individual Members, because the House cannot perform its functions without unimpeded use of the services of its Members—

I believe that usage of the title "Member of Parliament" is one of the rights required to carry out the responsibilities of such office and unless use of the title is restricted to individuals recognized as legally entitled to such a designation, a Member of Parliament cannot hope to execute his duties and responsibilities to his constituents. How can a constituent approach a Member of Parliament for the assistance to which he is entitled from his elected representative when he is being misled as to the identity of the Member? If the title of Member of Parliament is not restricted to Members of the present Parliament, then the reputation of the House is at risk and may fall into disrespect when any like-minded individual may lay claim to the title.

A similar instance arose in March of 1972 when the Hon. George McIlraith brought to the attention of the House the plan of a local hotel to use the name "Parliament Hill" to designate its property. At that time a Private Member's Bill was introduced to prevent the commercial use of the name. In that instance the House saw fit to act to protect its prerogative use of the name, and I believe the decision a wise one.

Finally, I should like to quote from page 158 of the Twentieth Edition of *Erskine May* which states as follows:

> Conduct not amounting to a direct attempt to influence a Member in the discharge of his duties, but having a tendency to impair his independence in the future performance of his duty, will also be treated as a breach of privilege.

I wish to ensure that the privilege of use of the title of Member of Parliament is protected and so, should you find that I have presented evidence of a *prima facie* case of privilege, Mr. Speaker, I am prepared to move that the matter be referred to the Standing Committee on Privileges and Elections for examination. I submit here a copy of the newspaper in question. The advertisement complained of appears on page 10.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I can understand that the former Member for Parkdale-High Park was such a popular Member that the media cannot forget his great contribution to this House.

Mr. Speaker: May I encourage the Hon. Member for Ottawa-Vanier (Mr. Gauthier) to stick to the question of privilege at the present time.

Mr. Gauthier: Exactly. However, I must set the tone, as did the Hon. Member, prior to discussing the subject at hand.

The speech made today by the Hon. Member for Parkdale-High Park (Mr. Witer) was an interesting one and probably put him on the map because it is the first one he has made in the House. I would like to state that—

Mr. Thacker: Withdraw!

Mr. Gauthier: Withdraw what? There is nothing to withdraw. I simply said he has put himself on the map by making the point that he indeed follows a very good and hardworking Member of Parliament, Mr. Jesse Flis.

I am sure Mr. Flis did not do this intentionally. It could be that the media has such a good memory of Mr. Flis that it forgot to put the word "former" before the name. The press forgets to print things correctly all the time. Mr. Flis will be paying the bill for this advertisement. If he was in any way trying to usurp the privileges of the Hon. Member, I am sure he will apologize to him. I know Mr. Flis to be a reasonable and very good man—

Mrs. Killens: A gentleman.

Mr. Gauthier: And a gentleman as well. I do not think he wanted to take away any of the privileges of the Hon. Member.

• (1510)

Mr. Speaker: With great respect, the Speaker is fully aware of the issue. The Hon. Member for Shefford (Mr. Lapierre) has a point to make on the question of privilege which, I think, he will make very briefly.

[*Translation*]

Mr. Lapierre: Mr. Speaker, I paid close attention to the arguments of our colleague and, to my mind, there is one omission in the advertisement—the word "future". I think that if you could—

[*English*]

Mr. Speaker: Order, please. I think the points have been made with regard to the question of privilege.

Hon. Ray Hnatyshyn (President of the Privy Council): I would like to make a brief intervention, Mr. Speaker. I think it is a serious question which the Hon. Member for Parkdale-High Park (Mr. Witer) has raised, and I do not think it is incumbent upon Liberal Members to trivialize a paid advertisement which was placed in the Ukrainian-Canadian newspaper.

Mr. Gauthier: Is he Ukrainian?

Mr. Hnatyshyn: Mr. Speaker, Mr. Flis is Canadian. I am a Canadian and I am very proud to be a Canadian of Ukrainian descent.

This is not a case of editorializing by the newspaper; it is the case of a paid advertisement on the part of an individual who is not now a Member of Parliament. The Member of Parliament, who has served with such distinction, is now in the House and has raised the question of privilege. It is a question which affects the rights and abilities of Members in carrying out their responsibilities in the House. We must have a set of rules which, in fact, protect Members of Parliament from not being able to carry out their responsibilities. Indeed, in this particular instance there is a *prima facie* case, as Mr. Flis has held himself out as a Member of Parliament.

Mr. Deans: We don't know that.

Mr. Hnatyshyn: Mr. Speaker, I am saying—

Mr. Speaker: Order, please.

Mr. Hnatyshyn: Mr. Speaker, the point has been made by the Hon. Member for Hamilton Mountain (Mr. Deans) that there is not a *prima facie* case. However, the Hon. Member who made the case presented the paper with the authority of Jesse Flis holding himself out as a Member of Parliament for Parkdale-High Park and as having a constituency office.

I think a legitimate matter of concern has been raised by the Member of Parliament. I would ask the Hon. Member for Hamilton Mountain: If one, two or more people were holding themselves out as the Member of Parliament for his riding, would he not be the first to rise in the House and say that his abilities to carry out his responsibilities as a Member of Parliament were being impeded? It is not a laughing matter, as the Liberals seem to think it is. It is an attempt by the Hon. Member to bring forward a *prima facie* case with respect to this issue. It is legitimate. People cannot go out and call themselves Mr. Speaker, or the Member of Parliament for Hamilton Mountain. I support the Hon. Member and I think he has done the right thing. If someone else has done this on Mr. Flis' behalf, then Mr. Flis can, in fact, come forward.

Mr. Gauthier: If.

Mr. Hnatyshyn: The "if" part is that we know there is an advertisement. It is under the authority of Mr. Flis and there is no question that there is a *prima facie* case.

Mr. Gauthier: Shoot first and ask questions after.

Mr. Speaker: Order, please. I will hear the Hon. Member for Vancouver-Kingsway (Mr. Waddell) and then the Hon. Member for Hamilton Mountain (Mr. Deans). I will restrict the argument to that.

Mr. Guilbault (Saint-Jacques): Not me?

Mr. Speaker: No, that will be it. I have heard two Members of Her Majesty's Loyal Opposition. Clearly, this is now becoming something other than a question of privilege in terms of the reasons for which Members are rising.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have no axe to grind here. I think, perhaps, that we are losing our perspective in this matter. Surely, a former Member of Parliament, in his normal actions, would not advertise himself as being a Member of Parliament. It does not sound reasonable. The ad may have been placed without his knowledge. I believe we should postpone the matter for a couple of weeks, and that the Member or the Speaker should write to Mr. Flis and await his response.

I was once called a nobody by the previous Government and I have been called "an insignificant" by this Government, so I am not worried about what Members of Parliament are called or how they advertise. But I think we should keep the matter in perspective.

Mr. Speaker: I think I have heard all that I need to hear on the question of privilege. I fully intend to reserve on the question. However, I would like to say that the Hon. Member's point is a very important one. It is important to me and to all Members; it has to be. So I am proposing to reserve a final judgment on this matter, do a little thinking and, perhaps, a little investigation. That is my intention. I also intend to allow some time for any additional appropriate information to come to my attention. Then I will return to the House with a final ruling on the matter.

* * *

POINT OF ORDER

APPLAUSE DURING QUESTION PERIOD

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on a point of order to seek your assistance in resolving what I believe to be a developing situation.

Over the course of the last few weeks we have seen, on a number of occasions, government Members rising during Question Period with loud and lengthy applause. I would like to ask you, Mr. Speaker, if you would be kind enough at some point to draw to the attention of all Members, Opposition and Government, that it is inappropriate to take the time to rise and disrupt Question Period with lengthy applause and demonstrations of solidarity. It is not necessary. There are times when it is appropriate, but it cannot be appropriate on a daily basis.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I think that you as Speaker conduct yourself with distinction. You have a sensitivity toward the House and, in fact, you have intervened from time to time—very often on our side, but that is your function. I appreciate and respect the Hon. Member for Hamilton Mountain (Mr. Deans), but I believe he is suggesting that somehow you might not have been intervening at the appropriate times.

Mr. Deans: Not at all.

Mr. Hnatyshyn: I believe you have been an excellent Speaker, Mr. Speaker, and that you bring the House to order at the appropriate times. I believe the Hon. Member for Hamilton Mountain should apologize.

Mr. Speaker: I would like to make a point to all Members of the House, in all Parties. Effectively during each Question Period we are now losing between three and five minutes a day out of a 45-minute period to what can only be described as manifestations. Sometimes it is in the form of applause by one side or the other. Sometimes it is in the form of comments or commentaries that go beyond what would traditionally be understood as heckling. Sometimes Members keep on speaking when the Speaker is trying to say something.

I believe that the point which was made by the Hon. Member for Hamilton Mountain (Mr. Deans) is important, but it is not simply an issue of applause. If we observe what is happening to Question Period, we will notice that there are fewer and fewer questions and answers. I made the point when I took the chair that I do not think that is what the House wants. Therefore, I would encourage all Members, all Ministers, all questioners and all responders to please do what they can to bring the House back to what we all want—shorter questions, shorter answers and respect by everybody for everybody else.

Some Hon. Members: Hear, hear!

* * *

● (1520)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Ray Hnatyshyn (President of the Privy Council): It is Thursday, Mr. Speaker, and the Hon. Member who usually asks me the question is here now. I thought it would be appropriate to announce the business of the House for the next week, Mr. Speaker.

As I announced yesterday, tomorrow will be the fourth allotted day in the current period of Supply and there will be a vote at the end of the day. We will be considering a motion by the New Democratic Party so that there will be a vote tomorrow at 4.45 p.m.

We will resume consideration of the report stage of Bill C-15, an Act respecting investment in Canada on Monday. Following Bill C-15, the House will begin consideration of the report stage of Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Act. In the event that Bill C-24 is passed, the next Bill we will deal with will be Bill C-30, an Act to amend the Bretton Woods Agreements Act which is also at report stage.

Finally, Mr. Speaker, should the House complete its consideration of Bill C-30, we will move on to Bill C-25, an Act to amend the Agricultural Stabilization Act, Monday's order of business will also apply to Tuesday, Wednesday and Thursday. As always, Mr. Speaker, the order of business for the House remains subject to change. The Government will continue to monitor the progress made with respect to these Bills and may announce such changes to business as may be required.

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader if he intends to have the House stay on Bill C-15, the Investment Canada Bill, until its study is concluded by the House, if that does not happen on Monday?

Mr. Hnatyshyn: Mr. Speaker, my hope is that we will make progress. As the Hon. Member knows, this Bill received very extensive consideration in the House of Commons before the Christmas break and very extensive consideration in committee. I know the Hon. Member will want to sit down with me at an early date, with the Hon. Member for Hamilton Mountain (Mr. Deans), to talk about the disposition of this Bill. I would be interested in hearing helpful suggestions about how soon we can get this Bill through. I think the people of Canada have spoken. They want this Bill to proceed and I know the Hon. Member and his Party will want to co-operate in the spirit of getting important legislation through the House. I assure the Hon. Member that he will be consulted and I hope we can work out a specific time frame so we can get this Bill through.

I am interested in getting this Bill through. Canadians are interested in action. They don't want to have us talk on this matter indefinitely. There has been too much talk now. We should get on with it and get Canada moving again.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

PARI MUTUEL BETTING

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present a petition on behalf of the members and friends of the Canadian Greyhound Association. It is a petition signed by in excess of 1,000 people and concerns the legalization of pari mutuel betting on greyhound races in Canada.

CONTROL OF PORNOGRAPHY

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I have the honour to present a petition from 32 constituents in my riding calling upon Parliament to act as quickly as possible to establish clear obscenity legislation and to enforce stricter control of pornography.

CHANGES TO UNEMPLOYMENT INSURANCE ACT

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I have the honour to present a petition from the seasonal fruit indus-

try employees in the Okanagan Valley who rely on unemployment insurance, as do their employers, to keep a trained work force available to process the product which is so vital to the economy of the valley. The seasonal fruit industry employees wish to register their opposition to any changes to the Unemployment Insurance Act which will affect their livelihood and the economy of the Okanagan Valley.

* * *

CANADA ELECTIONS ACT

MEASURE TO AMEND

Mr. Ian Waddell (Vancouver-Kingsway) moved for leave to introduce Bill C-236, an Act to amend the Canada Elections Act (non-listed electors).

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

Some Hon. Members: Agreed.

Mr. Waddell: Mr. Speaker, this is a Bill to amend the Canada Elections Act which would do three things. First, it would allow urban voters to swear in on election day. At present only rural voters can do this and so some urban voters are disenfranchised. This is similar to a provision in the British Columbia Elections Act.

Second, the Bill would permit individuals travelling abroad to vote overseas in a manner similar to Canadian Forces and Public Service electors who are posted outside of Canada. Some people were disenfranchised last summer from voting in the election. That is the reason for this provision.

Third, the Bill would give canvassers the right to enter hotels to canvass in an election campaign. There are no provincial laws on the books at present which give canvassers the right to enter hotels in order to canvass, nor has there been anything in the federal Act which gives them this right. This was a big problem—

Mr. Speaker: Order. Those are all important points but the Hon. Member knows that there is a very short time limit.

Mr. Waddell: Yes, Mr. Speaker, I am sorry. I just want to conclude by saying that the third part of the Bill was simply to give canvassers access to hotels, which they were unable to do during the last election campaign.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Introduction of Bills

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Question No. 291 will be answered today.

[*Text*]

TRANSITION HOUSES FOR ABUSED WOMEN

Question No. 291—**Mr. Parry:**

In 1984-85, did the Department of the Secretary of State grant funds for (a) shelters (b) homes (c) transition houses for abused women?

Hon. Walter McLean (Secretary of State): (a), (b) and (c) The Women's Program of the Department of the Secretary of State provided grant funds in the amount of $257,797 in support of the work of transition houses for women, during the period April, 1984 to February, 1985. These funds were distributed over a total of 19 projects across the country and covered the following categories of activity:

1. Conferences, workshops, seminars—$65,534 (7 projects).

2. Publications, newsletters, information material—$71,121 (6 projects).

3. Public education/group development and co-ordination—$121,142 (6 projects).

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 227 could be made an order for return, this return would be tabled immediately.

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Is it the pleasure of the House that Question No. 227 be made an order for return?

Some Hon. Members: Agreed.

[*Text*]

FUNDING OF RECREATION PROGRAMS

Question No. 227—**Mr. Howie:**

Did the Department of National Health and Welfare fund recreation programs in 1984 for (a) physically handicapped persons (b) mentally handicapped persons (c) senior citizens and, if so (i) what amount was allotted to programs in New Brunswick (ii) what are the names of the programs which received funding, and what amount was given to each program?

Return tabled.

[*Translation*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions Nos. 1 (Mr. Axworthy) and 2 (Mr. Langdon) (p. 4001).

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, when the debate was adjourned earlier today, I was saying that in a previous speech on this Bill, I drew the attention of the House to the importance of the role of women in Canada's economy. I repeat today that it is vital to protect the rights of women, especially in the small- and medium-sized business sector.

In recent years, more and more women have realized the importance of investment in Canada. They are getting involved in business and increasingly, we are finding women at the decision-making level in Canadian business. Their presence can no longer go unnoticed, and in the first amendment moved by my colleague from Winnipeg-Fort Garry (Mr. Axworthy) I see a desire to protect all Canadian investors, both men and women. By stressing our intention to maintain investment quality and to introduce Canadian controls, we are telling investors: Do not worry, we will continue to appreciate your participation in Canada's economy. I think that should not be too difficult to understand. And that is why I want to ask the following question: Why do our colleagues opposite not support this amendment? Why are the Progressive Conservatives placing such a blind trust in non-Canadians?

Mr. Speaker, I am sure you must have asked yourself the same questions. However, this amendment does not oppose the concept of investment in Canada. It is merely an attempt to provide for a better relationship with our businessmen and women and our potential non-Canadian investors. It is especially seeking to safeguard our jobs not only for the present generation, but more significantly for future generations of Canadian workers.

We must look closely into the consequences of this amendment. A few months ago, one could read almost everywhere that "Canada is open again to investments". Well, Mr. Speaker, Canada may well be open for business and investments, but it is certainly not for sale. The Leader of the Opposition (Mr. Turner) was the first to say so: Canada is not for sale.

We are all in favour of job creation. Nobody in the House could deny that. Bill C-15 has a number of very definite and praiseworthy objectives. There is not a single member of the House who would dare question the merits of Bill C-15. I merely wish to emphasize that the proposed amendment would strengthen the general purpose of this bill.

Hon. Members will certainly agree with me when I say that Canadian businessmen and businesswomen have every right to expect their government to protect them and guarantee them a privileged position within the Canadian economy. For the past several years, these Canadian men and women who operate small and medium size businesses have been trying to put back the Canadian economy on the right track. They have realized the need to get involved and many of them have done so by investing very courageously their own savings in Canadian businesses. It would be unfortunate if, failing to take into account the quality and value of investment proposals made by non-Canadians, we broke their momentum. We must put into this act some ways and means to protect our own Canadian ventures. That is exactly the purpose of our amendment.

We welcome the capital of foreign investors. We have as much to learn from them as they from us. The purpose of the amendment is to give Canada better control over foreign investments and create a better economic climate for all Canadians. It is a well known fact that new technologies are progressing by leaps and bounds. Canada has always been proud to participate in research and development in several areas. Over the past few years, we have taken part in a number of major research projects and our reputation in this regard is second to none. That is why the first amendment moved by my colleague the Hon. Member for Winnipeg-Fort Garry is so significant.

One of the aims of his amendment is to protect our know-how in the area of high technology, and if the House should fail to adopt this amendment, we would run the risk of seeing our technological heritage leave the country and be lost forever.

Mr. Speaker, I conclude by saying that we should not try to stop foreign investments for the sake of doing so, but simply determine that they are consistent with the over-all objectives of our country and that they will benefit all Canadians. I repeat that we are seeking first of all to protect Canadian jobs, secondly to protect Canadian investors, and finally to ensure the quality of foreign investments. Therefore, I support the amendment moved by my colleague the Hon. Member for Winnipeg-Fort Garry.

• (1530)

[*English*]

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I would like to address some comments to the debate this afternoon with respect to the amendments to Bill C-15. The amendments, as proposed by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) and the Hon. Member for Essex-Windsor (Mr. Langdon) would change the explanatory section of the Bill and quite distinctly redefine its thrust. The purpose of this Bill at present reads as follows:

Recognizing that increased capital and technology would benefit Canada, the purpose of this Act is to encourage investment in Canada by Canadians and non-Canadians that contributes to economic growth and employment opportunities and to provide for the review of significant investments in Canada by non-Canadians in order to ensure such benefit to Canada.

That contains the distinction that we as a Government acknowledge that investment in Canada by Canadians and non-Canadians will be one of the vital engines of economic growth. It also acknowledges that there is a significant review process in place for certain investments by Canadians and non-Canadians. Both motions try to alter fundamentally the nature of this Bill. They make the review function the most important feature, relegating to second place the function of encouragement. Also, the first motion confines the very small positive role solely to investment by Canadians, a position which is not very deserving. Under the present regulations of FIRA we saw what happens when a Government tries to over-regulate investment; it simply goes elsewhere and fosters a very unhealthy climate in Canada.

These motions are entirely opposed to the spirit and philosophy of the Bill. All they do is simply to bring FIRA back, and that is not something we want. The aim of this Bill is to signal that the Government welcomes foreign investment because it recognizes that it is generally to the benefit of Canada and all Canadians. For that reason, the Bill would encourage investment by non-Canadians as well as Canadians. It also provides for a review of significant investment, and I point out to those who would like to amend this Bill that in Clause 14 there are very reasonable limits spelled out. Concern is sometimes generated by those who would fearmonger, if I can use such a strong term, that by simply encouraging investment we are somehow selling off our sovereignty. Some people would say that, but Clause 14 of this Bill contains very reasonable limitations.

I often think of the very important philosophical and psychological tendencies which investment brings to a country. When a Government has in place an agency like FIRA, which is more prohibitive than encouraging, that is a psychological thing which tells people inside and outside the country that perhaps they should be wary, perhaps they should avoid Canada as a place to spend their money, take their risk, make their investment and create so many thousands of jobs.

That very vital psychological sign has been seen in this country many times before. I think of my native Province of Saskatchewan where an NDP Government nationalized the potash industry. Literally overnight there were many calls from investors inside and outside of Canada who were concerned that the Government was simply going to start regulating to a great extent the lives and livelihood of the people of my province. One also looks at developments in your Province of Quebec, Mr. Speaker, in recent years, where the investment climate was threatened and often challenged, and many investors began to approach investing in Quebec with considerable concern. We saw this as well with FIRA.

All that the provision stating the purpose of this Bill does is to put the positive emphasis first. It is for that reason that these amendments, while trying to recreate FIRA, would be highly unacceptable. These amendments, beyond this very important area of investment psychology, I think give a message as to how the Government approaches people who want to come and invest. It is a view of trust versus distrust. It is a view of a Government that believes in growth versus the view of those who would amend this Bill so as to somehow have the Government managing the economy. Many of us have seen for far too long the negative effects of a Government that simply tries to regulate the economy.

Mr. Waddell: When have they ever done that since the Second World War?

• (1540)

Mr. Gormley: The Hon. Member for Vancouver-Kingsway (Mr. Waddell) asks when they have ever done that since the Second World War. FIRA drove billions of dollars of investment capital away from this country, and it was supported by the NDP. The New Democratic Party is always all too willing to put its finger wherever it can in controlling the lives of people. FIRA is an example of the investment control we have experienced.

The NDP amendment states, "—under the appropriate terms and conditions established by the government . . ." At least the amendment by the Member for Winnipeg-Fort Garry spoke of notification. However, only the NDP would say that the Government knows what is "appropriate" and what terms are best for the good of people's lives.

As one who has lived for a long time in the Province of Saskatchewan where a New Democratic provincial Government has caused those difficulties, I believe, as I think most Members do, that people know what is best for their families. They know how they want to express themselves as Canadians in our society.

We acknowledge that the Government must play a significant role in major cases, as provided for by Clause 14 of our Bill. However, in the NDP amendment can be seen the almost laughable disregard that that Party has for the fundamental rights and freedoms of human beings. I believe that most Members of the House will deal with the NDP amendment as it should appropriately be dealt with, that is, of course, with the understanding that the Government should not establish or deem what is appropriate.

I believe that Canada wants to progress and if Canadians and the others who want to invest in that spirit of investment and growth are given the ability to do so within the regulatory aspect that must be present in a Bill such as this, we will see the positive economic growth for which Canada has been waiting for so long.

Our Government has adopted a positive role and we will naturally put a lot of effort into encouraging investment by Canadians. However, to derive the technological benefits, the research and development and other benefits we will be seeking, will require joint ventures between Canadians and foreigners particularly with investments that increase world product mandates.

Our mandate is to integrate Canadians and non-Canadians in developing an economy that looks forward rather than back to the 1950s or 1960s when the reaction was toward excessive government regulations.

I believe Bill C-15 is a fair and equitable proposal. Therefore, the two amendments that would result in Investment Canada being very much regulated by Government are amendments that I as a Member of Parliament cannot accept. I would ask that other Members do likewise.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I rise to support the amendment proposed by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). It would have the effect of requiring that proposed investments in Canada be reviewed to ensure that they contribute to economic growth and employment opportunities. Without that amendment, this Bill will allow, without review, takeovers and very extensive involvement in the Canadian economy.

The Government seems to be proceeding on the assumption that all investments by foreigners will be good for Canada. While we are prepared to agree that most foreign investment can be expected to be beneficial, it simply does not seem prudent to throw the doors open as wide as the Government is proposing.

There is no question that the foreign Investment Review Act, which was in place since 1970, was due for updating. The Canadian economy and the world economy had changed since 1974. However, the Government has gone much further than is sensible or prudent with the introduction of this Bill.

Every industrial country in the world has some limits and controls on foreign investment. I have before me a list of 21 laws in the United States, which I do not claim to be exhaustive, which have the effect of either prohibiting or limiting non-American investment in the United States.

If one looks at the areas involved in the United States, there are limits on foreign investment in coastal and freshwater fishing, aviation, nuclear and hydro generating, communications, financial industries, real estate, fishing, some mineral leases, dredging and salvaging operations and defence industries. We are all aware of the width of the umbrella of defence industries. Those involve 21 pieces of legislation that either limit or prohibit investment in all those areas of the U.S. economy.

One can add to that the use of securities and anti-trust laws and the operations of congressional committees and monitoring by Government to see that it is a rather tightly controlled situation. Moreover, while this is taking place in what is basically a very open economy, it is an economy where the legislators have deemed it prudent to protect their own national interests.

Let us consider Australia, which is a Commonwealth country like Canada. It states officially that it welcomes foreign investment. That country also has a foreign investment review board. It sets limits on the acquisition of an Australian business by the purchase of assets. It specifies particular areas of the economy where all new business must be reviewed if it is financed from outside the country. Those areas include finance, insurance, media, civil aviation, uranium, direct investment by foreign Governments or their agencies, real estate valued at $350,000 or more, and so on.

Mexico is a country which has great need for capital investment but which also has very considerable restrictions. Therefore, one must ask why the federal Government is prepared to throw out review or examination to the extent that it has. The assumption seems to be that all investment will be beneficial. This has been the tone of the speeches by government Members who have taken part in this debate.

Is it correct to make that assumption? When I spoke on this Bill earlier, I mentioned a situation that I encountered in my home riding. A man had worked for 30 years with a firm that was established in Canada by an American parent company. It was established before the Foreign Investment Review Agency. That firm did some very simple assembly work and when it decided that its interests would be better served by moving to one of the states which had non-unionized labour and below minimum wages, it simply moved out lock, stock and barrel, on the weekend. This man and several other employees found that everything was gone on Monday morning. They received no severance pay and they had no particular skills that were marketable. A similar situation arose in Ontario, and that was one reason why the Foreign Investment Review Agency was established. I do not see anything in the new Bill that would prevent that kind of situation from arising again.

● (1550)

Let us look at some possibilities of what might happen when you have no review. In the case of takeovers, for example, does a takeover usually create new jobs? Not necessarily. What if following a takeover the new facility employs fewer Canadians because it is no longer manufacturing in Canada but merely assembling or warehousing in Canada? To take perhaps a more extreme example, what if a takeover occurs by a foreign company of a Canadian company which has had some innovative technology, a Canadian company that has been marketing overseas? What if the reason for the takeover is that a foreign investor simply wanted to suppress the Canadian technology so as to reduce competition in overseas markets?

I see nothing in the Bill to protect against this kind of situation. Granted, most investment can be accepted as being productive and useful, but surely it is not prudent to have a Bill as totally open as this one, a Bill that is without the basic safeguards that exist in countries such as the United States and Australia, not to mention the European countries that have many more safeguards.

I really hope the Government will take another look instead of telling us, as the previous speaker did, that we are fearmongers because we raise these situations that we have seen. If the Government is not prepared to accept the amendments put forward by opposition Members, then I hope the Government will bring in some of its own that would give the Minister, or preferably Cabinet—because I am not sure that this kind of

decision should be made only by one Minister—the power to require a review in certain cases where there appears to be a risk of harm being done to the Canadian economy.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise to speak on this amendment for the New Democratic Party. I listened with some interest to the previous speaker, the Hon. Member for Trinity (Miss Nicholson) and also to the speaker before her, the Conservative Member from Saskatchewan. I am not sure of his riding but he is one of the new Conservatives from Saskatchewan.

Mr. McKnight: One of the many.

Mr. Waddell: It seems to me that the Member was speaking out of both sides of his mouth. He was talking about the Government not controlling our lives, having no control, and then said there has to be some control. Which is it, Mr. Speaker? Are you going to have no control, or are you going to have some control? It seems to me that there is always going to be some control. We are governed in Canada, whether it is by our federal Government, our provincial Government, a municipality, or by large corporate interests. In the oil industry, some of the large American oil companies "govern" us because they control so much of the market. In business, Mr. Conrad Black of Argus and Mr. Paul Desmarais of Power Corporation "govern" us because they make decisions that affect the lives of Canadians.

It is naive to say we are not governed. We are always governed by someone. The trick is to be governed by people who know what they are doing and listen to you and are plugged into the Government. That is what we in the NDP are seeking to do.

The Hon. Member talked about Saskatchewan. He badmouthed the NDP Government in Saskatchewan. I found that absolutely incredible. This pertains to this particular Bill because in Saskatchewan after the depression, the people literally picked themselves up and said, "Never again". After the war, the NDP, or the CCF Government as it was then called, headed by T. C. Douglas, was prepared to get control of Saskatchewan's destiny, not relying on foreign farm interest, foreign grain interests, or speculators and so on. The people were prepared to seize control of their own lives through the co-operative movement and through the Government. They turned that province into a prosperous, dynamic place. That Government in Saskatchewan brought in medicare and got some control of its own resources, namely, potash. Would the Hon. Member from Saskatchewan throw those out? He speaks in myths like most of the Conservatives have done in this debate.

We are talking about the Foreign Investment Review Agency, Mr. Speaker, this myth which the Conservatives created, the agency that scared away foreign investment and brought recession to Canada. If the Conservatives look into that they will find it is really a myth. Ninety per cent of the applications for foreign investment were passed. There was not really a lot of restriction of foreign investment. The reason investment did not come to Canada and went down somewhat is that there was a recession in parts of the world. We also had high interest rates. Money flowed into the United States where people could get high interest rates. That was an instrument of government policy. If the Member wants to get Government out of our lives, I wish he would get government interest rates out of our lives because the Government kept interest rates high in order to fight inflation. It was a matter of government policy. Government squeezed that high inflation by way of high interest rates and squeezed the economy to a stop. That is why we had a recession. In economics that is called a monetarist theory. People were out of work. That is why money did not come into Canada. I was not because of FIRA. All FIRA sought to do was to try to get some control over our destiny as a country so we would not be completely controlled by forces outside.

The Hon. Member for Trinity put it well when she said that all industrial countries have some way of controlling foreign investment. The United States has FIRA. It is called the United States Congress. The U.S. Congress puts some controls on foreign investment when it wants to do so and when it finds it is not in the interest of the United States.

Clause 2 states:

(2) Recognizing that increased capital investment and innovative technology would benefit Canada, the purpose of this Act is to provide for the notification and review of proposed investments in Canada by non-Canadians in order to ensure that they contribute to economic growth and employment opportunities, and to encourage beneficial investment in Canada by Canadians."

We in the NDP are not against foreign investment. We are for foreign investment. We want to make sure that investment is put into creating jobs in Canada and that the jobs do not go south of the border. We want to make sure that companies that come here purchase in Canada, use Canadian companies to buy goods and put Canadians to work. We want to make sure they do not go to their head offices in the United States to purchase goods and put Americans to work. We think the money should stay in Canada and we should not let interests and investments repatriate south of the border. That contributes to our dollar dropping to the low level at which it is now. We want to make sure the technology that comes in is for the benefit of Canada. We want to make sure that Canadians know and can use the technology that is learned in Canada. That is why we proposed this particular amendment, especially as it concerns technology.

The New Democratic Party amendment reads:

—substituting the following therefor: "technology under the appropriate terms and conditions established by the government, would benefit Canada—"

It cannot be assumed that all capital and technology automatically benefit Canada. There has to be a role of the Government to try to establish terms and conditions under which that capital and technology can enter the country.

Tommy Douglas used to say: "We have an equal relationship with the United States. As the elephant said when he danced among the chickens, everyone for himself". We are next to a huge elephant, and we are the smaller chickens. We have to ensure that we protect ourselves. That is the purpose of

this particular amendment. If this is not acknowledged, then why would we have a review process at all? The Government is not completely getting rid of FIRA. It has included a review process in the Bill. We are saying that the process is too limited, and we are trying to amend it by making the review process a little more worth-while and effective.

• (1600)

In conclusion I want to say that Sir John A. Macdonald, the first Conservative Prime Minister, would roll over in his grave if he saw what the Government was doing. We moved from colony to nation as a result of Sir John A. Macdonald's great vision of the national dream and the railway. Now we are moving back to colony. The Prime Minister (Mr. Mulroney) is Ronald Reagan's poodle. When Mr. Reagan wants to take the Prime Minister out for a walk, he just puts the dog on a leash and takes it out. We have literally opened ourselves up completely in defence, in culture, in foreign affairs and now in economics. If we were to benefit from this, we would say, fine, but I think history will show that we have been open for foreign investment and will continue to play second fiddle. We have consistent high unemployment and it will not go away, particularly by doing this to FIRA. It is a hope and a prayer. As a matter of fact, I am not sure we will receive all that much foreign investment. We have to offer foreign investors something. We have to have something on the shelves for them to come in to deal with. I do not think it is in Canada.

I think there is an alternative economic policy. We in the NDP set it out in our task force on jobs. It is the old Quebecois expression, if I can simplify it, *maitres chez nous*,he to be masters in our own house and to use our own Canadian investment. We do not have to use the technology or the money of others. We have them here. It means upgrading our educational system, protecting our own technology and encouraging the industries which we are very good at.

The Acting Speaker (Mr. Charest): Order, please. The 10-minute period for the Hon. Member's speech is over.

Mr. Waddell: May I conclude, Mr. Speaker?

The Acting Speaker (Mr. Charest): No. May I respectfully suggest to the Hon. Member for Vancouver-Kingsway (Mr. Waddell) that I previously signalled to him that the 10-minute period allotted to him was terminating.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Nickel Belt (Mr. Rodriguez)—Mines and Mining—(a) Expansion of Falconbridge Refinery in Norway. (b) Granting of export licences; the Hon. Member for Papineau (Mr. Ouellet)—Railways—(a) CN lay-offs. (b)Transfer of responsibility for CN employees transferable to VIA Rail.

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions Nos. 1 (Mr. Axworthy) and 2 (Mr. Langdon) (p. 4001).

Mrs. Lucie Pépin (Outremont): Mr. Speaker, in moving Motion No. 1, I think we should go back to what has been a continual demand for clarity by all those who appeared before the committee. Even in the statements by the Minister himself there was the admission that in dealing with an investment community it was particularly important for the Parliament of Canada to make its intentions clearly known and not confused with any form of ambiguity.

The reason we moved Motion No. 1 is to attain that objective. First is to demonstrate clearly that the major focus of this legislation is a review procedure for foreign investment. It is a weak review procedure, it is an ineffective review procedure, it is a review procedure that will have limited impact but nevertheless it is a review procedure. To try to camouflage that somehow in the Bill runs against the signalling that is required for us to show the investment community, Canadian and otherwise, what the purpose of this legislation is.

What we are trying to point out is that the investment should be clearly targeted at having a benefit for Canada. One of the over-riding concerns that we have raised during the course of the second reading debate and during the committee hearings, which was underlined time and time again by witnesses who appeared before us, is that foreign investment by itself is not an untrammelled virtue. It must be measured and judged by the impact it has on jobs, new technology and direct economic benefits. A number of cases were brought forward to cite how in fact foreign investment could be used to reduce employment, to reduce technological development and to reduce economic performance in Canada and, that foreign investment itself could be used to strip down emerging indus-

tries in the high-tech field. It could put newer Canadian businesses out of business.

It could be used to crowd out the market-place by the superior market power of the large foreign-owned corporations. The reason for having a review is at least to try to ensure that the ability of this country to protect its own investment community is one that is a clear purpose of this legislation.

It is important to set forward that purpose in a very obvious and unmistakable fashion so that we know there is a purpose here now. Our Party intends to introduce a number of amendments that we hope will be incorporated in the Bill to ensure that that review procedure is improved and we are able more effectively to judge investment applications that will have an impact on Canada in a beneficial way and not in a negative way.

We recognize that there is a different philosophy at work, which is simply to say on the part of the Minister and his Government that all foreign investment regardless is good. But the Minister does not follow the logic of his and his own Government's rhetoric because if that was the point they would have no review procedure whatever. As it is, they maintain a review procedure but the review procedure itself if not a particularly effective, worthwhile or important one because it does not deal with the kind of problems clearly identified during the course of our committee hearings. There can be serious damage or negative results affecting resource communities, smaller businesses in Canada and the investment community dealing in high technology.

Those are the areas where we have a high level of vulnerability in our business community. Most other countries do provide some protection. You have only to look at the Japanese market as an example of that. We have a review procedure without teeth. We have a review procedure that only because of the thresholds established and the vagueness of its terms will simply allow most of the investment that has a potential for some problems in our economy to be unreviewed and not judged as to whether it will protect Canadian workers, communities and Canadian jobs.

We have no quarrel with the other purpose of the Bill which is to promote Canadian investment. It has long been a major responsibility of the federal Government that the powers incorporated in this Act are powers which the Minister now virtually has as the Minister for Regional Economic Expansion. If it is there to be included in the Bill, there is no argument with that. We will be presenting amendments that will be used to identify clearly how the Minister might go about promoting Canadian investment in a more active, aggressive way. However, I do not think it would be proper for us to be presenting to the Canadian community on behalf of the Parliament of Canada a statement of purpose which tries to indicate that the primary rationale for this legislation is the promotion of Canadian investment.

When we actually look at the substance of the Bill, parts of it deal mainly with setting out who is Canadian, who is non-Canadian, what the review procedures will be, and what the exemptions are to that area.

We think it is important. The Minister should agree with the logic of our position because he has been a proponent of the view that clarity is important and that we must eliminate uncertainty in the investment community. In the administration of an Act, as he well knows from his own experience, public servants, the legal community and others who must deal with the Bill—all those players who are involved with the administration of this Act—start out by reading its objectives as set out in Clause 2. The present Clause 2 is so vague, general and ambiguous that it is difficult to determine what in fact the Government is trying to achieve other than the general global interest of better investment. Legislation of that kind should not be passed; in itself it should relate to what are the prescriptions within the Bill. Therefore, we believe the amendments we have brought forward in no way deny the purpose of the Bill, in no way contradict the objectives set forward by the Government, but clarify, make more cohesive and more coherent and therefore make for a better piece of legislation. They wold also establish more clearly what would be the operating principles by which the Bill would be administered and by which the applications would be made.

That is the purpose of the motion we are presenting today. We hope the Government will give it due consideration. We feel that we are presenting, as will always be the case at report stage of a Bill, amendments with the most constructive and positive point of view; that is, to have legislation which in fact will be more effective and more workable and for the general well-being of the Canadian economy.

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

• (1610)

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I am pleased to rise in support of the amendment to Bill C-15 moved by my colleague the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). The objectives of the Foreign Investment Review Act deserve much attention and support. The purpose is not to block foreign investments in Canada, but to make sure that they benefit Canada. Canada remains one of the developed countries which tolerates the highest rate of foreign presence in its economy. That is the reason why FIRA was created and why its effectiveness must be maintained. It is a fine instrument which seeks to ensure that all foreign investments significantly benefit Canada.

No matter what this government may claim, FIRA has never discouraged foreign investments. Businesspeople are looking for profits, and they will go where they are likely to make profits. Far from discouraging foreign investments, FIRA encouraged those which would benefit Canada and

Canadians. Members from the Progressive Conservative Party have always tried to blame all economic ills from which Canada has been suffering on this review mechanism of foreign investments. As a matter of fact, an American banker stated recently, and I quote:

[*English*]

FIRA itself was not the bogeyman that kept away foreign investment. You woundn't want to make too much of it because there were real effects at play.

[*Translation*]

The truth is that there has been a drastic change in investment patterns throughout the world. We have witnessed a global reorganization of both capital and labour. For instance, the production of steel, automobiles, ships, electronics, textiles and ores is increasingly shifting to recently industrialized countries such as South Korea, Brazil and the Philippines where labour costs and tax rates are lower than here, and where the protection of the environment is not the major concern it is here, thus requiring less initial investments. The Southern United States is also a major area of attraction, because its labour force is for the most part non unionized. This, in addition to the 1982 recession and the technological revolution we are still going through are some of the reasons for our economic distress. That is the truth, as emphasized by a number of American bankers who stated, and I quote:

[*English*]

The problem is simple: foreign capitalists can make more money elsewhere, no matter what action Mr. Mulroney's Government takes.

[*Translation*]

Under these circumstances, why is the Prime Minister (Mr. Mulroney) going to the United States to sell out to the Americans what we still own? That is what he is doing.

I should like to emphasize some of the possible consequences of Investment Canada on the Atlantic provinces where I hail from. In this area, the major sources of income are the fisheries, forestries, as well as the development of natural resources and the operation of small- and medium-sized businesses.

This new federal legislation could have a devastating impact on the regional economy. For instance, take the fishing industry in New Brunswick where nearly all processing plants belong to Canadians who face unrelenting competition from New England plants. If this Bill is adopted, our fishing industry would become vulnerable overnight. Foreign interests would have a free hand to buy those plants, particularly independent processors, so as to eliminate competitors for the primary products of fishermen. The only Government control left will be fishing licences, and there would be none whatsoever on the plants. How much will our fishing licences be worth if we no longer have plants to buy our fish, or if they are owned by foreigners whose commanding interest will be to keep the price of our fish as low as possible? All communities along the Gulf of St. Lawrence and in the Atlantic region which do not depend on major fishing companies and where there are no longer any of those small independent businesses would be facing a slump practically never experienced before. That could happen because foreigners have been trying to set up shop on the east coast since the 200-mile zone was established. Until today, we had the mechanism and the political will to thwart their projects if they did not serve our interests. It is quite clear that the Government opposite does not have the political will to protect our regions against free capital markets and it wants to take apart the mechanism that protects us.

Regions where unemployment is highest would lose even more jobs. The irony of it is that the same Government is about to undertake an across-the-board review of unemployment insurance eligibility standards—to tighten them up, undoubtedly. I will not go into that debate now, this is not the appropriate time, but I am sure I will have opportunities to do so later.

If we are justified to claim that Investment Canada can be the death warrant of Canada's fishing industry, the same thing probably goes for the very competitive forest industry whose main markets are foreign; foreign multinationals could easily afford to buy our smaller plants and close them with a view to grabbing our raw primary products and gaining control over our traditional markets. One can imagine the disastrous social consequences of a loss of thousands of jobs in the Atlantic Provinces.

Another industry which might stand to be harmed by Investment Canada is undoubtedly the peat industry, again because it has to rely on international markets. Peat companies in New Brunswick's Kent, Northumberland and Gloucester Townships could easily be bought by foreigners—no questions asked—who would control the whole operation and fill peat orders through companies others than ours.

Practically all the fishing, forest and peat plants as well as the small and medium-size businesses I mentioned are worth less than the $5 million limit set by the Government, which means that they will not be subject to review when prospective foreign buyers come knocking at the door.

I am definitely against this new $5 million limit set by the Government, for I think it is too high. I am also against the idea of amending the existing Act to exempt indirect purchases under $50 million. Nor can I agree at all with the suggestion that only one Minister will have the authority to approve or reject investments. Such decisions must be made by the Cabinet where Ministers from different regions can have their say and make sure that the interests of the various provinces are protected.

I am very ill at ease, as a New Brunswicker, to have to rely on the goodwill of a Minister such as the one we now have to protect our interests in New Brunswick. I do not see how we could have so much confidence in a Minister as to let him alone decide on foreign investment all across Canada, when it is already difficult to trust this Progressive Conservative Gov-

ernment that slashes everywhere and has very little concern about regional development.

Listen, fellows! Listen closely!

Instead of having positive effects, which I feel is at least the Government's intention, I am afraid that Investment Canada will rather have a negative impact on this country's economy. I for one am more concerned about the disastrous effects this Bill could have on the Atlantic Provinces.

An Hon. Member: Why all the hurry?

Mr. Robichaud: I am in no hurry.

The Acting Speaker (Mr. Charest): Order, please!

Mr. Robichaud: To go on, Mr. Speaker—

• (1620)

[*English*]

The Government says it is leaving it to the private sector to develop the economy and create jobs. Where this is possible, that is fine, but we as elected representatives have a duty and an obligation to ensure that there are mechanisms in place whereby we can observe, regulate and at times control certain investments so as to ensure that they are in the best interests of the people of the country. This is precisely the purpose of this proposed amendment. Therefore I support it, Mr. Speaker.

This Conservative Government is very much like all Conservative Governments. It is afraid to lead; it is afraid to protect the public interest. The Liberal Party is not and has never been afraid to do so. Once again, we want to do what is best for Canada and Canadians.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to make a few remarks on Bill C-15, the Investment Canada Bill. As my colleagues have said repeatedly, we are concerned that this Bill changes so drastically the whole direction of the review of foreign investment in Canada. I think all of us would acknowledge that FIRA had weaknesses and that it could have been improved upon, but generally speaking it was going in the right direction. Its purpose was to protect the interests of Canadian industries, investments and jobs.

We believe very strongly that Canadians want control over their own destinies and their own economic development. They want government supervision that will assist and facilitate Canadian development, will promote Canadian enterprises and will encourage Canadian investment as much as possible. This is not to say that we do not need and welcome foreign investment as well, but it certainly should not be with a complete open door policy, which in effect would make us even more of a branch plant economy than we are already.

Bill C-15 would remove new businesses from the requirement of any review and it would provide only for the review of takeovers of very large businesses worth $5 million or more. This means that small Canadian businesses such as a small Canadian innovative high-tech industry could very easily be taken over by a foreign multi-national, integrated into that multi-national and eventually disappear within the large monster. The Canadian company would be removed from Canada altogether, and of course this would remove Canadian jobs as well.

I was very interested in the action group for jobs which crossed Canada. I participated in one of its hearing in British Columbia. One of the things I can recall is that a consultant from the mining industry said: "We have learned in our industry that Canada needs to build on what we do best, that we should be developing our own technology". Other briefs were presented on the question of technological change and people were saying that they do not want a complete open door policy so that highly sophisticated new technologies from the United States, Japan or other parts of the world can automatically establish themselves in Canada.

People feel that we should be developing our own brain power because we have lots of it here. They feel that we should have more R and D and that we should be developing our own technologies related to the resource and communication industries and the kinds of economic projects that Canadians need, do best, and in which we have long experience. The purpose of Bill C-15 is to undermine that kind of development and not to help Canadians develop their own resources, enterprises and investments in a creative way.

At the moment, we are debating the purpose of the Bill, which reads as follows:

> Recognizing that increased capital and technology would benefit Canada, the purpose of this Act is to encourage investment in Canada by Canadians and non-Canadians that contributes to economic growth and employment opportunities and to provide for the review of significant investments in Canada by non-Canadians in order to ensure such benefit to Canada.

Those are nice words, but how will we be sure that this will happen with no regulations whatsoever? Our amendment proposes the following:

> That Bill C-15, be amended in Clause 2 by striking out line 7 at page 1 and substituting the following therefore:
>
> "technology under the appropriate terms and conditions established by the government, would benefit Canada . . ."

In other words, we feel that there are times when we need the help of foreign technologies, but this help should be appropriate and there must be some kind of government review to establish what is in the best interests of our country, our workers and our businesses. We hope that we will have support for that amendment.

In the time allotted to me, I would like to mention that I have a very particular concern about the invasion of foreign companies and investors in the field of health and social services. There is an insidious movement that is beginning in Canada and has already begun in the Province of Ontario. I fear for my own Province of British Columbia and for other provinces if this precedent is established. There is a trend toward big private commercial companies entering the field of personal care homes, health care for the aged and the entire field of health care. These companies are entering Canada

almost as multinational corporations and are taking over and establishing private institutions which are "care for profit" institutions. This is one thing in particular into which I would want the Government to look and over which I would like it to have some control. We are very proud of our health care and social services programs in Canada because they care for all the people. I do not think many of us see the American system as being a model for Canada.

I have a reference here to an example of this which has taken place in Ontario. Beverly Enterprises of Pasadena, California, was attempting to take over some 1,000 publicly subsidized nursing homes beds in Ontario. The Ontario Minister was apparently condoning and encouraging this action and was not looking at the whole question of quality of care or even at the financial issues. How can there be adequate care if the main motive is profit? Certainly we want well run institutions that are responsive to human needs, provide good care and are financially efficient. I do not really think competitive private enterprise in the field of health care institutions will be appropriate for Canada.

In the case to which I have just referred, apparently no representations were made by Ontario to the Foreign Investment Review Agency, the agency which approved the sale on November 30, 1984. We feel that there must be effective control by Governments over institutions in the nursing home industry which cares for people who are no longer self-sufficient and independent because of their age or infirmity. It is very easy for private companies to take over the care which is really the responsibility of the communities and families.

● (1630)

I mentioned the concern with respect to daycare. I hope that when the report from the daycare study group, which was established by the Liberal Government, and the report of the parliamentary task force on child care are completed we will look seriously at the question of the invasion of child care by profit-making companies, in particular those which are established in the United States.

I see that the Minister is in the House and I hope he will agree that it is very important for us to have adequate standards and staffing facilities, particularly for young children and older people. The first priority must be good care. Those institutions must be responsive to the community. The community should be involved in the planning of daycare centre services. As well, parents should be involved, hopefully, in a co-operative manner. The institutions should be accountable to the communities. I hope that this will be given special consideration. I do not believe that the proposals which are made in this legislation will be good in the health care field or in other fields of endeavour for Canada.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I am very pleased to take part in the debate this afternoon with respect to an amendment that was proposed by the Liberal Party.

As the official critic pointed out, we have serious concerns with respect to Bill C-15. In a previous debate I indicated that Bill C-15 was a sell-out and that the effect of the provisions of the Bill would be the sell-out of Canadian industries. It would be the sell-out of what FIRA has been able to do over the last number of years.

When the Minister of Regional Industrial Expansion (Mr. Stevens) announced Bill C-15, he stated that the legislation would herald a new day for Canada. I beg to differ with the Minister. In my view, Bill C-15 marks a very sad day for Canadians. Bill C-15 dashes any hope of Canadians getting control over the economy. It dashes any hope of Canadians becoming masters in their own home. In effect, Bill C-15 is a betrayal of Canada's hope for economic independence and cultural identity.

The Minister stated, and his comments were echoed by the Prime Minister (Mr. Mulroney), that Canada was open for business. As my leader said, he never thought Canada was closed for business. Canada has always been open for business and, as my leader has pointed out, Canada is certainly not for sale. But Bill C-15 will sell out Canada.

Indeed, it is regressive legislation. It is a tremendous step backward. But it is no surprise to us on this side of the House that the Conservative Government has introduced this Bill. It is sad, because after years of slowly and methodically gaining control over the economy, the Conservative Government is prepared to sell Canada to foreign interests. I am advised that under this legislation 90 per cent of foreign takeovers will go ahead without review. That is the subject matter of this particular amendment.

With FIRA we had some control over the type of investment which would be allowed. There had to be a significant benefit to Canadians. All foreign investment is not good investment. As the official critic for the Liberal Party said in the House on April 23:

> —foreign investment by itself is not an untrammelled virtue. It must be measured and judged by the impact it has on jobs, new technology and direct economic benefits.

He went on to say that a number of cases were brought forward to cite how in fact foreign investment could be used to reduce employment, to reduce technological development and to reduce economic performance in Canada.

The purpose of the Bill is outlined in Clause 2, which reads as follows:

> Recognizing that increased capital and technology would benefit Canada, the purpose of this Act is to encourage investment in Canada by Canadians and non-Canadians that contributes to economic growth and employment opportunities—

What does that mean? What is the benefit to Canada? It is not defined. The Government is dreaming. How can we ensure that with this legislation there will indeed be a benefit to Canada?

An editorial appeared in *The Toronto Star* on December 9, 1984, which was entitled: "Steven's Short-Sighted Gamble". In a nutshell, that expresses my very serious concerns with

respect to Bill C-15. It is a gamble. We have everything to lose but very little to gain by this legislation.

The Foreign Investment Review Agency had some control over the type of investment which was coming into Canada. We could say no to investment which did not bring a significant benefit to Canadians. We could say no to investment which, for example, would result in foreign multi-nationals coming into Canada, taking over a competitor and then closing down the industry and returning to the United States. That would be a conceivable situation under Bill C-15. With FIRA, in order to obtain approval, the investor had to satisfy the Government that the investment would be of significant benefit to Canada. That significant benefit was determined on the basis of five factors which were specified in the legislation. However, Bill C-15 does not specify, articulate, undertake or give us any sense of direction with respect to what benefit means. FIRA provided an explanation for significant benefit. It outlined five factors. Foreign corporations which wished to come into Canada, to take over Canadians businesses or to establish new businesses, had to adhere to the five factors which would ensure that there would be significant benefit to Canada. Those factors ensured that there would be jobs and that the investment would be good for Canada.

I would like to outline the five factors. They are as follows:

(1) the effect of the investment on the level and nature of economic activity in Canada, including employment, resource processing and exports;

FIRA had here the requirement for a significant benefit in that area. The second criterion was:

(2) the degree and significance of Canadian participation in the business enterprise and in the industry sector to which the enterprise belongs;

(3) the effect on productivity, industrial efficiency, technological development, innovation and product variety in Canada;

(4) the effect on competition in Canada; and

(5) the compatibility of the investment with national industrial and economic policies, taking into consideration the industrial and economic policy objectives of the province(s) likely to be significantly affected by the investment.

FIRA articulated what was meant by significant investment. And who would argue, except perhaps Hon. Members opposite, that there should be significant benefit to Canadians and Canada as a result of that foreign investment?

● (1640)

It seems that the Conservative Party is simply bent on selling out our industries to other countries. FIRA was good legislation precisely because there was that review mechanism in the legislation so that we could ensure that any foreign investment was of significant benefit to Canadians. My hon. friends opposite would argue that it was bad legislation because it was an impediment to foreign investment. That argument is intellectually dishonest, Mr. Speaker, because, if Hon. Members opposite will check the record, they will find that the record clearly indicates that FIRA indeed was not an impediment to foreign investment. In fact, as Hon. Members opposite will know, the approval rate with respect to applications was fairly high. Since the inception of FIRA in 1974, there were approximately 6,000 applications, and 92.2 per cent of the applications received were approved. Between 1977 and 1982—and if you recall, Mr. Speaker, in 1982 there were changes to the FIRA legislation to streamline the review procedures—there was a greater percentage of applications. In fact, from 1982 to the present, 97 per cent of all applications were approved by the Foreign Investment Review Agency. That is a pretty damn good track record.

In closing, I would ask Hon. Members opposite to give this legislation second thought; at the very least, give some very serious consideration to the very good amendments which have been proposed by the Liberal Party. I was advised, Mr. Speaker, that notwithstanding that the Liberal Opposition—

The Acting Speaker (Mr. Charest): Order. I am sorry but the 10-minute period is over. We will resume debate.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, one of the observations which I believe should be made about this Investment Canada Bill, which should really be named "sell out Canada" or "give away Canada", is that this Government muzzled this Bill at second reading. When the Bill went into committee, it did exactly the same thing. This Government was not prepared to entertain any amendments—and there were over 50 amendments presented in the committee—to try to improve and tighten up this Bill because it is extremely "loosey-goosey". But in fact, Mr. Speaker, the Government is dedicated to not allowing any amendment whatsoever to this particular Bill. This Government, when it was in opposition and the Liberals pulled that sort of stunt, shouted and screamed. Those Hon. Members used all sorts of tactics, ringing bells, walking out, calling for votes, and so on. All sorts of games were played when the Conservatives felt very strongly about a particular piece of legislation. Of course, when the guillotine was imposed by the then Liberal Government, they all screamed blue murder.

Mr. Nystrom: Tory murder.

Mr. Rodriguez: Yes, blue murder, Tory murder. Now that we have a Conservative Government—

Mr. Taylor: Baloney!

Mr. Rodriguez: I would like to point out that the Hon. Member for Bow River (Mr. Taylor) is dressed in a red jacket.

Mr. Taylor: It hasn't got a hammer and sickle on it.

Mr. Rodriguez: I don't know what the lapel pins on his jacket are for, Mr. Speaker. I don't know what they are saying, but at least one looks to me like a sickle.

Mr. Taylor: I rise on a point of order, Mr. Speaker. I don't mind being called anything but a communist or a socialist. The buttons I wear represent the Canadian Legion. If the Hon. Member doesn't know what that is, it is for those who offered their lives for our country. The other is for the Triple E Senate. That means we want an elected Senate with equal representation. The other is a pin for the 4-H Club, which is an excellent farm organization. So the Hon. Member shouldn't make fun of some of the groups of this country.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: It has to be the tie clip, Mr. Speaker.

[*Translation*]

Mr. Rossi: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Member for Bourassa (Mr. Rossi) on a point of order.

Mr. Rossi: Mr. Speaker, I would like to indicate to the House that the Hon. Member opposite is using points of order wasting the precious time allowed to the Hon. Member who has the floor. I therefore suggest this should not be taken out of his time.

The Acting Speaker (Mr. Charest): Order, please. Speaking of precious time, I recognize the Hon. Member for Nickel Belt (Mr. Rodriguez).

[*English*]

Mr. Rodriguez: I hope that this time has not come off my ten minutes, Mr. Speaker. I wish the Hon. Member would get up and make his own speech instead of taking time out of my speech.

Now that the Conservatives are the Government, they are doing exactly the same thing for which they criticized the previous Government.

Mr. Taylor: Baloney!

Mr. Rodriguez: If the Hon. Member wants to make a speech, I don't mind. I will sit down if he wants to make a speech.

Mr. Taylor: Go ahead.

Mr. Rodriguez: I see that we have the Gong Show going on over there today.

What the Conservatives have done, Mr. Speaker, is exactly the same thing that they criticized the former Government for doing. They have suffocated debate. They have refused to accept even one reasoned amendment in committee. I think that is totally shameless. And those Hon. Members are barefaced enough to come and sit in this House of Commons and say, "Yes, that's what we intend to do". Might is right. That is the attitude they have taken, Mr. Speaker. What have those Hon. Members talked about in this House? They say they want to encourage Canadian investment. I want to cite one example of our not even being able to make those companies which operate in this country invest the money they earn from the resources of this country right here in Canada. I give the example of Falconbridge Nickel Mines Ltd.

Mr. Nunziata: Where is it?

Mr. Rodriguez: It is in Nickel Belt. Falconbridge Nickel Mines in the last few years has laid off 800 workers because Falconbridge claimed it was poor, that it was not doing very well and it had to lay off workers. Ever since that company came into the Sudbury basin, it has always sent its nickel matte to Norway to be refined. Indeed, I was talking to the former Member of Parliament, the Hon. Stanley Knowles, and he told me that the very first question he asked in this House of Commons in 1939 was put to Mackenzie King—

Mr. Prud'homme: It was 1940. He didn't come in in 1939.

Mr. Rodriguez: In 1940 the Hon. Stanley Knowles asked Mackenzie King about Falconbridge selling its nickel plate from its Norway plant to Nazi Germany at a time when we Canadians were at war with Nazi Germany. Here was a company who was mining its ore in Canada, refining it in Norway and selling the plate nickel to the Nazi navy. In fact, many Canadians lost their lives on the oceans of the world possibly because of ships armed with Canadian nickel plate.

I am happy to see the Hon. Member wearing a Legion pin in his lapel. But here is a company which strikes its breast and says, "We are good Canadians", yet it never established a refinery in the Sudbury basin. Now lo and behold it has an opportunity to go to Botswana to buy nickel, and it is going to ship that nickel matte to Norway to be refined. To do that it has to expand the capacity of the Norwegian plant and it wants to spend $41.5 million to do so. In the mining Act of Ontario there is a law that says Ontario resources must be refined in Canada. Section 104 of that Act says "except Falconbridge". That corporation was exempted because all the time Falconbridge had good friends in the Tory Party. It had some sort of leverage with the Conservative regime in Ontario and, lo and behold, Falconbridge got its way. It has found $41.5 million to expand a refinery in Norway to refine Canadian nickel, but is that in the best interests of Canada? Is that creating jobs for Canadians? I suggest to you that it had better learn how to invest in this country, and you do not need an Investment Canada Bill to get the corporation to do it. Not at all. What you need is simply to set out the goals and ground rules and the fact that since it has earned that $41.5 million on the backs of Canadian workers and from Canadian resources, therefore it should put that $41.5 million as a down-payment on building a refinery in the Sudbury basin. It is estimated that a new refinery for the Falconbridge operation in the Sudbury basin would cost around $125 million and the $41.5 million is a good down-payment.

● (1650)

We Canadians have an investment in Falconbridge. We allowed it to defer over the last two years some $150 million in taxes. That means it will never pay those taxes. It paid not a penny of corporate income tax last year and it will pay not a penny of corporate income tax this year, yet it has this $41.5 million.

I am glad to see Members opposite agree with what I am pointing out, Mr. Speaker. I am glad to see they have finally come to their senses, and if I am allowed an extension of time we can perhaps persuade all of them to come on board.

The Acting Speaker (Mr. Charest): Order.

Mr. Rodriguez: In conclusion, Mr. Speaker—

The Acting Speaker (Mr. Charest): No, no. With my deepest regrets, the 10-minute period is now over.

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, it is a pleasure indeed to address the proposed amendments to Bill C-15. Hon. Members from the Official Opposition and the New Democratic Party did realize as soon as the Minister introduced the Bill in this House and especially during consideration in committee, that the Minister had given little consideration to the representations made by the Official Opposition concerning the Bill now before us.

Mr. Speaker, the amendment brought forth by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), would introduce control provisions, with the very important purpose in my view of protecting the jobs of all Canadians.

An Hon. Member: Have you read it?

Mr. Rossi: I would like—Why don't you first shup up, you smart guy over there! That's enough! See that you defend Quebec when the time comes!

Mr. Speaker, I would like to suggest—if the fellow opposite will stop vomiting over there—that I find quite ridiculous the Minister bragging about job creation, when his Department accepted $200 million cuts, on orders from the President of the Treasury Board (Mr. de Cotret), the Member for Berthier-Maskinongé-Lanaudière.

Mr. Speaker, the only programs he did cut in his Department were those which had an actual impact in areas of high unemployment, even though this same Minister keeps repeating in this House that his Government will create jobs, jobs, more jobs.

Mrs. Mailly: Jobs!

Mr. Rossi: Jobs, jobs!

Mr. Prud'homme: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Charest): The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Mr. Speaker, I think the first one who should set an example in this House by listening now is the Government Assistant Whip (Mrs. Mailly) whether she agrees or not with the Hon. Member for Bourassa (Mr. Rossi). I agree his comments are debatable, but I would hope that she herself might see to it that the troops she is leading this afternoon have the courtesy of listening to the Hon. Member for Bourassa (Mr. Rossi), as we did some moments ago.

The Acting Speaker (Mr. Charest): The Assistant Whip (Mrs. Mailly).

Mrs. Mailly: Mr. Speaker, firstly, I think it is out of order to refer to the fact that any particular Member is present or absent from the House. Secondly, I would like to point out that I am not the Assistant Whip but the Government Deputy Whip.

Mr. Prud'homme: Mr. Speaker—

The Acting Speaker (Mr. Charest): No, no.

Mr. Prud'homme: I apologize to the Assistant Whip. I did not refer to her absence. I only expressed the wish she would ask her troops to shut up.

The Acting Speaker (Mr. Charest): Order, please, the Hon. Member for Bourassa (Mr. Rossi) has the floor.

Mr. Rossi: She is easy to spot, Mr. Speaker, because she does not behave like a deputy whip but rather like a whip.

An Hon. Member: Right on!

Mr. Rossi: Mr. Speaker, nonetheless, this same Minister should understand that jobs are actually created in Canada by those businesses that have survived numerous difficulties through the years, and he should also realize they are family businesses operating in the resource sector.

[*English*]

I think the Minister should reconsider proposals made by the Official Opposition in committee which were rejected by the Chairman of said committee. The Liberal proposals rejected by the Minister were to develop comprehensive information based on all sources of investment in Canada and on the differing factors which affect investment; work with the relevant federal and provincial Departments and agencies to develop a favourable climate for private investment; seek to co-ordinate public sector and private sector investment planning through consultation. Members opposite are always talking about consultation in this House. Another proposal was to act as a clearing house for information on investment incentives offered by all jurisdictions in Canada; promote by all manner of means the expansion of equity investment by individual Canadians.

[*Translation*]

Proposal (f), Mr. Speaker . . . I am sorry, I had so much more to say.

The Acting Speaker (Mr. Charest): Order. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Charest): Is there unanimous consent for the House to proceed to item No. 30?

Some Hon. Members: Agreed.

* * *

PARITY PRICES FOR FARM PRODUCTS ACT

MEASURE TO ENACT

Mr. Lorne Nystrom (Yorkton-Melville) moved that Bill C-215, an Act respecting parity prices for farm products be read the second time and referred to the Standing Committee on Agriculture.

He said: Mr. Speaker, Bill C-215 would establish a parity price for five different farm products that humans consume domestically in this country: wheat, oats and barley, pork and beef.

Parity price is defined in this Bill as a price based on the cost of production and a decent profit for the work that a farmer puts into producing his or her product. In the case of wheat, this would cover 8 per cent to 10 per cent of our production of wheat since that is what we consume domestically. A parity price might be $10 or $11 a bushel because that is what many farm economists estimate it would cost to produce a bushel of wheat for a decent return to the farmers of Canada.

This Bill would not impose anything on anyone. It indicates that before there is a parity price, there must be a democratic vote by the producers, whether hog producers or beef producers. If it is decided they do not want to follow this direction, there would not be a parity price, an agency or commission established in that particular field. The Bill is democratic and would give a guarantee to the farmers of this land for at least some of the products that they are producing.

Many groups in our society have guarantees. Trade unions are organized and often have cost of living allowances each year. Members of Parliament have a clause which provides an adjustment every year according to the cost of living. Many other people often have increases due to the cost of living increases. Doctors' fees, lawyers' fees and architects' fees are based on what it costs to run their offices, pay their staff and provide a good standard of living for themselves and their families in accordance with the work they do to provide their particular service.

My argument for this Bill is that farmers are no different. They need those guarantees for the products they produce, and if the farmers get that kind of guarantee it will not only be useful to farmers but indeed to all Canadians. The fact that a farmer will be able to spend more means that there will be jobs for young people in our towns and cities. The fact that he has more money to spend will stimulate the economy in places like Brantford where White Farm equipment is in trouble and Massey Ferguson produces their combines and other implements for use by all Canadian farmers.

My argument today is that this Bill is not only an agricultural Bill but is an economic Bill that will create jobs for many Canadians. It will also give farmers greater control over their destiny by providing a means of intervening in the market-place and having some direction over the price they will get for a particular commodity.

I want particularly to thank farmers for their support of this concept of parity pricing. I want to thank members of the Conservative and the Liberal Parties for the support they have given to the idea of parity pricing. Perhaps there can be an understanding later this afternoon to refer the subject matter of this Bill to the Agriculture Committee for study and public hearings so that the farmers of this country may give their input.

I am not wedded to all the details of this Bill. It is important to refer this Bill to the Agriculture Committee so that we may go through it clause by clause and consult the farmers of this country in order to have their opinion of parity pricing. What better way is there to consult the farmers of Canada than to have public hearings? The farm union, the Wheat Pool, the Canadian agricultural movement and all the other farm organizations and commodity groups, including UPA and others, can have some input into how they want to develop.

I say to Hon. Members who are not in favour of subsidies that the farmers who support this Bill have adopted a slogan which states "parity, not charity". They are not asking for charity or hand-outs.

This Bill does not provide for Government subsidies or spending. It merely stipulates that farmers should be getting a fair price from the market-place for the wheat, the oats, the barley, the hog or whatever commodity is involved. It is the market-place that will pay the farmer for that commodity.

Let me give some examples of parity pricing. Let us consider wheat that goes to the millers to make Canadian bread. If the price of wheat were increased by $5 a bushel, there would be a corresponding increase of only eight cents a loaf in the price of bread. I suggest that the extra eight cents a loaf for bread is a small price to pay to give farmers an extra $5 a bushel for the grain they are producing that goes into making that bread.

Another example concerns beer. There might be one or two Members in the House who drink beer once in a while. If the price of beer increased by 40 cents a dozen bottles, and that increase were passed on directly to the farmers, the price of malting barley would rise by $10 a bushel. Therefore, the farmer would get an extra $10 a bushel for malting barley as a result of a 40-cent increase per dozen bottles of beer. I could cite many other examples. The cost of processing and advertising the coupons that appear on cornflakes boxes is more than the farmer receives for the corn that goes into those cornflakes

boxes. This indicates that the farmer receives a very small part of the food dollar in this country.

I suggest that these examples show that a decent return and profit on the farmers' labour can be obtained without a great impact on food prices at the other end of the scale.

I urge the House to send this Bill to committee so that we may have a chance to consider this concept that is supported by an increasing number of farmers from all over Canada. According to the press, approximately three weeks ago over 500 farmers met in Essex County in Windsor in a meeting to support the idea of parity pricing. Last Monday, I was invited by a farm group to a meeting of over 200 farmers. At least 150 farmers showed up in the City of London in support of the idea of parity pricing.

This concept is gaining support because Canadian farmers need these guarantees in order to stay in business. Since so many others in our society have guarantees, farmers are asking why they as well should not get their fair share from the market-place. They are saying that if they get their fair share, therefore more money and a guaranteed product, they will be able to keep more young people on the farm, thereby expanding our rural communities and creating jobs in the cities for the people of Canada as well.

[*Translation*]

Furthermore, Mr. Speaker, I only hope that all Hon. Members in this House will support this Bill this afternoon. It is a legislation that is very important for Canadian farmers and for the Canadian people as a whole. It is about parity prices based on production costs plus a return for the work put in by Canadian farmers. This Bill deals with five farm products, that is: wheat, barley, oats, pork and beef.

Mr. Speaker, let us keep in mind that as the situation of Canadian farmers improves, things get better for everyone of us across the country, because the basis of our economy, the backbone of our economy is the agricultural sector which provides food for the Canadian people and peoples all over the world.

[*English*]

I urge the House not talk out this Bill. I understand that we can probably come to an agreement, and for that I sincerely thank my colleagues.

• (1710)

I thank the Minister of Agriculture (Mr. Wise) and the Member from Alberta who is about to rise and I thank my colleagues from the Liberal Party. I look forward to having public hearings on this so the farmers of Canada—and it is a farm Bill—can be consulted and can have their say over the direction in which they want this economy to go for themselves and for their children.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would like to start by congratulating my hon. friend from Yorkton-Melville (Mr. Nystrom) on raising the issue of price increases for farm producers in the House. I particularly appreciate what he said at the end of his speech, namely that if our farmers are in good shape, the rest of the economy is in pretty good shape too. It was refreshing to hear these words, especially from a Member of the Opposition. Before, we used to say: As long as housing starts are up, the economy is O.K. Now we can say the same about agriculture.

Mr. Speaker, this is a concern that I share with many Members of this House, and having a forward-looking agricultural industry and providing a decent return on the work and skills invested by farmers is essential to the vigour of our Canadian economy. I think all Members concerned about agriculture are aware of this.

However, although I agree with my hon. friend that his objective is a good one, the Bill he introduced today may not be the right answer at this time. In fact, Mr. Speaker, I hope that all Members of this House will realize the serious impact this Bill could have on the agricultural sector and the possibly unfortunate consequences it might have for our farmers and our external trade.

However, I think that the concept of guaranteeing farmers a decent return on their investment is certainly deserving of closer scrutiny. My friend the Hon. Member for Wetaskiwin (Mr. Schellenberger) will move later on to have the subject matter of this Bill referred to the Standing Committee on Agriculture. In fact, I think when my hon. friend spoke earlier he seemed to be agreeable to having the subject discussed in the agriculture committee.

The parity pricing concept seems an excellent idea. Its purpose is altogether admirable, namely to enable farmers to cover their production costs and make a decent profit. It is the very essence of our economic system. Would it not be marvelous if by adopting a Bill, we could make this dream come true? However, in the present context, things may not be as straightforward as all that.

[*English*]

I might add here that it was at the time when the European Economic Community moved to a system with very high domestic prices for its farmers similar to what is proposed in this Bill that its headaches with surpluses and subsidies began.

The United States has had a variety of experiences with parity pricing, some of it bad, some of it good. Yet even there, Mr. Speaker, the system is very different from the idea suggested in this legislation. The U.S. system attempts to affect farm prices so as to give producers the same purchasing power as against a certain historical period rather than relating them to costs of production.

I am particularly concerned, Mr. Speaker, about trying to make a cost-of-production pricing system work in Canada where we are so heavily dependent upon export markets. Exports account for nearly half of the Canadian net farm

income. It would be disastrous to try to isolate ourselves from world market conditions.

Only a very small percentage of our grain production is used domestically. The large bulk of it goes into world markets. We can all take off our hats to the success of the Canadian Wheat Board in penetrating those markets.

Export markets are also a significant factor in the red meat industry, although a more important factor in setting policies for beef and pork is the continental nature of those industries. Cattle particularly move back and forth across the border with the United States in response to market conditions, and any cattleman will tell you that it would be foolish to try to price cattle artificially without reference to the total North American market.

[*Translation*]

Mr. Speaker, the pork industry is a particularly good example of the potential impact of world markets. I am referring to a recent decision by the U.S. Government to levy temporary countervailing duties on our exports of live hogs and carcasses, because our American colleagues judge that the meager support enjoyed by Canadians under the Agricultural Stabilization Act gives them an undue advantage. We are all aware of this problem, which has been a serious concern for some weeks.

Mr. Speaker, the Bill before the House today concerns parity pricing for both cereal grains and livestock. One of my colleagues will elaborate further on the potential impact of parity pricing on the cereal grains sector, and meanwhile I intend to concentrate on the potential repercussions of this Bill on the red meat sector.

I think everyone will agree that marketing practices in the red meat sector could be improved. However, we must not forget that the majority of beef and pork producers have rejected outright any mechanisms for marketing stabilization. It is a very sensitive sector and we are all concerned about it, but the Government cannot afford to intervene in this sector every other day.

I am afraid the wording of the Bill might lead to some confusion. For instance, Clause 10(*a*) gives the impression that participation by producers in a parity pricing system like the one being proposed would be optional. Mr. Speaker, how can anyone seriously consider introducing a central beef or pork marketing system if producers can opt out or refuse to accept the provisions of this Bill? I do not see how that would work.

There is also a passage describing how the future beef marketing commission and pork marketing commission are supposed to operate. I think the powers and terms of reference of the members are too vague. I also fail to understand why farmers should have to wait five years before they are given the opportunity to express their views on the system through a vote. There should be a more flexible procedure and a more flexible system.

The basic principle of our agricultural policy in Canada has always been supply and demand. That principle, Mr. Speaker, is the keystone of our economy. You cannot ignore it without endangering and disrupting every sector of our economy. Even the national supply management bodies that were set up with respect to dairy products and farm products among others, at the urgent request of producers themselves and taking into account the unique conditions prevailing in those areas, are aware of the fluctuating nature of the food products markets and have therefore been provided with enough flexibility to protect the interests of the producers as well as the consumers. A recent example was the dairy sector where producers voluntarily agreed to reduce quotas. We must have a certain amount of flexibility every year, we cannot have everything planned several years ahead as it might have been possible in the past; that is no longer possible.

The idea of parity pricing, Mr. Speaker, seems to ignore market conditions and productivity variations. It assumes that identical conditions from one product to another, from one region to another, from one country to another, and between the agricultural and other economic sectors. We know, Mr. Speaker, that there is no such immutability. The tremendous development of the pork industry in Quebec and the increase in dairy production in spite of a reduction in the national dairy livestock are two examples showing how buoyant as well as unpredictable the agricultural sector has become.

Such unpredictability and instability are serious problems for the producers. But it would be most unfair for farmers to expect problems of that kind to be eliminated by implementing a rigid bureaucratic mechanism to bring prices in line with production costs. As a matter of fact, which production costs would serve as reference in such cases? Would it be those of the average producer, of the efficient producer? One could agree with production cost adjustment, but determination of such costs is by no means an easy endeavour. I suggest that all hon. members are aware of it.

The best government approach to any sector is to allow it to operate efficiently and productively within a sound policy. That is the kind of context this government is offering Canadian farmers.

The best guarantee that farmers will recover their production costs is to provide them with a dynamic economy that will instill in businessmen the confidence needed for them to achieve what they can do best. Since September 4th, we have been inspiring that kind of dynamism in our farming industry as well as in every other sector of the Canadian economy.

Bill C-215 could easily become a bureaucratic nightmare, limiting the freedom of action the agricultural community needs to develop, creating eventual headaches, and even disrupting our external trade.

• (1720)

[*English*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I should like to make a few comments on Bill C-215 and to join with the Hon. Member for Richmond-Wolfe (Mr. Tardif) who will also comment upon it. At the outset I should like to say that we agree with the intention of the proposer of this Bill that it should go forward to committee for study. It is a novel idea, one which certainly deserves examination by a parliamentary committee.

I remind the House that last June a similar Bill with many of the same ingredients was, by accord, sent to committee. For reasons and events upon which we no longer have to dwell, namely a federal election, it was not given proper examination. I regret that more time was not allowed for this Bill to be examined, in that the previous Government might have had time to present its case. In any event, that is history. The position we took when in government is the same one we adopt as the Official Opposition. It is an idea which is worth examining. We welcome the recommendations and representations of a number of agricultural groups in the country. They have presented this idea and have helped the Hon. Member for Yorkton-Melville (Mr. Nystrom) to put the concept together. I think this is a fine time for Parliament to have this opportunity.

Mr. Nystrom: It is exactly the same Bill.

Mr. Axworthy: Yes, I think it is the same Bill. However, I want to emphasize that no one should begin to believe that it is a panacea. Probably the mover of the Bill would be the first to agree that it is only a part of trying to deal with the real sense of panic which is developing in farm communities. It is reaching a point where it is no longer a matter of interest group politics or of people trying to gain some advantage for themselves. There is a deep fear in many farm communities that unless something is done to deal with the income problems they face, agriculture will be undermined. In part, that is what this Bill is designed to address.

What really is needed—and perhaps the initiative in this regard is more on the government side—is a companion piece of legislation to deal with what is happening in the international arena. There is no question in our mind that the breakdown of the international wheat agreement and the very strong threat posed by the United States and its new marketing practices will create even further developments that will force prices down. If that is the case, the cost price squeeze we have seen over the last decade will become even more extreme and the opportunity for farmers dealing in these basic commodities to find some way out of the morass will be absolutely damaged beyond repair.

I urge Hon. Members opposite to talk to their Ministers. Hopefully they will read the comments on this Bill and will see that it is a number one priority. Frankly, I was dismayed when I read the trade paper presented by the Minister for International Trade (Mr. Kelleher) and found virtually no reference to commodities. They are not part of the "trade consultations" which seem to be going on in Canada. It did not make reference to the fundamental issue of commodities, nor were they the subject of any debate or dialogue at the Quebec City Summit between the Prime Minister (Mr. Mulroney) and President Reagan. In fact, agricultural problems were not on the agenda. However, we know about the major change which is going on in the United States Department of Agriculture. It seems to me that if we are trying to establish a special relationship, certainly coming to some kind of meeting of minds with the U.S. administration on this issue is of prime importance. Without its support obviously no form of parity pricing or guaranteed pricing in the international arena will be possible.

We know the limitations of a Bill like this. It really only applies to domestic consumption, which represents a very small part of the actual production of farmers. I am not downgrading the importance of the Bill because of that, but when we consider how much of our commodities is in the export market, it is obviously time for a companion initiative to deal with the international agreement. I do not in any way deny the difficulty in that regard. We all know how difficult it would be. Agriculture being one of our primary exporting sector, we have to recognize that the pricing mechanism across the world, the so-called market system, is faltering. With new-found competition from many countries in Latin America, Southeast Asia and the European Common Market, it will be even more difficult for us to compete and sell. This matter really requires the attention of all Hon. Members of the House.

Obviously many other things could be said on this subject, but I wanted to leave some time so that my colleague could address the issue. He has a particular interest in that there are many pork and beef farmers in his area. On behalf of that vast array of Liberals in western Canada, we would certainly support the initiative of the Hon. Member for Yorkton-Melville. We are quite prepared to second any motion to refer the subject matter to committee.

• (1730)

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am quite pleased to take part in this debate and like my colleague, I support Bill C-215 aimed at providing and seeking justice which is so much needed in the agricultural industry.

Let me point out by the way that agriculture is quite important in my constituency. There are 2,000 farms, 51 per cent of which are dairy farms. They have gross revenues of some $100 million and their average size is 225 acres.

One cannot help but notice a number of vague points in Bill C-215. The drafting of the Bill should be improved and adjusted, but the proposal in itself seems quite good to me because it seeks to provide justice and a fair distribution in what I think is probably the most important industry, agriculture.

We must understand that agriculture is a very important industry, but it is basically entirely different from small businesses. We are often inclined, as the Hon. Members opposite are, to compare agriculture to a small business where productivity and competition are very important concepts.

I have to admit that as far as agriculture is concerned, both concepts are a basic aspect, except that we should never forget that our farmers are faced with entirely unpredictable restraints, the vagaries of nature being the first example that comes to mind. A farmer could very well be productive and adequately equipped, but if nature is not kind to him, his production will be seriously affected. Now if his production is reduced, a scarcity is created and the market reacts according to the law of supply and demand and this remains completely beyond the control of the farmer. That example shows that agriculture as such is quite different from small businesses.

Agriculture is also an industry where the rules of the game are not the same for everyone. Let me refer, for example, to the production of pork in Quebec. We produce an impressive volume of pork in Quebec according to a process probably unparalleled in other provinces. In fact, there is what is called an integrated system. Of course, integrators are usually large corporations which achieve their production through small businesses. It seems to me that something is rather unfair in that process, because integrators very often also sell grain or other products which the producer needs. Therefore, the hog producer and who pays his primary products at specified prices is treated unfairly compared to his neighbour who is free to buy his own products at a substantially lower price. This is another example of obvious unfairness.

There is as well the matter of international markets. How can our small farmers gain access to the world markets? We have had a good example recently when the American Government unilaterally decided to overtax or to tax in a totally unacceptable way the whole Quebec hog production. There again, all these factors contribute to the unfair treatment of farmers compared with almost all the other industries.

In addition, the agricultural producer is at the mercy of consumers and of markets, which are very uncertain. When a food product is too expensive to buy, there is an immediate shift to another product, with the resulting decline in the market and all the effects you can think of.

In the dairy sector, producers need to know in what direction they are going, they need to know the long term policy which the Department has developed and that the Minister has promised for August 1st next. All in all, agriculture is an industry of vital and crucial importance. Let me just illustrate that fact by saying that in a small riding like mine, more than 3,500 people are directly dependent on agriculture.

Agriculture is also important because all Canadians need a lively, dynamic and future-oriented agricultural sector. It is important for our foreign markets and, considering these elements, I think we all agree on the strategic importance of that industry. I believe that as a Parliament and as a Government, we must allow our farmers to operate under laws and regulations which give them an equal opportunity to gain access to those markets they need so much. Leaving the farmer to fight for himself seems dangerous to me because of all the obstacles he has to overcome.

I could go on like this for quite a while, but let me just ask you to consider the fact that it is impossible to compare a farm operation to a small business operation. The rules of the game are entirely different, farmers need rules they understand and which allow them to plan their crops in the best interest of the industry which, I repeat, is of strategic importance for the economy of my riding and the whole of Canada.

[*English*]

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I join this debate for two reasons. The first is a strong sense of concern which has come to me this past winter. Farmer after farmer in my constituency has come to speak about the extreme pressures, the crisis of credit, and the difficulty of making ends meet in one of the most productive agricultural constituencies in Canada. I speak too because I think, certainly in my constituency and in other parts of Canada as well, there is a sense of grass roots excitement and grass roots commitment to change, an approach to try to somehow give farming back the fair share which it deserves in our economy. It is a dynamism which has taken dramatic form in my constituency with the formation of a powerful and exciting group called Concerned Farmers of Essex County. It has brought hundreds of people together for a series of meetings to explore this concept of parity and to draw into a commitment to that concept not just those who are part of the organization itself, but those who are part of the broader Essex County Federation of Agriculture.

There is a sense that farmers in my constituency feel that we are finally asking the right questions when we ask how we can put a system of parity into place. They do not believe there is a simple answer to that question. They know that before succeeding in getting a price that covers their cost of production with a fair rate of return they will face serious problems because of the nature of the international economy and the difficulties of backlogs of credit with which many farmers now live. However, they have a sense that with this kind of concept and a commitment to the concept, it is possible that farmers may finally begin to get some optimism about the future. It is possible that the sons and daughters of our present farm families will finally have a sense of optimism with which they can look forward to the future.

There is a sense that in focusing on price, we are finally getting to the heart of the matter. In talking about the prices that commodities can earn, we are finally getting to the key side of the equation that affects farm households. It is important to deal with credit and the cost of credit. It is important to look at agri-bonds and tax issues, as has been done recently by the Committee on Finance, but it is even more crucial to focus on price.

The farmers in my constituency do not want something for nothing. They want the chance to earn a fair return for their work. That is why the system of parity pricing is something that they find exciting. It gives them a sense of optimism about the future.

The Bill in front of us introduced by my colleague, the Hon. Member for Yorkton-Melville (Mr. Nystrom), sets forth the concept. It does it in the context of western Canadian agriculture, quite frankly. People in my constituency have said that there are commodities which need to be dealt with, such as soybeans and corn which are covered by this Bill. That is a case for getting this Bill to committee and getting the committee to travel across the country to hear representations from farmers in eastern Canada as well as in western Canada. We can give those farmers a chance to grapple with this question themselves, the question of how to get the fair pricing or parity pricing that will give those farmers a future.

• (1740)

I support the concerned farmers of Essex County as strongly as I possibly can and I will continue to do so. I stress the point I made to them in a speech I gave a few weeks ago, and that is that this is not a partisan issue, it is an issue of justice for our farming community. This Bill will take us one step further in the right direction and I hope we can take that step here today.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, it is always a pleasure for me to intercede in a debate on agriculture. I do not believe there is anyone in the House who does not recognize the importance to a country of a strong basis in agriculture. I do not believe there is anyone in the House who does not recognize that in many areas of our agricultural industries today there are serious problems. That is why when Members put their minds to looking for ways to assist agriculture, no one should rise in the House and say that those ideas should not be explored.

On that basis, I commend the Hon. Member for Yorkton-Melville (Mr. Nystrom) for bringing forward a Bill that gives us an idea as to how we can address the difficulties that face farmers in our country today. I do not happen to agree with everything that is in the piece of legislation brought forward by the Hon. Member, but I am sure Hon. Members of the House will not happen to agree with all of the ideas I may put forward as to how we ought to progress in order to assist agriculture.

The point that ought to be made is that we as private Members—and we are dealing with Private Members' Hour—have the right and the duty to put ideas forward to Parliament for consideration. If those ideas are right and we can convince the Cabinet that they are right, then the Cabinet ought to put them into law so they can assist the farmers. But how can we do that?

The best method that is available to us as private Members is the committee system. Committees have the ability to seek the best advice in the country on a subject matter and committees are not limited to getting ideas from within 10 miles of Ottawa. All too often we forget that all the ideas for solving a problem are not to be found within this institution and its hallowed halls or glass towers. We must seek the advice of the people who elect us. In this case, we must seek the advice of the farmers of the nation and of those who work with the farmers' produce. We must work with them to see whether or not the ideas put forward in this legislation are the right ones. If they are not the right ideas, we must have compromises and other ideas put forward for the committee to review and put before the House.

In my opinion, the Government has been helpful to the agricultural industry from the time of its election to this point. Agriculture has been given a great deal of attention by this House. When the cost of production is higher than the price received for that produce, cutting the cost of production is a simple idea and one the Government can move quickly to address. We have seen such things as the fuel price subsidy and the quick movement on the Western Grain Stabilization Act which gave farmers an interim payment. I phoned my brother today to see whether or not we got our interim payment. We did, and it is a welcome surprise. Those kinds of things will assist farmers and will assist them quickly.

As mentioned by my colleagues in the House, there are other problems to be faced. There are international problems of tariffs and duties that are put on products when we get involved in internal subsidies in an attempt to solve problems. There is also a difficulty in accessing markets for our produce.

Something that has always concerned me is that there are so many people in this world who need the food we produce in this country but do not have the money to buy it. As a result, we are in competition with two or three other nations which have the same capacity to produce food but have access to the same few countries in the world that can afford to buy our products. Therefore we find such things as those in which the European Community is now involved, such as high subsidies for exports for products and production, or those in which the Americans are involved, such as extensive credit to gain access to markets for their products. They are all in competition with us and we here in Canada with our small Treasury must use our goodwill or the tremendous capacity of our farmers to become more and more efficient and to be price competitive in order to gain access to world markets.

I would now like to deal with the Bill that is before us. As was mentioned by a number of Members, parity is not a new idea. I can remember when the price of oil started to rise. A suggestion was made to me that it had always seemed to be that the price of a bushel of wheat was equal to the price of a barrel of oil. There was a feeling that we should raise the price of a bushel of wheat to the same price that was being paid for a barrel of oil. Of course, that got to be ridiculous as oil prices rose to $36 a barrel. However, the feeling existed that the two commodities should be worth the same.

We are trying to determine in our own mind what a bushel of wheat, a steer or a hog should be worth. When a commission is put in place to make that determination, problems arise immediately. There are difficulties with those farmers who are

more efficient than others or who just happen to get up earlier in the morning and work harder. That is the case in a number of industries and not just in agriculture. There is the difficulty of how to reward those who take advantage of everything that is available to them and those who work hard.

Mr. Nystrom: Just like politics, too.

Mr. Schellenberger: Exactly. Second, how do we put into this formula the use or development of new technology? Third, how do we set this price when we are attempting to gain access to international markets in the area of red meats and grain, something which must be done?

The Bill suggests that we set up commissions in two or three areas in order to do these things. Basically, the only way to do that is to control production. We have done that in a number of industries and it has worked. The dairy industry and the various feather industries have been able to control production and keep their prices at such a level that they receive adequate return for their work. By creating those boards, we are giving other people in the country who wish to farm fewer options regarding what they can produce. If we now begin to control production of hogs and cattle without getting into subsidies, then we offer the rest of the farmers fewer options. They are then locked into the production of horticultural products or grain. That is one difficulty we must recognize.

Instead of having the consumer pay the difference, we can have the Government pay the difference through the concept of subsidies. We all know the difficulties and what can happen in that case.

● (1750)

For a bushel of barley, a farmer in the European community now receives more from the Government than I receive from the Canadian Wheat Board when I deliver a bushel of barley. The European farmer receives more at the beginning from the Government. Canadian farmers must compete with that farmer to access international markets. The same is true in the production of other grain commodities. If we look at the European community and the commodities, by subsidization, which they are compelled to store because they have no market for them, we find warehouse after warehouse of butter and skim milk powder. We now have 850,000 metric tons of surplus beef in storage in the European community. That is a whole year's production in Canada, and it is growing. Is it any wonder that this community, with export subsidies, has attempted to access more and more markets in the world to get rid of the problem? There is a problem, no one can argue that. In 1980 and in previous years, they had no access to our market. In 1981, we bought 2.7 million pounds, in 1982 we bought 7.7 million pounds, in 1983 we bought 14.8 million pounds, and last year we bought 50 million pounds.

The European community is moving into the market through price. That has dropped the price which our farmers receive for their animals in Canada. Obviously, if a restaurant owner can buy cheaper meat, he will do that because it will mean more profit to him. He is not necessarily concerned about where he gets that meat.

Canada has been lax in past years in dealing with the problem of access to our market. Other countries would never have accepted what we have accepted. Other countries utilized GATT arrangements, tariffs and non-tariff barriers to protect their producers. But Canada as a trading nation tries to be as fair as possible so that other countries can take advantage of the products which we push into their market. The European community is now saying that if we do not give access to their beef they will put tariffs on our blueberries, honey, rye whiskey and other commodities. It is almost blackmail that we are experiencing.

Members of the House have ideas. Those ideas must fit into Canada's need to produce sufficient food for our own needs and those of the markets which we supply around the world. No one can argue that there is a need in Canada for the large amount of foreign capital which is gained because of the sale of our agricultural commodities. It is in the billions of dollars. In the grain industry alone it is $6 billion. Then there is the access to all the other commodities which we have in the world.

I have put forward the suggestion that we might reach out to the consumers of Canada to assist them in our domestic consumption. It is not a new idea. We could have a two-price wheat program in which we would ask the people who purchase flour products—breads, muffins, cakes and cookies—to pay more for the price of wheat which goes into the domestic production. That money could go to the wheat farmers. The difficulty with that is the bread which comes across the border. But I think we could deal with that, and I do not think our competitors in the United States would argue if such a program were brought in. Instead of putting a tariff on flour or wheat, we would put the tariff on breads, muffins and cakes. Instead of placing the tariff at the beginning, it would be placed at the end. It would be a retail tariff which would go directly to the farmers. A tariff of two cents on a loaf of bread would mean 40 cents a bushel to farmers on the Prairies. With the amount which we in Canada consume, 40 cents a bushel could mean the difference between bankruptcy and continuing production for a lot of farmers in western Canada.

If that concept could work for bread, why could we not implement it for beef, pork, soya beans, vegetables and fruits which are consumed domestically? I do not think it is beyond our imagination for such a program to be implemented. I have expressed that thought, and I assume that there are problems with it, as there are problems with Bill C-215, but when the subject of how we can get more money into the hands of farmers is put before the Standing Committee on Agriculture for study, then we might also put forward ideas such as these. Perhaps we would not accept everything which is put forward in this Bill, but there are some good ideas in it. I would like the committee to pursue my idea about a retail tariff which would go directly to the farmer. We might deal also with better stabilization programs for farmers, or bilateral arrangements with competitors. We know that approximately five countries

in the world have 75 per cent or 80 per cent of the world's suprlus in food, particularly grains. Why do those countries compete so well with the countries which must buy the grains—such as the communist countries and certain others—when we are selling our grains below the Canadian farmers' cost of production? It is no different in the United States, Argentina or Australia than it is in Canada. As well, I believe that the old international wheat agreements should not be discounted. Perhaps we as Members should pursue that with Members of Parliament from other countries or with U.S. Congressmen to find out if there are answers.

Various provinces are attempting to assist through subsidies, which has created some difficulty with pork in the U.S. market. Perhaps we might attempt to deal with better stabilization on a national basis which would not interfere with export markets.

It is very easy to get wound up when talking about agriculture. I come from a rural riding and my family has farmed for over 100 years. I know the difficulties, but it is not my intention to talk out this motion. It is my intention to move the following motion:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-215, an Act respecting parity prices for farm products, be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Agriculture."

I believe that the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) indicated that he was prepared to second the motion.

Mr. Axworthy: Yes.

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

Some Hon. Members: Agreed.

Amendment agreed to.

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

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

The Acting Speaker (Mr. Charest): Accordingly, the Order is discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Agriculture.

Order discharged and Bill withdrawn.

[*Translation*]

The Acting Speaker (Mr. Charest): Order! Private Member's Hour has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

MINES AND MINING—EXPANSION OF FALCONBRIDGE REFINERY IN NORWAY. (B) GRANTING OF EXPORT LICENCES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, on April 3. I raised a question with the Minister of State for Mines (Mr. Layton) having to do with Falconbridge Nickel Mines Ltd. building a refinery in the Sudbury Basin. I asked the Minister if he was aware that Falconbridge had announced that it was going to spend $41.5 million to expand its refinery in Norway because it was buying Botswana nickel matte and it had to expand the refinery to process this new nickel matte from Botswana.

Since Falconbridge began operations in the Sudbury Basin in the early 1940s, it has always refined its nickel matte in Norway. We in the Sudbury Basin have always demanded that Falconbridge should build a refinery to refine Canadian ore where it is mined. We felt that was a good principle. If one mines ore in Canada then it should be refined in Canada.

Eventually, Mr. Speaker, in 1975, after we started to experience all sorts of downturns in the mining industry in the Sudbury Basin, the Ontario Conservative Government belatedly attempted to save face in the matter and amended its mining act. That mining act said that Ontario resources should be refined in Canada. We would have liked it to specify Ontario but we agreed that the ore should at least be refined in Canada.

Section 104 of the mining act was then passed which exempted Falconbridge from that rule. Falconbridge in Ontario, therefore, is the only mining company which is allowed to ship its resources in a semi-processed state offshore to have it refined.

In the last two years Falconbridge has reduced its work force from 2700 workers to 1900 workers. We have lost 800 jobs in that company alone. The company itself has not been doing any development of new mines in the Sudbury Basin. In fact, it has been importing from abroad a lot of scrap metal and has been smelting out the nickel from that scrap metal. This does not create any employment for our people.

Falconbridge has now announced that because Amex has pulled out of its consortium in Botswana, it is moving in to buy the nickel matte from Botswana and is going to ship that nickel matte to Norway for refining. To do that it has to spend $41.5 million to expand the refinery in Norway. It seems to me the logical and the kind of patriotic thing Falconbridge would want to do, if they have $41.5 million, is use that money as a down payment in order to finally build a refinery in the

Sudbury Basin to refine Canadian ore. Let the Norwegian plant refine the Botswana ore.

To me, Mr. Speaker, this decision flies in the face of what we have been discussing in committee and in this House with respect to Bill C-15. Surely the surplus earned through the labour of Canadian workers and Canadian resources should be plowed back into Canada. Falconbridge should build a refinery and at least hire back the employees who lost their jobs. Not only do we Canadians have a vested interest in that we lose employment opportunities when we ship out the semi-processed ore, but we have allowed Falconbridge to defer $150 million of federal corporate tax in the last two years. Last year it paid no corporate income tax at all and it paid none the year before. I have nothing against that, but at some point in time we have to receive a benefit from that company. Where is that benefit?

We have said that Falconbridge should build a refinery in the Sudbury Basin. Falconbridge made the decision to expand the refinery in Norway. They have been saying they are going to spend $70 million in the Sudbury Basin next year. Well, that includes the payroll. They have not spent any money on development of new mines in the last two years and here is an opportunity for the Government. I asked the Minister to do that. I asked him to contact the leadership of Falconbridge to impress upon them that now is the time to put the $41.5 million toward the building of a new refinery. We understand it will cost in the vicinity of $125 million to $147 million, and $41.5 million as a good down payment to make. We could look at participation by the federal and provincial Governments in building that refinery in the Sudbury Basin. I asked the Minister to do that and he said he would look into the matter and report later.

• (1805)

Mr. F. Oberle (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, I am pleased to respond to the Hon. Member for Nickel Belt (Mr. Rodriguez). He raises a very interesting matter, one which is of concern to all Canadians, that we are from time to time shipping semi-processed raw materials to other parts of the world for further refinement. That is not something engaged in solely by Falconbridge or the mineral industry. Our forest industry and many other parts of the primary resource sector are often accused of the same sin.

One should ask immediately why a company like Falconbridge, which has such an exemplary record, would build a refinery in Norway in the first place. The Hon. Member for Nickel Belt may not know it, but the reason was that Inco had developed a refining process that was then state of the art, still is for that matter, and had the North American patents. In order for Falconbridge to get its ore refined, they would either have to make a deal with Inco or go somewhere else to build a refinery. That is why the refinery was built in Norway in 1928 to 1930, and they have been refining ore there ever since.

It is quite true that this patent protection just recently expired and it would now be possible for Falconbridge to build a refinery in Canada. However, the Hon. Member is from the Socialist Party and I want to just put to him this proposition. It is one thing to impose on or intrude in corporate decision-making in the manner which the NDP would prescribe. To impose export limits on natural resources would be one way of doing that. Indeed, we are doing it where the Canadian interest is involved, for reasons of security of supply. In the oil sector there are very strict Government rules concerning exports. But surely the Hon. Member knows that there is no shortage of nickel in Canada; nor are there any security reasons for which the Government would in any way feel justified in imposing such restrictions. It is, as I said, one thing to do that, but it is quite another thing when you have to sell these materials.

Let me just tell the Hon. Member that Canada purchases only 5.1 per cent of the total production of Falconbridge, including some product from the Dominican Republic. The rest is sold all over the world. Only 7.1 per cent of the Norway refined product finds its way back to Canada. As well, there are some very significant trade advantages to Falconbridge because the Norway refinery's product goes into the markets of the European Economic Community without trade restrictions. That is a very distinct advantage.

The Acting Speaker (Mr. Charest): Order.

• (1810)

[*Translation*]

RAILWAYS (A) CN LAYOFFS. (B) TRANSFER OF RESPONSIBILITY FOR CN EMPLOYEES TRANSFERABLE TO VIA RAIL

Hon. André Ouellet (Papineau): Mr. Speaker, on February 26 last, I asked the Minister of Transport (Mr. Mazankowski) to pay particular attention to the fact that CN workers would be transferred to VIA Rail, and that the decision which had just been announced by the Progressive Conservative Government to allow VIA Rail to do its own car repair and maintainance was likely to be a source of great concern for some 3,000 rail workers in Canada. I asked the Minister to assure the House that no Canadian National worker who had been working for several years, seven, eight years, for VIA Rail, would be affected by this new decision of the Government. The Minister of Transport told me at that time that a deal between the parties would be made about those CN workers who would be transferred to VIA Rail, and that negotiations were under way, and I quote:

—I understand they are proceeding very smoothly and satisfactorily.

However, reminding him of the responsibility of the Government in this decision, I asked the Minister, to take a closer look to ensure that the whole thing would be done without any layoffs. I quote him again as he told me:

—as I previously indicated, the negotiations are taking place very smoothly between VIA Rail and the respective unions. I can assure the Hon. Member that a deal will be resolved which will be satisfactory to both parties concerned.

On March 21, I had to repeat my question to the Minister of Transport reminding him of what he had said on February 26 and to tell him that unfortunately some 474 CN workers had just been laid off in spite of the assurances the Minister of Transport had tried to give us previously. However, the answer of the Minister of Transport was completely unsatisfactory. He said this, and I quote:

—I remind him that it is not the Government which has laid off 474 workers; it is the management of CN—

As if those layoffs were not the responsibility of the Minister of Transport who decided to allow VIA Rail to do its own rolling stock maintenance whereas it had been done since 1977 either by Canadian National workers, or in some cases by Canadian Pacific workers, which ensured stable employment.

The Minister goes even a little further in his answer; he said the following, taking into consideration however the representations I was making, and I quote:

I have asked the President of CN to ensure that all matters relating to labour adjustment, early retirement, and all such things will be taken into consideration so that the impact is not severe.

Now, Mr. Speaker, I must say that today, in April, not only do the layoffs still stand but there are threats of more layoffs and no hope of job creation at either the CN or VIA Rail to hire back laid-off employees.

In other words, the decision by the Progressive Conservative Government had planned the construction of four maintenance has destabilized employment which had become permanent and an important source of income for many years for hundreds of rail workers.

I understand that the Parliamentary Secretary to the Minister is the one who will answer me in a few moments. He comes from Halifax himself. He will know that in order to create jobs in every part of this country and in order to help CN or CP employees to get another job with VIA Rail, the previous Government had planned the construction of four maitenance centres: one in Halifax, home of the parliamentary secretary, one in Montreal, one in Toronto and one in Winnipeg. Yet the Government went ahead with the Toronto project only, and the Progressive Conservatives have told us that the three other maintenance centres that would create employment and allow those laid-off employees to get a job either in Halifax, Montreal or Winnipeg have not been accepted by their Government. I hope that in his answer the Parliamentary Secretary will be able to give good news to at least those laid-off workers in Montreal and maybe to some others in his riding of Halifax.

• (1815)

[*English*]

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the distinguished former Minister employs a touch of sophistry in his argument, and I will forgive him for that. The former Minister's own Party was part and parcel of ready acceptance of an amendment moved by the present Minister of Transport (Mr. Mazankowski) with respect to Crown corporations acting in contemplation of good business practices.

Canadian National has been experiencing a decline in freight since last November. Let me advise the Hon. Member, because I am sure he is concerned and I know he is very serious in his comments, that Canadian National, which last year posted a record $51 million profit in the first quarter, has now posted a net loss of $23.6 million for the same period in 1985. The rate of decline has reached 5 per cent and is worsening. That is not good news. Coal traffic has fallen 12 per cent. Grain traffic which, as the Hon. Member knows, represents more than 20 per cent of Canadian National's workload is down 18 per cent from the volume moved in the same period last year. The company is now forecasting that grain traffic will decline as much as 30 per cent.

It should come, therefore, as no surprise that the company responding to directives of this Parliament and to a measure that was part of the policy and programs of the previous Government is making adjustments to offset the decline in revenues and to prevent the outlook for net income from deteriorating still further during the coming year. That is a direct result of our direction to them, to act in contemplation of profit, to act in a sense of good business practices. Essentially, Mr. Speaker, these cutbacks in manpower are a result of not simply layoffs following the declining traffic but the result of productivity gains obtained through technological change and rearrangement or deferment of some planned programs, all of which was done in consultation with the unions and management involved.

The layoffs announced by CN in its Atlantic, St. Lawrence, Prairie and Great Lakes regions which total 474 persons were made in specific accordance with agreements between the company and the unions affected. These agreements allow full advantage to be taken of transfers, complete with relocation assistance and the exercise of seniority. Job security provisions when combined with unemployment insurance benefits enable employees affected to retain up to 80 per cent of their salary.

The number of weeks during which an employee might enjoy these benefits is affected by the number of years of employment with the railway, but it does ease the adverse affects of this very very serious decline in railway traffic, a decline that we hope the economy will be able to adjust to and reverse in the months ahead under the leadership that we now have.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.21 p.m.

HOUSE OF COMMONS

Friday, April 26, 1985

The House met at 11 a.m.

• (1110)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

HEALTH

SEIZURE OF PRODUCTS FROM HEALTH FOOD STORES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, like other Hon. Members, in the past few weeks I have received over 150 letters protesting the heavy-handed actions by the Health Protection Branch of the Department of National Health and Welfare in seizing, without warning, a number of products from the shelves of health food stores.

Some years ago the Health and Welfare Ministry learned about the falsification of tests on a variety of toxic pesticides at the IDT laboratories in the United States. These products, approved for use in Canada before the truth was learned, were allowed to remain in use while new tests were conducted. As a result, some chemicals found their way into the Canadian ecosystem. At least any harm from the use of botanical products accrues solely to the individual choosing to use them.

My constituents protest the loss, not only of access to products they find effective, but also of their freedom of action. Many question whether the move was initiated by members of the medical and pharmaceutical professions who see the health food industry as cutting in on their profits. Surely all of us can agree that health food products must be adequately labelled showing recommended quantity and duration of use. Careful labelling is a better answer than removal of the product from the shelves.

• (1115)

ORAL QUESTION PERIOD

[*Translation*]

TRADE

SURPLUS WITH UNITED STATES—REQUEST FOR DETAILS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister and the Deputy Prime Minister, my question is directed to the Minister of Finance. It is reported that the U.S. Secretary of the Treasury, Mr. James Baker, said that at the next economic summit to be held in Bonn from May 2 to May 4—in other words, very shortly—the U.S. Government will pressure Canada to reduce its annual trade surplus with the United States. How can the Minister reconcile these comments by his U.S. counterpart with the joint statement made by the United States and Canada at the Quebec summit a few weeks ago, according to which there would be a movement towards freer exchanges between both countries?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if I could try to interpret the statement by the Secretary of the Treasury, I think he is saying that Canada has a very major trade surplus with the United States which he would like to see reduced, for obvious reasons. What I have pointed out to the Secretary is that we have a very heavy deficit on the service account, interest dividends, transportation and tourism, and that that almost offsets the other. He has said that he would like to see some change in that. We will be discussing that again in Bonn.

REQUEST THAT MINISTER CONTINUE EDUCATION PROCESS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that of course does not jibe with the movement toward freer trade, if that is the position of this Government and the United States.

The Minister of Finance was apparently reported yesterday as saying that for the Bonn Summit, the Canadian Government is in complete harmony with the American position, yet the U.S. Secretary of the Treasury is looking toward a reduction in our surplus. He knows as well as I do that balancing the service and the trade account is a complicated matter, particularly if it is going to be controlled rather than by moving in a freer fashion. Any reduction in that trade surplus will hit automobiles, the forest sector, and our steel sector. When the Minister of Finance accompanies the Prime Minister to Bonn, will he continue the education process with his colleague, the Secretary of the Treasury, so that he understands the composition a little more clearly than he appears to at present?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to point out to the Right Hon. Leader of the Opposition that I do not see that there is a connection between what Mr. Baker said and the discussions that we had in Quebec City on the question of U.S.-Canada trade into the future. He is referring to a specific situation in 1984 and continuing into 1985. The other point that I would like to

make is that there is no suggestion in what Mr. Baker said that he is looking for us to try to control in any hands-on way the trade flows between Canada and the United States.

Mr. Turner (Vancouver Quadra): I hope the Minister bears that in mind when he meets Mr. Baker in Bonn.

* * *

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE—INVITATION TO PARTICIPATE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to direct my third question to the Deputy Prime Minister. The Secretary of State for External Affairs is reported to have said that Canada will not be asking the United States for any further information at Bonn on the star wars research program. Would the Deputy Prime Minister consult with the Prime Minister to ask him why we would not use—I see I am not going to get an answer from the Deputy Prime Minister in any event. However, why would he not use this occasion to seek a clarification from the American Government on what participation it seeks from Canada in the $26-billion research program known as the Strategic Defence Initiative?

● (1120)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this seems to be the day for the Leader of the Oppositon to go fishing. The answer today, as it was yesterday, is that we see no reason at all to duplicate the work of a public servant. When we give someone a job to do, we let that person do it. When the information returns to Cabinet, Cabinet will make the policy decisions and communicate them to the House of Commons.

* * *

[*Translation*]

TRADE

IMPACT OF FREE TRADE AGREEMENT WITH UNITED STATES

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in the absence of the Minister for International Trade, my question is directed to the Minister of Finance.

Yesterday, Canada's Minister for International Trade and the Ontario Industry Minister both admitted that studies had yet to be made or completed with respect to the potential impact on Canadian industry of a free trade agreement with the United States. My question is as follows: Could the Minister of Finance explain to the House why the Minister for International Trade and the Government support the idea of signing a free trade agreement with the United States without first obtaining a study of the impact on industry and the jobs that might be affected, and also the impact on our exports, such as pork, sugar and possibly lumber and public transit equipment? Why is this kind of agreement being suggested without a study being made?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, perhaps I could answer the question of the Hon. Member. He uses the term "free trade". I want to assure him that there has not been any suggestion of signing any agreement or working out an agreement for free trade such as he is suggesting. We have, of course, indicated that we would like to work toward securing and enhancing our trading relationship with the United States.

[*Translation*]

EUROPEAN STANCE—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have a supplementary.

Mr. Speaker, I suggest that the Minister of Regional Industrial Expansion read what the Minister of International Trade said yesterday in Toronto.

I would like to get back to the Minister of Finance on trade with the United States. One of the major causes of our trade surplus is, of course, the strong American dollar. Since the Minister is going to Bonn with the Prime Minister, could he inform the House whether the Canadian Government intends to support the European position that only a drop in interest rates in the United States will restore some measure of balance to the monetary situation and thus remove the pressure on trade surpluses as well as the pressure being brought to bear by a number of American industries to have their Government impose barriers that would restric international trade with the United States?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it would be favourable to the Canadian economy, and to all economies, if interest rates were to come down. One thing which has resulted in some distortions in trade flows as they affect Canada has been the strength of the U.S. dollar. We would welcome some decline in the level of the U.S. dollar, as the Secretary of the Treasury himself said yesterday. I do not see any inconsistencies in the positions taken by the European countries and the position taken by Canada.

* * *

ATOMIC ENERGY CONTROL BOARD

BOARD NOMINEE—OATH OF SECRECY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Deputy Prime Minister. Perhaps he could inform the House how it was possible for the Government to decide late last week that Dr. Ursula Franklin's appointment to the Atomic Energy Control Board should not

be proceeded with on the grounds that she was questioning the implications of the oath of secrecy, when the information with regard to her questions about the oath of secrecy was not available until Tuesday of this week?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, by the calendar, today is April 26. The letter which was received from Dr. Franklin is dated April 22 and was not received until April 24. That, coupled with the reservation which she raises herself in her letter, as explained by the Prime Minister yesterday, should sufficiently answer the Hon. Member's question.

● (1125)

TIMING OF DECISION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, it might sufficiently answer a question, but it has nothing to do with my question.

I would like to ask the Deputy Prime Minister again. It has been reported, both by PMO officials and by Ministry of Energy, Mines and Resources officials, from the Ministers' offices, that the decision not to appoint Dr. Franklin was made late last week on the grounds that she had indicated that she wanted further clarification with regard to the implication of the oath of secrecy. However, she wrote to the Government on Monday of this week seeking the clarification. In her letter she wrote:

> May I stress that I am not looking for private dispensation from the secrecy provisions but for a clarification of the relationship of the Board to the public.

How could the Cabinet make the decision last week, based on her questioning of the oath, when the Cabinet was not aware that she was questioning the oath until Tuesday of this week?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is quite simple. In the first place the Hon. Member's question infers that a decision has been made. It has not. Second, we are not going to be holding up an appointment because of the existence of the statutory requirement with respect to the oath of secrecy and the possible need for a review of that. But our original information came to the Government from someone who was personally known to Dr. Franklin, who expressed those reservations.

GOVERNMENT POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, may I ask the Deputy Prime Minister is it normal practice that hearsay from other people would be taken as sufficient evidence not to make an appointment which already had been indicated was about to be made? Is it the position of the Government that it should have taken the word of someone who may have known Dr. Franklin, rather than asking Dr. Franklin herself?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Government operated on the basis of the best information which was available at the time. That best information indicated—which was subsequently borne out by Dr. Franklin's letter—that she had serious reservations with respect to taking the oath of secrecy. That was in the letter itself. Since that time there has been communication with Dr. Franklin with respect to the administrative problem in the appointment, and Dr. Franklin has accepted our apologies for any inconvenience which may have been caused by that.

* * *

THE ADMINISTRATION

EMPLOYMENT OF MINISTERIAL AIDE

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I would like to give the Deputy Prime Minister the opportunity to distinguish himself during this Question Period.

Mr. Hnatyshyn: Ask the question.

Mr. Johnston: During this debate, his seat-mate, the Minister of Finance, has admitted that he allowed someone who was on the payroll of a Toronto advertising firm to work unsupervised in his office, that he did not sign a conflict of interest statement, and shortly after his departure, within days, an agency of the Department of Finance received an advertising contract worth $234,000. Would the Deputy Prime Minister agree that this is, at best, shabby administrative practice, and that the public expects and is entitled to higher standards from the Government?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, what I find shabby, on this side now, is hearing that kind of question from a member of the former Government whose ranks were riddled with conflict of interest throughout his term and well beyond that into the dim recesses of history. That is what I find shabby.

For the Hon. Member to suggest that the gentleman was working unsupervised is unworthy of him. Certainly he was under the very capable guidance of a Minister whose integrity, in the view of all of us, cannot be questioned.

Some Hon. Members: Hear, hear!

DOUGLAS ROBSON—LENGTH OF EMPLOYMENT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I would like to set the record straight. I do not question the Minister's integrity—

Some Hon. Members: Hear, hear!

● (1130)

[*Translation*]

Mr. Johnston: —that is not how we operate.

[*English*]

The Minister himself has told the House, I think quite openly and candidly, that he was terribly busy, that he was in Washington and that he did not have time to set up his office, hence he appointed this individual who, presumably, was not supervised; otherwise the Minister would not have needed his help.

The Deputy Prime Minister remembers very well that we have had volunteers before in service. We had $1 a year men.

Mr. Clark (Yellowhead): Order.

Mr. Johnston: This Government is now introducing volunteers—

Mr. Speaker: Order, please. With great respect, it is time for a question.

Mr. Hnatyshyn: Would you repeat the punch line? It wasn't funny.

Mr. Johnston: Yes, $244,000 a month men. I repeat the punch line for the benefit of the Government House Leader.

Could the Minister of Finance set the record straight by telling us exactly what these administrative functions were which were conducted by Mr. Robson? And what was the period of service? When did he actually begin and when did he leave the office of the Minister?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it clear that my chief of staff was supervising Mr. Robson throughout the whole period during which he was in my office. The two of them were working together to staff the office, to get the office set up in as quick a time as we possibly could, because I had the major responsibility of presenting an economic statement early in the month of November. Mr. Robson was in my office from, I believe, September 17 or September 18, shortly after the swearing in, and he continued roughly until the end of October.

* * *

AIR CANADA

EFFECT OF HIRING PART-TIME WORKERS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Transport. The Minister is aware that there is an impending work stoppage at Air Canada this Sunday morning, and that the basis of the dispute is Air Canada's insistence on increasing the percentage of part-time workers in its work force to 45 per cent of the total. That will have the effect of decreasing the number of full-time jobs, which are basically jobs for women. This is a matter of policy, and I wonder if the Government will direct Air Canada to stop its insistence on drastically increasing the number of part-time workers at the expense of full-time jobs?

Ms. Mitchell: Hear, hear!

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the negotiations between Air Canada and the unions are currently taking place right now. There was a new offer, I understand, put on the table by Air Canada last evening. The negotiations continued up until 12.30 a.m. this morning. They are back at the bargaining table again as of now. I think it would be inappropriate, Mr. Speaker, for me to comment further since it could very well be implied as interfering with the collective bargaining process.

EMPLOYMENT OF WOMEN—POLICY INQUIRY

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is directed to the same Minister. The fact is that the union has turned down the latest offer on the grounds that there is no real job security offered in Air Canada's position. Again I ask the Minister, as a matter of government policy and its control over Crown Corporations, is the Government going to allow Air Canada to destroy thousands of full-time jobs? Is it going to be government policy to allow that to happen to women workers?

Ms. Mitchell: What about employment equity?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, without agreeing with the preamble of the Hon. Member's question, I repeat, Air Canada, I think, has an excellent policy with regard to the employment of women. In fact there has been a substantial increase in the number of women at the management level. I disagree totally with the Hon. Member when he suggests that Air Canada is trying to hire part-time workers at the expense of full-time permanent workers. In fact, I think laid on the table is a very generous offer respecting job security. Beyond that, Mr. Speaker, I think it would be inappropriate for me to comment further.

* * *

THE ADMINISTRATION

RESIGNATION OF FORMER DEFENCE MINISTER

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question was to be directed to the Prime Minister but in his absence I will have the pleasure of directing it to the Deputy Prime Minister, and I hope for the best for an answer. Yesterday the Prime Minister informed this House for the first time that he asked for the resignation of the former Minister of National Defence. But on February 13 in this House, in response to a question put by the Hon. Member for Hamilton Mountain, the Secretary of State for External Affairs said: "Mr. Speaker, just so that the facts might be absolutely clear, the resignation of the former Minister of National Defence was offered by that Member of Parliament". Who is telling the truth, the Secretary of State for External Affairs or the Prime Minister?

Mr. Clark (Yellowhead): Both.

An Hon. Member: It's a slow day.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): It must be a slow day. I really cannot understand what the Hon. Member is trying to prove. I see no inconsistency with what has been said. I was a witness, and I think the Hon. Member was in the House at that time and he witnessed the resignation, sadly, of the former Minister of National Defence. It was announced in the House by the former Minister.

Mr. Nunziata: Was he or wasn't he fired?

Mr. Nielsen: As far as I am concerned, surely all Hon. Members in the House can take that as compelling evidence of the origination of the resignation by the Minister himself, as sad an occasion as that was.

Mr. Guilbault (Saint-Jacques): So much for clarity.

Mr. Hopkins: So much for clarity. The Deputy Prime Minister knows very well that is normal procedure. It's behind the scenes that we want to know what went on.

Some Hon. Members: Oh, oh!

Mr. Forrestall: Come on over, Len.

REASON FOR RESIGNATION

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Many Canadians are still asking why the former Minister resigned. The Prime Minister said he did nothing wrong. The Secretary of State for External Affairs said he was not asked for his resignation. The Prime Minister said he was asked for his resignation. The Prime Minister said there was no breach of security, that he is an honourable man—and I agree—and that he did not breach any conflict of interest, and on and on it goes.

Some Hon. Members: Question.

Mr. Hopkins: Why then did he resign? I ask again who is telling the truth, the Secretary of State for External Affairs or the Prime Minister? Stop stonewalling.

Mr. Clark (Yellowhead): What nonsense.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I always make the utmost endeavour to answer all questions with that degree of clarity—

Mr. Nunziata: You had better go to confession tomorrow, Erik.

Mr. Nielsen: —which the clarity of the question itself requires. As far as the reason for the resignation is concerned, Hon. Members of this House have that reason from the lips of the former Minister himself. Surely the Hon. Member could adopt the longstanding tradition of this House and accept the word of the Minister who resigned on that very regrettable occasion.

EXTERNAL AFFAIRS

UNITED STATES—PRESIDENT'S VISIT TO GERMANY

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the Prime Minister's close ties with President Ronald Reagan, will the Government urge the President to cancel his proposed visit to the cemetery for the SS troops?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, in view of the Government's regard for the sovereignty and sovereign decisions of other countries, we will leave decisions about United States policy to be taken by the administration of the United States.

REQUEST FOR RECONSIDERATION

Mr. Dan Heap (Spadina): Mr. Speaker, considering Prime Minister Margaret Thatcher's recent statement of disagreement with the President's decision, will the Secretary of State for External Affairs suggest to the Prime Minister that it would be an act of friendship if the Prime Minister would telephone President Reagan and urge him to reconsider?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the suggestion comes from the Hon. Member to the Government of the United States, I doubt that it could be interpreted as an act of friendship.

* * *

ADMINISTRATION OF JUSTICE

ENFORCEMENT OF YOUNG OFFENDERS ACT

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Acting Solicitor General. The police chief of Metropolitan Toronto, Jack Marks, has recently indicated his great concern about the Young Offenders Act. Among other concerns, he stated that his force's hands are tied in dealing with some 300 cases involving arson, theft, assault, and sexual assault, because the suspects are under 12 years of age. He has asked for a review of the Young Offenders Act. Would the Acting Solicitor General indicate to the House whether he would be prepared to have a review such as is called for by the chief?

● (1140)

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I appreciate the question. I am informed by officials of the Department of the Solicitor General that they are in fact very closely monitoring the operation of the new law. I might point out that the police may deal with the age group referred to by the chief under the provisions of the provincial child welfare legislation and other relevant provincial laws. There are vehicles and devices available to the law enforcement agencies.

I want to reassure the Hon. Member that this is clearly a new departure that has been taken. The Solicitor General and his departmental officials are paying very close attention to the operation of the law.

* * *

THE ADMINISTRATION

RESIGNATION OF FORMER DEFENCE MINISTER

Mr. Speaker: The Hon. Member for Humber-Port au Port-St. Barbe.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am all tied up here.

Some Hon. Members: Hear, hear!

An Hon. Member: We've known that for years.

Mr. Tobin: Wave the hounds down, Mr. Speaker. My question is directed to the Secretary of State for External Affairs. In addressing the question I am reminded of the old mother saying: "Oh, what a tangled web we weave, when first we practise to deceive!"

We just saw the Secretary of State for External Affairs shaking his head, "no", when he heard himself being quoted by my colleague with respect to his comments as to the initiation of the resignation of the Minister of National Defence. We just heard the Deputy Prime Minister contradict the statement the Prime Minister made yesterday.

Some Hon. Members: Order.

Some Hon. Members: Question.

Mr. Tobin: I am coming to the question, gentlemen. I advise the Secretary of State for External Affairs to check *Hansard* of the days he was questioned, February 14 and 15. Was the Minister indicating to the House that the Minister of National Defence had submitted his own resignation, or is he telling us now that he agrees with what the Prime Minister said yesterday, that in fact the resignation was solicited?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I was intending to say to the House on those dates what I said to the House on those dates. That is entirely consistent with what the Prime Minister of Canada has said.

Mr. Tobin: Mr. Speaker, you would need a road-map to follow the logic that is being expressed opposite. You would have to do mental gymnastics to try to stay in touch with the convoluted answers we are getting. We are not sure what the Minister intended to say. I do not think he is sure any more.

Some Hon. Members: Order.

Mr. Speaker: Order, please. Order. Wednesday becomes Friday this week. A supplementary question, please.

MINISTER'S REPLIES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): My question to the Minister of External Affairs could not be any clearer. Two days following the resignation of the Minister of National Defence, on February 14 and 15, in response to specific questions by the Member for Hamilton Mountain, the Secretary of State for External Affairs said that the Minister had resigned of his own volition, that he jumped rather than being pushed. I am now asking whether the Secretary of State agrees with the Prime Minister that he was pushed. More importantly, as *The Globe and Mail* says—

An Hon. Member: Tear it up.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. Order. I think we have had the question put.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is my regretful conclusion that the Hon. Member is beyond help.

Some Hon. Members: Hear, hear!

* * *

INDUSTRY

TAKEOVER OF WORTHINGTON CANADA BY DRESSER INDUSTRIES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Earlier this year the Cabinet approved the takeover of Worthington Canada in Brantford by the huge U.S. multinational, Dresser Industries of Dallas, Texas. Would the Minister tell the House what undertakings were received from Dresser Industries to expand jobs in Brantford as a result of this takeover?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member is well aware, it is not customary to reflect on, or certainly to reveal, what undertakings may have been given at the time of a clearance or other approval such as he has referred to.

DRESSER INDUSTRIES' LAY-OFF POLICY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, is the Minister aware of the corporate policy of Dresser as expressed by its chairman, John James, in 1982, at which time he said:

> Since I came here as chairman we've made an effort to keep our U.S. plants fully loaded, while keeping any necessary lay-offs primarily in foreign plants.

Did the Minister receive undertakings from Dresser that it would not apply this philosophy to the Worthington plant in Brantford? Did he get assurances that the jobs in the plant in Brantford would be protected?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as you will well understand, the answer to the second question is the same as the first.

* * *

ADMINISTRATION OF JUSTICE

YOUNG OFFENDERS ACT—COMPENSATION FOR VANDALISM

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, my question is directed to the Acting Solicitor General. It is with regard to the young offenders legislation. There is considerable public concern that, while the Act devolves total responsibility on the young people, because they are young, particularly in cases of vandalism, they cannot be held accountable. They have no way of making restitution. Would the department consider re-opening an examination of the Bill to allow for joint responsibility between the young people and parents, as opposed to vicarious responsibility? In that way those who suffer damages as a result of vandalism could get restitution.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I know that the Hon. Member for Surrey-White Rock-North Delta has long had an interest in this very important matter. He put forward some amendments in committee with respect to vicarious responsibility by parents.

As the Hon. Member will know, because of the criminal context, the issue of co-responsibility and vicarious responsibility is a complicated subject. I can assure the Hon. Member, by virtue of the fact that he has an interest in this and is making a representation, that the Solicitor General and his officials will give serious consideration to that particular initiative. I appreciate very much the constructive suggestions coming forward from that Member.

* * *

[*Translation*]

THE ADMINISTRATION

APPOINTMENT OF MR. BUD SHERMAN TO CRTC—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Government House Leader. The Prime Minister and his Government had promised to set up a parliamentary committee that would be responsible for reviewing major appointments made by the Government. As so many promises, this one has not been kept, so far. Many Canadians have objected to the appointment of Mr. Bud Sherman, a former Conservative candidate who was defeated in the last election. Mr. Sherman was appointed, as the House is aware, to the CRTC. It is also common knowledge that Mr. Sherman is well known for his comments on federal bilingualism—

[*English*]

On January 23, 1983, Mr. Sherman spoke in the Manitoba Legislature about "federal style bilingualism". At that time he said that "it has damaged the economy, has damaged the nation's social harmony, has damaged the Armed Forces, has damaged their jobs and their career advancement opportunities, very, very severely in many instances, to ensure the re-election of the Party at hand".

Will the Minister keep his word and his Government's commitment, and ask that Mr. Sherman appear before the Committee on Official Languages to justify his position and to make all Canadians aware of his stand so that we know what kind of people are being appointed?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I think the Prime Minister has addressed the matter with respect to Mr. Sherman. He has indicated that it is that kind of question which caused the representation of the Liberal Party in Quebec to drop like a stone in the last election, that kind of divisive approach to this whole important issue.

Mr. Sherman was not talking about the issue of bilingualism as a principle but the way in which the Liberal Government introduced it and attempted to implement it in the country. That was a disgrace.

As far as confirmation and other hearings are concerned, as the Hon. Member well knows, this matter is under consideration by the parliamentary task force on reform. We are waiting with great interest for the recommendations of that particular task force to come forward, to provide the guidelines and the method by which important appointments may in fact be made. The Hon. Member will know that this Government will act on those recommendations.

• (1150)

[*Translation*]

ESTABLISHMENT OF PARLIAMENTARY COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the Minister should ask the opinion of his colleagues from Quebec. It might be quite an education for him.

[*English*]

Will the Minister confirm that indeed his Government has not named the committee to review and assess the nominations of people to important positions basically because up to now the Government has named over 1,200 people and it wants to cater to all the Tory hacks in the country before giving Parliament the responsibility of evaluating nominations?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I suppose I must take the premise of the question seriously because it comes from a representative of a Party that is well briefed in terms of hacks and patronage over the course of the last years. All I can say is that the premise is wrong.

The fact of the matter is that the distinguished Member for St. John's East and his committee, consisting of Members

from the Liberal Party and the New Democratic Party, are in fact taking these matters under serious consideration.

We want to make sure that there is a proper role for parliamentarians in the examination of important—

Mr. Gauthier: Do it now.

Mr. Hnatyshyn: We will be awaiting the recommendations of this committee. I can assure you, Mr. Speaker, that the Hon. Member will be pleased with the results of that particular recommendation.

* * *

RAILWAYS

GRAIN AND FLOUR FREIGHT SUBSIDIES

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is directed to the Minister of Transport. Is the Government or his Department reviewing the freight rate subsidies on grain and flour to Atlantic ports, namely, the At and East rates, with a view to reducing or removing the subsidies?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the issue to which the Hon. Member refers of course would require a legislative change. A number of suggestions have been made that the At and East rate proposal should be reviewed for the most advantageous cost benefit analysis. Of course that is being done, but at the present time there are no contemplated legislative changes that are currently being considered or drafted.

REQUEST THAT SUBSIDIES BE RETAINED

Mr. Les Benjamin (Regina West): I do not particularly like people who say "I told you so", but when we were discussing the Crown rate Bill and I had access to a Cabinet document, and the intention of the Government for the long term was to remove the Government from under any and all transportation subsidies.

In view of the fact that the At and East rates keep ports like Halifax and St. John competitive on the export market, provide millions of dollars of revenue for those ports and hundreds of jobs, and help western grain producers' export sales, will the Minister assure the House that the At and East rates on grain and flour through the Atlantic ports will in fact be retained?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, first the Hon. Member refers to Cabinet documents. He is accustomed to having Cabinet documents that are usually two years old, so I really would not comment further on that.

With regard to the importance of the At and East rates, I recognize, as I am sure do all other Hon. Members, the importance of the At and East rates and certainly that will be taken into consideration.

I believe that history will show that this Member and this Party took a very strong stand in support of the retention of the At and East rates, and he should not forget that. He is not the great samaritan on that particular issue.

* * *

EMPLOYMENT

CHALLENGE '85—SIZE OF RESPONSE

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Minister of Labour as Acting Minister of Employment and Immigration. In spite of the fact that NDP and Liberal Members predicted the failure of the Challenge '85 Program, I am swamped with applications in Bow River. Is this same strong endorsement of Challenge '85 apparent in other constituencies?

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I would like to answer my hon. friend's question, in the absence of the Minister of Employment and Immigration.

Mr. Nystrom: It is a hard one.

Mrs. Champagne: Not at all, and I shall be delighted to answer it, Mr. Speaker, if I may.

If we consider the SEED program which aims to develop experience on the job, we expected to create 73,000 jobs but have now received requests for 173,000.

[*English*]

Mr. Speaker: Thank you. Order. I think that is enough of an announcement at this time.

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ROYAL CANADIAN MOUNTED POLICE

PREMIER'S TRIAL—INTERNAL INVESTIGATION

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to—

An Hon. Member: Squeak it out.

Mr. Nunziata: As a Member of Parliament I have a right to ask questions in the House, and I would appreciate it if Hon. Members would stop insulting me while I am asking my questions.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Tough.

An Hon. Member: Go get a rattle.

Mr. Nunziata: Hon. Members opposite may throw insults and hum and haw, but the Canadian public wants answers to questions.

My question is directed to the Deputy Prime Minister. It concerns the MacKay-Hatfield affair.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Mr. Sleaze and Slime.

Mr. Speaker: Order, please.

Mr. Nunziata: Mr. Speaker, Canadians are patiently waiting for answers concerning the Solicitor General's inexcusable behaviour in this matter, and the very serious allegations by Premier Hatfield concerning a so-called RCMP conspiracy to overthrow his Government. Why did the RCMP want to investigate my involvement in the MacKay-Hatfield matter when they did not investigate the Solicitor General's involvement, and did not investigate or interview Premier Hatfield? I would like to know whether the Government instructed the RCMP to investigate my involvement?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have no knowledge of any investigation or investigations that the RCMP might be conducting into any particular circumstance or circumstances affecting the Hon. Member.

REQUEST THAT REPORT BE TABLED

Mr. John Nunziata (York South-Weston): Mr. Speaker, we are advised that the internal RCMP report is now in the hands of the Solicitor General. The Solicitor General has steadfastly refused to give us his undertaking to make that report public.

In view of the fact that the Solicitor General's ability to decide objectively whether or not to release the report is impaired by his own implication in the matter, will the Deputy Prime Minister order the Solicitor General to table the report in the House of Commons so that Canadians can have answers to the questions, or is it the intention of the Government to hide the report and keep it secret because it is a source of embarrassment to the Government?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I can assure the Hon. Member, and all Members of the House, that we will not be pursuing the kind of practices that were pursued by the previous administration with respect to openness and providing full information to the House of Commons.

With respect to this particular report, I can only repeat the answers I have given in the past in response to that same question which has been repeatedly put to myself, the Solicitor General, and other members of the Government. When the report has been reviewed by the Solicitor General he will bring an objective value judgment to bear on the report.

Mr. Turner (Vancouver Quadra): Unedited?

Mr. Nielsen: The Leader of the Opposition is heckling across the aisle "unedited". Surely he would agree that one of the first responsibilities of the Minister is precisely as I described it, and then to inform the House what the decision is.

* * *

MARINE SAFETY

WEST COAST WEATHER REPORTING SERVICE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Minister of the Environment. Yesterday afternoon, the Pacific halibut fleet was caught by a sudden storm in Hecate Strait. Winds that had been forecast for 30 miles an hour blew up to 70. Eight boats sent out distress calls. I understand two boats are known to have sunk. Their crews were rescued. Two other boats, I understand, are still missing, along with their crews.

● (1200)

Has the Government increased personnel and weather reporting stations in accordance with a report submitted by her Ministry last fall after five fishermen lost their lives off northern Vancouver Island in a similar storm?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, we are most certainly concerned about the accident reported on the West Coast, but I have yet to receive all the details.

To answer the Hon. Member's question, we have improved our services, as I said we would, in accordance with the recommendations of the LeBlond Report.

[*English*]

Mr. Speaker: A very short supplementary for the Hon. Member for Cowichan-Malahat-The Islands.

REQUEST FOR PUBLIC INVESTIGATION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my supplementary question is for the Minister of Transport. Considering the tragic loss of life in this and other situations, will the Minister order a complete, full, and public investigation of all aspects of marine safety on the Pacific Coast, including weather reporting, and the availability and co-ordination of search and rescue facilities?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I will take that as a representation.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, April 25, 1985, meet the requirements of the Standing Orders as to form.

PRIVILEGE

ALLEGED INTERFERENCE WITH PRIVILEGES OF MEMBER

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I rise on a question of privilege. During the Question Period the privileges of the Member for Humber-Port au Port-St. Barbe (Mr. Tobin) were, in my opinion, interfered with.

An Hon. Member: Can't he speak for himself?

Mr. Gauthier: During the time that he was recognized and was asking questions the Hon. Member was interfered with by the Hon. Member for Guelph (Mr. Winegard), who came behind him and dropped a sheaf of paper over the notes of the Hon. Member for Humber-Port au Port-St. Barbe, thereby interfering directly with the train of thought of the Member, directly interfering with his access to his desk which is his seat, his place, and thereby interfering, in my view, with his privilege to put a question to the Government in a way he feels appropriate. I would like to have the Hon. Member apologize at this time or we will have an issue of some consequence regarding his privileges.

Mr. William C. Winegard (Guelph): Mr. Speaker, I rise on the same question of privilege. I would be happy to apologize to the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin). I thought I was helping because I thought he was working up to another instance of throwing paper—

Some Hon. Members: Oh, oh!

Mr. Gauthier: Apologize.

Mr. Nunziata: Damn well apologize.

Mr. Winegard: —in what I call the usual "funny farm hour". If I interfered with him in any way, I am, of course, pleased to apologize.

Some Hon. Members: Hear, hear!

Mr. Nunziata: Never try that again.

Mr. Winegard: Mr. Speaker, I have just been threatened by a member of the rat pack—

Mr. Speaker: Order.

An Hon. Member: The chief rat.

Mr. Speaker: I have to observe my obligations to all of my duties. Perhaps I should ask that we leave this whole matter right here.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

EXPROPRIATION OF PRIVATE PROPERTY

Mr. W. R. Bud Jardine (Northumberland-Miramichi): Mr. Speaker, I have the honour to present a petition from a group of residents from the Miramichi region which deals with the expropriation of private property at the Nordin rifle range. In the petition they express concern about the Department of National Defence's intention to expand the rifle range. They have asked me to convey to the House, with this petition, their objections to the planned expansion and expropriation of land. I do so and submit this petition on their behalf.

CALL FOR RETENTION OF CANAGREX

Mr. George Henderson (Egmont): Mr. Speaker, I have the honour to present to the House a petition on behalf of Prince Edward Island farmers who wish to voice their concern over this Government's decision to abolish Canagrex. They ask that Canagrex be reinstated so that it may get on with the job that it was proving it was capable of and designed to do.

* * *

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO AMEND

Hon. Don Mazankowski (Minister of Transport) moved for leave to introduce Bill C-44, an Act to amend the Western Grain Transportation Act.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 297.

[*Text*]

PULLORUM/TYPHOID ERADICATION PROGRAM

Question No. 297—**Mr. Althouse:**

1. For 1984-85, what was the cost to the taxpayer of the Pullorum Testing Program conducted through the Department of Agriculture?

2. What is the expected cost for 1985-86?

3. In 1984-85 how many birds were declared to be carrying pullorum and how many were tested?

4. Is the program one that will be paid for by users and, if so (a) what will be the fee (b) will the fee remain compulsory for all exhibitors at fairs, exhibitions and poultry shows?

5. How long will the program continue?

Hon. John Wise (Minister of Agriculture): 1. The cost for the Pullorum/Typhoid Eradication Program conducted through Agriculture Canada was $81,259. Compensation paid under the program was $3,457.

2. For 1985-86, the cost is expected to be $41,847 and $2,500 for compensation.

3. During 1984, 62,146 game and exhibition birds were tested, 297 reacted serologically, two of which were culture positive.

4. No charge was made for testing in 1984. No charge is being considered in the future since testing of exhibition birds will be phased out.

5. Certain parts of the program will continue indefinitely to meet import certification demands of countries.

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions be allowed to stand?

[*English*]

Mr. Nickerson: Mr. Speaker, might I ask the Parliamentary Secretary when we might expect a reply to Question No. 86 which was asked on November 15, 1984, dealing with the removal of PCBs from old DEW line sites in the Northwest Territory?

Mr. Dick: Mr. Speaker, I am very pleased to inform the Hon. Member that so far we have answered 65.7 per cent of all questions put and we will be answering that one soon.

[*Translation*]

Mr. Speaker: Shall the remaining question stand?

Some Hon. Members: Agreed.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NON-CONFIDENCE MOTION—GOVERNMENT ADVERTISING

Mr. Ian Deans (Hamilton Mountain) moved:

That, in the opinion of this House, the granting of an untendered contract to the brother-in-law of the present Minister of Finance by the Government of Canada is an unacceptable action.

He said: Mr. Speaker, I rise to speak to this motion mainly because it was impossible for us during the course of a number of Question Periods and the questioning that went on therein to elicit from the Prime Minister (Mr. Mulroney) an indication as to whether he believed the action taken by the now Minister of Supply and Services (Mr. Andre) with regard to the granting of a contract to the brother-in-law of the present Minister of Finance (Mr. Wilson) is an action that is acceptable in the eyes of the Prime Minister and, therefore, acceptable in the mind of the Government.

We tried on numerous occasions to have the Prime Minister answer a relatively simple question. The question was this, and I want to put it on the record so that anyone watching, listening, or perhaps at some future date reading the events of the last week will be able to understand what is in fact the question to which we have been trying to get an answer.

On April 24 I rose in my place during the Question Period and said the following; as reported at page 4057 of *Hansard:*

Mr. Speaker, my question is also directed to the Prime Minister. Does the Prime Minister believe that it is appropriate for the relative of a Cabinet Minister to receive benefits from an untendered contract?

On that day the Prime Minister refused even to get to his feet to respond to the question. In fact, the question was answered by the Minister of Supply and Services. Let me put on the record now what his answer was:

Mr. Speaker, I have tried to explain to members of the New Democratic Party on at least five or six occasions the nature of the advertising agency business in this country. I repeat that we selected Lawson Murray because it is known to us. It has our trust because it is an expert in this field. The firm demonstrated the wisdom of our decision by coming up with savings of at least a half million dollars a year, and I repeat, I will always sign those kinds of contracts.

● (1210)

I put that on the record because I think any clear thinking individual would appreciate that that answer, interesting though it is, was not an answer to the question I asked. It bore no relationship to the question I asked. It did not address the question of the appropriateness of the granting of an untendered—and I emphasize and underline untendered—contract to a relative of a Minister of the Crown.

That question is fundamental to the system in which we operate. I therefore rose again and said on that same day, as reported at page 4057 of *Hansard:*

Mr. Speaker, my supplementary question is directed to the Prime Minister. Is it the opinion of the Prime Minister that it is appropriate for the relative of a Cabinet Minister to receive benefit from an untendered contract with the Government?

I sat down and I waited. The Prime Minister twitched but did not quite make it to his feet. The Minister of Supply and Services rose, and between some interjections said: "The guidelines indicate . . .", "Because . . ." and:

> Mr. Speaker, as Minister of Supply and Services I am responsible for contracting for some $7 billion worth of goods and services each year—
>
> As the Minister responsible, it is up to me to ensure that all guidelines respecting conflict of interest are satisfied. I assured myself that all guidelines were satisfied. I repeat, I think it was a great contract. I would do it again tomorrow if the opportunity came up.

Again I point out that no one was asking whether the firm in question was competent, capable or able to undertake good and valuable work on behalf of the people of Canada. Therefore, the answer given again by the Minister of Supply and Services, since the Prime Minister refused to answer, was not the answer to the question to which we were attempting to get an answer.

I went away and I thought: How can I ask this question so that the Prime Minister will understand it? Maybe there is a barrier between his seat and mine which makes it difficult for him to comprehend fully the nature of the English language that I use. I went back, I sat down and I thought: How will I ask the question? I came to the conclusion from a number of discussions that I held that the way to ask the question was in fact the way I had asked the question, that there could be no simpler way. I had not used very large words. I had tried to get them into some sort of grammatical acceptability. Then I rose on the following day, on April 25, and as reported at page 4108 of *Hansard* I said to the Prime Minister:

> Mr. Speaker, my question is directed to the Prime Minister. It is the question I asked yesterday to which I did not receive a reply. Does the Prime Minister believe that it is appropriate for a relative of a Cabinet Minister to receive benefit from an untendered contract with the Government?

This time the Prime Minister heard me. I could tell because his eyes lit up, and he rose ever so slowly to his feet. He looked across the floor with a small smile at the corner of his lip and he said:

> Mr. Speaker, I indicated to the Member yesterday—

Well, that was the first mistake, because the truth of it is that he did not indicate anything to me "yesterday". He had refused to answer the day before. I quietly, as is always my practice, leaned forward in my seat and I said:

> You didn't answer me yesterday.

He looked across, lowered his glasses somewhat in the fashion I am doing now, and he said:

> If not to the Hon. Member, then to one of his colleagues, surely. I indicated that at the earliest possible moment—and they are in the process of being completed now—in both instances, with regard to the conduct of Cabinet Ministers as Ministers of the Crown, and with regard to tendering procedures and granting of contracts, we would bring in new guidelines with new degrees of severity. I think those guidelines will be of service to the House and will be very, very frugal in regard to taxpayers' dollars.

I want to tell you, Mr. Speaker, that that was a nice answer and no doubt would have been very suitable had there been a question addressed with regard to that particular problem. But that was not the question, as you well know, Sir. The question was quite different. So I said to the Prime Minister:

> —I am delighted to hear that—

And I am. I continued:

> —but it is not the answer to my question. My question is quite simple. Does the Prime Minister believe that it is appropriate for a relative of a Cabinet Minister to receive the benefit of an untendered contract with the Government of Canada?

There were certain Hon. Members who, picking up on the nuances, together said: "Untendered", and the Prime Minister responded:

> Mr. Speaker, you have a situation where a Canadian citizen tenders to the Government or—

"Tenders to the Government"; that was his second mistake. There is a problem here in communicating across the floor of the House. He continued:

> —services are made available to the Government of Canada and public servants, pursuant to objective criteria, make a determination. I suppose that you may have a question as to whether the relatives of anyone in this House at any time can have any association with the Government, and it is a question which will be considered in the guidelines. But I think my hon. friend, in asking the question, which perhaps inadvertently casts aspersions on an agency should recognize that a half a million dollars a year of the taxpayers' money has been saved because of that and I think Canadian taxpayers are delighted.

I put that on the record to show that in spite of the simplicity of the question, it seems to be impossible to get an answer from the Prime Minister. It was not a complicated question. It was not even double-barrelled. It had no preamble, neither did it have any reference to anything to do with guidelines. It made no reference to the public service. It made no reference to the benefits which flow to Canadian taxpayers. All it did was ask: Is it appropriate for a relative of a Cabinet Minister to receive the benefit from an untendered contract with the Government of Canada?

I believe the public of Canada has the right to know the answer to that question. I want to make something perfectly clear. I do not object to businesses having a relationship with the Government of Canada, provided that that relationship is arm's length and provided that any benefit which flows from that relationship should come from the proper tendering process. If it so happens that in one of those businesses there happens to be a relative of a government member or a Cabinet Minister, I do not object to that. I do not expect everyone immediately to leave every line of work simply because one of their relatives gets elected to the Government. I do not expect that everyone who happens to have a relative in Cabinet should be refused the opportunity to participate in the business of the nation. I do not suggest that that should be the case. I do suggest, however, that it should only be done in circumstances in which there is an open bidding and tendering arrangement and, if that company with that relative should win the tender, it should do so on the basis of whether it is the lowest price providing the highest service. That is all we are asking; that is all we ever asked. What aggravates me and what aggravates other people outside is that there has been no such response from the Government to deal with that question. That is what is wrong.

The Prime Minister tells us that he is going to bring about new guidelines, but let me put to you, Mr. Speaker, that nobody is asking for new guidelines. I do not mind if they bring in new guidelines. What in effect the Prime Minister is saying is that the old guidelines were not sufficient. I suggest the old guidelines were sufficient. The old guidelines say "avoidance of preferential treatment". That is on page 2, Article III, where it states:

● (1220)

Ministers shall not accord preferential treatment in relation to any official matter to relatives or friends or to organizations in which their relatives or friends have an interest.

It goes on to say, and this is important:

Ministers must also take care to avoid placing, or appearing to place, themselves under an obligation to any person or organization which might profit from special consideration or favour on their part.

You and I both know, Mr. Speaker, that Ministers do not operate independently. Ministers are part of a collective. That collective is known as the Cabinet. Each Cabinet Minister is responsible as part of the whole for the operations of the political business of Canada. Therefore, it is important, and I think the Minister of Supply and Services (Mr. Andre) will agree, that in matters such as the granting of the right to do business with the Government, careful checks should be made to ensure that no person appears to be given preferential treatment.

That, of course, is the essence of our argument in this regard. That is why the questions that I put were so carefully phrased. Had this been a tendered contract, had the firm of Lawson Murray submitted bids and had it been the winning company when the tenders were opened, we would not have had even a question, let alone an issue. We would not have asked for the kind of response from the Prime Minister that we have asked for. Neither would we have been put in a position, and we were put in the position, of embarrassing the Minister of Finance. We would have been able to accept that the business of Canada was being conducted according to the highest standards, as the Prime Minister frequently promised would be the case.

The Prime Minister can say, and sometimes does, that he was left with a terrible mess by the outgoing Government and that the practices of the outgoing Government were certainly no better than the practices that he is pursuing. The Prime Minister might say that the practices he intends to implement at some future date will be more severe and the guidelines more stringent and restrictive than the guidelines that were in place under the previous administration. That is fine. I commend him for that. I commend the Minister of Supply and Services, if he has any hand in developing the guidelines, if that be the case; but that of course is in the future and we are talking about the present.

It was the same Prime Minister who with great obvious concern appeared over television in a Leaders' debate during the election of the summer of 1984 when the then embarrassed Prime Minister, now Leader of the Official Opposition (Mr. Turner), was trying to explain how he was stuck with the job of making appointments that had been promised or announced by his predecessor. I remember well watching television as a clearly upset then Prime Minister, now Leader of the Official Opposition, said: "Look, I had no option. I was told if I didn't do it, the Government might fall, so I had to go ahead and do what I did. I mean I had to do it that way." I remember with all the flair that the Prime Minister is now known for that he leaned forward and said: "Sir, you had an option. You had an option to say no."

That was when this debate started. The Prime Minister then went on to tell the country that under his administration things would be done differently, that the highest degree of concern for the public would be exercised and displayed, that the Government would not allow the kind of actions that had previously been acceptable under the Liberal Government to continue under his Government. The public of Canada had every reason to believe that in all of the matters touching upon patronage and contracts the Government of Canada, this Government, would not pursue the same line pursued by the previous administration.

That has turned out quite different from the reality. The reality has been that this Government has followed in exactly the same way the patronage appointment route that was the order of the day under the previous administration. This Government has, I must say with some dismay, managed to find a place at the trough for almost every Tory bagman and for all defeated candidates. If they did not come to the trough, it was by their own choice because the opportunity was there. They have been able to reach out and find people who were incapable of withstanding the pressure of the availability of public funds for their own use. This Government has in fact betrayed the people of Canada. This Government has failed to do what it promised it would do.

This latest example serves to remind the public that what the Prime Minister says and what the Prime Minister does are frequently quite different. What the Prime Minister says, he expects Canadians to believe. When he does something else, he expects them to understand that he had no option. I suggest it is clear on its face that this action taken by the Minister of Supply and Services on behalf of the Government was wrong. This action undermines public confidence. This action should never have been contemplated. The Minister of Supply and Services should admit that that should not have been done, although perhaps within the guidelines it was not specifically excluded, although I suggest it was, and that the Government in this instance acted improperly and does not enjoy the confidence of the House of Commons in this regard.

Mr. Redway: Mr. Speaker, *The Toronto Star* in an editorial today indicated that the Minister of Finance (Mr. Wilson) has a hard enough job to do without having to absorb unfair shots against his integrity from the Opposition. Does the Hon. Member agree with the position of *The Toronto Star*? If so, would he like to withdraw the Opposition motion today?

Mr. Deans: Mr. Speaker, I have heard some pretty silly questions in my time. That one must come close to being the

silliest. Let me try to treat it as if it were serious. I have never, not on one single occasion, said a word about the Minister of Finance, not a word, on this matter. I have asked the Prime Minister if, as the head of the Government, he believes that that practice into which the brother-in-law of the Minister of Finance fell, and as a result of which the Minister of Finance becomes implicated as a third party, is acceptable in his mind. All I can say to the Hon. Member is if the Prime Minister had responded to my question, perhaps we would not have had a non-confidence motion. The fact of the matter is that the Prime Minister, as he is wont to do, tries to substitute blarney for substance.

• (1230)

Mr. Redway: Mr. Speaker, *The Toronto Star* editorial also indicates that there is absolutely no evidence of impropriety in this case and that it is silly for the NDP to demand that the Minister of Finance step down. I wonder if the Hon. Member agrees with that as well.

Mr. Deans: No, Mr. Speaker. It is clear to me that *The Toronto Star* misunderstands, but that is not unusual. If *The Toronto Star* were more cognizant of the way in which Parliament operates and the responsibilities that fall upon Cabinet Ministers individually and collectively, it would come to the conclusion that the impropriety lies in the fact that the Minister of Finance was aware that his brother-in-law had the contract but did nothing about it.

Mr. Thacker: Mr. Speaker, as we know, there are all sorts of positions at the municipal level that are appointed by municipal Governments and there are positions at the provincial level appointed by provincial Governments. These appointments are made by whichever type of Government is in power, be it Liberal, Conservative or NDP. The same happens at the federal level.

If there were no Crown corporations or none of those enormous agencies and regulatory bodies, there would be far fewer positions to which people would be appointed. To be consistent, the Hon. Member would have to agree that we should have fewer positions.

The second dimension is this: Who should make those appointments? Does the Hon. Member want to take appointment making out of the hands of the Government of the day, a Government that can be turfed out of office, and put it into the hands of the bureaucrats? I would like to have the Hon. Member give me a genuine, constructive solution to the problem.

We either cut back on agencies or we put in a different mechanism for appointing. I would put the argument that I would rather have the responsibility for appointments in the hands of people who, if they abuse the responsibility, cna be turfed out, rather than in the hands of the bureaucrats.

Mr. Deans: Mr. Speaker, in answer to the Hon. Member, I would like to indicate to him that the motion deals with the granting of an untendered contract. It has nothing to do with the makeup of boards and commissions and nothing to do with whether there should be more or less of them. That is not relevant to our discussion today.

I have made it quite clear that what we are saying is that we do not expect that relatives of members of the Cabinet should be excluded from participating in the business of Canada. We say, however, that the only entry they should be allowed is through a tendered contract. They should only be permitted to take part if they bid against others and win. They should not be given or appear to be given preferential treatment. There should therefore not be the option open to give to family members of Cabinet Ministers contracts that others had no opportunity to seek. That is all we are suggesting and that is what is wrong with what happened.

Therefore, I say to the Hon. Member that if at some future time he wishes to deal with the matter of the numbers of boards and commissions and the makeup of boards and commissions, there is a great deal I would like to say about that. However, I do not want to try to do here today what the Prime Minister and others have tried to do over the course of the last few days, which is to try to obscure the only important and relevant question with regard to what happened with Lawson Murray.

Mr. Lewis: Mr. Speaker, I would like to follow up on the question of tendering with the Hon. Member. He is probably aware that in the advertising business an advertisement for $100 is paid for at the rate of $85. There is a 15 per cent advertising agency commission. If ten advertising agencies had bid on this untendered contract, they would have all bid $234,000 and would have all netted the same advertising commission which would be 15 per cent of that. In that case, how would the Hon. Member structure his tendering conditions? All agencies would tender the same amount. Would the Hon. Member not admit that the Government of the day is entitled to take into account in that tendering process trust and ability and that the money of which the Hon. Member is making a great deal would be the same to all advertising agencies?

Mr. Deans: Mr. Speaker, that is in fact an excellent question. I agree that there are situations in which tendering is not appropriate, but in those situations family members of Ministers of the Crown cannot be given the contract. That is the difference. Yes, there are situations in which it is not necessary to tender because of the size of the contract or for other reasons. However, I am saying that under those circumstances family members of Ministers of the Crown are excluded from participating. That is all I am saying.

Mr. Taylor: Mr. Speaker, the Hon. Member just mentioned that there was only one question. There is another question in which the people of Canada are very interested. Every Government has various ways of handling contracts. They are not all done by tender and they are not all done by competition. Some are done by invitation. NDP Governments do that the same as every other Government.

The Hon. Minister looked into the situation and found that he could save half a million dollars for the Canadian people. That is an important consideration. What difference does it make if the contract goes to a relative or not if the Minister can save half a million dollars? What difference would it have made if that firm had bid and had still showed a saving of half a million dollars? The Hon. Member forgets all about that. This matter is an attempt to save money for the people of Canada and the people of Canada could not care less which firm happens to get the contract as long as it does the job efficiently and saves money for the taxpayer.

Mr. Deans: Mr. Speaker, the Hon. Member is quite wrong, of course. In fact, the Hon. Member's colleague, the Hon. Member for Simcoe North (Mr. Lewis), answered his question in part. Any advertising agency would have bid the same amount. As the Hon. Member for Simcoe North pointed out, there is a schedule which advertising agencies follow and therefore they receive *x* number of dollars in return for doing work under a contract of whatever size. Therefore, the fact of the matter is that the saving is obscure.

Nevertheless, what must be recognized is that the question is about the appearance of preferential treatment. Since any other advertising agency could have undertaken the work on the same basis, it would have been easy for the Government not to have put on the payroll the brother-in-law of the Minister of Finance in order to make sure—

Mr. Speaker: I regret to advise the Hon. Member that the time for questions and answers has expired.

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, this is the end of an amazing week in which there has been a spectacle of sanctimony, outrage and indignation. What happened is so outrageous that not only one Opposition Party but both Opposition Parties felt they must move non-confidence in the Government. The Government, horror of all horrors, saved the taxpayers $500,000 per year. For that it deserves to be tossed out.

The Leader of the Opposition (Mr. Turner), that great man of virtue as demonstrated last June with his arrangement with the previous Prime Minister, Mr. Trudeau, first introduced the motion. I thought we were going to be debating his motion. When I read the Order Paper yesterday, it included a motion from the Leader of the Opposition which read:

> That this House condemns the Government for its serious misuse of its power to make appointments and to let contracts and, in particular, for its disregard of conflict of interest guidelines in this and other matters.—The Leader of the Opposition.

He then withdrew that motion. There is one of two explanations for that, Mr. Speaker. Either he is slow of wit and he realized after he saw it in print how outrageous it would be for him to put something like that on the Order Paper, or he has made another arrangement with Mr. Trudeau.

Mr. Tobin: Mr. Speaker, I rise on a point of order. I could just as easily rise on a question of privilege. The Hon. House Leader of the New Democratic Party will acknowledge that the motion that is being debated today is, by agreement of the Opposition Parties, the NDP motion. To make that kind of spurious allegation is beneath even the Minister.

● (1240)

Mr. Speaker: There is a point of order relating to relevancy which I hope the Minister will recognize.

Mr. Andre: Mr. Speaker, what we are debating today is the agreement which was reached, presumably after the Leader of the Opposition—who incidentally is not here; and because the behaviour of the Government has been so outrageous, only six members of the Opposition are here—

Mr. Tobin: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Humber-Port au Port-St. Barbe on a point of order.

Mr. Tobin: Mr. Speaker, the Minister knows that he cannot refer to the presence or absence of Members in the House. He ought to make a relevant speech. If he has a good defence, then he should make it and cut the rhetoric on this shameful action by the Government.

Mr. Andre: Mr. Speaker, I assume that I will be allowed to give my speech. I realize that the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) has a sensitive nature and a delicate persona and finds this very difficult. I can understand his concern.

The House Leader of the New Democratic Party said that in the opinion of this House the granting of an untendered contract to the brother-in-law of the present Minister of Finance (Mr. Wilson) by the Government of Canada is an unacceptable action. It was so unacceptable and so terrible that he was forced to introduce a motion of non-confidence in the House. There is nothing so sanctimonious as a socialist, especially a socialist who is out of office. I regret that I do not have the time to talk about the performance of socialist Governments in Manitoba, Saskatchewan and British Columbia.

A great deal was made this week of the violation of the guidelines. The Hon. Member for Hamilton Mountain (Mr. Deans) read the guidelines which stated:

> Ministers shall not accord preferential treatment in relation to any official matter to relatives or friends—

The Right Hon. Leader of the Opposition raised the same matter. He said that on that basis the Minister of Finance should resign. It was conveniently forgotten that the Minister of Finance had nothing to do with that contract. The contract was let by the Department of Supply and Services. That is my Department. I am the responsible Minister. If I were enriching my relatives in some way, then the Member might well have a substantial question. However, that did not bother the House Leader of the New Democratic Party, and it certainly did not bother a succession of Liberals who stood up in phoney indignation demanding the Minister's resignation.

The wonderful Liberals! The Liberals have short memories. I would like to read into the record a letter of April 28, 1980 from the Right Hon. Pierre Trudeau to the Hon. Allan J. MacEachen. In that letter Mr. Trudeau wrote:

I would remind you of our decision not to apply the requirements of these guidelines to our spouses and dependent children.

Note the phrase "spouses and dependent children". That came from the Prime Minister of the Liberal Government of the day. Now they say that if a person happens to be married with dependent children, or if his sister is married with dependent children, then that person has committed an outrageous crime. It is an outrageous crime, the appearance of which is so heinous that there is no choice but to submit to this vote of non-confidence and accept that the people of Canada no longer have confidence in that person.

Aside from the sanctimony and outrageous hypocrisy that that sort of attitude exhibits—

Mr. Tobin: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Humber-Port au Port-St. Barbe on a point of order.

Mr. Tobin: The Minister knows that he cannot accuse Members of the House of hypocrisy. I know he is familiar with the definition of that word, but he cannot use it and he knows that.

Mr. Andre: Mr. Speaker, apparently the Hon. Member cannot listen without his mouth being in motion. That is the problem.

Throughout the outrage, phoney sanctimony and hypocrisy which we have heard all week no one has acknowledged the fact of the performance of Lawson Murray. They have said: "Never mind the performance. Performance does not matter. What matters is appearance, not performance." Thank goodness the public of Canada would never accept the outrageous premise that if good paint is put on and it looks good it does not matter what is underneath and what the real value is. This Government operates on the basis of value for money. We are trustees of the taxpayers' money and that is how we will act.

Some Hon. Members: Hear, hear!

Mr. Andre: Lawson Murray, which, I repeat, was selected by the Ministry of Supply and Services, was paid the outrageous commission of $26,000 to continue a contract which we inherited from the previous administration. One of the principals of the Liberal agency which had the contract for years said that it was a gravy train and an unnecessary activity. But that agency did not inform the Government of that fact. It collected fees for all those years. Have we heard any outrage from members of the NDP about that fact? It is only taxpayers' money which has been wasted, so why should they get outraged when they can concentrate on appearance? That is so much more important to them than substance. Well, it is not more important than substance. Performance is what counts, not appearance. I repeat, the appearance in this case, if we look at it with fair eyes, is proper. It is my contract with Lawson Murray on behalf of the Bank of Canada which is a Crown corporation. That will stand up to examination by any fair-minded and reasonable Canadian.

Some Hon. Members: Hear, hear!

Mr. Andre: For the glorious sum of $26,000, Lawson Murray, which we selected on the basis of having people we know and trust—and they have demonstrated that trust, and principle I might add—and on the basis of that agency having the experience and expertise in the area of representing financial institutions, wrote to the Bank of Canada on February 11. That letter included a list of the newspapers in which the ads were placed. The letter read:

This list provides a great deal of waste circulation and duplication—

The letter went on to say that the effective cutting of the unnecessary activities would save the Government $415,000 a year. The letter continued:

Furthermore, we believe that the placement procedure could be streamlined to save money.

The letter recommended a procedure to the Government in which more money could he saved. I know that it is only taxpayers' money and that that is insignificant to the New Democratic Party, because it only considers appearances to be important. The letter continued:

While I would regret the end of our association and the loss of revenue to Lawson, Murray Limited, I do not feel that we would be responsible were we to advise you differently.

When a Member of Parliament cannot bring himself or herself to recognize what value the taxpayers get from that kind of responsible advice, when they say that it is immaterial and that they do not care about the performance, and instead use spurious and righteous indignation, then that Member of Parliament ought to lose the confidence of the electors because he or she has lost all sense of propriety and responsibility.

Some Hon. Members: Hear, hear!

Mr. Andre: In his remarks, the Hon. Member, because he wanted to be fair, said that they do not object to family members participating in Canadian business, provided they are not enriched by the taxpayers. I agree.

Mr. Deans: I did not say that.

Mr. Andre: Well, provided they are not given the preferential accord, or whatever is the language of the guidelines. I do not know if the Hon. Member knows about what he is talking or suggesting. Of course, obviously he is also referring to relatives by marriage. I checked that out, and in the case of my family it represents 20 companies which cannot do business with the Government. My exempt staff are also under the same conditions, as they ought to be, which represents for my office alone 200 companies. Since there are 39 or 40 Ministers, we are talking about several thousand companies which should be excluded from participating in these contracts.

• (1250)

The Hon. Member talks about "tendered" or "untendered".

Mr. Deans: That's the key.

Mr. Andre: What he is suggesting is we would not have been able to negotiate with Spar Aerospace to build the Canadarm if anyone in Spar was related by marriage to anyone—

Mr. Althouse: No, no, untendered contracts.

Mr. Andre: That was non-competitive.

Mr. Clark (Yellowhead): An exact parallel.

Mr. Andre: The CF-18s which were purchased by the previous Government have a life cycle of 20 or 30 years. We have no choice but to buy the parts for those aircraft on a non-competitive basis because there is only one supplier. The Hon. Member, to take his argument to its logical conclusion, is suggesting that no relative of anyone employed at McDonnell Douglas of Canada Ltd., Canadair, de Havilland, all of the producers of parts for the CF-18—because they are purchased on a non-competitive basis—have any right to participate in Government business. That is what the Hon. Member is saying. Does he have any idea of what he is talking about? I don't think he has thought this through to its logical conclusion.

Mr. Deans: I thought it through.

Mr. Andre: This Government is aware of the potential for abuse. We do not want it to appear—we certainly don't want it in the reality—that we are using taxpayers' money to do anything else but give them the best value for it. That is our responsibility. So what do we do in cases where we are forced to enter into contracts by the circumstances of the business, advertising, by the circumstances of the situation, CF-18s, or by sole source situations because we want to buy Canadian rather than go offshore? Literally tens of thousands of those situations come up each year. What do we do to protect the public and to ensure that it gets full value for its money? We publish it. We operate in a fish bowl. Anyone through the freedom of Information Act can get access to the contracts, and it can only be done under the Freedom of Information Act because we want to protect confidential information. The amount of the contract is published weekly. I sent a copy to the Hon. Member's office free of charge. We charge other people to recover the costs. He can look at that document every week to find out if there is anything unfair or suspicious. If, for example, my brother has a contract with a Government Department—it won't happen because he is not in any business which would affect that but if anything like were to come up—the Hon. Member not only has the right, he has the responsibility to hold me to account in the House of Commons as the Minister responsible for government contracts. He has the right and the responsibility to make me defend the expenditure of those public funds and to ensure that the taxpayer received full value. I have said it before this week, Mr. Speaker, and I will say it again; any time I can make a contract with a firm like Lawson Murray Ltd. which is going to save the taxpayers hundreds of thousands of dollars, I am going to do it.

Some Hon. Members: Hear, hear!

Mr. Andre: That is what happens when you are in a situation where you cannot open a coupon or envelope and give the contract to the low bid. You have to start applying things like trust and experience. If the Hon. Member was hiring a lawyer, an accountant, a physician or any professional service whatsoever, where tendering is just not possible given the nature of the service, is the Hon. Member seriously suggesting that it would make prudent sense for him, or for the Government, who are interested in the outcome and result, to immediately dismiss everyone we know because there might be a conflict?

Mr. Benjamin: No, get off it. Speak to the motion.

Mr. Andre: Does it make sense that we immediately dismiss everyone we trust?

Mr. Hnatyshyn: Tell us about Commonwealth Publishing in Saskatchewan.

Mr. Andre: That is absolutely absurd. What you want when you are hiring a lawyer is someone who is going to get you off the charge or win the negotiations with whomever you are negotiating. The Hon. Member knows that. If he is hiring an accountant or a management consulting firm, he wants someone he can trust and who will do a good job. We want exactly the same thing. It's not secret. It's published. We want the Hon. Member to look at it, to examine it and make decisions objectively on the results.

Mr. Benjamin: We just did.

Mr. Andre: I wonder whether one of those Hon. Members opposite will stand up and admit that Lawson Murray, instead of being vilified, ought to be applauded for the responsible actions it took in fulfilling this contract?

Some Hon. Members: Hear, hear!

Mr. Andre: Sanctimonious socialists really get to me. I suppose being a socialist, an NDPer, and being totally indifferent to taxpayers' money is one and the same thing. One would certainly think so looking at the performance of the socialists when they are in office. In Saskatchewan, Don Keith, a defeated New Democrat, was appointed general manager of the Saskatchewan Development Fund. I wonder if that was competed for. How about Louis Roy, a defeated New Democrat, who was retained by the Department of Northern Saskatchewan as a $4,000 a month consultant? Consultant contracts are not tendered, and they shouldn't be. Perhaps he's a good guy and I regret, in a sense, having to raise this point. The point must be made to Hon. Members opposite. When the performance is good, when there is a clear saving of taxpayers'

money, and when we have complied absolutely with the guidelines in every way, shape and form, how can those Hon. Members have the gall and temerity to suggest that this House has non-confidence in that kind of performance? That is absolutely absurd.

The list of examples from that bunch of Liberals over there, who are not there at the moment, and that bunch of New Democrats over there—

An Hon. Member: And they are not all there either.

Mr. Andre: —who are not there either, is really something to behold.

In the few moments I have left to me, Mr. Speaker, I just want to take advantage of this debate to mention another factor which I hope those Hon. Members opposite will be generous enough to recognize with respect to the performance of this Government. I refer to the area of advertising in general. I have explained in this House—I do not have time to repeat the explanation—the improvements we are making in the situation which inherited. But I also want to say for the benefit of Hon. Members of the House and others that the over-all advertising—

The Acting Speaker (Mr. Charest): May I respectfully, for the benefit of the Minister, inform him that he is making his closing remarks. He has a couple of seconds.

Mr. Andre: I thought it was two minutes, Mr. Speaker.

Not only have we done a better job since September 17 of managing advertising, as evidenced by the performance of companies like Lawson Murray, but we are putting in a process which is better. We are reducing the over-all levels very significantly. In the current fiscal year just starting, advertising will be reduced by 30 per cent over that contracted for by the previous administration. There will be no geese flying into the sunset and friends of the Liberal Party collecting ridiculous fees for ridiculous ads needed by no one and serving no taxpayer at any time.

Mr. Tobin: Mr. Speaker, methinks the Minister doth protest too much today. Surely, the Minister cannot—

[*Translation*]

The Acting Speaker (Mr. Charest): It being one o'clock I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

The Acting Speaker (Mr. Charest): Questions and comments? The Hon. Member for Humboldt-Lake Centre (Mr. Althouse).

Mr. Althouse: Mr. Speaker, today we have heard two stories from the Government side of the House with regard to the issuing of contracts for media work and advertising. The Member for Simcoe North (Mr. Lewis) pointed out that there is a very standard process throughout the industry whereby the various advertising firms simply add 15 per cent on to the bids for their services. He suggested that, had the contract been tendered, the Government would have had 10 identical bids. Yet when the Minister made his speech, he indicated that he had somehow succeeded in saving almost $.5 million, which puts the analysis of the industry by the Member for Simcoe North into some doubt.

Would the Minister please try to clarify the situation? Was he talking about the same kind of savings, that is, savings on the share that the various advertising agencies would have taken for their services? Or was he simply talking about a reduction in the amount of advertising that the Government proposed to do?

Mr. Andre: Mr. Speaker, actually I mentioned all three in terms of advertising, the agency fees, how much goes to the advertising agency, and how much goes to the newspapers, television, or media outlet. Standard practice for generations has been that if you or I buy a half page ad in a newspaper for $4,000, that is what it costs. However, when an advertising agency does that it gets a 15 per cent discount. That discount is to pay their costs of composition, creativity, billing and overhead. That 15 per cent is standard. When the Government undertakes an advertising program on behalf of Tourism Canada, for example, it is contracting for so many minutes of television time, so many pages of magazine space, and so on. The commission goes to the advertising agency. There is no opportunity for cost competition. It is a professional service like any other, be it lawyers, physicians, or accountants. You are looking for quality.

I said in the House as early as last January that we are in the process of introducing a new process under which quality assessment for big contracts or departments that have large advertising budgets will be made by a panel of civil servants. With regard to the Lawson Murray contract specifically, that was a small contract. The commission to Lawson Murray was only $26,000, I think. You cannot really have a competition in a situation like that because the cost of pitching, if you brought in three, four, or five bidders, would exceed the total profit available. It would be a terrible waste of funds. You allocate that based on trust, knowledge of the individuals, and their experience.

This firm was experienced in handling financial institutions. They undertook to carry on this program which had been underway for years. They picked it up, carried it on, and said that they could reach 100 per cent of the market that we were trying to reach with these information ads with far less advertising. They showed us a new procedure for doing it. Because that advice was new to the Government, we were able to accept it and save $500,000 a year as a result of that particular judgment.

One might say that somebody else might have made that judgment. Well, it has been going on for years and no one did. I happen to think that if you select someone you know and trust and who has experience, you are likely to get good value. That is the basis I would use for selecting a lawyer, if I needed one, or an accountant. That is the basis we used for selecting this advertising agency. We got good value. We saved $500,000 a year for the taxpayers because they brought this to our attention based on their expertise and knowledge. We have a trust relationship. They are an honourable firm, which we knew, and that is why we hired them.

Mr. Gagnon: Mr. Speaker, I have a question for the Minister of Supply and Services (Mr. Andre). Yesterday, in response to a question by the Member for York South-Weston (Mr. Nunziata), he mentioned that there are some 350,000 contracts a year that go through his office. That works out to approximately 1,700 every working day. He further elaborated that only the contracts in excess of $1 million go to his desk while the rest are obviously handled through the normal channels. Could he elaborate on how many were and were not tendered and how many were over $1 million?

• (1410)

Let me also ask a hypothetical question. If the Minister were to investigate the brother-in-law of every Member in the House, for instance, how many people would he have to investigate with 350,000 contracts a year?

Mr. Andre: Mr. Speaker, the figure of 350,000 is about right. Less than a thousand of those contracts would actually come to my desk. Those are contracts that are above $1 million. Those contracts between $250,000 and $1 million are under the authority of my officials at the director general level and officials who work for the director generals are responsible for contracts below $250,000.

Obviously, we cannot investigate the familial relationship of people we do business with in the way suggested by the Opposition. It is impossible. For instance, we frequently buy typewriters and computers from IBM. It would be absurd to ask IBM, with its thousands of employees, if any of its employees are related to someone who has something to do with the Government. That cannot be done.

If the Opposition are really worried about impropriety, they should be concerned about all of these civil servants, director generals and so on, who have relatives, both blood and by marriage, and who have my delegated authority.

The way we try to avoid misuse is as I have explained it. Every week a magazine is published with those contracts that have been let by my Department. We depend on a vigilant opposition and a vigilant media to point out that someone's uncle may have received a contract. We will look at it to see if there is value for money.

I repeat that the mandate of my Department and the mandate I accept wholeheartedly and will not abandon, no matter how much I am pushed by the NDP, is a mandate of value for money. In this contract we got extraordinary value for money.

Mr. Deans: Mr. Speaker, I simply want to say to the Minister that I agree with him 100 per cent. One of his responsibilities, perhaps his primary responsibility, is to ensure that we get value for money. There has not been any attempt made by me or anyone in this Party to suggest that we did not get value for money. We have no intimate knowledge of whether or not we did.

I am prepared to concede that it may well be true that we got the value. That is not the issue that we are trying to address. We are trying to address the whole question of the appearance of preferential treatment. I thought I made it quite clear, and no matter how often the Minister says it I am sure he knows that no one is suggesting that just because someone works for some company it automatically excludes the company from Government work. We are saying in essence that where principals of a company stand to benefit directly from the contract—not indirectly benefit through wages—that contract should only be given as a result of a tendering process.

The Acting Speaker (Mr. Charest): The period for questions and comments is now over. Resuming debate.

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I am pleased that my hon. friend, the Deputy Prime Minister, (Mr. Nielsen) was here today. I rise to speak to this motion in order to review objectively the remarkable series of events which have transpired in this dossier, particularly in the office of the Minister of Finance (Mr. Wilson).

These events apparently began shortly after the Government assumed office in September, 1984. I would like to emphasize at the outset that my interest in rising to talk to this motion is not in any way to question the integrity of the Minister of Finance, as I indicated earlier in the House. My concern is with the judgment of the Minister in the circumstances that have been described and with the competence of the Department, the Minister and the administration.

I would like to underline the disarray into which the public administration is falling if this is indeed to be a precedent of management in offices of various Ministers. I suggest that we cannot ask Canadians to accept a Government that plays fast and loose with systems which have been established and with guidelines and practices that are well known. Those guidelines and practices are not meant to protect the integrity of the Minister but the integrity of the entire system and the Government itself.

I did not rise to talk about patronage *per se*. We know the view of the Government with respect to patronage. We have learned that there is no public trough wide enough or deep enough to satisfy the aspirations of all the living, breathing Tories who are to participate during the period of the Government. Favouring members of the families of Cabinet Ministers might be challenged as discriminatory by some of the Tories on the back-benches, but I will leave that to them to address.

Again, I do not want to discuss family relationships. The fact that the contract we have heard so much discussion about and which is referred to in the motion was not tendered is not an issue which I intend to address. It seems to me that those facts—the relationships the lack of tender and so on—speak for themselves.

Indeed, they speak eloquently about the attitude of the Government which Canadians elected on September 4 toward patronage and toward rewarding the faithful. I understand from the latest count that the sacred pigs now exceed 1200 in number. That is also not the issue I wish to address this afternoon.

[*Translation*]

I would like to highlight some of the important facts in this case, to assess the lack of efficiency in administering departments under the Progressive Conservative Government. Mr. Speaker, first of all I may recall that last September, the Minister of Finance (Mr. Wilson) retained the services of Mr. Douglas Robson, Vice-President of Lawson Murray Ltd., a Toronto advertising agency. It seems Mr. Robson was retained to help organize the Minister's office. I may also point out, by the way, that Mr. Robson still is President of the Progressive Conservative Riding Association in the riding of the Minister of Finance.

It should also be pointed out that the President of the company, Mr. Douglas Lawson, is a brother-in-law of the Minister of Finance (Mr. Wilson) and that his wife, the Minister's sister, sits on the board of directors of the company.

Mr. Robson was in the Minister's office, according to what we have heard here in the House of Commons, from September 17 until at least the end of October. It was "approximately" the end of October. That might mean some time in November, the end of the month or a week before or after, we do not really know, and I would like to have clarified. During that time, Mr. Speaker, Mr. Robson was not paid by the Government of Canada, although it seems there was a verbal agreement. In fact the Minister said as much in answer to a question in the House and I quote:

> We had a verbal understanding that he would be paid, and in fact he was not paid.

So he was not paid by the Government during that period.

Mr. Speaker, another fact is that Mr. Robson was sworn in, that is, he was bound by an oath of secrecy, but he never signed the conflict of interest guidelines, which I think should be a basic requirement for people in exceptional employment. And then a few days later, Lawson Murray Limited, the Toronto advertising agency I mentioned at the beginning of my speech and to which Mr. Robson belonged, received a contract worth $234,000. I may add, Mr. Speaker, that during that time Mr. Robson remained employed by this advertising agency, in the private sector. In fact, the contract was for the Bank of Canada, an agency or organization that falls under the jurisdiction of the Minister of Finance.

• (1420)

[*English*]

I can understand Government spokesmen throughout Question Period this week attempting to defend the facts on the floor of the House of Commons, but any sensible person exercising a modicum of common sense and judgment would recognize that the facts in themselves are indefensible. The concern here has to be surely that this kind of situation not be repeated.

The Ministry of Finance, as all Members know, outside of the Prime Minister's office itself is the most sensitive Ministry in Government. I would say with all due respect to the Deputy Prime Minister, who is also the Minister of National Defence, that it has a level of sensitivity even exceeding that of the Minister's, the major department for which he is responsible.

I suggest, Mr. Speaker, that we cannot have people from the private sector engaged as volunteers to work in the office of Ministers, who are not on the Government payroll, who have not signed the conflict of interest guidelines, and who are sworn. We are told that Mr. Robson did not have access to secret documents. Having been a Minister of a Government myself, I find that quite remarkable because that is precisely why all personnel, exempt staff and others, not only take the oath of office, but are required to sign the conflict of interest guidelines. We cannot leave the perception with the Canadian public that private individuals are retained on such a basis by any Ministry, and in this case the Ministry of Finance, in a position to have access to secret and sensitive information and are not bound to observe the conflict of interest guidelines.

Mr. Lewis: Naturally you threw money at them.

Mr. Johnston: I am not sure who said that, but I will find out. I will respond in due course.

Mr. Lewis: It was me.

Mr. Johnston: There is the offender. There will be a period of questions afterward, Mr. Speaker. I know that Members of this House will be fair in the assessment of these facts. I know individually and collectively they will applaud the replies given by their Ministers on the front-benches when questions are put to them on this very sensitive and difficult matter; I realize that. I realize that is the reality of a political alliance and solidarity across the floor of the House. But I ask each of them to search deep within their own consciences to determine whether that is the way they expect the Government of this nation to be run. I do not believe they approve of these facts any more than we do on the Opposition benches or any more than the people of Canada do, who have commented on the facts that have been brought to their attention.

Bear in mind, Mr. Speaker, that not only did Mr. Robson enjoy this rather unique privilege, this probably unprecedented position in a Ministry and as I said, the Ministry of Finance, but these events happened during the period when that very Ministry was preparing its November economic statement

which was a mini-Budget. That mini-Budget, that statement, was delivered in this House of Commons on November 8.

Mr. Robson in fact worked for the Ministry of Finance without pay. He had a verbal agreement to be paid which apparently was not honoured for reasons that have not as yet been explained to us. In any event, he was there during that particularly sensitive period, a period no less sensitive, I suggest, than the period we are now in leading up to the presentation, God willing, of a Budget finally, some time in the latter part of May, we are told during the week of May 20. I cannot help note *en passant* that I had to learn that fact by reading the newspapers rather than hearing it here on the floor of the House of Commons—

Mrs. McDougall: You are never in the House.

Mr. Johnston: —where the announcement should have been made.

In any event, I come back to the point that this kind of shoddy, shabby administrative practice cannot be condoned. I would hope that the Deputy Prime Minister who is here today and who is known for his concern with propriety and with process will see to it that this kind of thing does not repeat itself, that Ministers are brought into line, that we do not have these volunteers who come in but do not sign conflict of interest guidelines, who work in sensitive areas and go back to their firms on whose payrolls they remain.

In this case there is the added question of the contract. The reason I have not mentioned the contract of $234,000 is that excluding the contract, excluding the relationship with the brother-in-law, excluding the relationship with the sister who is on the board of directors—all of that apart—we cannot condone this kind of administrative approach, this kind of management approach, this kind of abuse, if you like, this playing, as I said earlier, fast and loose with the well-established traditions of Government. That cannot be tolerated, quite frankly, Mr. Speaker. I know, the Deputy Prime Minister knows, all the Ministers on the front-bench and all the Members on the back-benches know that it cannot be honestly defended.

We know, those of us who have had the privilege of serving in the Government as Members of the Cabinet, how Ministerial offices work. The Deputy Prime Minister became quite exercised when I suggested that Mr. Robson was not supervised. Let me elaborate on that point.

We have been told that Mr. Robson did not have access to secret information. I cannot say whether he did or did not. What I do know is that the Minister himself has declared on the floor of this House that he was particularly pre-occupied during that period, that it was a very busy period in his life, if I recall his precise words, and that he was obliged to spend a good deal of time in Washington; that he had invited Mr. Robson to organize his office in some kind of administrative capacity which has not been explained in detail. Some information has been offered but very little in detail so as to know exactly what Mr. Robson did. He was not there as a paid employee; hence there was apparently no master and servant relationship. I do not know who was supervising him, if the Minister himself was not. He maintains that he had a chief of staff who was there. Was the chief of staff going to supervise Mr. Robson, this volunteer from the private sector who probably had more experience of working with the Minister, because of his prior experience, than the chief of staff himself? If that is the case, why was so much emphasis placed upon the oath? That in itself troubled me, the fact that this gentleman was working under oath. That must have been in anticipation of the fact that he might have access to secret documentation, but he did not sign a conflict of interest guideline.

• (1430)

Apart from the other issues which we have heard discussed, apart from the brother-in-law, apart from the untendered contract, apart from all of that, we have here a matter of fundamental administration. It is that issue which I have tried to address in these brief comments.

I must say that I am pleased the Deputy Prime Minister is here. This is not the time, I say to him, to resurrect old grievances and to argue about patronage which existed in the past.

Some Hon. Members: Oh, oh!

Mr. Johnston: The issue with which I am dealing is: How on earth are the Ministers operating their Departments? He, as the Deputy Prime Minister, has to step in to ensure that it is done and to ensure that there is no recurrence. As I said this morning in the House—and I repeat it because I think it is worth reflecting on for a moment—we have had a tradition of people coming in and rendering service during particular periods in this country. I know the Deputy Prime Minister has been able to gather together a number of very prominent Canadians to serve on a committee designed to try to find cuts in programs. We look forward to having the Deputy Prime Minister table the results of that committee's deliberations. I am sure those people have had access to certain materials, but I am also sure the Deputy Prime Minister has seen to it that they have either not been given access to anything which would put them in conflict or that they will be respecting conflict of interest guidelines.

This morning I mentioned the famous dollar a year men who stepped forward during the unfortunate period of World War II to offer their services to the Canadian Government for a dollar a year. Here we have, as I said, a Mr. Robson who offered his services apparently free, although there was some verbal understanding which was not followed through on, and then immediately subsequent to leaving the office of the Minister of Finance (Mr. Wilson), his firm, Lawson Murray, Limited of Toronto received an unsolicited advertising contract in the amount of $234,000. If that does not raise in Hon. Members' minds some questions as to administrative practice in the Ministry of Finance and in other Ministries, if similar events are taking place, I do not know what can.

Mr. Lewis: Mr. Speaker, I can understand the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) referring

to Members reading newspapers on the floor of the House of Commons. I would tell him that we are all quite interested in the editorial in today's edition of *The Toronto Star* which referred to the unfair criticism of the Minister of Finance (Mr. Wilson). The Hon. Member will know that that is not a newspaper which often supports our Party.

I can also understand the Hon. Member's concern when he finds volunteers coming forward to help our Party because, after all, the Liberals paid hacks to do the same thing. During the course of his remarks the Hon. Member asked whether the country could afford this type of Government. I want to ask him specifically which he prefers. Does he prefer a Liberal Government which increased Government advertising expenditures from $47 million in 1982-83 to $67 million in 1983-84 and to $77.5 million in 1984-85, to a Government such as the Conservative Government which contracted with an advertising agency that came up with a recommendation suggesting that we not do it any more and save taxpayers money? Would the Hon. Member tell the House and the country whether he suggests that a Government is responsible if it goes from $47 million in Government advertising to $77.5 million in Government advertising, or is it more responsible to have a Government that contracts with people who come back and say, "Don't do this again; it is a waste of money"? Which does the Hon. Member prefer?

Mr. Johnston: Mr. Speaker, the Hon. Member for Simcoe North (Mr. Lewis) has raised quite a remarkable red herring. He knows from my own record as President of the Treasury Board and as one who implemented the Lambert Commission report that no one is more concerned with value for money for Canadian taxpayers than I am. On that we have complete agreement.

Mr. Lewis: But you were a minority in the Liberal Government.

Mr. Johnston: That is not the issue, that is not the issue. If the Minister of Supply and Services (Mr. Andre) is able, in the exercise of his functions, to save money for Canadian taxpayers and still deliver a good service, so be it; that is fine. As far as the editorial in *The Toronto Star* is concerned, which seems somehow to have found its way into the preamble to that question, all I can say is that I never thought I would see the day when a member of the Conservative Party would cite *The Toronto Star* as an authority. That must be the progressive part of the Progressive Conservative Party.

Let me ask the Hon. Member a question which I know he is not obliged to answer. You may recall, Mr. Speaker, the Minister of Supply and Services breaking his arm patting himself on the back for the $500,000 he had saved. I see that he is now in the House. I cannot find it in *Hansard*, but I heard him say distinctly in the House that he had saved taxpayers a ton of money. He nods his head, perhaps to agree that that was the language he used.

Mr. Andre: $500,000 a year.

Mr. Johnston: He used the term "a ton of money". I would ask the Minister of Supply and Services, if I had the opportunity, whether the increase in the budget of the Office of the Prime Minister (Mr. Mulroney) by $2 million would represent not less than four tons of money. That is as much a red herring as the question posed by the Hon. Member for Simcoe North.

Mr. Hawkes: Mr. Speaker, I have a quick question for the Hon. Member. As past President of the Treasury Board, could he tell us exactly what were the guidelines or what was the process to examine every untendered contract with in-laws? What system was in place when he was the Minister to look at every contract to see whether an in-law was involved?

Mr. Johnston: Mr. Speaker, the guidelines are printed in the regulations of the administrative policy branch of the Treasury Board. The Minister of Supply and Services has access to them. To be quite honest, I do not recall specifically any guideline which refers to in-laws *per se*. I do not think that is the issue. It is one of conflict of interest guidelines. The issue is: Why did the firm of Mr. Robson, who worked in the Minister's office and who did not sign those conflict of interest guidelines, receive that contract? Had he signed those conflict of interest guidelines, the Hon. Member knows full well that he would have been bound by them and unable to deal with that particular Department or any agency of that Department for a two-year period. That is the issue here in terms of the guidelines.

Also this particular individual, as I pointed out in my comments, had access to sensitive materials in that office to which he had no business having access. I hope the Hon. Member for Calgary West (Mr. Hawkes) would agree with me that we cannot afford to have offices of Ministers flowing with people from the private sector, and on the payrolls of private corporations assisting Ministers in these sensitive areas, and not being subject to any conflict of interest guidelines. They should not be there anyway, never mind the conflict of interest guidelines.

Mr. Hawkes: As past President of the Treasury Board, is the Hon. Member providing this Government with the advice that it is practical to have every contract let by every public servant in the country examined for possible involvement of in-laws of Cabinet Ministers? Is that a practical, feasible proposal in his view after all his years of experience?

Mr. Johnston: I am sympathetic to the work-load of the Minister of Supply and Services, but surely the Hon. Member for Calgary West is not trying to excuse the contract given to Lawson Murray which has been described by spokesmen in the Ministry itself as pure patronage. Surely the Hon. Member for Calgary West is not positing before the House and the people of Canada, based on the facts that we have heard, that people were not aware of what Lawson Murray was and what the relationships were.

• (1440)

That surely is not what the Member for Calgary West is trying to put forward to basically create a smokescreen over the facts in this case. I am always prepared to give someone the benefit of the doubt. I said that I am not in any way trying to impeach the integrity, only the judgment, of the Minister of Finance. I know the Hon. Member for Calgary West well enough to know that he is being mischievous in even purporting to offer this House and the people of Canada such an explanation of those events.

Mr. Deans: Mr. Speaker, I have a question for the Hon. Member who has just spoken. I want to ask him two things. First, would it not be reasonable to assume that if members of the Cabinet were informed that contracts ought not to be let to the relatives of other members or to relatives of their own, that information could then be imparted to the relatives of various Cabinet Ministers? Second, is the Hon. Member aware, and I am sure he is from his previous role, that the guidelines under which he operated, "Avoidance of Preferential Treatment", state:

Ministers shall not accord preferential treatment in relation to any official matters to relatives or friends—

It goes on.

Mr. Andre: Read it.

Mr. Hnatyshyn: Read the part about spouses and children.

Mr. Deans: That is at the end. That is a different section altogether dealing with an entirely different matter.

Mr. Andre: No.

Mr. Deans: Yes, it is. It goes on in an entirely different manner to deal with that.

Mr. Hnatyshyn: It says they don't apply.

Mr. Deans: Unfortunately, we are not talking about spouses or children.

The Acting Speaker (Mr. Charest): Order. I hate to interrupt a good conversation—

Mr. Deans: As usual, the Government House Leader and the Minister of Supply and Services (Mr. Andre) are wrong. Does the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) agree that a brother-in-law might just fit within the definition of relative, and not necessarily but certainly could fit within the definition of friend?

Mr. Johnston: Mr. Speaker, my friend from Hamilton Mountain puts his finger on the issue. That is the issue of preferential treatment. That surely is the issue. There are many competent relatives in this world who may come forward and tender, win contracts, provide value for money and there is no preferential treatment and no appearance of preferential treatment. The issue here is the clear appearance of preferential treatment, although I would say to the Hon. Member for Hamilton Mountain, and I hope that he will agree with me, that there are many issues involved besides that one. That is why in my comments I wanted to focus on the administrative issues of this particular problem, the fact of having people in office without having signed conflict of interest guidelines, quite apart from the issue of preferential treatment and the patronage issues that are before us in this case.

Mr. Andre: How about if they are living together and not married?

Mr. Shields: Mr. Speaker, I wish to direct a question to the previous speaker. When he was President of the Treasury Board, I am sure that he would not give contracts to any of his relatives. However, did he authorize contracts for Ed Lumley's relatives?

Mr. Johnston: Mr. Speaker, as President of the Treasury Board I did not authorize contracts *per se*. The Minister of Supply and Services handled most of the contracts. There were obviously some contracts in our Department as there were in other Departments at the time. Again, that is not the issue—

The Acting Speaker (Mr. Charest): Order.

Mr. Johnston: Do I not have the right to reply?

The Acting Speaker (Mr. Charest): The time for questions and comments is now over. Resuming debate.

Mr. Les Benjamin (Regina West): Mr. Speaker, I listened to the Hon. Member for Calgary Centre (Mr. Andre) reply to my colleague from Hamilton Mountain (Mr. Deans) about the NDP generally being sanctimonious, righteous and pure. I believe those were the words he used. I remind him that it was not the New Democratic Party that laid out and set the high standards that have brought this issue to the attention of the Canadian public, the media and Members of Parliament. It was the Prime Minister (Mr. Mulroney). It was he who was so unctuous and sanctimonious during the election campaign last summer. We did not lay out the high standards, the purity and sanctimony. It was the Right Hon. Member from Baie Comeau.

Quite honestly, we were glad to hear him set out a new, higher level of standards for people in public life, particularly people in the Government of Canada. This issue is before us now not because of anything that anybody in the Opposition has done or said or anybody else in the media or public of Canada has said, but as a result of what the Prime Minister had to say. To quote the Right Hon. Member when he was Leader of the Opposition, Leader of the Progressive Conservative Party, addressing the then Prime Minister, the present Leader of the Official Opposition (Mr. Turner), he said: "You had an option, Sir, to say no and you chose to say yes to the old attitudes and the old stories of the Liberal Party". That was on July 25 last year.

At that time the present Prime Minister, then Leader of the Opposition, said: "The vulgarity of the Liberal patronage machine is such that we are going to have to take a second

look at our partisanship. I think there is going to have to be coming from us an effort, not only an effort, a determination to get away from it once and for all."

Off the record, he said to the reporters, and was quoted as saying, and this is on the other side of the coin, "Let's face it, there is no whore like an old whore. If I had been in Bryce's position, I would have been right in there with my nose to the public trough with the rest of them." What we are faced with is the Ceasar's wife principle of not only being pure, but being seen to be pure.

We raised this issue in this motion today and no one on the Government side has yet addressed it. The motion is very narrow. It states:

That, in the opinion of this House, the granting of an untendered contract to the brother-in-law of the present Minister of Finance by the Government of Canada is an unacceptable action.

That is all it says. Hon. Members who have spoken up to this point have not addressed that. If one listened to and believed what the Prime Minister had to say last summer, and immediately following the election, that principle that would have been incorporated in guidelines or would have been followed even prior to written guidelines.

I remind the House of the practices of and what is lived up to in the British Parliament. If what occurred in the instance of the brother-in-law of the Minister of Finance had occurred in the British House, that Minister would have resigned the next day without even being asked to jump or without having to be pushed. A Minister of the Crown in the British Parliament would have done it of his own volition.

Nobody is questioning the Minister of Finance. He is an honest man, very capable. That is not in question. Even if one assumes, as I am prepared to assume, that the Minister had no knowledge whatsoever of his brother-in-law receiving an untendered contract, he would automatically have resigned. These things can happen to Ministers of the Crown from time to time. It has happened in many jurisdictions and there is nothing unusual about that. Sometimes a Minister may be a victim of the mistakes of those working under him or of the mistakes of a colleague, but in the final analysis he is the only one responsible.

● (1450)

I am sorry the Minister of Supply and Services has stepped out for a moment. If the Minister of Supply and Services failed to inform and consult the Minister of Finance (Mr. Wilson) regarding who would receive the untendered contract, then the Minister of Supply and Services should resign because he failed to carry out his responsibilities and thus made a victim of his colleague the Minister of Finance. If one were to assume that the Minister of Supply and Services did not know that the firm that was to be awarded the untendered contract had in its midst the brother-in-law of the Minister of Finance, then obviously his officials failed to tell him, in which case there are some officials whose heads he should have on a platter. Even if these officials failed to tell him, he is still responsible and has only one recourse if he wants to live up to the principles and traditions of the British Parliament, the majority of which we in this Parliament have followed for many decades.

Regarding the entire matter of appointments to government service, whether it be the civil service or a Crown corporation, I have always believed that the question to be asked is not so much what an appointee's political proclivities might be but what competence and abilities might be. Political affiliations or records should be secondary if the first two criteria of competence and capabilities have been met.

I do not expect a Conservative Government to appoint a lot of Liberals and NDPers to various boards, commissions and award them contracts. I would not expect a Liberal Government to appoint a lot of Conservatives and NDPers. I would not expect an NDP Government to appoint a lot of Liberals and Conservatives. When making Order in Council appointments, any Government must gather around it people who have the same political beliefs as the Government of the day. There is nothing wrong with that. One must have competent, capable advisers and employees at the senior levels who believe in the policies for which a Government was elected. Anyone who accepts an Order in Council appointment knows darn well that the odds are 99 to one that if there is a change in Government, he is out. That is one of the hazards of that kind of an appointment. There is nothing wrong with that.

We in Canada have not yet reached the level of sophistication, class and couth that exists in the British public service. In Britain, Deputy Ministers and heads of boards study the policies of all political Parties of that country. When the Government changes from one Party to another, because of the professionalism of the senior public service there is not a wholesale firing of Deputy Ministers and heads of boards. These professional senior civil servants are able to go to a new Cabinet Minister within a matter of weeks after his swearing in to say: "Here is your Party's policy on matters pertaining to this Department. We have researched it and here are several options that you can consider in order to implement your policy". That is what I call a professional public servant. Their own personal political preferences have nothing to do with it at all and it is highly unlikely that any of them would ever tell you what their preferences were in any case. There are senior public servants in the British Isles who have been employed for years and years after having been appointed by the Labour Party or the Conservative Party.

We have not yet reached that level of sophistication and maturity in this country. Until we do, the kinds of standards laid down by the Prime Minister himself, whether or not they are in writing yet, are known to every Member of the House and are certainly known to every member of the Cabinet. I am referring to what the Prime Minister said last summer during the election campaign. There is no use spending time discussing who got appointed to the Senate, as much as I would like to use up another half an hour discussing that. However, we have heard about that before so I will not belabour the point.

Some aspersions were cast by the Prime Minister and one or two other Hon. Members from the government side on the

records of NDP Governments in three different provinces. I cannot speak for Manitoba or British Columbia because I am not aware of all that went on there, although I am sure some of my colleagues could elucidate on that. However, having been Provincial Secretary of my Party in my province for seven years, part of which time my Party formed the Government, and having served on the Party executive in council during the years we were in government, I can say that no present or past President of the Saskatchewan NDP has ever been appointed to a position in the NDP Government, whether it be to a Crown corporation or a government department. No member of the Party's provincial executive has been appointed to an Order in Council position or a Crown corporation board since 1944. I challenge anyone to name one person who did.

I have listened to Members opposite as well as the Prime Minister express doubts about that. At the moment there is in the Province of Saskatchewan one Mr. George Hill, past President of the Saskatchewan Progressive Conservative Party, who was first appointed Chairman of the Saskatchewan Power Corporation. He has now been appointed to the bench. One Irving Goldenberg, previous President of the provincial Progressive Conservative Party, has now been appointed to the bench. By the way, someone I see frequently and know and like very well is Dr. Barootes, an excellent doctor and an excellent fund raiser for the Conservative Party. He is a very capable and nice man, there is no argument about that. He is, however, a past National President of the Progressive Conservative Party and has been appointed to the Senate. The Prime Minister is entitled to appoint whomever he wishes to the Senate. I am not complaining about that. However, I do not want to hear any Tories about the NDP appointing Party hacks.

One wonders and worries about the direction the Government and the Minister of National Health and Welfare (Mr. Epp) might want to take when it comes to medicare, hospitalization, deterrent fees and funding for hospitalization and medicare. I know that the hon. gentleman who has been appointed to the other place will not object because I have said this to him before in public. But Dr. Barootes is the guy who led the fight against medicare in Saskatchewan. He is the guy who led the "keep our doctors" committee. He is the guy who raised money to prevent medicare from being instituted in that province. There was a doctors' strike. One of the leaders of that strike was Dr. Barootes. Where is Dr. Barootes now? He has been appointed to the Senate by the Prime Minister (Mr. Mulroney) who set these high standards during the last election campaign. He set those high standards quite rightly. We agreed with him. But when it came to meeting them, he appointed people who totally disagree with medical care which is publicly operated and funded. One has to wonder about the high principles which have been laid down by the Prime Minister.

• (1500)

We did not start this in this Parliament. The Prime Minister started it. The Minister of Supply and Service (Mr. Andre) started it, and the Minister of Finance (Mr. Wilson) sits by and quietly acquiesces.

The question has still not been answered by the Government as to whether or not, as the motion reads, the Government thinks that it is appropriate for a brother-in-law or any relative to be granted an untendered contract without the Minister concerned offering his resignation. That is what is in question. It has nothing to do with the abilities and capabilities of the Minister of Finance.

I knew about the Minister of Finance long before he entered this House. He once performed some excellent work on contract, for the NDP Government of Saskatchewan. We know he is capable. We knew that years ago, long before many Members opposite were in the House. That is not the question. The question is: Is it or is it not appropriate to allow an untendered contract to go to a close relative? That is the question which has yet to be addressed by anyone on the government side.

No one disagrees with the saving of half a million dollars. But that totally evades the question and the principle which was laid down in the unctuous and sanctimonious words of the Prime Minister during the election campaign of last summer. I would urge members of the Government to rise in their place to answer and to speak to the specific question in the motion. Do they or do they not think it is appropriate for a brother-in-law of the Minister of Finance to receive an untendered contract, regardless of whether or not the Minister of Finance or the Minister of Supply and Services knew anything about it? Do government Members think that is appropriate? Second, should not one or both of those Ministers tender their resignations without having to be asked, pressured or put upon by Members in the Chamber, the media or the public?

Mr. Lewis: Mr. Speaker, I am tempted to ask the Hon. Member for Regina West (Mr. Benjamin), having discarded several members of the executive of the Saskatchewan NDP, if he knows Mr. Matsalla who was the former NDP Minister of Resources in Saskatchewan and who was appointed as an advisor on potash to the NDP Government of Manitoba. But I will not do that.

The Hon. Member said that he expected the Progressive Conservatives to govern. He said that he expected us to deal with people whom we know and trust. He also said that he expected us to make competent appointments. Does the Member not admit that the ultimate in competence is when a person or a firm, which is appointed on the same fee—15 per cent—as any person or firm would get under a tendered process, comes back and says that what was requested had been performed according to the contract and makes the recommendation that it should not be done any more? Is it not the ultimate in competence when someone who receives a contract comes back and tells us not to spend the money that way again in order that the taxpayers' money can be saved? Is that not what we are all here for, no matter what Party we belong to?

Mr. Benjamin: Mr. Speaker, I think it was very good of that particular firm to do that. That is the kind of thing which any

Government would like to hear. But we must return to the point.

I have had dealings with advertising agencies. I have discussed with Cabinet Ministers in the Province of Saskatchewan their dealings with advertising agencies. The onus is on that Cabinet Minister to tell the advertising agencies, no matter what their political stripe, about the program which they want to advertise and sell in order to educate and provide information to the public. The Cabinet Minister asks those advertising agencies to prepare a presentation, and two, five or ten advertising agencies might come forward with a presentation. If the agency about which the hon. gentleman spoke had come forward with a recommendation in its presentation that would save $500,000, and then submitted a tender, that would have been right on track. That would have lived up to the unctuous and sanctimonious conditions which were laid down by the Prime Minister in the election campaign of last summer. Don't give me any gears about that. I have been there. That kind of competent and capable advice is required. But how it is used is another matter. I submit that it was misused in an untendered process with a brother-in-law of the Minister of Finance, no matter how good the firm or how good the advice.

Mr. Schellenberg: Mr. Speaker, I listened with great interest to the comments which were made by the Hon. Member for Regina West (Mr. Benjamin). He spoke quite eloquently about past practice. He said that he did not expect the Liberal Government to appoint Tories or NDP Members, or for a Conservative Government to appoint Liberal or NDP Members. I wonder if he could comment on the fact that this Government has appointed more Members from other Parties than any other Government before it? The Conservative Government has appointed Stephen Lewis as the Ambassador to the United Nations and Lloyd Francis as the Ambassador to Portugal. Indeed, does that not show that the Prime Minister did have an option in the way in which appointments were made?

Finally, indeed, when the Gallup poll indicates that 60 per cent of the people in Canada are proud to call themselves Conservatives, is it hard to find a Conservative to appoint?

Mr. Benjamin: Mr. Speaker, after the Hon. Member mentioned Stephen Lewis, I wish he would send me a list. Every political Party, when it has been in power in Canada, has appointed people from other political parties. There is nothing new about that. I could submit a list of the names of people which the NDP Government of Saskatchewan appointed when it was in power.

Some Hon. Members: Name them.

Mr. Benjamin: Governments have smartened up and recognized that there might be some people in other Parties who have something to offer and who can be of assistance to the Government of the day in a non-partisan manner. All smart political Parties make appointments of people from other Parties.

I would like to say that when the then Premier of Saskatchewan received words about the recommendation of the appointment of a former Liberal candidate, who proved to be an extremely competent and capable person in that field, he made the appointment. The Premier got bawled out by some CCFers for doing that, but he appointed the gentleman. He is still there. That goes back to 1962 and he is still there and is an excellent public servant. But that is not the problem and that is not what is at question. I wish the Hon. Member would read the damn motion. Does he think it is appropriate? If he thinks so, let him get up and say so. That is all we want to know.

• (1510)

Mr. Tobin: Mr. Speaker, my good friend across the way was making the comment that every Government has appointed members of other Parties. That is the way it has always been, both provincially and federally in this country.

Mr. Benjamin: Not always. I didn't say always.

Mr. Tobin: Hon. Members opposite said, "Name them". Senator Jack Marshall was a fine and outstanding member of the Progressive Conservative Party from the riding of Humber-Port au Port-St. Barbe for a period of 12 or 14 years. He was named to the Senate by the former Prime Minister, the Right Hon. Pierre Trudeau. I can think of Senator Duff Roblin who was named to the Senate by the same former Prime Minister. There was also a former Progressive Conservative Premier. Hon. Members opposite are not going to convince Canadians—

Mr. Benjamin: Don't use up all of my ten minutes.

Mr. Tobin: I won't use all of your ten minutes. They will not convince Canadians in the slightest with that kind of silly attack. Because they have named two outstanding people, Stephen Lewis and Lloyd Francis, the Conservatives think that all of a sudden they have filled the quota. If the quota system is one Liberal, one New Democrat and 1,000 Tories, that will not convince anyone. Find more compelling arguments, if you can. That is my only argument. I wonder if my friend would agree.

Mr. Benjamin: Mr. Speaker, I want to say thank you to the Progressive Conservative Government for the appointment of Stephen Lewis. I want to thank the former Liberal Government for appointing Mr. Justice Berger, Mr. Leggatt, John Gilbert, all former Hon. Members of this Chamber.

Mr. Deans: Ed Schreyer.

Mr. Benjamin: Yes, Ed Schreyer, the Governor General, and that had nothing to do with Ed Schreyer's politics. So we appreciate that.

Mr. Deans: It's appropriate.

Mr. Benjamin: We are not questioning that, Mr. Speaker. If a Government wants to appoint 20 people to the board of directors of Canadian National or Air Canada, it has a right

to do so. It has a right to appoint whomever they want to appoint. The question is not whether or not they are Conservatives. The question is, are they competent? Do they come from a cross-section of the population? If most of them happen to end up being Conservatives, so be it. If there is the odd Liberal or New Democrat there, okay. But the question is the competence. Do they represent a cross-section of the population and are they not just former presidents or former fund raisers of the Party? There must be something more to the appointments than that kind of a criterion.

Again, Mr. Speaker, I come back to the motion. It still has not been answered by those Hon. Members opposite. Do they or do they not think it appropriate to give an untendered contract to the brother-in-law of a Minister of the Crown? Do you or don't you? That's all.

Mr. Henderson: Mr. Speaker, I agree with the Hon. Member who just spoke. It is an issue not just of the personalities of individuals we are talking about here but it is an issue of the principles and preferential treatment of relatives, people who happen to be in offices and have access to information to which the ordinary person does not. I think that is the interpretation which should be put on this motion before us today.

But we can get into the other issue of patronage appointments. Just last week I heard that one of the wharfingers in my area, a fisherman who had fished for 27-some years, has been replaced. A wharfinger is a person who looks after the wharves, the ports and harbours, tying up the vessels and that sort of thing. He was replaced by a chicken farmer because the chicken farmer happened to belong to the Progressive Conservative Party.

The whole issue of getting very close to the appearance of preferential treatment is something that this House should take very seriously. All Parties should take it very seriously. As my friend, the Hon. Member for Saint-Henri-Westmount (Mr. Johnston), said today, no one is questioning the integrity of the Minister of Finance (Mr. Wilson). What we are questioning is the possibility of this appointment being perceived as preferential treatment. That is the issue about which the Hon. Member is speaking and that is the motion which is before the House here today.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am very pleased today to speak on this ludicrous motion. It is not only sanctimonious, it is pompous. The reason I am here wearing my red dress, Mr. Speaker, is that red is the colour of defiance, and I defy Hon. Members opposite to find anything wrong with the judgment and the integrity of the people from this side of the House.

I know that the motion which was put forward by the New Democratic Party—which it expects us all to take with enormous seriousness—it is a serious topic. I would not deny that conflict of interest is a serious topic to discuss in this Chamber. However, the Hon. Member for Regina West (Mr. Benjamin) who spoke just previously, pointed out that there were no contracts, no conflicts of interest, or anything done against the public interest by the New Democratic Party of Saskatchewan.

Mr. Benjamin: I didn't say that.

Mrs. McDougall: Well, let me just point out, Mr. Speaker, that—

Mr. Althouse: No Party officials got appointments.

Mrs. McDougall: No Party officials. Well, there are two advertising agencies, Dunsky Advertising Ltd., and Struthers Associates.

Mr. Benjamin: Not Party officials.

Mrs. McDougall: When the New Democratic Government was elected in Saskatchewan, it fired the old agencies,—

An Hon. Member: Shame!

Mrs. McDougall: —and retained two small ad agencies, which had some modest affiliation with the NDP. Struthers was owned by two former executive assistants to NDP Ministers—

Mr. Benjamin: Actually there were three. You missed one.

Mrs. McDougall: —and Cameron Cooper, one of those principals, was the son of Marjorie Cooper, a former CCFMLA. Shucks, golly, gee whiz, isn't that a coincidence?

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I just want the Hon. Minister to know that Cameron Cooper was not Marjorie Cooper's son.

Ms. Mitchell: Get your facts right, Barb.

Mrs. McDougall: Well, Mr. Speaker, Mr. Cooper and Mr. Eaton, the other principal, had worked in a senior capacity with Elwood Cowley, who just happened to be the provincial campaign manager. Isn't that unusual?

Mr. Benjamin: He was a Cabinet Minister also.

Mrs. McDougall: Let me turn to some other topics, Mr. Speaker. I am here speaking on this motion as someone who has known our Minister of Finance (Mr. Wilson) for 30 years. I know something about his judgment and his integrity. We went to university together. He was known then for his judgment and his integrity. The Hon. Minister of Finance, when he was a teenager, would not even sneak a cigarette behind the bicycle shed. He was a person of integrity then and he is a person of integrity now.

An Hon. Member: What a boring guy.

Some Hon. Members: Oh, oh!

Mrs. McDougall: I want to add, Mr. Speaker, that also at school with us at the time was the new ambassador to the United Nations, Stephen Lewis, who I am sure would agree

that the Minister of Finance is a man of judgment and integrity.

I also knew the Minister of Finance as a competitor in the investment business. There is no one in the investment business in this country who does not know that the Minister of Finance was an honourable competitor and a man of judgment. I might also point out that having been in the investment business for some 20 years myself, I know Doug Lawson and Doug Robson. The reason I know Doug Lawson is that the firm of Lawson Murray is known in the investment business to be the best in the business for the placing of financial advertisements. Through an accident of marriage, Doug Lawson is the brother-in-law of the Minister of Finance.

Mr. Tobin: Accident?

● (1520)

Mrs. McDougall: It is an accident, Mr. Speaker, one of those unhappy accidents. I suggest to you that if we are to hurt ourselves through an accident of marriage, in terms of our careers or professions, perhaps the NDP is against marriage. Maybe that is what they are telling us.

An Hon. Member: They are against love.

Mrs. McDougall: I don't think they are against love.

Let me turn to the other people who sit across the House from us. My great-grandfather was a Cabinet Minister in the Province of Ontario. He was, unfortunately, a Grit. This simply proves that each generation gets better. I would like to point out that he was a Liberal Cabinet Minister at a time when the Liberal Party in the country was a Party of honour contributing to the future of the nation. My Grit great-grandfather would be ashamed of the baby Grits who populate this House. He was also a man of integrity and honour. I know they are babies because of the shrill rattles that come from the other side.

During the Coalgate debate, the Hon. Allen MacEachen gave the most creative interpretation of the conflict of interest guidelines yet seen. On February 21, 1983 he said:

> These guidelines are self-enforcing. There is no monitoring agency. They are up to the conscience of the individual... It is unfortunate that so much misunderstanding has existed about the effect of these guidelines.

You either know how to spell "integrity" or you do not. I agree with that. I can tell you who does know how to spell it, and that is the Minister of Finance.

Having spent a fair amount of time in the other place I feel I have some knowledge of those people. There is a person in the other place who had something to do with fisheries in this country. He designed the fisheries policy, and after he was appointed to the other place he was appointed director of the government fish organization. Mr. Speaker, if I were a fish I would be insulted. Someone on our side of the House forced him to resign because of a total conflict of interest. That company was in a position to get millions of dollars worth of contracts from the Government.

In that connection there is another example. Mr. David Mann was hired as the lawyer for the amalgamation of the Atlantic fisheries companies following that same task force. I quote the Hon. Minister of Justice (Mr. Crosbie) from April 3, 1984. He said:

> He is doing all the legal work on the amalgamation and negotiation with shareholders for Fishery Products International Limited, the Newfoundland company in which the Government is a heavy shareholder. He has now been appointed to the Board of Directors of National Sea Products Limited, their prime competitor. The gentleman is also the campaign manager for Mr. John Turner in the Atlantic Provinces. I do not know how he does all this.

We are talking about a very serious matter here today, Mr. Speaker. The challenge to the integrity and judgment of my colleague and our Party is totally without foundation. If we are going to talk about conflicts of interest, maybe we should all stand up and confess our conflicts of interest. Mr. Speaker, my brother-in-law was appointed to be the head of CBC Radio News. I have, therefore, resolved never again to listen to the CBC.

Some Hon. Members: Hear, hear!

Mrs. McDougall: My sister, who by coincidence is married to my brother-in-law, is an editor at *Macleans*. I have cancelled my subscription.

Some Hon. Members: Hear, hear!

Mrs. McDougall: My other sister, the one who is not married to the head of CBC Radio News, works for the Canadian Bankers' Association, and so does my sister-in-law. I have, therefore, closed my account and am keeping my overdraft in a sock.

Mr. Tobin: Mr. Speaker, I would like to question the Minister on the most relevant point she made in that entire speech. Where I grew up in Newfoundland we never had bicycle sheds. We had a few wood-sheds. I was happy to hear of the success of the members of her family and how well they have done in their various jobs. In Newfoundland we always say, "Never trust a man who wears a vest or a fellow who won't have a smoke behind the bicycle shed". What has the bicycle shed got to do with the motion introduced by the NDP today?

We enjoyed her speech and liked her style. She has great pizzazz and good humour. We enjoyed all that, but how is that relevant to this motion before us today?

Mrs. McDougall: It is very relevant, Mr. Speaker, and I am really sorry that the Hon. Member does not know how to ride a bicycle. It is important that people's patterns of judgment and integrity follow them through their lives. If they have integrity and judgment when they are young, they normally continue to have them as they proceed through life. I can attest to that, as can other people in this Chamber.

Mr. Tobin: Mr. Speaker, on February 3, 1984 the Minister of Supply and Services (Mr. Andre) was quoted in the Ottawa *Citizen* as saying, "A Progressive Conservative Government would gradually replace everyone of the 3,300 Liberal Cabinet

appointees on federal boards, commissions, and Crown corporations with our people". That was her Minister speaking, the Minister who is now in charge of the Department that is the most susceptible to patronage. Does that square with the notion that all is well here and we should not ask questions because the Minister of Finance would not have a smoke behind the bicycle shed? Who are you trying to kid?

Mrs. McDougall: I hope the Hon. Member is not suggesting that anyone who voted for the Conservative Party is not a person of integrity and of service to the community. Every single appointment that we have made is of people with a history of community service, competence, and integrity. We have appointed women and people from a variety of cultural groups. What does the Hon. Member want? Most of the people in the country voted for us.

Mr. Benjamin: Mr. Speaker, in the Hon. Member's opening remarks she confirmed what I had said. None of the names she mentioned was that of a Party official. I am not complaining about the Party officials that the Conservatives have appointed to various posts. I am just remarking.

As the Hon. Minister and all of the rest of us know, the Minister of Finance spoke with his brother-in-law, Mr. Lawson, about this matter. As I understand it, he gave approval. I would like to remind the Minister that while my colleagues and I have repeatedly said how capable, honest and good a man the Minister of Finance is, we have yet to use the word "judgment", because we question his judgment in that matter. That may say something for the judgment of the brother-in-law, who at least checked it out, but it does not say much for the judgment of the Minister of Finance, or, for that matter, of the Minister of Supply and Services (Mr. Andre).

Will the Minister tell us whether, in her personal view, she thinks it is appropriate for the brother-in-law of a Cabinet Minister to receive an untendered contract? That is all we want to know.

• (1530)

Mrs. McDougall: Mr. Speaker, I believe that the judgment of the Minister of Supply and Services (Mr. Andre) is what determines who gets contracts. I have absolutely no problem with supporting my colleague, the Minister of Supply and Services, in the awarding of this contract.

Mr. Henderson: Mr. Speaker, I take it from her answer that the Minister agrees it is acceptable for brother-in-laws to do untendered business with the Government. What is the Minister's opinion with respect to brothers and sisters? Could they accept appointments or do untendered business for the Goverment? Is the answer yes or no?

Mrs. McDougall: Mr. Speaker, I understand that there is a Liberal Member who has a brother-in-law in the Department of my hon. colleague, the Minister of the Environment (Mrs. Blais-Grenier).

How far does the Hon. Member want to go? Is he talking about second cousins, fourth cousins or uncles and aunts? Is he suggesting that a competent person who is the sister or brother of the government Member should be excluded from any participation in the public policy process? If that is the case, he would eliminate many people. I and many of my colleagues have a large extended family.

Mr. Henderson: Mr. Speaker, I am not talking about Members but about Cabinet Ministers and their brothers and sisters. We will restrict it to the question of brothers and sisters of Cabinet Ministers doing business with the Government of Canada. Does the Minister agree that they should be allowed to do so? Is the answer yes or no?

Mrs. McDougall: Mr. Speaker, that is a hypothetical question. Everyone has brothers and sisters. Surely there is nothing wrong with that.

Mr. Edwards: Mr. Speaker, would the Hon. Minister not agree that many of the problems of the NDP in Saskatchewan were solved by their Liberal brethren who had a marvelous record for making them bureaucrats in the federal service.

There appears to be a wonderful NDP reputation for social engineering. I wonder about the NDP commitment to the family when this resolution would have the effect of outlawing in-laws.

Mrs. McDougall: Mr. Speaker, I cannot speak for the NDP commitment to the family.

Other allegations have been made in relation to this, one by the Hon. Member for Saint-Henri-Westmount (Mr. Johnston). He indicated that when he was a Minister there were secret government documents all over the office and anyone walking through the office could look at them. I do not think that is at all an appropriate way for a Cabinet Minister to conduct his business.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for LaSalle (Mr. Lanthier), for questions or comments.

Mr. Lanthier: Yes, I am rising as the Member for LaSalle. I would like to ask the Minister what I am supposed to do. I am the fourteenth of a family of fifteen. I have 39 nephews and nieces and 27 grand-nephews and grand-nieces.

Mr. Guilbault (Saint-Jacques): There are 25 millions Canadians!

Mr. Lanthier: Seriously, there are quite a few Quebecers who are struck with the same situation. Am I supposed to commit suicide or go home?

[*English*]

Mrs. McDougall: Mr. Speaker, there are many of us on this side of the House as well as on the other side who have extended families. I know that this includes my hon. colleague.

I think that it is important that we get back to the fact that this Party has committed itself to acting with integrity and

judgment, to revising some of these guidelines and always giving them the appropriate review.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, it has been very interesting to listen to the speeches and comments this morning and this afternoon from Members opposite. They have talked about everything but the issue and the motion which is on the Order Paper. I know that there are people in the gallery who are wondering what this debate is all about. The motion reads:

> That, in the opinion of this House, the granting of an untendered contract to the brother-in-law of the present Minister of Finance by the Government of Canada is an unacceptable action.

That is what we are discussing. This motion is not an attack on the family unit. It does not demand that every brother, sister, mother, father or cousin of every Member of Parliament or Minister of the Crown should be locked away in Siberia until they have finished their political life.

The motion clearly states that the brother-in-law of a Minister should not be doing untendered business with that Minister's Department. It is not even with another Department or an agency, but with the Minister's Department. That is what happened in this case.

My colleagues in the NDP and we in the Liberal Party have attempted all week to have the Government answer that question. We have asked if the Government believes it is an acceptable practice, but we have never been able to get a straight answer. We have talked about the Government of Saskatchewan, the Government of Quebec and Governments ad infinitum back through history. But we have not talked about this particular instance, at least that side of the House has not.

I have come to the conclusion that if we cannot get a straight answer, then it is really a reflection of the attitude of Members opposite. Who have been the prime defenders opposite? One is the Prime Minister (Mr. Mulroney) who has risen in the House all week. The Deputy Prime Minister and Minister of National Defence (Mr. Nielsen) has risen in the House a great deal this week. Certainly, it has been the Minister of Supply and Services (Mr. Andre). He has had a great deal to say. We heard from the Minister of State for Finance (Mrs. McDougall) for the first time today. She talked about bicycles and bicycle sheds and I do not know how that is relevant.

Let us talk about the people who have been the prime defenders. Let me quote a Member of Parliament who spoke in the House on June 21, 1963. He is a very well known Member of Parliament who was talking about patronage and untendered contracts. The Deputy Prime Minister is smiling across the way. What did he say? At page 1434 of *Hansard* on June 21, 1963, the Deputy Prime Minister said:

> I would say that it is corrupt, because all that it indicates is a pay-off to political friends for assisting a political party. Patronage is being employed once again in the Yukon territory in order to pay off political friends. I say to the government benches, let us get back to the fair practice of calling for tenders for all public works and services and completely eliminate this ugly practice of patronage. There is no reason for it, and in my view every Canadian has an equal right to bid for every public work or service that the government required.

Mr. Gauthier: Who said that?

Mr. Tobin: The Deputy Prime Minister.

Mr. Gauthier: You're kidding!

Mr. Tobin: I am not kidding. I am serious.

We know what his attitude is—or was. I regret the loss of innocence between 1963 and 1985. It is amazing what 22 years in this place has done to the high principles, the values and views espoused by the Member opposite.

We see here the loss of innocence. In 1961, in a *Maclean's* magazine article entitled "The Young Canadians", a young promising star on the Canadian political star, the Prime Minister, who was a student at the time, was interviewed as a promising new star in Canada's future. In that 1961 article he was asked what he thought the attitude of a Prime Minister from the new generation of Canadians would be toward patronage. He said:

> I think his attitude is going to be drastically changed from the attitude of those who are in government today.

Of course, Mr. Diefenbaker was in Government in 1961. The Prime Minister was forecasting a change.

In the *Saturday Night* magazine in 1976, the same promising young student, the Prime Minister, was now a candidate for the leadership of the Progressive Conservative Party of Canada. What was he saying? How had he matured and grown from his association with the PC Party? The magazine states:

> Fifteen years later, in his first leadership campaign, he became fond of quoting Senator Allister Grosart, the former Diefenbaker aide: 'What this party wants is its two feet right in the goddamn trough.'

Here we are in 1985 and they have their two feet right in the—I will not use that foul language—trough.

What did the Conservatives say in 1984, just months before they became the Government? The Minister of Supply and Services stood up in the House and told us that his Government would have a clean act. What did he say? Let us quote him, shall we? He said: "A Progressive Conservative Government would gradually—" The Member was in opposition when he said this. The quote continues: "—replace every one of the 3,300 Liberal Cabinet appointees on federal boards, commissions, and Crown corporations with our people."

• (1540)

What did the Prime Minister say when he was told that the Member for Calgary Centre had made that comment? Was he shocked? Did he deny any association with the man who is now the Minister of Supply and Services? I will tell you what he said, Mr. Speaker. He said: "Wait just a moment. Andre can't count. There is not 3,300 Liberal appointees to be replaced with Tories. There are 3,600 Liberals to be replaced with Tories". That is what the Prime Minister of the day said. He also said at a press conference on July 9, 1984: "Brothers

and brothers-in-law are appointed to positions all over the place". It is a real scandal.

Why are these people opposite not able to acknowledge within the framework of their life experience, of their attitude, of the values they hold with respect to patronage, that there has been a conflict of interest, at the very least an appearance of a conflict of interest and, therefore, an example of the judgment of the current Minister of Finance (Mr. Wilson)? They are not able to acknowledge it, Mr. Speaker. The direction from which they come at this matter, the mind-set of this Party in power, reflects the attitude of a bunch of children who for too long have been denied access to the cookie jar. That is the reason they cannot understand that a very serious breach of the conflict of interest guidelines has occurred. That is the reason they cannot understand that it is not appropriate for the brother-in-law of the Minister of Finance to receive a contract from the Department of Finance. That is the reason, despite repeated questions, not one single Member opposite has been able to stand in his place with a straight face and answer the questions: Do you agree? Is it appropriate? Not one, Mr. Speaker.

Here is another quote, Mr. Speaker:

> For of those to whom much is given, much is required. And when at some future date the high court of history sits in judgment on each of us, recording whether in our brief span of service we fulfilled our responsibilities to the state, our success or failure, in whatever office we hold, will be measured by the answers to four questions:
>
> First, were we truly men of courage . . .
>
> Second, were we truly men of judgment . . .
>
> Third, were we truly men of integrity . . .
>
> Finally, were we truly men of dedication?

Those are the words of John F. Kennedy.

The issue in this debate today and the issue during the week has not been whether the Minister of Finance would have a smoke behind the bicycle shed when he was growing up. That is not the issue. The issue is not even whether the Minister of Finance is a man of integrity or honesty, whether he has exemplified throughout his life in his dealings, private and public, standards with which we would all like to associate ourselves. That is not the issue. The issue is that the Minister has shown extremely bad judgment. We on this side of the House with respect to patronage now see that the skids are greased by this Party and we want to put the brakes on. The issue that has caused Members in both Parties on this side to pursue this issue all through the week, perhaps into next week—

Mr. Hnatyshyn: You will be down to 14 per cent in the polls if you do not talk about the real issues.

Mr. Tobin: —is not simply the conflict of interest guidelines. What has bothered Members on this side is that we have not once, despite five days of questions, despite the speeches today, had an acknowledgment, even an acknowledgment, from Members opposite that there is something wrong.

We have heard the Minister of Supply and Services—whom I quoted earlier when he was not a Minister but now is a Minister in charge of the most sensitive patronage Department, and if there is the possibility for abuse, it is there—rise and say: "I would do it again". That is the problem. The problem is not just with the Minister of Finance. The problem is that we have given the Prime Minister, the front bench of this Government and the Minister of Finance himself an opportunity to get up and say, "No, it is not acceptable for a brother-in-law of a Minister in charge of a Department to receive a contract from that Department".

Mr. Dick: That is wrong.

Mr. Tobin: We have not even heard in the words of the Prime Minister a little bit of "I am sorry". We have not even heard in the words of the Prime Minister a little bit of "It won't happen again". We have had a Minister of Supply and Services stand and tell us repeatedly over and over during this week: "I would do it again". Who are you trying to fool with this notion? That this company saved us $500,000? That is absolute nonsense, Mr. Speaker. The Government House Leader should know that the public servant who signed his name on a contract that was given to Lawson Murray to authorize that contract, who is not now employed with the Government and who was interviewed by a reporter this week from *The Globe and Mail,* was quoted as saying: "I don't care what the Minister of Finance says. It was straight patronage". That is the person who signed the contract.

Mr. Hnatyshyn: That was your employee.

Mr. Tobin: No. That is the one who signed the contract. You ought to get your facts, straight, Sir. I warn the Government House Leader that we expect him to come forward quickly with their new conflict of interest guidelines. I will be curious to see how they can possibly make them any stronger than the current guidelines, which state categorically—

Some Hon. Members: Oh, oh!

Mr. Tobin: I hear a Member shouting. No, they are Mr. Clark's guidelines. There again we all know that the Prime Minister thinks of Mr. Clark. He stood up in Montreal a few years ago and endorsed the leadership of Mr. Clark. He stood up in Montreal and said: "The Member for Yellowhead (Mr. Clark) will remain the Leader of the P.C. Party at the convention and he will do it with my support". That is what the current Prime Minister said. What happened, Mr. Speaker? A little while later the man looked like a porcupine. Of course, the current Prime Minister had no blood on his hands. We know what his word is worth. The Hon. Member for Yellowhead, the former Progressive Conservative Prime Minister, knows what his word is worth. We know what happens when the Prime Minister lowers his voice because we saw him do it on that fateful day in Montreal. He said: "I can assure you that I support the candidacy of the Member for Yellowhead". A little while later he was being hauled out on a bier, rushed into an ambulance and plugged into about four gallons of blood. We know what his word is worth. We are telling you now that the eyes of the people of Canada are upon you. You

have tried their patience already much too far and you had better come with some guidelines pretty soon. We shall be vigilant.

Mr. Hnatyshyn: Mr. Speaker, I rise because I want to make some brief comments at this point in time with respect to the topics before us today.

It always amuses me to see the moral outrage demonstrated from time to time by the New Democratic Party and the Liberal Party—

Mr. Deans: No moral outrage.

Mr. Hnatyshyn: —who come forward with a vote on Friday afternoon, costing the people of Canada $450,000 to have this discussion and this vote, which requires Members to come here from their constituencies on a Friday afternoon. Where are they, Mr. Speaker?

Mr. Althouse: Where are they paid to be?

Mr. Hnatyshyn: All we see is a corporal's guard on the part of the Opposition. They know they are on a phoney issue. They know that they should be talking about the real issues affecting the people of Canada. They should be talking about the fishermen, the farmers, and the working man. But what are they doing at this time? They indulge themselves in the worst slanderous, sleazy type of character assassination that we have seen in this Parliament for a long time. If this type of thing is carried on by the New Democratic Party and by the Liberal Party, the eyes of Canada will be on this Parliament.

Do you know what is going to happen, Mr. Speaker? These people will slide right out of sight in terms of political support. The people of Canada do not want their time wasted with this kind of discussion which somehow appeals to the base instincts of the people in the Opposition.

Mr. Tobin: You rang the bells for three weeks.

Mr. Hnatyshyn: They want constructive discussion on the real issues, the pocket-book issues, on how we can improve our society. People do not want to be listening to all sorts of allegations and a repetition of misstatements of facts.

• (1550)

A statement was made today in the House by the Leader of the New Democratic Party, and by a Member from Ottawa as well, suggesting that somehow we had made 1,200 patronage appointments.

Mr. Deans: I didn't say that.

Mr. Hnatyshyn: It was not you; it was the Leader of your Party.

Mr. Deans: He was not here today.

Mr. Hnatyshyn: The Leader of that Party suggested that we had made 1,200 patronage appointments. What are the facts? The fact is that we have made a total of something in excess of 500 Order in Council appointments. We are guilty of making those appointments.

Mr. Deans: That is in seven months.

Mr. Hnatyshyn: We made a number of appointments, included in that, which may have had the effect of promoting RCMP staff sergeants to inspectors. These were some of the Order in Council appointments included in that 500. We appointed C. M. Bud Drury. In fact, we appointed a number of judges included in that number, appointments which were approved by the Canadian Bar Association.

Mr. Gauthier: You fired Drury.

Mr. Hnatyshyn: Are these patronage appointments? In terms of discretionary appointments since we were elected to office, we have made something in the vicinity of 350 of them. Listening to the Opposition, one would think that we spend noon, morning and night doing nothing but filling appointments and jobs. That is the opposite to the truth. That is being fraudulent. They are being unfair. They are attempting to raise false issues.

Mr. Deans: Mr. Speaker, I rise on a point of order. I am just curious to know whether the Hon. Government House Leader is making a comment with regard to the speech or is making a speech. If he is making a speech, perhaps he could try to make it relevant to the motion before the House.

Mr. Deputy Speaker: Does the President of the Privy Council (Mr. Hnatyshyn) wish to answer?

Mr. Hnatyshyn: I was getting to the point, but I think I am entitled to make a brief comment with respect to this matter.

Mr. Tobin: Mr. Speaker, on a point of order—

Mr. Hnatyshyn: In terms of the statements made—

Mr. Tobin: Mr. Speaker, this is the time for questions and comments. If the Government House Leader would like to make a speech, he should wait for his turn. I would like to have an opportunity to comment on the comments which are being raised. There is no such thing as a 10-minute question or comment, of which I know. Perhaps the Speaker could enlighten me.

Mr. Deputy Speaker: The Hon. Member will have an opportunity to answer. The President of the Privy Council has the floor. I ask him to make his comments relevant to the speech of the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin).

Mr. Hnatyshyn: Mr. Speaker, I know the Hon. Member was sitting silent, mute, as I recall it, on the government side before the last election when the Liberal Government was wallowing in terms of patronage. In terms of the special recovery fund, it was a crass and absolute distribution of public funds to the constituencies of government Members. Where was the Hon. Member then? Where was his outrage at

that time? His Government gave a name to patronage which is now history. Where was he? Why was he not speaking up? Why would he not speak up when his Government was indulging in the worst patronage in the history of our country?

Mr. Tobin: Mr. Speaker, without commenting on the validity of the Hon. Member's statement, it sounded an awful lot like a statement saying that two wrongs make a right.

Mr. Andre: You admit a wrong.

Mr. Tobin: No, no.

Some Hon. Members: Hear, hear!

Mr. Tobin: Listen carefully.

Mr. Darling: You admit a wrong.

Mr. Deans: They were wrong and so were you.

Mr. Tobin: Without commenting on the validity of the Hon. Member's comments, it sounds like a defence to me from somebody who is trying to say "leave us alone; because we think it happened before, it is okay for us to do it". The Government House Leader, an important representative and an important spokesman, did not rise to tell us why there was no wrongdoing.

Mr. Andre: There was no wrongdoing.

Mr. Tobin: He rose and went on a vicious attack. The Prime Minister was questioned, as reported in the May 24, 1983 edition of *The Globe and Mail*, as follows:

> "Mr. Mulroney, you're going to be Prime Minister", and Mr. Mulroney shouts back, "You're going to be a Senator. But it will all be fair. There will also be jobs for Liberals and New Democrats—after I've been Prime Minister for 15 years and I can't find a living breathing Tory in the country".

The Government House Leader, who was outraged a moment ago—and the cameras cannot see him—is grinning from ear to ear.

Mr. Hnatyshyn: You are a joke.

Mr. Tobin: He knows that there have been 1,200 patronage appointments made by the Government, not 500. He knows that not all patronage appointments are Order in Council appointments. He knows that. He is not fooling anybody. I invite him now to answer one question. I will not raise the subject ever again, no matter what is his answer, but I ask him to give me a yes or no. Does he think it is appropriate for the brother-in-law of a Cabinet Minister to receive an untendered contract from that Cabinet Minister's Department? Is that appropriate? Yes or no.

The Acting Speaker (Mr. Charest): The Hon. Government House Leader.

Mr. Hnatyshyn: Mr. Speaker, the problem is that the premise is wrong.

Mr. Tobin: Yes or no.

Mr. Hnatyshyn: The allegation in terms of the contract in question is completely wrong.

Mr. Tobin: Yes or no.

Mr. Hnatyshyn: It is wrong because he did not get it from the Minister's Department. It was from the Department of Supply and Services.

Mr. Tobin: Yes or no.

Mr. Hnatyshyn: How can I answer yes or no to a question which is wrong in its very premise? I stand up with my colleagues and say that there has been no breach of any guidelines. The Minister of Finance (Mr. Wilson) is an honourable and decent man. No amount of attempted character assassination on the part of the New Democratic Party and the Liberal Party will cause one change in the attitude we take with respect to doing the right thing on behalf of the people of Canada.

I say to the Hon. Member that he does himself a disservice. He brings his own credibility into serious question by this kind of muck-raking and this kind of attack on a decent and outstanding Canadian citizen.

Mr. Tobin: Mr. Speaker, in order to clarify the record—and I do not know if the camera can see it—this document is entitled: *The Black Paper on Tory Patronage*. It was prepared by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), and it lists considerably more than 500 Tory patronage appointments. The Hon. Member for Glengarry-Prescott-Russell has done a super job watching the kinds of tricks those people have played. I would be glad, on his behalf, to provide a copy of it to any Member who requests it. In case they did not know, they can take credit for a lot more then 500, because there are about 1,200 listed in the document prepared so ably by the Hon. Member.

Mr. Johnson: Mr. Speaker, I would like to ask the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) if he believes that every Member making a statement in debate or answering questions should tell the truth to Hon. Members of the House.

Mr. Tobin: Yes, Mr. Speaker, I think all of us should endeavour, wherever possible, in whatever way possible, in so far as we have the information, to tell the truth to Hon. Members of the House.

The Acting Speaker (Mr. Charest): Resuming debate.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, having returned to the House this afternoon to join in the debate on the question before us as to whether in fact it is acceptable for the Government of Canada to grant an untendered contract to the brother-in-law of the Minister of Finance (Mr. Wilson), I have been taken by the comments of the Government House Leader who suggested that this question was not of any great concern to the people of Canada. I very much doubt that. I am always aware of the fact that my

constituents—and I expect that the same is true in many other ridings—are watching debates in the House and have a considerable interest in questions which come before us. Sometimes the debates may leave something to be desired, but Canadians have an interest in the questions before us.

Given the confusion that has been reigning in the last few minutes, it may be worth repeating some of the details or some of the information involved in this case in order to sharpen the question. Those who tuned in late and are involved in listening to this stage of the debate, not having read their newspapers faithfully and so on, may wonder whether or not some of the darts being tossed are on target.

The question involves the granting of a contract for advertising savings bonds. It involves the granting of a contract which someone who was involved in this kind of work during the term of the last Government says is very easy. In fact, this kind of work was described as a beautiful hand-out, patronage. It is also clear in looking at the way in which this contract was arrived at that the last Government followed practices very much like this one. Some of the darts being tossed back and forth involve Liberals and Conservatives in the old slanging matches.

● (1600)

The people of Canada are wondering exactly what is going on. In this information about how it was done, is it possible that the Minister of Finance did act with propriety and that there is nothing wrong with the Government? What are the means by which this hand-out to an advertising agency is carried out? It is apparently in the hands of the President of the Treasury Board (Mr. de Cotret) rather than the Minister of Finance. A recommendation is made by a committee of the Government. When we examine the personnel of that committee, we get a better sense of how these things are done. We are told that soon after taking office, this Government fired the three Liberals who had been in charge of the federal advertising management group. It put in two Tory activists. When we see that, it becomes clear that this is the basis for this kind of activity. When we are told that one of the people appointed was Robert Byron, a former advertising executive with Case Associates Ltd. of Toronto, who directed constituency services for the Conservative Party in the federal election campaign last year, we may well assume the Mr. Byron had some fair knowledge of who the Tory investors are across this country, particularly those in cities like Toronto, who have significant business positions and who now deserve to benefit from the new Government.

When we are told that the other person, Jean Péloquin, a Montreal advertising executive who was a member of the Tory communications strategy group in Quebec during the last campaign, we say to ourselves that here is someone who would know perfectly well who the advertisers are in that part of the country and probably had some fair awareness of who they are in other areas.

What we have is work that is not very difficult, probably overpaid, given that it is this kind of a plum or hand-out to an agency. The people who are looking at it are former Conservative Party officials who were appointed to this group to manage it for the benefit of their friends. When they look the field over and settle on an agency, which happens to have the brother-in-law of the Minister of Finance in it, it presumably does not bother them that this gentleman is in an executive position, that the advertising contract involves the Ministry of Finance. That does not matter. Something over a quarter of a million dollars is going to go to this agency. The fact that it means extra revenue for the firm is just the way these things work.

The people of Canada are interested in these matters, particularly ordinary Canadians who have very little hope of ever benefiting from a Government which likes to cut expenditures wherever possible and to restrain spending, no matter what the consequences may be for them. Those ordinary Canadians have a considerable interest in exactly how this new Government operates. They are not going to be impressed when they realize that this Government, which promised change in various areas, carried on through the fall using guidelines which are clearly inadequate, which the previous Government had used, produced no change except a personnel change.

These Canadians are going to ask themselves whether taxpayers' money is being squandered, is going to the profit of relatives and friends of the new Government at their expense without gaining the country any great advantage. To be told that this is past practice and the President of the Treasury Board need not apologize to anyone for having done these things is outrageous. The people of Canada can only be strengthened in their cynicism that they feel about Government, that the Tories are no better than the Liberals, that the Government is out for the advantage it can get for its friends and relatives, not the people of Canada generally. They can only be convinced that good Government is going to be impossible.

Government falls into disrepute by behaviour of this sort. If there is one thing that I hold against Governments and Parties that do this sort of thing, it is exactly that sense of disreputable Government, the cynicism about Government that it engenders in the minds of ordinary Canadians. When I see Hon. Members shaking their heads and questioning that, I wonder where their moral sense is. Clearly partisanship takes over and people cease to worry about proper behaviour and propriety in these circumstances.

Our motion focuses on the granting of a contract. In the debate this afternoon there has been a failure to answer the question about whether this is acceptable or not acceptable. It is an indication of a certain measure of unease. The curious thing is that there has been some tightening up in the guidelines. That surely suggests that the behaviour last fall was not acceptable, that this sort of thing should not happen. If the head is shaking, it means that the regulations have not been tightened up. One then has only to grieve the fact that there has been no improvement.

There has been some discussion here about patronage in the sense of other appointments. If one looks at those, one gets a sense of why Canadians have reason to be unhappy about what happened last fall and reason to support the motion before us today. If the question is answered as it should be, it will give the Government reason to apologize to the Canadian people.

Government can all too easily become the private property of those who hold the levers of power, those who have the seal of state and those who have the power of appointment. In our parliamentary monarchy, that power resides largely in the hands of the Prime Minister and the Privy Council Office, the Prime Minister acting with the advice of his own office. When we contemplate what occurs in the patronage appointments, whatever number they may be, in these Order in Council appointments, and judgeships have been suggested, and the fact that the federal Cabinet, on the recommendation of the Prime Minister and the Minister of Justice, has incredible power in the appointment of justices across the country and within what would seem to any newcomer to be provincial judicial systems, we see that it is only an indication of the large power of appointment which the Government has had from the time of Confederation. It has been used time after time for partisan advantage. It has been used time after time for just the sort of gain for the friends and relatives of Government which we are protesting this afternoon.

Mr. Hnatyshyn: That is shameful. Name names.

Mr. Epp (Thunder Bay-Nipigon): The Government uses its power of appointment in order to appoint supporters and friends, even without people having any great amount of qualification.

Mr. Hnatyshyn: That's McCarthyism. Name names. What judges do you suggest are political hacks?

Mr. Epp (Thunder Bay-Nipigon): The fact that we have this power of appointment without any parliamentary check on it gets us to the heart of the difficulty.

Mr. Andre: Your performance does not give us much confidence in Parliament.

Mr. Epp (Thunder Bay-Nipigon): If we were going to have Government acting properly, we would have the credentials of persons being appointed considered by a committee. That committee would determine whether in fact these persons deserve to exercise the powers that are there.

One need only think of the boards of transportation organizations which have received a good deal of government attention in the last while, most recently the boards of Air Canada, CN, VIA Rail. We have seen persons appointed to those boards whose credentials certainly include friendship with the Prime Minister, support for him in years past and limited knowledge in some cases. One knows quite definitely of the industry that they are going to be responsible for, the company on whose board they sit. In those cases, we have every reason to ask if a parliamentary committee which would consider the credentials of these persons would in fact decide that they deserved the appointments, or would it not in fact refuse to vote for the endorsement of some of those appointments? If we had such a structure, there would be no necessity for anyone to shout at me that I name names or anything of the sort. We would have a parliamentary committee encouraging the Prime Minister (Mr. Mulroney) to consider candidates properly and to appoint people with qualifications. When we consider the companies involved, which are large Crown Corporations and commissions of various sorts, and when we know that the responsibilities here are of enormous importance to the nation and to Canadians, we want people with expertise. If it is not necessary to have expertise, then we create sinecures.

● (1610)

In centuries past, the British parliamentary Government offered a great many sinecures. After all, Adam Smith himself spent much of his time writing *Wealth of Nations* while holding one of those sinecures. A lesser mortal was appointed to do the work and the greater mortal in effect went on a pension. I must say that most of these sinecures were a lot less productive than the one held by Adam Smith.

If boards do not have important work to do and if knowledge of one aspect or another of an industry is not required in order to become a member of the board, then we have, in the most abominable way, another system of pension. Ordinary Canadians are very interested in these matters because they know how very limited their incomes are if they depend on Government. They have suffered at the hands of a past Government which twice brought forward restraint programs designed to reduce incomes, and this happened with the support of Conservative Members.

The people know if they live on pensions how adequate or otherwise those pensions are. If they are forced to live on unemployment insurance benefits or social assistance, again they know exactly how prosperous they will be and they know of the indequacies in the Canada Assistance Plan, a plan which, in co-operation with the provinces, forces people to live at income levels which are open invitations to immorality and crime. In such circumstances, Canadians have a considerable interest in exactly how fat the friends and relatives of Government will become at the public expense.

It is that kind of standard that the Government House Leader might want to contemplate. He can grow very indignant, as he did a few moments ago when he put on a reasonably effective show, but his constituents too would like to know why some people manage to do so well under what can easily become Conservative privilege while ordinary Canadians, who would like to be able to make some contribution to the well-being of their communities, are held back, constrained and driven to desperation by the actions of the Government. In the Province of Ontario, one can cite the provincial Conservative Government's 42 years of damnable governing as much as one can now cite the new Government with its great power.

The larger patronage question and the more specific matter of the abuse of power to enrich some at the expense of the Canadian nation are the kinds of issues that are before us. I

think the Canadian people are very interested in these issues. The Canadian people seek a Government that will act responsibly. The Canadian people want the appointments of men and women who have qualifications, who represent the diversity of this country and who have regional experience through the varoius levels of prosperity and lack of prosperity that exist in this country.

The Canadian people want boards to be broadly representative in every way. They do not want boards that are made up simply of friends and relatives of the Government. They do not want boards made up of Conservatives who have been particularly friendly with the Prime Minister in past years. In fact, there are probably many Conservatives who are still waiting for rewards. The Prime Minister has not had 15 years in which to satisfy every Conservative, and he has neglected supporters of other people while taking care of his own friends.

The Canadian people want boards to be properly representative, and when they hear about the Government spending money on advertising contracts, they want to be sure that they are getting good value for their money. The refusal of Members and Ministers opposite to say whether or not this behaviour is acceptable underscores the fact that they too do not want to go on record as saying that it was acceptable. By their refusal to answer, there is a concession that something happened here that should not have happened and that the regulations need to be made tighter.

I call for all of these contracts to be tendered. Surely such a provision can be made. We need a parliamentary committee which can consider appointments and ensure that the people who exercise power on behalf of the Canadian Government and the Canadian people are properly qualified to do so.

Some 10 years ago, President Nixon was involved in trying to change the nature of the Supreme Court of the United States so that it would suit his particular ideological predilections. Many Hon. Members will also remember the number of unfortunate nominations to the Supreme Court he put forward, nominations which Senate committees refused to pass. I will never forget one judge at a lower level who, when attacked for being too mediocre, asserted that the Supreme Court of the United States of America should offer among other things a place for mediocrity to be represented. In this case, what we have is mediocrity that is bearing the Conservative label, or mediocrity that carries PC membership cards in its wallet. That is not a situation which pleases the Canadian people. They applaud us this afternoon for being here where we ought to be doing the nation's business and asserting the principles that should govern.

Mr. Lewis: Mr. Speaker, I would like to compliment the Hon. Member. I do not think we have heard such a skilful weaving of sanctimony and hypocrisy in one speech in a long time.

The Member made a lot of suggestions as to how things should be done. I would like to examine those suggestions for a moment. He suggests that he holds the action of appointing one's friends and acquaintances in contempt. He wanted the power of review of appointments to large Crown corporations and boards given to a committee. He did not want these appointees made up of friends of the Government. He made the comment that he did not think these appointees should have the membership cards of the Party in power in their pockets.

When Saul Cherniak, the Manitoba NDP M.L.A., was appointed Chairman of Manitoba Hydro, did he have an NDP membership card in his pocket? Was his appointment reviewed by the parliamentary committee which the Hon. Member so loftily suggests should be put in place? Having dealt with Saul Cherniak, could he enlighten us on Mark Eliesen, the former staff member of the NDP National Party who was appointed the research director to the Chairman of Manitoba Hydro? Did his appointment also go through that very lofty and sanctimonious review procedure? Did he or did he not have an NDP Party membership card in his pocket when he was appointed?

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, these are questions of fact to which I cannot answer yes or no. It is quite likely that Mr. Cherniak had a membership card somewhere about and close enough to him that I would be inclined to say yes to that question. As far as Mr. Eliesen's appointment is concerned, I really do not know.

I will cheerfully deal with the point of the question, though, and that is whether or not in fact there should be such procedures. I think there should be. As to whether or not the provincial New Democratic Government of Manitoba should do this or not, in my opinion the answer is clearly yes. That the failure of one provincial Government to provide such a committee in any way excuses the Government of Canada from providing one does not seem to me to be an argument that is at all convincing. I would like this Government to lead. It happens to be the one which I am in, so I will do my part and suggest the directions which I think we should take. After all, these proposals are not entirely novel. Certainly, it is not solely my suggestion that we should have such a committee. Indeed, it was part of my campaign in Thunder Bay-Nipigon to propose such a committee. I believe the Prime Minister has also expressed opinions on this matter which would be well worth examining. I look forward to consideration being given to establishing such a committee and going through with it at an early date. That is what the question is.

• (1620)

Mr. Hnatyshyn: Mr. Speaker, I would like to make a brief comment and then I would like to put a question to the Hon. Member.

As I indicated earlier today, there has been some attempt to suggest that thousands of appointments have been made by Order in Council by this Government during the period in which it has been in power. I believe the record should be set straight. On March 27, the Leader of the New Democratic Party stated that over a thousand such appointments had been made, and today the Hon. Member for Ottawa-Vanier (Mr. Gauthier) said that the Government had appointed over 1,200 people. The fact of the matter is that since September 4, 1984,

the Government has made 593 appointments by virtue of Order in Council. That information is on public record. Members must understand that those 593 appointments include a number of categories. They include Commissioners for Oaths, honorary consuls for Canada abroad, diplomatic appointments, commissions of inquiry, and the list goes on. I would be surprised if former Staff Sergeant Hendrik Kornelius Morlag and Sergeant Carl Singbeil of the RCMP, who were appointed to the rank of inspector, would consider themselves as being recipients of patronage appointments. I would be surprised if Keith W. MacLellan, who was appointed as Ambassador Extraordinary and Plenipotentiary of Canada to the Syrian-Arab Republic, could be considered by any decent and fair-thinking Canadian as having received a patronage appointment. Is the appointment of people such as Bud Drury to CN a patronage appointment?

I have lived in Saskatchewan all my life. I have also lived under a New Democratic Government in that province. So I do not have to be lectured by members of that Party with respect to paying off their friends. I understand that once in a while outstanding and decent people were appointed to positions by the New Democratic Government of Saskatchewan. They appointed my mother to the Human Rights Commission. I paid tribute to them for that. That was an exception. I can tell Members that my mother was not in there with a bunch of Tories. However, the people who were appointed to boards and commissions, certainly were not unfriendly to that Government.

I believe that the Hon. Member for Thunder Bay-Nipigon is an honourable Member who has a very deep interest in fairness. The motion which was put forward by his Party today is tied to a vote. That has required Members of Parliament to return from their constituencies on a Friday afternoon. The cost to Parliament to run this House for one day is $450,000. Does the Member think that it is more important to talk about the Minister of Supply and Services (Mr. Andre), who awarded a contract at the outset of our administration to a company in which the brother-in-law of the Minister of Finance (Mr. Wilson) was involved, than it is to consider the plight of the people of this country who are looking for jobs? Does he not think that it would be more important for the Opposition to come forward with a statement of how it thinks it can improve Canada? Does he think that this kind of debate is edifying to the people which he fought so hard to represent? Does he not think that we would be better served in this House of Commons if we debated the issues which affect the well-being of the people of Canada? I ask him those questions in all seriousness.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, given that the Government House Leader said very similar things in a more impassioned sense before I began speaking, I think that I have answered those questions.

I think this is a good use of time. It involves the question of granting untendered contracts to relatives and friends. That is a question which is important. Canadian people are interested in it.

His mention of a $450,000 expenditure strikes me as being contemptible. I do not know what goes into adding that up, but people know, to some extent, how few of us are in the House when we are debating important matters following Question Period. To be told that Members have come back from their ridings will not impress my constituents. What is the $450,000 for? Did the Government House Leader propose to shut down the House and not let us have an Opposition Day in order that we could forward something which was important to us? I trust not. I believe that that kind of contempt for Parliament and for the good sense of the Opposition is not something which the Government House Leader is actually trying to make. But I am not sure what the point of the $450,000 was.

I repeat, this is important business. It was appropriate to raise this matter because the Government refused to answer the question of whether it is acceptable to grant an untendered contract to a relative of the minister of a Department with which that contract is involved. It is a perfectly good question. The refusal of government Members to deal with that and instead to wax indignant about other matters, only confirms my belief that they know what the answer is and they do not dare give it.

Mr. Fraleigh: Mr. Speaker, I appreciate the opportunity to comment and put a question to the Hon. Member opposite. I would suggest that the people of Canada are watching and are interested in seeing this House debate productively. What NDP Members are doing today is very transparent, and they know it. They can sit and grin all they want, but the people of Canada are not so stupid that they cannot see through what the NDP is doing today.

They speak about this momentous motion which is before the House. However, there are no hordes of opposition Members in their seats. It is a vital matter and we do not have a full House. I suppose that I should not direct any of my remarks toward the Liberal benches, because no one is there to hear them. I can understand what the NDP thought it was doing, and so do the people of Canada. They can see through sheer sham, and that is what this debate is all about.

The suggestion was made that no government Member was willing to respond to the question with a yes or no answer. I want to take this opportunity to respond. It is yes—

The Acting Speaker (Mr. Charest): Order, please. I regret to interrupt the Hon. Member but the period for questions and comments has now expired. I will recognize the Hon. Member for Calgary West (Mr. Hawkes) on debate.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, tomorrow is Saturday and I will be in the good old City of Calgary for my regular monthly public meeting. The first thing which I will brag about is this contract. I will brag about the fact that we have a Minister of Supply and Services (Mr. Andre) who instructed his officials to look around for a firm that for $26,000 would do the work which firms historically have done, and which would go one step further and provide advice to save Canadian taxpayers half a million dollars in the coming

year and in future years. I believe that 211 people from one political Party were chosen by the voters of this country to form the Government because the country is in a mess, and we are to go out there and select the most qualified people who will do the best job for the taxpayers of this country and turn this country around. That is what the Minister of Supply and Services did, and I am proud of it.

• (1630)

This is a day on which we can concentrate on the issue of integrity. The issue of integrity is one which is legitimate for debate in this Chamber. It is of concern to Canadians, certainly of concern to me and it is of concern to members of my Party. A day's debate on the issue of integrity is a day for very serious debate. My first introduction to the New Democratic Party's integrity was in the month of December, 1979. That Party, which said, "We stand for the ordinary people of Canada", stood in this Chamber and voted down a Budget which the Canadian Welfare Council said was the fairest Budget to the poor people of this nation in the decade of the 1970s. That was my first encounter with NDP integrity.

My second encounter was in the early days of the great Constitution debate. Most of the New Democratic Party Members who sat in this Chamber were from western Canada. That constitutional proposal would have made second, third and fourth-class citizens out of western Canadians for the rest of our lifetimes, but that Party supported it for political gains. That is the second major chunk of NDP integrity I have encountered in this Chamber.

Today is a day where we are supposed to debate the issue of integrity. Look at the motion, Mr. Speaker, which the Opposition has proposed. It states:

> That, in the opinion of this House, the granting of an untendered contract to the brother-in-law of the present Minister of Finance by the Government of Canada is an unacceptable action.

Mr. Althouse: It could have said, "The granting to anyone of any untendered contract".

Mr. Hawkes: Is it a factually correct motion, Mr. Speaker? Let us take one fact which deals with one small piece of integrity. There is no such contract which exists between the Government of Canada and the brother-in-law of the Minister of Finance (Mr. Wilson). There is a contract which exists between the Government of Canada, under the authority of the Minister of Supply and Services, and a firm, namely, Lawson Murray Ltd. The very name suggests that Lawson is one person and Murray another, and who in this Chamber knows what "Limited" represents? But there was a contract between a firm and the Government of Canada.

Mr. Althouse: And it was untendered.

Mr. Hawkes: It is an untendered contract. The New Democratic Party, when it voted in this Chamber in December, 1979, made victims of the poor people of this country. That is one of the consequences. Today the thrust of its interventions, the thrust of its motion, I suggest, runs counter to the basic attitude which underlies support for the Charter of Rights and for a belief in the individual rights of Canadians. The last speaker of the New Democratic Party broadened the debate somewhat. The motion suggests that brothers-in-law and all of those who are associated with, in partnership, or in company with them, should be discriminated against simply because they went through a marriage ceremony. It says nothing about common-law spouses. It says nothing about first cousins, second cousins, half brothers or half sisters. But it says something about brothers-in-law.

Mr. Althouse: And a lot about untendered contracts.

Mr. Hawkes: The last speaker broadened it to the issue of friends, Mr. Speaker. If we were to buy the logic which underlies this NDP motion, we would have to start with a couple of facts. First of all, let us recognize that about 46 per cent, almost half of the Gross National Product which occurs in this country in a calendar year, occurs because of government expenditures. It is Government at all levels. Almost half the commerce in this country occurs because of government expenditures. That is the first point to recognize, Mr. Speaker. That Party is suggesting that particular classes of people, the friends of politicians and the brothers-in-law of politicians, should be excluded from a portion of that business.

I would like to ask members of the New Democratic Party a question. What would happen if, through some miracle of misinformation, the Canadian public ceased to understand the New Democratic Party and, in a moment of weakness, voted for it and put it in charge of this nation? I have in front of me just one page of Main Estimates. It is called "Figure 19: Distribution of Labour Education Funds by Organization". These are untendered contracts between the Government of Canada and labour organizations to provide educational services to their members. The first was the Canadian Labour Congress, $4,291,000; second, Confederation of National Trade Unions, $398,500; third, Canadian Federation of Labour, $398,500; fourth, Canadian Conference of Teamsters, $171,500; and fifth, Centrale de l'enseignement du Québec, $161,500. These are single source suppliers of educational services. Members of this Party support them. They are in the Main Estimates. Members of this Party believe it is really important that those services be provided to the memberships of those unions. It is the opinion of members of this Party and of our Minister of Labour (Mr. McKnight), that these are the proper bodies for the delivery of these services. But they are untendered services, Mr. Speaker. Is the New Democratic Party telling this House that if, through some miracle, it became the Government, because these unions had members who supported it in the election, they are going to turf out these contracts, they are not going to have contracts like this with these organizations? That is the logical extension of what those Hon. Members are trying to lay on this Chamber. They are saying that simply because people participate in the democratic process, they should become second-class Canadians. That is a classic example of their logic.

What are you going to do about the technological impact research fund? Because I will tell you, the people who receive eight of 13 grants awarded so far—

Mr. Althouse: That's what they are, grants.

Mr. Hawkes: —eight of the 13 untendered contracts are with unions or employee associations and, in many cases, those people may be related. I do not know who the brothers-in-law sisters-in-law, third cousins and second cousins are. I do know that many of the board members will have supported NDP candidates in the last election. And I ask the members of the New Democratic Party: do you really mean that their participation on behalf of your candidacy in a democracy should exclude them from participating in an area of human activity where they are particularly well suited, are particularly expert, and where we have good reason to believe they will produce the best product for the least cost for the Canadian taxpayers? That is what those groups are and we think they should be funded.

Some Hon. Members: Hear, hear!

Mr. Hawkes: Those Hon. Members sit in some kind of vaporous land, Mr. Speaker, without having their feet on the ground. We have an untendered situation with all of the banking that we do on behalf of the federal Government with the credit unions and major banks. We have an untendered situation with every professional service, whether we are talking about accountants, lawyers, or consultants of one kind or another. How on earth could we have a tendered situation in the area of artists and entertainers?

• (1640)

Mr. Deans: You're being ridiculous.

Mr. Hawkes: We're being ridiculous? The NDP House Leader (Mr. Deans) says that we are being ridiculous. Mr. Speaker, as our House Leader has pointed out, we are spending the better part of $.5 million on this debate today. We are debating a situation in which the Government of Canada picked a provider of goods and services and paid him $26,000. All of the work was done. There are no complaints about it. And we got an extra service which will save the taxpayers $500,000 this year, next year and the year after that. They find that appalling, Mr. Speaker. They want us to spend $.5 million debating the terrible Government that chose the best supplier in the country which did the best job. Mr. Speaker, there is something wrong with their logic.

Some Hon. Members: Hear, hear!

Mr. Hawkes: Mr. Speaker, we are running out of time and there is so much more that I would like to say. I have sat in this Chamber for six years. One of the characteristics of legislation brought in by the previous Government, and nine times out of ten supported by the NDP, was the creation of boards, commissions, and mechanisms that would allow Order in Council appointments.

Mr. Heap: Mr. Speaker, I rise on a point of order. Since the hon. gentleman said we should stick to the facts, would he admit that his Party supported about twice as many of the Liberal votes—

The Acting Speaker (Mr. Charest): I am sorry, that is not a point of order.

Mr. Hawkes: Mr. Speaker, Members will remember that spate of appointments just prior to the election. I do not want to bring up the names of all the former Members of Parliament who were apointed to boards and commissions, but there were three appointments to ambassadorial posts, one of them new. There were five appointments to courts, one to the Parole Board, one to the Canadian Radio and Television Commission, one to the Canadian Transport Commission, one to St. Lawrence Seaway, one to the Livestock Feed Board, and one to the Aviation Safety Board. There were other appointments to de Havilland, to the Export Development Corporation, to the Canadian National Railway, to the Canadian Sealing Industry, and to the Farm Credit Corporation. That is just a partial list. I bring that up to remind the House that in the minority Government of 1972 to 1974 the thrust of the NDP public policy was toward the creation of boards and commissions which would operate at arm's length from the Parliament of Canada and would allow the Cabinet to make appointments and spend money without telling the Canadian people very much about them.

That is the thrust of public policy in the country. It grows out of an ideology which says that there are elites designed to rule. At the heart of this motion today is a threat system to Canadians. The threat is that if you happen to have a friend or business partner who happens to marry someone who happens to be related to someone who gets involved in politics, part of your business can go down the drain. Therefore, you had better not get involved as a volunteer, you had better not encourage your family to get involved as volunteers, and you had better not participate in democracy. Let the elite rule. That is the thrust of this.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Charest): It being 5.45 o'clock p.m. it is my duty to interrupt these proceedings and put forthwith every question necessary to dispose of the business of Supply in accordance with the provisions of Standing Order 62(9). The question is the following one. Mr. Deans, seconded by Ms. Jewett, moves:

That, in the opinion of this House, the granting of an untendered contrct to the brother-in-law of the present Minister of Finance by the Government of Canada is an unacceptable action.

It is the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

The House divided on the motion (Mr. Deans) which was negatived on the following division:

(*Division No. 22*)

YEAS

Messrs.

Althouse
Benjamin
Cassidy
Deans
de Jong
Epp
(Thunder Bay-Nipigon)
Finestone (Mrs.)
Garneau
Gauthier
Guilbault
(Saint-Jacques)
Heap
Hovdebo
Isabelle
Jewett (Ms.)
Johnston
(Saint-Henri-Westmount)
Keeper
Killens (Mrs.)
Manly
Mitchell (Ms.)
Murphy
Nystrom
Ouellet
Prud'homme—23

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Bissonnette
Blackburn
(Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Blouin (Mrs.)
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Brisco
Browes (Mrs.)
Cadieux
Caldwell
Champagne (Mrs.)
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Chartrand
Clark
(Yellowhead)
Clark
(Brandon-Souris)
Clifford
Clinch
Cochrane
Collins (Mrs.)
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crofton
Crombie
Crosby
(Halifax West)
Crouse
Danis
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Domm

Messrs.

Dorin
Duguay
Duplessis (Mrs.)
Edwards
Ellis
Elzinga
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gravel
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guibault
(Drummond)
Gurbin
Gustafson
Halliday
Hamelin
Hardey
Harvey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Hudon
Jacques (Mrs.)
James
Jardine
Jelinek
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kindy
Landry (Mrs.)
Lanthier
La Salle
Layton
Leblanc
Lesick
Lewis
Lopez
MacDougall
(Timiskaming)
Mailly (Mrs.)
Malone
Mantha
Mario
Masse
Mayer
Mazankowski
McCain
McCrossman
McCuish
McDermid
McDougall (Mrs.)
(St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McKnight
McLean
McMillan
Merrithew
Minaker
Moore
Mulroney
Murta
Nicolson
(Niagara Falls)
Nickerson
Nielsen
Oberle
O'Neil
Oostrom
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Price
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stewart
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Toupin
Towers
Tremblay
(Québec East)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Weiner
Wenman
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise
Witer—189

Mr. Speaker: I declare the motion lost.

It being after five o'clock p.m., the House stands adjourned until Monday next at eleven o'clock a.m., pursuant to Standing Order 2(1).

At 5.12 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, April 29, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed from Thursday, April 25, consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions No. 1 (Mr. Axworthy) and No. 2 (Mr. Langdon) (p. 4001).

Mr. Speaker: Before proceeding with the debate, I had hoped to be in a position to make a ruling today on all the motions, but I will not be able to complete the ruling today. Since there is a chance or it is possible that we might finish the first matters today—I make no judgment as to whether that is likely, just that it is possible—could I therefore indicate to the House what I suggest it do if that should happen.

I have indicated some concerns with Motion No. 3 and I therefore suggest that it cannot be debated. There is in the next grouping one concern raised by the Government House Leader with regard to Motion No. 14. I am not yet in a position to make any comment on Motion No. 14, but I suggest that the House proceed to the grouping which was suggested, that is, Motions Nos. 4 through a series of motions including Motion No. 14, on the understanding that it will be before the House for debate at that time subject to a request for a ruling which I have yet to make. I put it to the House that that is the best way it can continue to debate the matter at the time.

Mr. Gauthier: Mr. Speaker, just for the purposes of clarification, I take it that the next grouping will be Motions Nos. 4, 6, 7, 9, and Your Honour included Motions Nos. 14 and 16.

Mr. Speaker: I included Motions No. 14, 15, 16, 17 and 18 as per the grouping I originally indicated to the House, with the caveat that I have been asked to make a ruling on Motion No. 14 and I am not yet in a position to make that ruling. Therefore, I suggest the matter be put to the House on the understanding that, as I am coming forward to make a series of rulings on all the requests I have received, I will be making a ruling at that time and that it be before the House on the understanding that a ruling is coming as to its admissibility in that group. Is that clear and understood?

Mr. Gauthier: Yes.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate another opportunity to speak on Bill C-15. Of course, the particular motion before the House now is the one regarding the purpose of the Bill. Our Party has an amendment to that motion, which is presently the subject of this debate.

It is particularly important that we make a strong point on this motion in that we have a number of concerns about the position taken by the Government regarding investment in Canada by offshore organizations. I wish to speak about those concerns this morning.

I suppose I could list a number of decisions which the Government has taken in cosying up to the United States and indicating to that country that Canada is open for sale. That basic relationship, which is being established quickly across the country and around the world by the Government, is being brought to focus in this particular Bill that asks for the opening up of investment in Canada without any rules or regulations, particularly investment in Canada by foreign corporations without any stringent oversight by anyone in Government.

I know that government Members will say that they are changing it slightly but that they will look at the control of investment in Canada. However, that is not the impression they are leaving across the country. It is not the impression government Leaders are leaving with businessmen in other parts of the world or with leaders of other countries. The image they are leaving is that Canada is open for business, that we will allow any kind of investment in Canada from any group or company regardless of whether or not there are benefits to Canada. That is why it is very important that we look at every clause and attempt to ensure that the position in which this Bill puts us with regard to investment in Canada gives us some authority to say, "No, that is not in the interest of Canada and therefore we will turn it down".

• (1110)

The idea that a foreign investor is good under any circumstances, that the U.S. can do no wrong in its relationship with Canada is something that we cannot accept. The idea that foreign control of the economy is not good for Canada should be established in this Bill and should be part of the clause stating its purpose. For example, this Party spent many years questioning the desire of the previous Government to do something about foreign investment because a large portion of

the requests for investment were passed without question. Despite FIRA approval being required, over the past two years between 95 per cent and 98 per cent of all requests for foreign take-overs were approved.

In the last year, I assume that approximately 100 per cent of requests were approved and only very few constrictions were put upon those companies when they entered Canada. Most did not require any promise of jobs or new investment. Many of the approvals were of take-overs only and had no real impact upon the number of jobs available or any impact on the growth of industry in Canada. That was under the old FIRA Bill. The situation has changed very little in the last few years. This Bill does not require any assurance that there will be new investment and new jobs created.

Compared to the rest of the world, we have a very high percentage of foreign ownership, ranging as high as the eighties and nineties in the chemical and petroleum industries and around 30 to 50 in the manufacturing industry, depending on how you designate the categories. Foreign ownership in one of the more highly industrialized countries of the world, namely Sweden, went up from just over 7 per cent to almost 7.5 per cent. That increase from just over 7 per cent to a little more than 7.5 per cent was of such great concern in Sweden that the Swedish House considered, discussed and debated the possibility of putting restrictions on foreign investment in Sweden. That was because the foreign ownership in Sweden was getting to be so high, over 7.5 per cent. Compare that with the average amount of foreign investment in Canada, which is probably near 50 per cent. We in Canada recognize that foreign ownership is not good for the country. Therefore, we should be taking some action and we should not be asking for further foreign investment in and control over our economy and our resources.

• (1115)

Many of the countries of the world have spent a great deal of time moving away from what we considered to be political colonialism or control of one country by a foreign country on a political level. It has been a major concern of many of the world's countries, not only Third World countries but countries like ours, to establish ourselves as politically separate from other countries. We have rid ourselves of political colonialism but we have established a new kind of colonialism, which is possibly more devastating than political colonialism. I am speaking of economic colonialism.

If a country gets to the point, as we have in Canada, at which a major portion of the economy is controlled by offshore organizations, then that country must be concerned about becoming colonialized to an unacceptable extent. Therefore, I think it is very important that one of the amendments that should be accepted by Parliament is a change in the definition of the purpose of the Bill.

Mr. Maurice Foster (Algoma): Mr. Speaker, I note that Clause 2 on page 1 of Bill C-15 provides for the notification and review of proposed investments in Canada by non-Canadians in order to ensure that they contribute to economic growth and employment opportunities, and it encourages beneficial investment in Canada by Canadians. The concern of our Party is that the investment which comes to Canada from offshore or from the United States will be beneficial to our country, whether it is investment in the high-technology sectors or other sectors of our economy.

We all know of investment that has come to our country from the United States, and I do not think that this investment has been inhibited in any way during the last three or four years by the fact that there has been a review process. For example, in the pulp and paper industry in northern Ontario, we have been able to encourage foreign companies to come to Canada to adopt new product lines which have benefited our communities. In Sault Ste. Marie, the St. Mary's Paper Company took over from Abitibi a little over a year ago. That company has made a very substantial investment in Canada and has adopted new product lines. This has been very beneficial to the 400 or 500 employees of the plant as well as to those who work in its bush operations.

Certainly the least of the problems associated with that takeover was the review by the Foreign Investment Review Agency. The main problem was getting financial assistance from the two senior levels of Government, and in the end assistance was provided in order to see that the plant was modernized, upgraded and overhauled. I do not know what the value is of removing that screening. Although it does not inhibit companies from investing in Canada, certainly we all know of large U.S. companies which have taken over our manufacturing facilities, operated them for a period of six months or a year and then suddenly shut them down. The sales workforce is kept, but the manufacturing is done in the United States. In order to protect Canada, we must maintain a screening mechanism. This Bill does not provide a great incentive for Canadians to invest in their own country. We believe that there should be a provision in the general outline of the benefits and the direction of the Bill to encourage beneficial investment in Canada by Canadians.

• (1120)

The Prime Minister (Mr. Mulroney) does a great job when it comes to public relations and talks glowingly about our relationship with the United States. Only a few weeks ago we saw the song and dance routine which was carried out in Quebec City. As that time the Prime Minister and President Reagan met to talk about relations between Canada and the United States. I am sure that all Canadians want to have a very helpful, constructive and positive relationship with the United States. However, immediately after that conference, the President returned to the United States and imposed a countervailing duty of 5.3 cents a pound on Canadian pork, pork products and hogs going into the United States. That immediately reduced the price of hogs going into the United States by about $12. That is having a devastating impact on that sector of the agricultural industry.

No sector has suffered more than the red meat industry, both in beef and pork. The Prime Minister gives us great

platitudes in his marvellous television extravaganzas, whether they take place in Ottawa, Regina or Quebec City. He is also trying to hold one in London during the next few days, unfortunately the Queen and the British Government are objecting to it. However, if the conferences and the television extravaganzas which are orchestrated do not have any practical value and do not deal with the practical problems which exist between our nations, then of what value are they? We can watch television shows from Las Vegas, Hollywood and so on, but what we need is a Prime Minister who, when he sits down with the President of the United States, can solve the practical problems of Canadian workers, farmers and investors.

That is what concerns us with this Bill. The Prime Minister can have as many song and dance routines as he wants and talk about wonderful relationships, but if they do not address the problems at a practical level and have an impact on the U.S. Congress or the U.S. Trade Commission in the way in which they deal with day-to-day trade relations, then they do not have much value for Canadians generally. And it is not just the fact that this is happening in one commodity. If we look at a whole raft of commodities and at international relations, we see very serious problems. It is not just the countervailing duty which the United States has imposed on our pork, which is having a devastating impact not only on pork sold to the United States but an equally depressing effect on our beef production. I think that Canadians are a little concerned when they see the three teams of inspectors rifling through the books of federal stabilization programs in the various provinces and deciding whether or not subsidization of the pork industry has been taking place in our country. That will be followed up by further investigations.

• (1125)

Regardless of how the Prime Minister (Mr. Mulroney) portrays the relationship between our two countries, many serious problems exist, and certainly things have deteriorated for many of our producers. It is the same with respect to lumber. Hearings have been started as a result of a Bill brought forward by the United States Congress to reduce our exports of lumber to the United States by some 25 per cent. That will have a devastating impact on Canadian sales to the United States if it is adopted.

So I would support the amendment put forward by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). It proposes to strengthen the Canadian position with regard to foreign investment in our country, as well as to encourage beneficial investment in Canada by Canadians.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I am very glad to be able to speak in support of Motion No. 2, moved by the Hon. Member for Essex-Windsor (Mr. Langdon), in which he asks that this House should amend the purpose of the Bill by referring to technology under the appropriate terms and conditions established by the Government. One of the important discoveries of the jobs action task force, which was co-chaired, incidentally, by the Hon. Member for Essex-Windsor, are rediscoveries or reaffirmations of something most of us have known all along. But perhaps some Hon. Members opposite need to be reminded.

One of the important points which was emphasized time after time in the travels of the job action task force is that the Canadian people want to have control over their own lives, their own economies and their communities. One of the basic tasks of Government is to help people have control over their own lives and their own economies. It is not good enough for the Government simply to abdicate that responsibility saying that major decisions are going to be made in the market-place, implying that somehow the market-place is free and neutral and that the decisions which are made there will somehow be ultimately beneficial for everyone concerned. The reality in today's world, Mr. Speaker, is that there is no free, independent or neutral market-place. The market-place is controlled and dominated by a few large corporations. More and more we see that these few large corporations are headquartered in places other than Canada. So it is very important that we hear what the Canadian people are saying about wanting to have control over their own economy. Government should take action to try to make that possible rather than simply abdicate.

• (1130)

One of the things we want to see incorporated in the purpose of this Bill is that technology should be subject to the appropriate terms and conditions established by Government. That is a basic purpose of Government. I want to say a word or two about technology and how important it is. Technology is not neutral; it has a profound effect on the way we live our lives. Let us just think for a moment about why people used to grow beards, for example. It was because shaving was a very painful process. In some early societies it was customary for beards to be plucked hair by hair. Then they invented the straight razor and people generally went to a barber to be shaved. Very few people were actually clean-shaven until World War I when Gillette invented the safety razor. Then, all of a sudden, it became the fashion for everyone to be clean-shaven. Some people are rather slow in catching up with a fashion, and other people believe it is important to be in the forefront of fashion at all times. But the important thing is—and this is a very superficial example—that a very small change in technology such as going from the straight razor to the safety razor can have some fairly major consequences. Technology, then, is never neutral and the control of technology in many cases is equivalent to the control of society.

When European colonists first came to North America, technology in Europe was just beginning to explode in a great many ways. At that time there was a kind of rough equivalence between some of the technology used by the indigenous people here and that which the Europeans brought over. Some of this indigenous technology was essential to the survival of the European colonists. However, gradually, the explosion of technology taking place in Europe at that time completely swamped the native technology. The European colonists made a point of keeping control of that technology and, in certain places in northern Canada today, the Indian people will show

you the elongated guns they had to buy from the Hudson's Bay Company, which sold the guns in return for a number of furs piled up to the height of the gun barrel. That is the kind of price Indian people had to pay to gain access to technology. The European trading companies recognized very clearly that the control of technology was equivalent to control of the economy and, indeed, of society as a whole.

We now face a similar explosion of technology, Mr. Speaker. I am sure that there is not a single Member of this House or any legislature in the world with a complete understanding of the implications of all the technological changes taking place in our world today. Things are happening at a very rapid rate and we have trouble just keeping up. The use of new technology in our offices, for example, can help us in many ways, but we have to be trained to use it and it is again a question of who controls technology. Indeed, there are implications in these developments which even the people doing the developing do not understand.

On that basis I think it is very important that this House recognize that Canada should have some control over the way in which new technology is introduced. We should be asking questions when it is brought in. What are the implications for jobs? What are the implications for the environment? All last week and the week before we were very concerned about the question of the PCB spill. This resulted from a technology introduced some years ago, before we had any real understanding of what its implications were. Then, when we began to understand the implications, PCBs came under stricter control. But we still do not have the technology to dispose of them in a way that is satisfactory to everyone.

To conclude, the Canadian people want control over their economy and over their lives. Therefore, it is important for the federal Government to establish basic ground rules for the introduction of new technology, and that is what we seek to do with this amendment.

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, it is my pleasure to speak again on this Bill in support of the amendment we have put forward. As I said before in addressing this same Bill, it is basically a public relations Bill. It reminds me of the preacher who wrote in the margin of his sermon: "Argument weak, pound the pulpit". The Government is pounding the pulpit, but there is not much in the Bill in terms of effective policy.

The Bill assumes that you need to encourage U.S. investment and that investment was not being made here before. That is not the case. If you have read *The Globe and Mail* for the last six or seven years, you will see that 80 per cent or 90 per cent of the applications to FIRA were approved. The United States was investing here. I want to say, though, that not all of that investment was to our advantage. For example, we have the case of the Iron Ore Company of Canada, a large multi-national based in the U.S. which had invested in Canada to develop iron ore for shipment to a number of countries but primarily to the U.S. But when times got tough, those operations were closed down. The Prime Minister (Mr. Mulroney) has personal knowledge of that from what happened in Schefferville, and I have personal knowledge resulting from the 50 per cent reduction of the labour force in Labrador City. I know the pain which resulted for people who thought their jobs were secure, people with homes and cars and so on, but then suddenly the axe fell. That is the down side of American investment.

The point I am making is that we have to be very careful about simply saying willy-nilly that all American investment, or, indeed, investment from any other country, is good for Canada. In my own province, we had investment from Britain in Corner Brook. But when times got tough, Corner Brook was at the end of the Bowater chain; this mill, which they had not bothered to maintain or modernize, was the one that was cut. Again we saw the pain created as a result of foreign investors failing to maintain their investment and failing to modernize. So you have to be very careful of foreign investment; it is not enough simply to change the name of a Canadian administrative body and then assume that all will be well. What protection will be built in for Canadians and Canadian companies? What would happen to small fish companies in Newfoundland if we had American investment such as we had in Labrador City, or if we had British investment such as we had in Corner Brook? What would happen if we had that kind of investment in small Newfoundland fish companies which have been struggling during the period of recession but keeping their heads above the water and doing well when larger companies have been going bankrupt? What protection do those companies have if they are open to investment by American companies? The Government must spell out very clearly what protection there will be for Canadian companies.

• (1140)

The other thing which bothers me about this particular measure is that it does not indicate how the Government will address investment in various regions of Canada. Canada is a country of different parts, not all of which are the same. Some areas of Canada need help a lot more than others. I happen to represent an area which I believe needs financial support at the present time as do all of the Atlantic provinces. There are other areas of Canada which require that particular support as well. There is nothing to say that investment which comes into Canada will be directed to a certain area of the country which needs it more than other areas. There is no policy to set out how foreign companies will be encouraged to invest in certain areas of Canada. I think the Government should address such a policy.

Even in the United States there is difficulty at the present time in encouraging investment in certain parts of the country. It is well known that there are certain areas in the U.S., such as the north-east, which are having great difficulties at the present time. Other areas, such as the south-west, are lucrative boom areas which are enticing investment. In Canada too there are areas with greater needs than others. I would like the Government to indicate how foreign and Canadian investment will be targeted to the areas of the country which need it most.

We are talking basically about job creation. A rule of thumb for judging any measure that the Government puts forward is its effect on job creation in the country. That is the bottom line. What is the measure which is presently before us going to do to create more jobs in Newfoundland, Nova Scotia, Manitoba, and Saskatchewan? What will the outcome of this be? I do not see any indication that there will be more jobs created as a result of the implementation of this measure.

If the Government was really serious about job creation, it would not have been as extreme as it was in the cut-backs that it made. Indeed, many of those have been reversed already, such as the cut-backs in environmental funding. If the policy of the Government was job creation, it would not have embarked willy-nilly across the country with an uneven hand in the cut-backs that it made. That sort of thing affects the areas of the country which are most dependent on government support through programs and policies.

Instead of bringing forward a measure such as this, the Government should not have made the cut-backs. I hope the Minister of Finance (Mr. Wilson) will take cognizance of that in the upcoming Budget, rather than treating Atlantic Canada to the same kind of disastrous economic measures that we had in the last Budget. The bottom line is job creation, particularly jobs for Canadians by Canadian firms.

That is why I take a great deal of pleasure in supporting the amendment which we have put forward. The amendment says in effect that the present Bill contains no specific means for the Minister to encourage Canadian investment at all. It merely contains generalities. The only specifics are with regard to review and notification. That is a truth which the Government does not want to recognize. We believe that there must be more provision and encouragement for investment by Canadian firms and more protection of existing Canadian firms which are having a difficult time. That is why I take great pleasure in supporting the amendment to this particular Bill that my Party has put before the House.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 1 standing in the name of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 2 standing in the name of the Hon. Member for Essex-Windsor (Mr. Langdon).

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

Motions Nos. 4, 6, 7, 9, 10, 11, 14, 15, 16, 17 and 18 will be grouped for debate but voted on separately.

I believe Mr. Speaker mentioned this morning that there was a point of order regarding Motion No. 14. He has taken cognizance of it and has reserved his decision on Motion No. 14.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 4

That Bill C-15, be amended in Clause 4 by striking out lines 12 to 15 at page 4 and substituting the following therefor:

"4. The Minister is responsible for the administration of this Act and the provision of policy direction to the Agency established by section 6."

[*Translation*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 6

That Bill C-15, be amended in Clause 5 by striking out lines 20 to 22 at page 4 and substituting the following therefor:

"(*b*) assist Canadian businesses to exploit opportunities for investment and technological advancement and find Canadian buyers wherever possible to purchase businesses of value to Canada;"

[*English*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 7

That Bill C-15, be amended in Clause 5 by striking out lines 23 to 25 at page 4 and substituting the following therefor:

"(*c*) carry out research and analysis relating to domestic and international investment, including research on means to achieve greater autonomy by non-Canadian controlled businesses in Canada to compete for world markets with their parent firms, and table the results in the House of Commons;"

[*Translation*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 9

That Bill C-15, be amended in Clause 5 by striking out lines 29 to 31 at page 4 and substituting the following therefor:

"(*e*) assist in the development of industrial and economic policies that affect investment in Canada and consult with labour, business and community representatives about the effects of proposals for acquisitions and new business establishments by non-Canadians on regional employment and economic growth, within the limits of confidentiality to protect commercially valuable information disclosed by non-Canadian investors;"

● (1150)

[*English*]

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 10

That Bill C-15, be amended in Clause 5 by striking out lines 29 to 31 at page 4 and substituting the following therefor:

"(*e*) develop medium term and long term public and private industrial sector investment guidelines consistent with an industrial strategy that emphasizes full employment, growth, diversification, autonomy and export competitiveness of the Canadian economy;"

[*Translation*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 11

That Bill C-15, be amended in Clause 5 by striking out lines 32 to 34 at page 4 and substituting the following therefor:

"(*f*) ensure that the notification and review of investments are carried out in accordance with this Act to achieve net additional employment, net technological upgrading, net new export markets, additional domestic competition, and other measurable benefits to Canada;".

[*English*]

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 14

That Bill C-15, be amended in Clause 5 by striking out line 34 at page 4 and substituting the following therefor:

"ance with this Act;

(*g*) ensure that all Canadian business enterprises owned and controlled by non-Canadians respect the rights of workers including the right to collective bargaining;"

[*Translation*]

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 15

That Bill C-15, be amended in Clause 5 by striking out line 34 at page 4 and substituting the following therefor:

"ance with this Act;

(*g*) encourage and facilitate the acquisition of control of Canadian businesses by Canadians in areas pertaining to cultural heritage and national identity by arranging consortia of Canadian owned businesses, joint venture arrangements and other equity sharing ventures with non-Canadians and with Canadian Crown Corporations and other means as the Governor-in-Council deems necessary;"

[*English*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 16

That Bill C-15, be amended in Clause 5 by adding immediately after line 34 at page 4 the following:

"(*g*) advise the Governor in Council of proposed allowance or disallowance of investments in new businesses or acquisitions by non-Canadians in accordance with the provisions set out elsewhere in this Act and seek its approval therefor; and"

and by renumbering the subsequent paragraph.

[*Translation*]

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 17

That Bill C-15, be amended in Clause 5 by striking out line 3 at page 5 and substituting the following therefor:

"the government of any province or territory or any".

[*English*]

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 18

That Bill C-15, be amended in Clause 5 by striking out lines 6 to 9 at page 5 and substituting the following therefor:

"(*c*) shall convene industrial sector-based advisory groups consisting of representatives of business, labour, provincial and local authorities and other interested parties, to make recommendations with regard to private and government investment and related policies and priorities in their sectors in conjunction with subsection in 5(1)(*e*)."

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the amendments we have before us are obviously of such quality and weight that I am afraid ten minutes of debate will not give full justice to the matters raised. I will attempt to give a small overview, and I know my colleagues will be more than anxious to follow and to deal with specific parts of the motions.

Let me say in general terms that the primary purpose of the amendments that we have introduced is, first, to try to clarify in parliamentary terms the clear responsibility of the Minister to take action to benefit Canadian industry, particularly investment in Canadian industry. The present Bill is very vague, general and meaningless when it comes specifically to establishing what the tax roles and functions of a Minister must be in securing a more active set of benefits for Canada by Canadians.

We have been told by many speakers on the government side that this is one of the major ambitions of the Bill. Therefore, it comes as some surprise why government Members opposed amendments in committee that are clearly designed to enhance the ability of the Government to promote those very same objectives, namely to ensure that there are opportunities for Canadians to invest in their own industry. Again, we have to question the motivation and the seriousness with which the Government has adopted the notion of Canadian investment because of its unwillingness to support amendments which are clearly designed to expand that role.

Second, we feel it is very important that the Minister responsible for the operation of Investment Canada be accountable for his or her actions, particularly in cases where

there is a wide level of sensitivity toward regional development, where there is a level of sensitivity to the performance and behaviour of foreign investment in this country, and, perhaps most seriously, on the question of who gets approval and who does not.

This Bill as it is presently constructed contains perhaps the most wide-ranging powers ever given to a Minister to make decisions dealing with billions of dollars worth of investment without being accountable to anyone, not to his own Cabinet, not to Parliament. In fact, the Minister is not accountable to anyone. This naturally leads to the suspicion of or concern about favouritism. Who gets the approval? There is no way of determining some other form of judgment, of determining the legitimacy, accuracy or relevancy of that decision, because there is no way of finding out. The Minister does not report back to Parliament. He does not report back to his own Cabinet. He does not report to anybody, and all he consults is his own peculiar and convoluted set of judgments.

Surely we have seen evidence in the past month or two of how dangerous a trend that could be, even for Members on the Government side. May I remind Hon. Members of the problem of Domtar. The Minister of Regional Industrial Expansion (Mr. Stevens) made a decision relating to total cancellation of any support for the Domtar proposal in the Province of Quebec, which affected hundreds of jobs in a very depressed area of the province. It was only through the incredible weight of opposition brought after the fact by local people, by members of this Opposition Party and by others that the Prime Minister (Mr. Mulroney), who is well known for his sensitivity to heat—in other words, he cannot take it—

Mrs. Mailly: Nonsense.

Mr. Axworthy: —immediately turned to his Minister of Regional Industrial Expansion and told him to change his mind.

What we are facing under this kind of Bill is a constant sort of post *ad hoc* set of responses and reactions against a Minister who has shown he has no sensitivity to regional development. No one has any confidence in his ability to make judgments that will result in effective distribution of economic benefits in different parts of Canada.

The gentleman who was responsible for that wonderful failure of the institution called the Bank of Western Canada—we in the West remember the now Minister of Regional Industrial Expansion's record in western Canada—we know how sensitive to western Canada he was in his previous incarnation. We are giving him incredible powers to make decisions, yet he reports to no one.

• (1200)

The intent of our amendments is clear. We believe the Bill should include a provision in no uncertain terms indicating that the Minister is responsible for seeking out Canadian investors when businesses are up for sale or acquisitions are under way. I point to the example of the major take-over by Chevron, a United States oil and gas company, of Gulf Canada, a $2 billion deal. Under FIRA there was a clear undertaking that that company had to try to sell off Gulf Canada to ensure the Canadianization of the oil and gas industry. The Minister responsible has taken no role whatsoever. He has simply washed his hands of it. We are within two days of meeting the deadline, and there is no Canadian buyer and there seems to be no action on behalf of the Government. Therefore, there seems to be no accountability under that Act on the part of the Minister.

One of our amendments clearly sets out that it is the responsibility of the Minister to seek out Canadian investors for those businesses so that Parliament can judge him by those actions. There is nothing in the Bill which requires him to do that. Although he can say that he will do it, it must be within the legislation. I do not think anyone here can take ministerial statements on faith in that in the short life of this Government we have already seen that it does not live up to its commitments. Such statements are not realizable unless there is clear responsibility within the legislation.

Equally we felt that part of the purpose of this amendment was to ensure that the Minister responsible would consult, when there is a take-over or acquisition bid, with the communities and regions affected by it, to ensure that a foreign buyer will not come into a one-industry town, buy up the industry and strip it of its employment. My colleague from Newfoundland spoke about the danger this morning of having many factories, mines or enterprises closed down and the employees and communities being left holding the bag. Our amendment tries to put forward a clear responsibility and accountability for the Minister to consult with them and to meet regional responsibilities.

Our Government established the Industrial Labour Adjustment Program, which was an attempt to recognize that in the event of industrial change, lay-offs, or change in technology, the federal Government in partnership with local businesses and local communities would negotiate, consult and work out a plan of action to meet the problem. We have no commitment from the Government in this regard. In fact, it is closing down ILAP. It has no interest in or response to the problem of industrial change. When representatives of the Economic Conference Board appeared before the committee, they recognized that one of the major consequences of foreign investment was job loss, job reduction, job change. However, there is nothing in the Bill to provide assurance to the communities affected by the changes that their interests will be taken into account. When it comes time for Parliament to judge the actions of the Minister, he can say that under the Investment Canada Act it was not his responsibility. This is why we feel it is very important to have written into the legislation clear and undeniable responsibility on the part of the Minister to meet regional needs, to consult with the regions and to be responsive to any job change or industrial change encountered as a result of a foreign take-over, so that when it comes time for Parliament to hold up the Minister's record of stewardship we will have a clear basis for judgment.

The amendments we are proposing should also require the Government to provide far more research and analysis of the behaviour and performance of foreign-owned companies. One of the most important findings which emerged from the committee hearings was that there were substantial differences in the behaviour of Canadian-owned and foreign-owned companies. Foreign-owned companies imported much more from abroad. They did not believe in using Canadian products. They conducted far less research and development. They gave far less export opportunities to their subsidiaries. That is a very important matter which should be tested. We need the proper information to ensure that foreign-owned companies perform as well as their Canadian counterparts.

These are the reasons we introduced these amendments. My colleagues in this caucus will be speaking individually to a number of the items. However, I believe they are all put forward in the spirit of making this Bill a better one. I hope the Government will respond in like kind.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, this is an historic debate because two different approaches to reviving our economy confront each other here in the House of Commons. I see an approach reflected strongly in the Bill to leave the future, the dynamism and the sense of momentum which we desperately need in our economy to others. It is an approach to economic revival by the Government which says that it is not here in Canada from Canadians that the excitement, enthusiasm and investment will come to get our economy moving again. Instead, it is an approach which says that we look to other countries for investment, to the United States, to western Europe and to Japan. The Government thinks that that is where the investment will come from to get us back on our feet. It is taking the same approach to free trade. The Government is looking for answers outside the country. It looks for solutions which lie in the hands of other people.

We say that the solution to our problems is in our hands; it lies in the hands of Canadian entrepreneurs, Canadian communities and Canadian people across the land. That clear direction or solution is there for us to take, and it is something which should be reflected in this Bill. After all, this Bill looks to encourage Canadian investment, or so it says in the clause on its purpose. However, in practice it is a Bill which in its details looks only at encouraging foreign investment. It looks at taking away the strength of the review mechanism and substituting therefor a pious hope, a sense of sitting back and praying for foreign investment to come in and save us. That is simply not good enough. It is not economic leadership. It is not the kind of confidence in our country and in our people that the Government was elected in September to demonstrate.

We have moved a set of amendments which have three basic purposes. Those amendments show in direction what we should be doing to try to encourage and promote Canadian investment, investment by Canadian-controlled firms to produce the jobs which we so desperately need in this country. Also, our set of amendments tell the Government that the Minister who administers this Bill has a responsibility to Canadianize our economy in the area of cultural heritage and national identity.

• (1210)

It is not good enough, as the present Bill does, simply to set out that the Government has a special concern for those companies that are somehow in the category affecting our cultural heritage and national identity. There has to be a clear commitment that a big part of the Minister's responsibility is to see to it that in those crucial sectors, Canadianization takes place through joint ventures and leadership on the part of the Government. It should see to it that our public broadcasting, magazines and books remain controlled by Canadian companies serving the Canadian community.

We have moved an amendment which points out the special responsibility which we as a Party feel any Government has to take to ensure that companies which come into Canada from outside recognize the tradition of labour relations harmony and labour relations peace that we would like to establish in this country.

I want to deal specifically with the question of improving Canadian investment here. That is the challenge. The challenge is not to hope and to pray that the Japanese, Americans, Germans and French will somehow fill the leadership gap that this Government is creating and which was created by the previous Government. This gap has left us with 1.5 million people out of work across this country. It has left our communities with a sense of panic about the future. That sense of panic should not be experienced when people have ideas, proposals and hopes that they could put into effect if Government provided leadershp to them.

We suggest that leadership can be provided by setting forth some investment-guidelines, some suggestions of the key sectors of the economy where we need to have more growth and investment and an expansion of jobs. That leadership can be provided by trying to pull together on a sector by sector basis the kinds of advisory groups that will look at the problems of those particular sectors and give signals to the rest of the country of what is required to improve the Canadian role within those sectors.

That is not some kind of socialist pie in the sky. It is a fact, something which Governments in this country have found make sense. We have had the automobiles task force and the petrochemicals task force. Each made a solid, exciting contribution, setting forth clearly what could be done to put those important sectors of our economy back where they are making a full contribution to this country. In the case of the automobile sector, there was a recommendation for Canadian content laws. There was a recommendation in the petrochemical sector that we change some of the pricing structures so that petrochemical firms are able once more to create the jobs that are so desperately needed in this country.

There should be a recognition in this Bill that part of the Minister's responsibility in trying to promote Canadian investment is to do precisely this, to set up the sector-based advisory groups, to give us guidelines, to exercise the kind of responsibility and leadership that any Government, particularly this Government, has. This Government received a massive vote of confidence from the Canadian people in the 211 Members of

Parliament representing that Party. There is a tremendous responsibility which comes with that power. We feel that this Bill is the place to flash some signals across the country that that responsibility will be picked up, that in fact this Government will take the direction that people have asked it to take to encourage Canadian investment, to give them a sense of confidence about their future with a commitment to Canadianization.

We strongly urge the House to accept the amendment that we have moved. It will take us to the commitments for the future that will give us the jobs which we so desperately need.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, it is a pleasure to take part in this debate on Bill C-15, and especially to speak to the amendments before the House today, which you so graciously read from the Chair.

At this time, one of the points that concerns us particularly about Bill C-15 is how the review agency will be managed and directed under the new legislation, and especially the relationships between the public servants that belong to the agency and the Minister and the Minister's office.

First of all, I would like to explain our basic position, which is that we think the Minister should have the responsibility, and be free, to issue guidelines regarding the agency's policy. Perhaps, Mr. Speaker, you will find this position surprising, coming from us. Although we do not always agree with the positions taken by the Minister in this area, we realize that the Minister must be responsible for issuing guidelines on the review agency's major policies. That responsibility is incumbent on all Members of Cabinet, who were elected to provide policy direction to the Government's various agencies.

However, we believe that the Minister should moderate his involvement in day-to-day administration and the various decisions that will be taken by his officials. In other words, we consider that the political role and the administrative role should be kept separate. Unfortunately, the amendment that specifically concerns Clause 4 was voted down in committee by Progressive Conservative Members on the committee. We do not know why, and we find it rather surprising. Are Progressive Conservative Members opposed to the Minister providing policy direction? That would hardly make sense. But then, why did the Progressive Conservative members object? What bothers us, and that is perhaps why the Conservative Members objected to this amendment, is that we feel the Minister should not be involved in the decision-making for each specific case. In other words, the Foreign Investment Review Agency should not be an extension of the Minister's Office and his staff. We would like individual decisions on applications for foreign investment in Canada to be based on objective criteria, on criteria we would like to know and see tabled before the House or before a committee of the House, for consideration by Hon. Members.

We would like to see decisions on each application for foreign investment based on criteria that, first of all, would indicate which areas of Canada's economy should be protected. We are thinking of areas such as culture and the financial sector, where the Government should think twice before letting foreign investors purchase Canadian companies or create new ones in this country with funds brought in from outside.

We would like to see objective criteria describing the areas in which investment should be encouraged, for instance, investments that would directly create jobs. Perhaps such criteria should also include encouraging investment that is likely to create jobs indirectly through spinoffs, and through other industries that would be providing services or raw materials, for instance, to a company that itself will be creating jobs as a result of foreign investment.

● (1220)

We believe that those criteria must attest to the importance of scientific research in Canada and that we must stand squarely behind companies which will be created here through foreign investments and which will be primarily research-oriented. We also want a series of objective criteria based on factors such as those I am referring to. For instance, will a new business set up by foreign investors promote the development of new technologies in Canada?

Those are, in fact, the basic points to be considered with respect to the objective criteria which public servants will be expected to apply without ministerial intervention in every case, for we want public servants to be able to work without unending political interference in each case. We fully agree that the review agency should be given general guidelines by Cabinet and the Minister responsible—how else could it work?—but we do not want each decision to be subject to political input.

What guidelines have been given so far to the screening agency by the Minister? We simply have no idea at all. Not a word has been said about it in the House of Commons, perhaps excepting the only general Canada-is-open-for-business directive to encourage foreign investment. To this day, we still have no idea what course the Government will want the review agency to steer.

Such are the questions we are directing to the Department and, hopefully, the answers will be somewhat more enlightening than what we heard so far. As a matter of fact, the series of amendments under consideration will provide the Cabinet spokesman with an opportunity to come up with the answers to some of our questions.

In addition, I would urge the Government to be more specific and to elaborate on the general guidelines to be given the agency, and to tell us the nature of the objective criteria which agency officials will use in their day-to-day decisions on approval of foreign investments proposed by others.

Well, Mr. Speaker, those are the questions I have in mind, and I hope they will be answered before the conclusion of this debate.

[*English*]

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, it gives me pleasure to take part in this debate which is about some of the most important aspects of the Canadian economy. This is a debate about jobs, expansion, our own self-image as a nation, our self-image as Canadian investors and, ultimately, our confidence.

We think that the Government is making a grave error in terms of creating jobs in this country. It is making an error in terms of attempting to expand Canadian business and it is making an error which will result in less rather than more confidence in the Canadian business sector.

We are debating 10 amendments, all of which propose to correct the errors contained within the Bill before us. These motions were moved in an attempt to improve Canadian ownership of Canadian industry so that Canadian jobs and technology will be expanded and given a future.

In the course of my remarks, I would like to deal with three or four points and then deal with the actual amendments that are before us today. First, I would like to point out why it is that we need national legislation to Canadianize Canadian industry and what are the advantages to legislation that will encourage Canadian investment in Canada. I would like to spend a few moments pointing out a few areas in which I think FIRA did succeed in doing its job of increasing Canadian ownership and expanding Canadian economic activity. Last, I have an example or two to give the House showing what happens when we do not have legislation which gives a slight preference to Canadian investment over foreign investment.

It is interesting to go through the record that was produced during the course of the hearings on this Bill. Sometimes this kind of record gets ignored. A second-reading debate deals with the principle of a Bill, and the Government takes its stand at that time. Then the matter ostensibly goes to committee so Members may hear what Canadians have to say about a particular Bill. In this case, Canadians had quite a bit to say about this Bill, and not very much of it was good. What they said seems to have been thoroughly ignored and the Government is continuing with the almost pigheaded approach it showed at second-reading stage. The Government is going ahead with the Bill in spite of what witnesses said in committee and in spite of the consultations that were held.

One of the most succinct reasons for legislation like the Foreign Investment Review Agency that will now be put out of business was presented by Bob Blair, a fairly well-known Canadian businessman and President of NOVA Corporation. He said that we need such investment legislation for Canadians because:

> —surely part of this story is that every national government takes steps to look after its own domestic companies, under some chosen circumstances, to ensure that business is played fairly and that proper industrial benefits do indeed occur or are retained—led in this respect, if you like, by the Congress of the United States of America and the Government of Japan respectively.

As a businessman and an objective analyst, it is quite clear to Mr. Blair that the reason Canada needed FIRA-type legislation that made certain our investments and investors were given some priority is simply that other countries are doing it to the extent that Canadian investors have a very poor chance of investing in those two countries he listed. As an example, the Americans have the Jones Act which provides that any goods moved from one port to another within the United States must occur in U.S. bottoms. We do not have any laws that restrictive in Canada but such laws do exist in the United States. A Canadian ship could not find a job moving goods from one U.S. port to another.

The Japanese as well are very selective and careful about what investments they will allow into their country, and indeed they are even careful about what goods and services from outside may enter that country. Those are examples of two very successful countries that have quite restrictive legislation regarding foreign investment, legislation which is much more restrictive than were our feeble efforts under the old Foreign Investment Review Agency.

When pressed, Mr. Blair, the President of NOVA Corporation, went on to explain some of the advantages to Canada from Canadianization. The following is part of what he had to say in committee:

> For all of their often fine endeavour to be good corporate citizens in Canada, the foreign-controlled companies, first of all, do have other influences on them; they have political influences, legal influences, attitude influences that originate somewhere else. These influences dictate how they behave everywhere, including how they shall behave in Canada. That naturally has to diminish, to some degree, their ability to respond fully and completely to Canadian influences.

● (1230)

He went on to say:

> —Canadian-owned firms had done more to see the business they could afford was developed with Canadian engineering firms, professional firms, small business, Canadian suppliers of goods and services, Canadian employment, than the non-Canadian owned firms. I think this is exactly what a reasonable man would expect.

The witnesses who appeared before the committee pointed out quite clearly that there are definite advantages to the Canadian economy when Canadians invest in Canada. However, the testimonies of those witnesses seem to have been totally ignored by the Government. There has been no attempt to make amendments which would take into account the testimonies of the witnesses who appeared before the committee. The amendments which we have moved attempt to correct and improve the proposed legislation in accordance with those testimonies.

There is no point in having witnesses appear before a committee and in having consultation if no attention will be paid to them. In his testimony, when asked about some of the successes of the Foreign Investment Review Agency for Canadian business, Mr. Blair cited, as one example, his company's acquisition of Husky Oil. He said:

> There was a moment a few years ago where in NOVA we obtained ourselves the ownership of an oil company in Canada called Husky, which we subsequently made into one of the most active oil companies in Canada, one of the most active in the frontiers in heavy oil and in other places, and which has been one of

the leaders of new investment in Canada. As it happened, but for FIRA, we would not have had that opportunity. But for FIRA, the persons who controlled Husky were in the process of turning over the ownership control by private agreement to an American oil company that would have assumed that control before we had a chance to do anything about it. The FIRA process did give NOVA a few days' time to get talking to our bankers and get in there and compete. And in the competition we beat the American company and won.

I believe it is very useful to remember that, especially in the case of Canadian Porcelain which was forced into receivership by Lapp Industries because of its dumping into the Canadian market. I say "dumping", because Lapp Industries was convicted on January 9 of this year of dumping procelain into Canada at an unfair price. The employees of Lapp Industries have put together a co-operative approach and have raised $1.3 million as a bid on the company, which has been presented to the trustee, Peat Marwick. Lo and behold, on the same day that the $1.3 million bid was made, the United States company bid for less money.

The Acting Speaker (Mr. Charest): I regret to interrupt the Hon. Member, but his time has expired. I will recognize the Hon. Member for Gatineau (Mrs. Mailly) on debate.

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, first I would like to say that I am pleased to speak on this Bill in support of the Government's position. However, before I speak on the specific clauses which we are debating, I would like to comment on what the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) said about the Domtar situation. I would like to correct the record. A subsidy was not cancelled. A subsidy was requested by the company which was not granted. There is quite a difference between a request for a subsidy which is not granted and one which is cancelled. The Hon. Member may know something about promises which were made by the previous Government, however, we are not aware of them. The subsidy was not cancelled. It was suggested that if any moneys were requested which were essential to expand or modernize the mill in Windsor, the money would come out of the agreement which was signed by the federal Government and the Government of Quebec. That was the regional expansion agreement which totalled approximately two-thirds of a billion dollars. That agreement works on a fifty-fifty basis. It was signed in December, 1984, after a delay of almost a year during which the previous administration was not able to come to an understanding with the Government of Quebec. But within a few short months, this Government signed the agreement with Quebec. When the subsidy request was received, it was suggested that any money which the Government of Quebec wanted to spend on Domtar could be taken from that fund.

Mr. Lapierre: That's nonsense.

Mrs. Mailly: That is exactly what happened. The funds which were allocated, on a fifty-fifty basis, only cover the payment of interest on the moneys which were borrowed to perform the modernization. So the subsidy was not cancelled; it was not accepted. If it had been accepted, it would have been unfair to other Canadian paper companies as we could not have accepted their requests for subsidies. We could not play favourites, which is something which the previous Government seemed to do with impunity.

[*Translation*]

I would also like to comment on some of the remarks made by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse). According to him, the Government gave short shrift to the representations made by Canadians who appeared before the standing committee that considered the Bill. Well, should he care to study the amendments, he will find out that the Government has proposed quite a few amendments in direct response to suggestions made by Canadian citizens who gave evidence before the standing committee. These are important amendments. Besides, the Bill itself goes a long way towards implementing the recommendations we heard from Canadians while we were in Opposition and since the Bill was under consideration before its introduction in the House.

For example, a number of people expressed concern about the tedious process under the old Foreign Investment Review Act. It took so much time that they often missed out on opportunities to buy a company, or even to keep up with technological progress. As you know, Mr. Speaker, anyone anxious to set up new facilities in high technology industry cannot stand still for very long. The best example of that kind of situation is the case of a company in the town of Buckingham in my riding. It only had a few weeks to act on its option on a high technology patent and it had to move very rapidly to be able to buy some facilities, but it finally got discouraged and decided that perhaps it should start from scratch—in the United States instead of Quebec. We did manage to convince management to be patient and that eventually the climate would be more conducive to that type of investment. I am glad to say today that the company came back, an outstanding corporate citizen who had already invested in Canada and who now has the green light to go ahead with the new plant which will create jobs in a region where unemployment is rampant.

Both the NDP and the Liberal Party have a very negative approach, convinced as they seem to be that no foreign corporate citizen can possibly have the same dedication, the same decorum and the same generosity which are supposed to be the hallmark of Canadian corporate citizens. In my view, it amounts to a kind of discrimination that is repugnant to any civilized person, to think that foreign investors will be reluctant to make a going concern of their businesses. The impression is given that foreign investors are not good managers. If a person invests his money in this country, I imagine he would want his business to be viable and make a profit and give him a return on his investment. If this foreign investor were such a poor manager that he should want to penalize his employees and the community where he has his business and penalize this country by preventing it from opening up markets abroad, in no time at all he would have to close down, and he would have lost his initial investment. It is useless to try to camouflage what is, in effect, an ideology and almost a phobia of foreign

investment by wrapping it up in a defence of the rights of employees and the rights of regions, and so forth.

● (1240)

Mr. Speaker, speaking directly to the motion and the clauses of the Bill concerned, for instance, Motion No. 4 asks that the Bill provide policy direction to the agency established by Section 6; but the Minister's duties already include responsibility for providing policy direction. The purpose of this motion is to make a distinction between administration and management. We found it was very difficult to decide what activities come under management and what activities come under administration, so we felt this amendment did not contribute anything. In fact, it could lead to a very complicated process that would only delay decision-making. Since one of the principal objectives of Bill C-15 is to speed up the review process so that we can take advantage of foreign investment and create jobs as quickly as possible, the proposed amendment would have the opposite effect. That is why we rejected it.

We examined each of these amendments in committee. They were debated, and we explained to Opposition Members why we were rejecting these amendments. They cannot say they did not have a chance to discuss these points. We had very serious reasons for rejecting the amendments. For instance, Mr. Speaker, I am thinking of Clause 5 which is very important and goes to the very core of this legislation, and the amendment in which we are asked to ensure that businesses controlled by non-Canadians respect the rights of workers. As Hon. Members are aware, we have the Canadian Charter of Rights and Freedoms which does that equally well, we have the Labour Code, and we have a number of federal-provincial laws that protect the rights of employees. We fail to see why this kind of amendment should be included in legislation that controls investment.

Mr. Speaker, my point is that we did consider the principles the Opposition had in mind in proposing these amendments, and that we concluded that this legislation provides protection, for instance for culture in Canada, our cultural industries and the interests of Canadians while at the same time promoting investment, the investment we need to create jobs and reduce unemployment which is far too high here in Canada.

Hon. Jean Lapierre (Shefford): Mr. Speaker, I am very happy to take part once more in the very important debate on a piece of legislation which will certainly have a major impact on the future of Canada. After learning from the Hon. Member for Gatineau (Mrs. Mailly) to what extent she took the views of Opposition Members into account before deciding how to vote in committee, I must tell her that we were not born yesterday. I know quite well that the Hon. Member for Gatineau and the Parliamentary Secretary were simply following the instructions of the minister. The Parliamentary Secretary had his marching orders. In fact, because of the contributions made by Members opposite, we are back in this House today to address not only the few committee members who are under the Minister's orders, but also the rest of the Members opposite, like the Hon. Member for Portneuf (Mr. Ferland) and his colleagues who might be able to bring pressure to bear on the Minister to make sure that the principles advocated by the Official Opposition and the NDP will be included in this Bill before it is passed by the House.

Consequently, Mr. Speaker, I was interested in bearing the interpretation of the Member for Gatineau about the Domtar issue. Mr. Speaker, I know that you yourself are not indifferent to this matter, and if the Hon. Member for Gatineau can say that it was all quite simple and that the Regional Economic Development Agreement between Canada and Quebec will take care of everything, it just goes to show that she did not follow that case as closely as you did, Mr. Speaker, since she would have us believe that it will automatically be included in the Quebec Economic Development Agreement.

Mr. Speaker, I think that the Hon. Member for Gatineau is quite wrong regarding both the facts and her version of them. In fact, what happened—

Mrs. Mailly: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: I believe it is against the rules to involve the Speaker in a debate which would jeopardize his neutrality.

Mr. Lapierre: Mr. Speaker, if one cannot address the Chair, I wonder whom one can address!

The Acting Speaker (Mr. Charest): To put an end to this debate, I shall simply remind the Hon. Member for Shefford (Mr. Lapierre) and also the deputy whip that the motions now under consideration still deal with the Investment Canada Bill and the amendments moved by your colleague from Winnipeg-Fort Garry (Mr. Axworthy) among others, and that the relation between that matter and your present comments is rather tenuous.

Mr. Lapierre: Mr. Speaker, I am sure you appreciate my dealing with investment in Canada, the Bill now before us being the Investment Canada Act. Certainly the Domtar issue has to do with investment, and I would like especially to commend the part you took in that issue. Certainly it is not by letting things go, as the Hon. Member for Gatineau is trying to do, that this problem has been solved. It has been solved because there has been efficient and powerful action by the community, and in that sense it is my hope that the Canadian business community also will get in the act and will try to limit the damage now being done by the Minister of Regional Industrial Expansion (Mr. Stevens) to Canadian business own-

ership, the very balance of Canadian investment, and it is along those lines that we are debating that very delicate issue.

Mr. Speaker, concerning labour rights, again the Hon. Member for Gatineau has said: "Don't you worry, they are protected by the Charter of Rights. Well, I would urge her to read the Charter once again and see exactly where labour rights are protected in the Canadian Charter of Human Rights and Freedoms. I appreciate that she was not yet on the political scene, though unwittingly when the Charter of Rights was adopted, but I would remind her that the Labour Code has nothing to do with constitutional law.

The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) raised some very important points concerning the Minister's role. I think it is important that all of us should know what will be the responsibility of the Minister in charge of the agency. Will he assign political guidelines to the agency, or is the latter some kind of a beast that will be wandering about at the discretion of its officials? The impression now is that the Minister wants to be in charge but he is quite intent not to say so in the Act, and this will prevent the House of Commons from assessing the Minister's performance in the administration of the Act.

I think it is important for us to know what criteria the Minister will use, because we realize—especially considering the Minister responsible for the legislation today—that these criteria are not always necessarily objective, and that is why we want to give him some parameters. We want to give him parameters so that the Minister will not strictly act according to his own discretion, as he is doing in a number of cases that are of concern to us here.

I hope the Minister will be given some parameters, Mr. Speaker, in dealing with a case that is not directly concerned with foreign investment, but I am sure the Member for Gatineau (Mrs. Mailly) would do well to prepare some parameters for him when he starts dealing with Pétromont, for instance. I really think she should, because, Mr. Speaker, although the Minister is probably acting in good faith, we have noticed that Regional Economic Development, and especially the development of the most disadvantaged regions, is not necessarily a matter on which he is staking his reputation as a politician. That is why, Mr. Speaker, we want to make sure that as far as the Investment Canada Bill is concerned, the Minister has a few guidelines so he will know what to do with this legislation. I think it is important to know that the Minister will be giving the main policy direction. We have the conviction that decisions made from Toronto are not necessarily, I say not necessarily, good for the whole country. I am convinced that the Toronto perspective may be useful, but we would like a more pan-Canadian perspective.

I think that when we consider other aspects of my hon. colleague's amendment, it is not so unreasonable to ask the Minister to find other potential buyers who are Canadians. I thought this legislation was called "an Act respecting investment in Canada", and before seeking out foreign investors to, for instance, take over Canadian companies, we want to oblige the Minister to look around and see if any Canadian citizens are interested in buying the company, and that, Mr. Speaker, is the same principle we apply to immigration. Hon. Members are aware that before we can give a non-Canadian a work permit, the job opening is posted, and we make sure that any Canadians qualified for the position are given a chance to apply before the position is opened to a non-Canadian. We want to apply exactly the same principle to investment and ensure that Canadians are considered first. I fail to see why my colleagues opposite would have any objection to such a worthy principle, Mr. Speaker.

Research is another aspect mentioned in the amendments proposed by my hon. colleague. He wants to set guidelines for the Minister responsible for the agency, once and for all, to ensure that research on domestic and international investments is done officially, in accordance with certain criteria, to ensure that the Minister does not just set this aside and decide that as far as he is concerned, the research has been done. For instance, he examines his conscience, and hurrah, we accept our friends from Chevron, and we approve applications by other friends for taking over Canadian companies. Mr. Speaker, as for the requirement to table the results in the House of Commons, I think we all need this research, to find out whether the Minister took the advice he was given.

Mr. Speaker, we have all been gagged in this debate, and unfortunately, I have only ten minutes, otherwise I could have spent all afternoon describing some horrifying cases of foreign investment that were to the disadvantage of Canadians and I am sure that includes some Canadians in the riding of Gatineau and during the next minutes I will be allowed, I will have an opportunity to name a few, despite the fact that this Government, with its tyrannical majority, would keep us from speaking. I have to stop for the time being, but I will be back to this later on, Mr. Speaker.

• (1250)

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am glad of the opportunity to speak on this group of amendments because the Bill does not give the Minister the kind of direction he should have. They allow him to approach the whole question of investment without any suggestion that he has some responsibility to Canadian investors. Clause 5 seems to suggest that the Minister has the responsibility of bringing in foreign investment as though it were preferable to Canadian investment. The clause does refer to assisting Canadian businessmen to exploit opportunities for investment and technological advancement, and they are very good words. But this clause and the whole Bill seem to point in a different direction. Therefore, the series of amendments which the Liberal Party and the New Democratic Party have put before this House and in committee are an attempt to assist the Government in giving the Minister some direction to make sure that Canadian

enterprise, Canadian business, Canadian investment would have a better opportunity for success than investment from outside the country.

The three or four amendments our Party has put before this House in this group are exactly along that line. They indicate that Canadian investment should be encouraged as much as possible. Where investment deals directly with the national identity and cultural heritage areas of the economy, there should be a blockage of investment from outside of Canada, or at least the Canadian investor should be given specific encouragement and some specific responsibility in making that kind of investment.

I think everyone in this House would agree that rather than suggesting we buy foreign-made products, we should produce those products here. The problem seems to be with what is meant by "Canadian-produced". The Government suggests that buying Canadian means buying products made in Canada by a foreign investor and that this is better than buying those made by a Canadian investor. The Bill does not give the Canadian investor the title bit of an edge required because of our smaller market.

A major amendment which we have put forward is that which would require foreign investors to take some responsibility for their treatment of labour in the Canadian tradition. We have had some bad experience with foreign corporations coming into the country and establishing labour-management relationships which are not in the Canadian tradition. An example is that of the Nova Scotia Government over the last few years which did not help that province's labour-management situation. We do not want the creation of a no-man's land in labour-management relations, which is possible if this Bill passes.

One of our amendments deals with that, and when we come back after the lunch break I would like to put before the House the reasons why Canadian investment is more important than foreign investment.

[*Translation*]

The Acting Speaker (Mr. Charest): Order! It being one o'clock, I do now leave the chair till two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

HISTORIC EVENTS

COMMEMORATION OF HOLOCAUST'S ENDING

Hon. Bob Kaplan (York Centre): Mr. Speaker, our capital is host this week to a gathering of survivors of the Nazi Holocaust which ended 40 years ago with the Allied victory in Europe. Over 3,000 Canadians are here for the gathering. They include survivors who were liberated as the death camps were discovered, exposing to the world the full horror and inhumanity of the Nazi agenda.

The gathering includes as well the children of survivors, here to commemorate and to try to understand further the experience, the scars of which will never fade from their lives. Many are here today in the galleries of the House. They are welcome.

The scars which they bear are also scars on Canadian and world history. Racism is an evil from which no society is immune. The death camp was the ultimate expression of racisms. As proud as Canada can be of its honourable role in World War II, as we remember those Canadians killed and wounded in that arena we must also remember that it was racism which held Canada back in the 1930s when it might have acted to alleviate the Holocaust by admitting refugees from the Nazi agenda.

As a Canadian and a Jew I call upon the House and Canadians to dedicate themselves to fight all racism. Let us keep the wounds fresh as a warning—never again.

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EXTERNAL AFFAIRS

UNITED STATES—PRESIDENT'S PROPOSED VISIT TO GERMAN MILITARY CEMETERY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, last Friday my colleague, the Member for Spadina (Mr. Heap) asked the Secretary of State for External Affairs if he would, on behalf of the Government of Canada, intervene with the President of the United States and request that he cancel his proposed visit to the cemetery in Germany in which former SS troops are buried. The Secretary of State for External Affairs responded by saying:

> In view of the Government's regard for the sovereignty and sovereign decisions of other countries, we will leave decisions about United States policy to be taken by the administration of the United States.

That answer is totally unacceptable. In the circumstances, to sit by and watch this happen is neglectful. When a Government sees another Government doing something that is totally wrong, it is appropriate to intervene in a friendly way to suggest that it ought not to pursue the policy it is pursuing. In this instance it is an affront to those who died in the concentration camps that our Government refuses to bring to the attention of the Government of the United States that it would

be inappropriate for the President of the United States to visit that cemetery.

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HISTORIC EVENTS

COMMEMORATION OF HOLOCAUST'S ENDING

Mr. Bill Attewell (Don Valley East): Mr. Speaker, over 3,000 members of the Canadian Jewish community from coast to coast have gathered to observe the fortieth anniversary of the liberation of the Jews from the Nazi oppression in Europe. I attended the opening plenary session last evening where several Holocaust survivors and their children spoke with emotion and passion about their painful memories.

We cannot let Canadians, nor indeed the world, forget the unspeakable atrocities which were committed. Six million Jews were slaughtered. In memory of those millions of people who were starved, tortured, and killed, we must rededicate ourselves to taking steps to ensure that such wicked atrocities will never occur again.

My Government has appointed the Hon. Justice Jules Deschênes to conduct investigations into the alleged presence of war criminals in Canada. We must also deal more effectively with anti-semitism, other forms of racism, and hate literature. The victims and survivors of the Holocaust must never be put on trial again with the cruel responsibility to prove the existence of the Holocaust.

We can best honour the memories of the millions of Jews who were so mindlessly killed, the survivors, and the children of the survivors, by joining our hands and our hearts in a prayerful commitment to action.

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HISTORIC EVENTS

COMMEMORATION OF HOLOCAUST'S ENDING

Mr. John Oostrom (Willowdale): Mr. Speaker, as the Member for the constituency of Willowdale, which has the largest Jewish population in Canada next to the riding of Mount Royal, and as a person who witnessed first hand the atrocities of World War II in my native Holland, I also wish to inform the House of the Canadian gathering of Jewish Holocaust survivors and their children which is taking place today and tomorrow here in Ottawa, commemorating the fortieth anniversary of that liberation.

The objectives of this gathering are to assemble Holocaust survivors of all faiths and races on the anniversary of their liberation to commemorate the memory of six million Jews, and millions of others, who perished in the Holocaust. The survivors wish to recognize the contribution of the Canadian Armed Forces in the struggle against our common enemy, and to express their appreciation to the people of Canada and their Government for the opportunity to build a new life out of the ashes and despair of that terrible and frightening period of our history.

Sitting in the House are a number of the survivors of this tragic event who have come from all over Canada to attend the commemorative events of this fortieth anniversary of the liberation. We welcome them, and recognize their enormous contributions to Canadian society and culture. We share a common goal with the survivors, that the lesson of the Holocaust is not to be forgotten. Man's inhumanity to man, caused by the perversity of discrimination and racism, is not to be tolerated.

Mr. Speaker: May I remind Members at this point that any reference to the presence of anyone in the galleries of the House is entirely out of order.

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HISTORIC EVENTS

COMMEMORATION OF HOLOCAUST'S ENDING

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, today is a date of remembrance in commemoration of the fortieth anniversary of the liberation of Holocaust survivors. We dedicate this day, not only to the memory of the six million Jews who perished, but also to all of us committed to the principles of justice, freedom, understanding, and peace.

The act of remembering must include awareness, which subsequently must lead to action. Racism and intolerance must be fought now on all levels to help all peoples. In no way may we remain indifferent.

We are reminded today of the violence, both past and present, which is a menace to all societies in which bigotry and hatred are allowed to spread unchecked to the detriment of all. Action must be undertaken in the name of human compassion, justice, and memory, so that no group will be allowed to suffer from racial discrimination.

Today members of the Canadian Jewish community, and others dedicated to peace and tolerance, are gathered in testament to survival and continuity. We will remember and commemorate those who suffered, and celebrate in an expression of solidarity, determination, and hope for all Canadians so that the lesson of the Holocaust will always be remembered. Like second generation survivors, we vow that it shall never happen again.

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EXTERNAL AID

UNION'S PAYROLL DEDUCTION PLAN TO HELP FAMINE VICTIMS

Mr. Rod Murphy (Churchill): Mr. Speaker, I would like to offer my congratulations, and that of the entire New Democratic Party caucus, to Gerard Doquier and the Canadian division of the United Steelworkers of America for their generosity in introducing a permanent payroll deduction plan to raise money for famine relief in the Third World.

S.O. 21

As the procedure authorizing employers to make the deductions must still be negotiated before it can be put into place, I urge the companies involved to facilitate this payroll deduction plan. I also urge the employers to rise to the challenge offered by their employees, by matching their contributions.

I would further suggest that the federal Government follow this initiative by entering into discussions with its employees in order to create a plan which would provide the same possibilities for federal government employees.

* * *

● (1410)

MEMBERS OF PARLIAMENT

DEFIANCE OF LAW CONDEMNED

Mr. Gordon Taylor (Bow River): Mr. Speaker, do you know what? Thousands, perhaps millions of Canadians are disillusioned with the Liberals and the NDP. We teach our young people to respect the law and to obey the law and, if they do not agree with the law, to work like blazes to change it, but while it is on the statute books it should be obeyed. Well, here we have Liberals and the NDP standing up in this House and supporting the defiance of the law.

Dr. Morgentaler brags that he is defying the laws of Canada, and that is bad enough, but for a Member of Parliament to support him in his defiance is unbelievable. And the peace campers defy the law and refuse to obey it, and Liberal and NDP Members stand up in this House and justify it, or try to, and one NDP Member is daring the RCMP to arrest him. These Members of Parliament are saying to the people of Canada, including our youth: "If you don't like a law, defy it". The ultimate end of that kind of logic is chaos and civil disobedience.

I have no difficulty with people who disagree with a law and work to change it. That is their democratic right, but to defy the law and to encourage others to defy it and disobey it, are inexcusable acts. Ah, but you say it is for a good cause! Well, when a man is jailed for stealing bread to feed his hungry children it is a good cause, but it is still theft.

Canadians generally would agree with John Galsworthy when he said: "The law is what it is, a majestic edifice sheltering all of us, each stone of which rests on another".

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CANADA POST CORPORATION

IMPROVED DOOR-TO-DOOR DELIVERY IN YORK-SCARBOROUGH

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, I have reviewed *Hansard* for this session of Parliament and could find not one single statement or question complimentary to Canada Post Corporation.

On March 19, 1985, I raised with the Minister responsible for the Post Office the fact that the Post Office appeared to have abandoned its service standard of establishing door-to-door postal delivery when a new subdivision or apartment was more than 75 per cent occupied, and when the streets were paved.

Subsequently the Minister arranged for the President of Canada Post to meet with Members of Parliament who were experiencing difficulty in obtaining new door-to-door delivery. In addition, I was able to meet with Bob McGarry, President of the Letter Carriers Union of Canada. Together we were able to identify some 3,300 residences in York-Scarborough which should qualify for door-to-door service. I am pleased to report today that just over 60 per cent of these residences will receive door-to-door delivery next week, as a result of the reassignment of letter carriers from southern Scarborough to northern Scarborough.

I would like to thank both Michael Warren and Bob McGarry for their co-operation in agreeing to these route changes.

Sixty per cent is a passing grade in high school, but just barely. I look forward to meeting with Mr. Warren personally over the next couple of weeks to discuss extending door-to-door delivery to the remaining residences which meet the service standard, as well as to discuss reversing the dramatic decline in service in several of the small business corridors in my riding.

* * *

HISTORIC EVENTS

COMMEMORATION OF HOLOCAUST'S ENDING

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, as other colleagues have already stated, yesterday several thousand Canadians, mostly Jews, gathered in Ottawa to remember the six million victims murdered in the Nazi Holocaust. These six million murders took place throughout Europe in a large number of camps, the most horrifying at Buchenwald, Dachau, Auschwitz, Birkenau, and Treblinka. They are a terrifying reminder of how low man can sink in his treatment of fellow human beings. When Dachau was liberated forty years ago, it held over 30,000 victims.

The purpose of the meeting taking place in Ottawa and around the world is to remind younger and older generations of exactly what happened, so that it will never happen again. The world must be eternally vigilant so that similar incidents will never be repeated.

The plaque at the exit to the Dachau Museum quoting the philosopher and poet, George Santayana, reads as follows:

Those who cannot remember the past are doomed to repeat it.

DISASTERS

UNION SERVICE TO COMMEMORATE SUDBURY MINERS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I rise today on behalf of the men and women involved in the mining industry in Canada.

You will recall a seismic event measuring 3.5 on the Richter scale on June 20 of last year which killed four men in the Falconbridge Number Five mine shaft in Sudbury. In their memory, and of others who have met similar fates, the Sudbury Mine, Mill and Smelter Workers' Union, Local 598, will hold a special service on June 20.

Country music singer and composer, Janet Moore, is releasing her new song entitled *The Rugged Miner*, at a press conference Wednesday morning in this building. I urge members of the Press Gallery to support this noble cause by presenting the Union's concerns to the people of Canada.

It is common knowledge that the mining industry is fraught with danger, due to the very nature of the work. Through the efforts of this Union and of Janet Moore, we are reminded of those persons toiling thousands of feet away from the light of day.

We are also reminded of the wives and children who have lost their dear husbands and fathers to the unsettled, shifting earth that was their workplace.

Tribute must also be paid to the miners who have perished from industrial disease. Their demise is less sudden, but no less tragic.

June 20 will be a day of remembrance for all Canadians. It is also a day of celebration in honour of those persons who toil amid danger for the common good.

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HISTORIC EVENTS

COMMEMORATION OF HOLOCAUST'S ENDING

Mr. Speaker: I believe there would be a disposition in the House at this moment to observe one minute of silence to commemorate the ending of the Holocaust and the closing of the concentration camps. Would the House join me for one minute's silence.

[*Editor's Note: Whereupon the Members stood in silence.*]

ORAL QUESTION PERIOD

[*English*]

AUTOMOTIVE INDUSTRY

IMPORTATION OF FOREIGN MANUFACTURED VEHICLES—ONTARIO PREMIER'S STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. Last Thursday in Toronto in the company of the Prime Minister, Premier Frank Miller made what I deem to be a disturbing statement. Mr. Miller said that he was going to call upon the Ontario Legislature to pass a resolution, and I use Mr. Miller's words, "stating our resolve to retain quotas" on foreign automobiles.

Given that the Premier met with the Prime Minister and is presumably privy to the Government's intentions in this particular respect, why would he consider it necessary to seek a resolution from the Legislature of Ontario to impress upon the federal Government the need to continue the auto quotas on Japanese imports?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Right Hon. Leader of the Opposition I would have to assure him, first, that Premier Miller can speak for himself.

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): That is debatable.

Mr. Stevens: As far as the Government of Canada is concerned, our actions to date have been exactly what Premier Miller has requested.

We have indicated to the Japanese, as I have stated in this House, that we feel, until suitable arrangements can be made, they should not increase the number of cars coming into Canada. That means they should stay at approximately an 18 per cent level of the Canadian market. We have had negotiations in Tokyo pressing this point last week, and I will be meeting with those negotiators when they return to Canada later this week.

NEGOTIATIONS WITH JAPANESE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Hon. Minister must know how well his negotiators did in Japan, if they did well at all. Did the Minister get the agreement he has just laid out before the House? Is it true that if there is an agreement, it does not meet that standard, and the reason the agreement is not being made public is to avoid upsetting the voters of Ontario, and the publication of that agreement is going to be delayed until after Thursday? Would the Minister tell us whether or not he has an agreement with the Japanese, and give us the substance of that agreement?

● (1420)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, again in reply to the Leader of the Opposition, there is no agreement at this point. We feel that the discussions have been very beneficial on both sides. We have been pressing upon the Japanese the need for more sourcing and more investment in Canada. We believe they understand our position. I only remind the Leader of the Opposition that last year it took until June 12 before a satisfactory agreement could be arrived at, in the sense of something which could be put in place. As far as we are concerned, we hope there will be a satisfactory agreement well before June 12, but I am sorry I cannot say that we have that agreement at this time.

EXISTENCE OF QUOTAS—PREMIER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my final question is directed to the same Minister. He will recall that last year those quotas were maintained. Technically they have expired as of March 31, as the Hon. Minister knows. Is the Premier of Ontario privy to information which the rest of us do not have on how those negotiations are going? Why else would he feel constrained to suggest to the voters of Ontario that he would need a vote of the Ontario Legislature to reinforce that province's position, and to impress upon the federal Government the necessity for the maintenance of those quotas?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, again in reply to the Leader of the Opposition, I can only say that Premier Miller made a statement which was completely in step with the position of the federal Government with respect to these quotas. We have been pressing the Canadian case. We have indicated that there will be a monitoring of the arrival of imports. If we see any sizeable increase compared with last year, we will draw that to the attention of the Japanese and take what action we feel is necessary.

* * *

INDUSTRY

CANADIAN GENERAL ELECTRIC—REPORTED THREAT OF CLOSURE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is also directed to the Minister of Regional Industrial Expansion. At a recent meeting of the Canadian shareholders of Canadian General Electric it was revealed that the parent company made a threat that it would close down CGE, or sell it off, unless that subsidiary returned a much higher dividend to the parent company. That is a very serious problem, or dilemma. Has the Minister looked into that case? In particular, has he determined whether the threat made by the parent company of CGE contravenes the 1975 guidelines for principles of international business behaviour in Canada? Will he tell us whether he intends to take any action against the parent company for contravening those guidelines?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, as he knows that news came out, I guess, about a week ago. We asked for a report from the company on what led to the news story. My own people advised me as of this morning that they have not received a full report back yet, and we have not had an opportunity, accordingly, to review the circumstances, or certainly to check whether there was any breach of some guideline in earlier years.

GUIDELINES GOVERNING FOREIGN INVESTMENT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my supplementary question is directed to the same Minister. As he has said many times in the House, the Government intends to provide a much broader invitation to foreign investment. Taking that into account, does the Minister not think it is now time for the Government to establish more clearly what are the guidelines for the behaviour and performance of foreign-owned companies and their subsidiaries in Canada? Does he not also think that it would be useful for the Government to bring in amendments to the Investment Canada Act to ensure that parent companies cannot intimidate or threaten their Canadian subsidiaries, such as CGE has done?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I think the short answer to that question is no.

* * *

THE BUDGET

INQUIRY CONCERNING INTRODUCTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance and it concerns the forthcoming Budget. All those Canadians who are currently out of work and are looking for some stimulus to create jobs, are looking forward to the Budget. All those additional thousands of Canadians who want some tax fairness are looking forward to the Budget. Considering that the Minister is leaving later this week for an important international meeting on finance, is he now prepared to tell the House the precise date on which he will be bringing down the Budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think those Canadians who will be looking for tax fairness, and those Canadians who will be looking for a degree of encouragement for job creation, will be very pleased with the results of the Budget. I have indicated that the date of the Budget will be some time in the week of May 20. I will be announcing that date precisely in the House in due course.

MINIMUM TAX PROPOSAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I hope we do not hear it by way of a rumour from Bonn. Considering that those thousands of ordinary families who had to send in cheques to the federal Government on the weekend are paying more than their share, and have been looking forward to tax reform to ensure that those thousands of rich Canadians who are not paying any taxes will be doing so in the future, I have a specific question for the Minister.

Since the election, and according to figures produced by the Government in the past two weeks, the number of rich not paying their share of taxes actually increased by about a third last year. Will the Minister make a promise to all those ordinary Canadians who are paying too much that he will be bringing in a minimum tax on upper income Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I can commiserate with those Canadians who are filling out their tax returns. That is what I was doing myself last night. I should say that the matter which the Hon. Member raised has been dealt with by the Prime Minister and by myself in the House. That matter will be dealt with in the Budget.

REQUEST FOR MINISTERIAL ASSURANCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I asked that question because it has not been dealt with precisely by the Minister. However, the Prime Minister said on November 22 in the House, and I quote: "We will follow through with regard to a minimum tax". After that the Minister indicated that there may be a study of a minimum tax, that he might be looking at it, but he did not indicate clearly that there would be a minimum tax. Since the Prime Minister promised that in the election campaign, and since he reiterated it on November 22 in the House, will the Minister clarify the matter for sure, and tell overburdened, ordinary taxpayers that the rich finally will face a minimum tax in the forthcoming Budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this line of questioning can lead us down a path where the Hon. Member will be asking me questions on all sorts of things which might or might not be in the Budget.

Mr. Broadbent: The Prime Minister said it.

Mr. Wilson (Etobicoke Centre): As I indicated, and as the Prime Minister indicated, that matter will be dealt with in the Budget as the Hon. Member has indicated in his question.

* * *

EXTERNAL AFFAIRS

EXTRADITION OF ALLEGED WAR CRIMINALS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It arises out of the fact that during the recent visit to Canada of Prime Minister Shamir, Israel indicated for the first time that it would welcome the opportunity to extradite Nazi war criminals from Canada for trial in Israel. Is the Government prepared to respond positively to Israel to permit such extraditions to occur?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we will be following up on representations which might or might not have been made by the Government of Israel. I think the Hon. Member would agree that there is no particular advantage at this point in time, before any formal response has been made, to speculate on the floor of the House of Commons.

POSSIBLE EXISTENCE OF WAR CRIMINALS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I gather from that that the Secretary of State for External Affairs is intending to wait on that matter until the Deschênes Commission reports. I want to ask him for an assurance that the Government will continue, while awaiting the report of the Deschênes Commission, to carry out the work begun by the former Government in dealing with war criminals and, if possible, to expand that work in view of additional legal advice and opinions and the findings of the Royal Canadian Mounted Police during recent periods.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the former Government did not, we have established the Deschênes inquiry. We intend to ensure that that inquiry carries out its obligations and its mandate. Where it is appropriate for the Government of Canada to be acting in advance of receipt of the recommendations of that commission, naturally we will continue to do that.

* * *

• (1430)

INDUSTRY

CANADIAN PORCELAIN LIMITED

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion. The Minister is aware that Canadian Porcelain, which manufactures insulators in Hamilton, was recently forced into receivership, primarily because of the dumping of insulators by Lapp Industries of New York State. Will the Minister look into the bizarre circumstances which now appear to have put Canadian Porcelain into the pocket of Lapp Industries Canadian Industries, whereby the receiver has accepted an offer from Lapp Industries to buy that company over a more significant and more substantial offer made by the former employees of Canadian Porcelain?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, who was good enough to mention this problem orally to me, I can assure him that, if the facts are as represented by the Hon. Member, we will be looking into the situation and seeing if

something can be done at least to ease what appears to be an inequity.

REQUEST FOR REVIEW OF TAKEOVER OFFER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, will the Minister move to inform Peat Marwick that the sale must not be consummated until such time as a review has been undertaken to determine whether (a), on the one hand, Lapp Industries is not simply moving to purchase its competition in order to put it out of business, and (b), to determine whether it is acting in the best interest of the community and the employees of that business by not accepting their $1.3 million offer over the $1.25 million offer of Lapp Industries?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member will be pleased to learn that I have already asked my officials to check into this matter to see what stage it is at and what might be done to relieve the situation as he described it to me earlier.

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BANKS AND BANKING

CANADIAN COMMERCIAL BANK—PLIGHT OF SHAREHOLDERS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance. It concerns the Canadian Commercial Bank. People who bought preferred shares in the bank during the week the bail-out was being negotiated have seen the value of their shares plummet. However, when they bought, there was no indication that the bank was in any difficulty at all. Will the Minister tell the House why there was not full and timely disclosure of the bank's financial situation, as is required under Ontario law for shares trading in Ontario?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure the Hon. Member is aware that there is a possibility of some legal action being taken on that matter, so I do not think it would be appropriate for me to comment on it. I also remind her that there will be a committee of this House looking into the CCB matter. If she has questions, that is probably the most appropriate place to ask them.

RESPONSIBILITY FOR FULL DISCLOSURE

Miss Aideen Nicholson (Trinity): Mr. Speaker, if the Montreal, Toronto, or Alberta Stock Exchanges did know what was going on between March 14 and 25, they did not say. There were 8,500 preferred shares traded while the bank's fate was being decided. The Government's silence gives an appearance of acquiescence in the bank's failure to present its financial situation accurately. Will the Minister tell the House whether he sees any responsibility on the part of the Government, through the Inspector General, to ensure in general that there is full and timely disclosure?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe that the rules of the stock exchanges and of the securities commissions under the jurisdiction of the provinces do require a full and timely disclosure. I am sure that the bank has met those. If that has not been the case, we will be able to find that out during the course of the committee hearings when the officers of the bank are in attendance.

REQUEST THAT COMMITTEE RECEIVE INVESTIGATION RESULTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct my question to the Minister of Finance. It is on the same matter. Now that the Canadian Commercial Bank collapse has been referred to the House of Commons' finance committee, will the Department of Finance, or any of the agencies of the Government, be submitting the results of any investigation by the four organizations, public and private, which examined the bank between December and March and found no sign that the Canadian Commercial Bank would collapse very quickly?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, Mr. Kennett, the Inspector General of Banks, will be appearing before that committee and will be able to provide all the answers to the specific questions of the Hon. Member.

SALE OF SHARES BY VICE-PRESIDENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I had hoped the Minister would be shocked by the fact that three of Canada's leading auditing and investment firms, and the Inspector General of Banks, failed to uncover the problems of the Canadian Commercial Bank at a date so close to its collapse. Can the Minister tell the House whether the Government is investigating the activities of one insider who knew something could be wrong? Specifically, is the Government investigating the sale by CCB vice-president Scott McCreath, who sold 2,000 preferred shares in that company in early February for over $20 a share, while the same shares are now trading at less then $5? What action will be taken following the result of any such investigation?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the whole question of insider trading is primarily the responsibility of the provincial Governments which have jurisdiction over the stock exchanges and the issue of securities. I will bring that matter to the attention of my colleague, the Minister of State for Finance. I am sure that she will look into it diligently, and get back to the Hon. Member.

* * *

CANADIAN ARMED FORCES

TRANSFER OF EDMONTON BASE COMMANDER

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is for the Minister of National Defence. The Minister will know that in a change of command, Colonel de Tracey over the past

weekend turned over his command at Namao Air Base in Edmonton. Has this active officer been sentenced to a desk job in Ottawa without a fair hearing, or was he deemed guilty by virtue of an incident simply having happened? Has Colonel de Tracey's posting to NDC Kingston been cancelled, which would have a real effect on this gentleman's career, and will the Minister intervene?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I believe I answered a similar question put by the Hon. Member and by the Hon. Member for Pembina two weeks ago or thereabouts. My answer is still the same as it was on that occasion. Colonel de Tracey has been posted to Ottawa effective the end of this month, I believe. He has not been posted to Kingston. The other two premises with respect to a fair hearing and permanent desk job in Ottawa are ill-founded. The investigation, if not complete, is very close to it. Undoubtedly there will be further postings in Colonel de Tracey's career as it moves ahead, as there is with any other officer, or man or woman in the Forces.

* * *

THE ADMINISTRATION

APPOINTMENT OF MR. BUD SHERMAN TO CRTC

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Government House Leader and President of the Privy Council. I want to come back to the Sherman appointment. Given the refusal of the Minister last Friday to allow for a review of Mr. Sherman's appointment to the CRTC, will the Minister and his Government at least do the honourable thing and suspend the appointment of Mr. Sherman until the committee on reform of this House has come up with the recommendations that we are all awaiting, and then proceed with the review, as promised by the Conservatives in the election?

Some Hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, as I indicated to the Hon. Member on Friday, the parliamentary Task Force on Reform of the House of Commons is mandated to make its final and complete report with respect to the reform of this place by the end of June. I can assure the Hon. Member that it will not be an untoward time before we will receive the recommendations concerning the matter of review of appointments and of the guidelines under which we will be dealing with these particular matters. I cannot comment with respect to the other matter because the appointment has been made. It is a matter in the discretion of the appropriate Minister and the Prime Minister.

[*Translation*]

MINISTER'S CONSULTATION PRIOR TO MR. SHERMAN'S APPOINTMENT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I wish to direct a question to the Minister of Communications. Given Mr. Sherman's remarks concerning institutional and Canadian bilingualism and the response of the Leader of the Government in the House, does the Minister agree with the saying that birds of a feather flock together? Will Mr. Sherman really be a commissioner likely to live up to the aspirations of the Minister? Was he consulted about Mr. Sherman's CRTC appointment?

Hon. Marcel Masse (Minister of Communications): As provided under the Act, Mr. Speaker, the recommendation was made by the Minister of Communications and endorsed by the Government. I am convinced that the new commissioner will judiciously discharge his responsibilities in accordance with the legislative provisions.

* * *

● (1440)

[*English*]

AUTOMOTIVE INDUSTRY

CHRYSLER CORPORATION—WINDSOR ENGINE PLANT

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion. Since the Minister has helped Hamilton, I must ask him if he will help Windsor now. Chrysler Corporation has just announced plans for a large, new investment in parts production in Korea. It has also announced record profits. Will the Minister arrange a meeting with the head of Chrysler, given the dangers to Canada of this transfer of parts production to Korea, in order to request Chrysler to reopen its Windsor-based engine plant as a small return for the $200 million in loan guarantees that Chrysler received from the Government?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, I am sure that he knows that we have ongoing discussions with the various car manufacturers, at times together and at times individually. Naturally, in the case of Chrysler, we will raise the point as to whether or not there has been any unfairness to Canada. I can assure the Hon. Member that most of the manufacturers are making a very significant contribution to Canada as far as investment is concerned, and perhaps some day we will be able to get the Japanese to match some of the investment that has been taking place in Canada by other manufacturers.

PRODUCTION OF PARTS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, the $200 million that Chrysler received from Canada was

crucial to its receiving $1.5 billion from the United States Government. Does the Minister believe that Chrysler should say thank you to Canadians in a concrete way by putting some of its new parts production in Canada rather than putting all of it in Korea?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, again in reply to the Hon. Member, surely he would agree that the turnaround as far as Chrysler is concerned has been one of the more encouraging things that has occurred. I would only say that if there is a thank you to be given, I have no objection to expressing general satisfaction in a company that has turned around as sensationally as Chrysler.

* * *

ENVIRONMENTAL AFFAIRS

USE OF LOW SULPHUR CANADIAN COAL

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Minister of the Environment. U.S. coal imported into Canada has a 5 per cent sulphur content, whereas Canadian coal has a sulphur content of only one-half of 1 per cent. Is the Government working toward increasing the volume of Canadian coal used in Canada, thus decreasing acid rain and providing jobs for Canadians?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I thank my colleague for his question. He will be pleased to know that a few months ago we drafted a commercial evaluation pilot project for transporting low sulphur content coal to meet the needs of Ontario Hydro.

* * *

TOURISM

REQUEST THAT GASOLINE PRICES NOT BE INCREASED

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, my question is directed to the Minister of State (Tourism). Two weeks ago the Minister told me in the House in reply to a comment that a gasoline price increase drives tourists away that—

[*English*]

We . . . do not believe that factors like gasoline prices, taxes on alcohol . . . should be looked at separately.

[*Translation*]

As we recall, Mr. Speaker, the Government did raise the price of gasoline last November 8, as it did the alcohol tax, the airport tax, the national parks entrance fee, the fares on ferryboats, just to mention a few. Taken separately, all those services which bear directly on tourism cost more. Can the Minister assure the tourist industry that at least one of those services, namely gasoline, will be spared and that there will be no gasoline price increase in the May Budget?

[*English*]

Hon. Tom McMillan (Minister of State (Tourism)): Mr. Speaker, I find it ironic, if not passing strange, that any Hon. Member in the Liberal Party would, by implication, lecture anyone of the subject of gasoline prices.

Some Hon. Members: Hear, hear!

Mr. McMillan: The Hon. Member will recall that his Party won an election in February, 1980, on a firm commitment to keep gasoline prices down. At that time the price of leaded gasoline was 23.9 cent per litre. Within the term of that Government's mandate, because of federal policies, taxes, and programs, the price of leaded gasoline was allowed to increase to 45 cents per litre.

In response to the Hon. Member's question, let me say that I know the Minister of Finance is very sensitive to the interests of the tourism industry and the interests of consumers. Indeed, a few days ago he met with the senior executive of the Tourism Industry Association of Canada. I think that is the first time such a meeting was held between a Minister of Finance and TIAC. The members of that association went away from that meeting very happy indeed.

* * *

[*Translation*]

ENERGY

PRICE OF GASOLINE—GOVERNMENT POSITION

Mr. Fernand Robichaud (Westmorland-Kent): All I am doing, Mr. Speaker, is repeating the representations or criticisms of his colleagues when they were in Opposition. Believe me, they never missed an opportunity to mention the price of gasoline. Will the Minister support the CAA's request to the Minister of Finance that he go as far as reducing gasoline prices in his forthcoming Budget? Does the Minister endorse that request?

[*English*]

Hon. Tom McMillan (Minister of State (Tourism)): Mr. Speaker, I have made many representations to the Minister of Finance on behalf of the organization to which the Hon. Member made reference, and on behalf of other large associations within the tourism industry. I know that the Minister of Finance, having previously been a Minister of Tourism, is sensitive to those interests. Even the Hon. Member will be happy with the Budget when it is brought down.

CULTURAL AFFAIRS

SPECIAL INITIATIVES FUND

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Minister of Communications and concerns the awarding of a $100,000 grant to the National Theatre School in Montreal. My question does not concern the merits of the proposal but certain possible irregularities in the way it was awarded, and in particular the possibility of political interference from the Prime Minister's Office.

Would the Minister admit frankly that there are no published criteria for his Special Initiatives Fund so that groups that want to apply do not know if they are eligible, or will he come completely clean and admit that the sole criterion for funding is political connection with the Conservative Party?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, with your permission, I will excuse the Hon. Member for being ignorant of the way grants are awarded at the Department of Communications, especially those awarded under the Special Program of Cultural Initiatives. The public knows about the forms, which are completed by the agencies. There are a great many people busy judging these agencies, and the Department is always happy to contribute to the development of Canada's cultural community.

[*English*]

ELIGIBILITY CRITERIA

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am afraid the Minister does not know what his own Department is doing. The former criteria expired on March 31 and now there are no criteria under which the Department is working. My office has tried to get hold of such criteria and was told that they are still being discussed.

I wonder if the Minister would check on the facts as they exist within his own Department. As well, I wonder if he would not admit that the Canada Council does things very differently. It does not receive phone calls from the Prime Minister's Office but uses established criteria and a merit system worked by juries. Would the Minister not concede that the arts community wants merit to be the sole criterion when making these awards, and that a Minister's slush fund has no place in the cultural policy of the country?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, first of all, as long as the new criteria have not been released, the old ones will continue to apply. Second, the Special program of cultural initiatives is a different program with objectives that differ from those of the programs administered by the Canada Council, and I believe that both programs achieve their objectives fairly and squarely.

• (1450)

[*English*]

HUMAN RIGHTS

REVIEW OF HELSINKI ACCORDS—CANADIAN POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Canada is host to the Human Rights Experts Meeting which will take place at the beginning of May. The agenda of that meeting is to review the human rights provisions of the Helsinki Accords to which we, as well as many other countries, including the Soviet Union, are co-signators, and to which we are mutually bound. As I understand it, the position of the Canadian delegation has been not to use specific names at these meetings, but rather to raise the issue of human rights as a matter of principle.

I have just returned from Russia. I have been witness and can testify to the fact that the prisoners of conscience, those whose crime is to study and practise their religion, and many refusniks who have suffered as a result of asking for exit permits, are prepared and hope that the Minister will raise their cases and name names. Will the Canadian delegation be prepared to raise specific cases at this experts' meeting?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, on behalf of other Members of the House I would like to pay tribute to the interest which was shown by the Hon. Member, and other Members from other Parties, on the parliamentary delegation which recently returned from the Soviet Union. I know their commitment to the question of Soviet Jewry, and I think she will understand that when I had the opportunity to raise questions of this kind, I also raised them with vigour and with all the force at my command.

With regard to the very important meeting which will be held in Canada, for the first time in North America, officially beginning in May, there are a variety of ways in which these cases can be raised—generally and specifically, in formal sessions and in corridors. I think the Hon. Membker will agree with me, as will her Leader, that it is in the interests of Canada and in the interests of this process that we make some solid progress at the CSCE meeting of experts. I give her my commitment that we will find ways to raise individual cases with the Soviet Union and with others in a manner that will lead to a successful conference which will contribute positively to the CSCE process.

INTERNATIONAL CULTURAL EXCHANGES

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am very pleased with and respect the energy and the efforts of the Minister.

[*Translation*]

But there is one thing, Mr. Speaker. How can the Minister propose to sign cultural, scientific and academic agreements and expect the Soviets to respect these, when they have never

respected such agreements, and especially not the Helsinki Accords? My main concern is: Is détente going to have a human or an economic face? That is the point.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I said repeatedly in the Soviet Union, I think the Soviets must accept that if they want trade or economic relations with a country like Canada, they must have a more effective and more acceptable performance in the area of human rights.

* * *

[*English*]

LABOUR RELATIONS

AIR CANADA—REASON FOR STRIKE

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Acting Prime Minister and it relates to the work stoppage at Air Canada. The Acting Prime Minister will realize that the main reason for the work stoppage is the fact that Air Canada is insisting that 45 per cent of its workforce, as far as passenger agents are concerned, must become part-time. In other words, many full-time positions, which are basically women's jobs, will be eliminated. It is certainly a matter for government policy. What is the Government's policy with respect to the taking away of full-time jobs and making 45 per cent of a workforce part-time?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I am sure the Hon. Member will be one of the first to agree that it is not helpful to debate the elements of any discussions between management and labour, while those discussions are ongoing. It is my understanding that the discussions have been adjourned. That is an entirely normal course for negotiations of this nature to take, in order to allow assessments to be made on both sides, in preparation for hopefully soon getting back to the table. Any debate of the elements involved at this stage would, I suggest, not be helpful to that process.

POLICY INQUIRY

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is also directed to the Acting Prime Minister. The Government saw fit to change the Board of Air Canada with the idea that there must be people in charge of Air Canada who know what the Government wants and who will act favourably with respect to government policies. Would it not be helpful to the management at Air Canada to know what the Government wants in terms of full-time and part-time work and what the relationship should be, especially since it has resulted in a work stoppage at this time? What is the Government's policy?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I am sure the Hon. Member is aware that we are dealing with a Crown corporation which has the fundamental responsibility of making that kind of decision. But, in any event, I would again suggest to the Hon. Member that it certainly would not be helpful to the process which is now ongoing, and in which the parties are now engaged, to debate the elements which we all hope will be resolved. In the meantime I am informed that Air Canada flights—as far as it has been reported in the media—have been on time and are still flying. Let us all hope that the parties get back to the table in the very near future to resolve their difficulties.

* * *

TRADE

BEEF IMPORT QUOTAS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Acting Prime Minister and it concerns the Prime Minister's visits to London and Bonn this week. So far those visits seem to be geared mainly toward publicity and public relations. Can the Acting Prime Minister assure Canadian beef producers that the Prime Minister will urge the four heads of Government in the European Economic Community to respect our meat import law and the quotas which we have provided to EEC countries, and to press those four heads of Government to remove the threat of a countervail duty on Canadian agricultural products during the meetings in Bonn?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would advise the Hon. Member that we are still engaged in discussions with the European Community with respect to beef. Approximately an hour before I came into the House I had a personal telephone conversation with Mr. Wyllie de Clercq, the Commissioner of the EEC, with respect to this problem, and he is having a meeting with his deputies to discuss it this afternoon.

PRIME MINISTER'S ROLE

Mr. Maurice Foster (Algoma): Mr. Speaker, I will direct my supplementary question to the Acting Prime Minister as he is representing the Prime Minister. We heard the same kind of generalities after the Quebec Summit about trade problems. The President then went back to the United States and imposed a massive countervail duty on Canadian pork products, which is destroying that industry.

Why are the Government and the Prime Minister not prepared to use this meeting to solve practical problems, like the dumping of millions of pounds of subsidized beef into the Canadian market, and the threat of a countervail duty? Why is the Prime Minister, who is attending these meetings, not prepared to take advantage of the occasion to solve these practical problems for our agricultural producers?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the Hon. Member is one of the worst offenders in this House for smuggling irrelevancies and mistakes of fact into his questions.

I would like to begin by addressing the matter which he raised in his preamble, that being the question of it being a publicity exercise. That already has been discounted. I might say to him, that just as I am answering this question now Prime Minister Thatcher is attending a reception at Canada House which is being given by the Canadian Government. It is the first time upon which any British Prime Minister has attended such an occasion.

Some Hon. Members: Hear, hear!

• (1500)

Mr. Nielsen: Second, Prime Minister Thatcher herself has requested additional time in her tête-à-tête tomorrow with the Prime Minister to discuss a whole range of matters of concern to the two Governments.

Mr. Foster: What about the trade problem? Why doesn't he discuss that with her?

Mr. Nielsen: With respect to the trade problem, the Minister to whom the question should have been directed has already answered—

Mr. Foster: He has already struck out.

Mr. Nielsen: —and I am sure that the matter will be given the kind of adequate attention which this Government intends to give to all such problems in its discussions with our European allies.

Mr. Speaker: The Hon. Member for Brant. One question.

* * *

INDUSTRY

WHITE FARM EQUIPMENT LIMITED

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion responsible for DRIE. It has to do with White Farm Equipment in Brantford. Borg-Warner carried the company for several years, and under very depressed market circumstances White Farm has been able to increase its share of the market with its new axial flow combines. There are 600 jobs on the line, and there are several suppliers who may go bankrupt. Could the Minister assure the House that, if all else fails, the Government will very seriously consider loan guarantees to White Farm to keep it operationg until market conditions improve?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sure that the Hon. Member is most pleased that discussions continue with respect to White Farm Equipment. Every effort is being made to save the company and, hopefully, there will be a private sector thrust which will ensure that that company can not only be maintained but can expand.

Introduction of Bills

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Egmont (Mr. Henderson) on Friday, April 26, 1985, meets the requirements of the Standing Orders as to form.

[*Translation*]

The petition presented by the Hon. Member for Northumberland-Miramichi (Mr. Jardine) on Friday, April 26, 1985, does not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC ACCOUNTS

PRESENTATION OF THIRD REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present the third report of the Standing Committee of Public Accounts.

* * *

PUBLIC SERVICE EMPLOYMENT ACT PUBLIC SERVICE STAFF RELATIONS ACT

MEASURE TO AMEND

Mr. Rod Murphy (Churchill) moved for leave to introduce Bill C-237, an Act to amend the Public Service Employment Act and the Public Service Staff Relations Act (political rights).

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

Some Hon. Members: Agreed.

Some Hon. Members: Explain.

Mr. Murphy: Mr. Speaker, it is my pleasure to introduce today a Private Member's Bill which will provide political rights to federal Government employees. In the present Ontario campaign—

Mr. Dick: Order.

Mr. Murphy: —as is in the case of every campaign—

Mr. Dick: Order.

Mr. Murphy: —I am meeting people who feel that they are second-class citizens because they cannot fully express their political views. I have met people who live in fear of being discovered as supporters of a particular Party.

Mr. Dick: That's a political statement.

Order Paper Questions

Mr. Speaker: Order. The Hon. Member is entitled to make his summary to the House—

Mr. Forrestall: He is making a speech.

Mr. Speaker: Order. He is entitled to use his moment to summarize his Bill in any way he wants, but the Hon. Member must be brief.

Mr. Althouse: He is trying to be.

Mr. Murphy: I am certainly trying to be brief, Mr. Speaker, and if the interruptions would stop, I am sure I could finish much faster.

The point I would like to make in introducing my Bill, Mr. Speaker, is that in the campaign which is going on in Ontario, or in any other campaign, there are people in this country who are not treated as full citizens of this nation, and I hope that all Parties in this House will support the Bill.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Questions Nos. 206 and 303 will be answered today.

[*Text*]

POST OFFICE—HOURS OF SERVICE

Question No. 206—**Mr. Henderson:**

Did any Prince Edward Island Post Office have their hours of operation cut since September 17, 1984 and, if so (a) which ones (b) what was the projected saving as a result of each reduction?

Hon. Perrin Beatty (Minister of National Revenue): The Canada Post Corporation informs me as follows:

(a) Since September 17, 1984, the following post offices in Prince Edward Island have had their hours of service adjusted: Bonshaw; Elmira; Victoria; Freetown; Lennox Island; Miminegash; Richmond.

(b) The projected savings to Canada Post Corporation as a result of the above service adjustments will be as follows:

Bonshaw	$1,306.76
Elmira	1,306.76
Victoria	1,306.76
Freetown	1,306.76
Lennox Island	1,209.96
Miminegash	1,306.76
Richmond	3,915.60
Total Savings	$11,659.36

SERVICES AND SUBSIDIES TO BUSINESS REPORT

Question No. 303—**Mr. Gagliano:**

Did the mixed study team on Services and Subsidies to Business, present a report to the Ministerial Task Force on Program Review and will the Government Table the report and (a) if so, on what date (b) if not, for what reason?

Hon. Erik Nielsen Deputy Prime Minister and Minister of National Defence): 1. Yes.

2. (a) No. (b) Being advice to the Cabinet, this report is a confidence of the Queen's Privy Council.

[*Translation*]

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

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions Nos. 4, 6, 7 and 9 (Mr. Axworthy), No. 10 (Mr. Langdon), No. 11 (Mr. Axworthy), No. 14 and 15 (Mr. Langdon), No. 16 (Mr. Axworthy) and Nos. 17 and 18 (Mr. Langdon) (p. 4183).

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, just before the luncheon adjournment I was approaching the point at which I wanted to indicate to the House the reasons why it is very important that Canadian investment be protected. It is mostly because of the record of foreign corporations in Canada. First, foreign companies do not spend nearly as much on research and development as do Canadian controlled companies. If any Hon. Member of the House wishes to look at the record of that, he will find that Canadian companies will spend three times as much on research and development as do foreign-based companies.

Second, foreign-controlled firms import much more than Canadian-controlled firms, thereby reducing the spinoff effect and their economic impact upon the country. Foreign companies imported 22 per cent of their sales, which is five times as

much as Canadian companies. In the manufacturing sector, foreign companies imported 30 per cent of their sales, which is four times as much as Canadian companies.

Third, foreign companies account for a disproportionate share of the non-merchandise items such as interest, profits and other services which they buy and pay for overseas. In other words, they spent a lot more money in remittances to foreign countries. If Hon. Members want to find the basis for that, Statistics Canada will clearly show it.

Multi-national corporations seek to maximize their global profits and they do so in any way they can. Consequently, they shift their funds so as to declare higher profits in countries where the tax burden is lower. This goes on all the time and it is basically just a method of increasing the profits of the large corporations which are based in several countries at the same time.

Fourth, in a study of the computer industry it has been found that there was a $50 million loss in income for the Canadian Government in taxation through this mechanism. Those foreign companies paid approximately 30 per cent less than they should have paid because they transferred the costs to Canada and the profits to other countries.

Fifth, foreign-controlled companies export much less in relation to their sales than do their Canadian competitors. These corporations do not compete with their parent companies. They will not export into countries where the parent company is already exporting. Therefore, we lose that kind of competition and the amount of production which these corporations might be able to give. Ninety per cent of the exports of the Canadian subsidiaries went to the U.S. parent companies in 1978, and 57 per cent of those corporations had their subsidiaries restricted in their exports out of Canada.

Sixth, the high foreign control of Canadian industry contributes to poor productivity performance. Again, the effect of foreign control of the industry reduces competition.

I am attempting to give you, Mr. Speaker, and this House, a large number of reasons why this Government should increase the amount of support it gives to Canadian companies and withhold its support to foreign corporations.

● (1510)

Miss Aideen Nicholson (Trinity): Mr. Speaker, the group of motions we have before us are all concerned with putting some measurable, quantifiable element into a Bill which, as it stands before us, is really very vague. The Government has apparently decided that all foreign investment will be so beneficial to Canada that it is not necessary to apply any criteria. While I have said before in the course of debate on this Bill that one could clearly make a case for updating FIRA, which is 10 or 11 years old, the Government has really gone too far in throwing out any requirements for the emphasis to be placed on jobs and research and development within Canada. This cluster of amendments, if accepted, would put some of those requirements back into the legislation.

Let us just go back into the recent history of Canada which led up to the establishment of the Foreign Investment Review Agency. In the early 1960s Canadians realized that the surge of post-war capital entering Canada, mainly from the U.S., was resulting in a great proportion of Canadian industry, particularly resource extraction and manufacturing, ending up under the control of foreign owners. There was a small nationalist group which became very concerned about this and very vocal. Most people were not swept along with that feeling; they did not really see that there was a danger, as the present Government does not see a danger. But then look what happened as time went on. We began to see Canadian companies created by foreign owners for the specific purpose of cultivating and serving the Canadian domestic market. That was a legitimate goal of the companies concerned, but from the point of view of Canadians these companies were not interested in developing export markets. They were particularly not interested in developing Canadian resources or moving into secondary processing, so we found our exports limited to primary products and transactions between foreign owner or parent, parent company and subsidiary, and therefore our balance of payments suffered.

Another very serious result of the branch plant economy was that branch plants imported their management from abroad, usually from the U.S., and when it came time for these managers to have a further promotion they went back to the U.S. or to another country, and therefore Canada was not developing a domestic pool of top management talent. We continue to suffer from that handicap. Then, at the time of the Cuban crisis, the U.S. administration interpreted the Trading With The Enemy Act as applying to Canadian subsidiaries of American companies, even though Canada did not identify Cuba as an enemy. This is only one of many examples of extraterritorial application of domestic U.S. policy which we have seen.

Research and development have tended to become concentrated in the home country. This is a logical thing for the parent company to do as it thinks of its interests, but it certainly does not serve Canadian interests. We have also found in the past that even when a Canadian subsidiary developed a new product or new adaptation, the proprietary rights were repatriated to the head office in another country. When the oil crisis struck in 1974, the Canadian Government found that the major oil companies had been giving it exaggerated figures and the reserves they had claimed simply did not exist. There were a dozen other signs that Canada's open door investment policy had gone too far, hence the establishment of the Foreign Investment Review Agency, which again gave us some control of our economy and has resulted in some significant shifts.

I am all for updating legislation, for the world has changed since FIRA was established. An updating to ensure that the legislation is still current and applicable would have been in order, but the Government has just thrown the door wide open and would put us back to the 1960s situation and 1960s problems.

May I mention again a situation that I have mentioned before in this House, and that is that we saw situations in Ontario where companies established before FIRA, before there was any requirement that they do research and development or anything other than simple assembly, have in recent years, as the economic climate has become a little more difficult, simply closed their doors and moved to the southern states of the U.S. where there are no minimum wages, energy costs are lower, and so on. In some cases, they have simply closed their doors, moved out lock, stock and barrel on a weekend, leaving Canadian employees high and dry with no particularly marketable skills, no vacation pay and no financial settlement. Worse than that for some of these employees whom I have talked with, painful though the economic impact was, what hurt even more for someone who had served the company loyally for 25 years was to go in on Monday morning and find the doors closed and feel that no one cared enough for him to say, "Thank you for 25 years of loyal work; I am sorry, we are in difficulties".

The Prime Minister (Mr. Mulroney), in one of his speeches, described as melodrama the comments being made on this side of the House about the risks of unemployment when FIRA is abolished. It is not melodrama. It is a real human situation. I have seen in my own constituency office a proud man in tears because the job he thought was his forever was suddenly gone in one of the circumstances that I have described. This was a man who was educating his children, buying his house and proud of the fact that his wife had not needed to work and could stay home to give their children a good start. Suddenly, 25 years of work was just gone without any recognition. This is not melodrama, this is fact and it has happened to many people in Ontario.

● (1520)

I appeal to the Government again, even if it does not wish to accept the particular amendments in the form in which they have been put here today, to stop and reconsider them before it opens the door wide to these problems which we have experienced before and which can and should be avoided. We can welcome foreign investment, but there is a big difference between foreign investment and foreign ownership. It is not being anti-American to say that an American-owned company will not have the same interest in its Canadian workers and in contributing to the Canadian economy as a Canadian company will. Let us welcome foreign investment, but like every sensible industrialized nation in the world, let us keep some controls over and expectations for performance so that we do not let our ownership and our control of our economy go by default.

Mr. Rod Murphy (Churchill): Mr. Speaker, I rise to debate the amendments which are before us. I would like to support the general intent of the amendments. Over the years that I have been in the House of Commons I have found that a lot of the real decision-making has been placed on the head of the Ministry. In other words, it is up to the Minister and his Department to make many decisions which, in the past, would have been made by the House of Commons itself. Since that is the general direction which the nation is taking, I think it is important that when we pass legislation we give instructions as to what the Minister and his Department should be doing in terms of their responsibilities to ensure that the legislation is effective.

That is the line which is being pursued in the amendments before us today. We are saying that there are certain duties and responsibilities that the Minister and his Department would have if this legislation were to pass. That is something that we have not done enough of in the past. Members of all three political Parties in the House of Commons have bemoaned the fact that regulations introduced by the Minister's Department after the legislation has passed are quite often more important than the legislation itself.

When the House of Commons passes a piece of legislation, we have some general idea of what the Government wants to do, but do not know specifically what the Government will do until we see the regulations. When the Conservatives were in opposition, I heard members of that Party bemoan that fact. Now that the Liberals are in opposition, they are recognizing the fact that regulations should be subject to more review by the House of Commons before they come into effect. Of course, we have taken that position for many years now.

I would like to point out a number of areas in which this legislation needs to be strengthened. A number of the amendments which have been grouped for debate basically put more control on the Minister and his Department. We insist that in its decision-making the Department reflect certain ideas, which we have included in the amendments. We say that there must be greater public co-ordination and planning of the investment process. We say that there must be a broader based input into the decision-making process in terms of advisory groups to various industrial sectors comprised of businesses, labour communities, academics, et cetera. We have also said that there must be an emphasis on achieving greater Canadianization of the economy, and that there must be a special responsibility to assist foreign-controlled businesses and to advise those businesses with regard to the Canadian labour-management traditions.

I would like to refer particularly to the area of community advice. One of the great problems Members of the House and communities have found is that when there is a foreign takeover of a local firm which is very important to the economy of the area, there is no mechanism for the mayor, council, workers involved, or Members of the House of Commons to have any real input into the decision-making process. There is an application for foreign investment and FIRA makes a decision based on certain criteria which are in front of it. There is no guarantee that the community itself will have any input.

Many examples of this problem have been pointed out in Question Period. A number of times the Hon. Member for Brant (Mr. Blackburn) has spoken in the House about the fact that two or three years after a foreign takeover in his area a plant has closed down and there has been no control over what happens. Earlier today the Hon. Member for Hamilton Moun-

tain (Mr. Deans) spoke about the same type of situation. He asked questions of the Minister responsible for this piece of legislation in the House of Commons. In that case an American firm is dumping its products in Canada at a cheaper price. As a result of the dumping exercise it is able to buy a Canadian company which is going into bankruptcy. I believe those examples point out the need for the amendments which are before us today.

It is interesting to consider what happened before the committee which studied this legislation. Witnesses appeared who were not New Democrats and where not aligned with the Canadian Labour Congress. They represent other sectors of our nation such as the Science Council of Canada, which is headed by the former Leader of the Liberal Party in Ontario, Dr. Stuart Smith. Dr. Smith spoke to some of the problems of research and development recognized by the Council of this legislation were passed without amendment. The President of NOVA Corporation, Bob Blair, spoke about the history of Canadian-owned corporations versus the history of American and other foreign-owned corporations. That type of testimony points out that there are a number of sectors of the Canadian community which are concerned about how this legislation is going to be put into place.

In a previous speech which I made in the House of Commons I pointed out that Canadian-owned firms basically do twice as much research and development as do American-owned firms. There are studies of the Science Council of Canada which prove that. The study by the Science Council of Canada pointed out that in two different situations it was evident that Canadian firms were more concerned about doing research and development in Canada.

That is important because our young people want to do more than just work in the factories. Some of them want to be involved in research and development. If those opportunities do not exist in Canada, many of our young people will have to look for job opportunities elsewhere. It is also important to know that if we do not do our own research and development in Canada, we will not benefit from the technological advances which take place. In other words, if Canadians do not have a chance to do the R and D and develop the new processes and machinery, short-term as well as long-term jobs will be lost in Canada. It is important to make some requirements of the Minister when we pass this legislation.

As indicated in the presentation of Mr. Blair, the President of NOVA Corporation, he believes that there is a higher level of corporate citizenship from Canadian controlled businesses than there is from foreign-controlled firms. We will have a chance to get into specifics as the various amendments come to the floor of the House of Commons today and over the next two or three weeks.

However, the general theme of what Mr. Blair said to us is very important. Mr. Blair is certainly not known for being a socialist or a supporter of this political Party. He points out that we can expect people who were brought up and educated in this country and whose firms developed within our nation, to have a higher sense of responsibility to the community and nation in which they exist. I think that is logical. Unfortunately, the opposite is true as well. An American firm which originated in Atlanta, or some other community in the south, is going to have a certain loyalty to its own community. It will have a certain loyalty to its own nation. This means, as in the examples I mentioned earlier, that when they acquire property and new technical ideas from buying a Canadian firm, they will take the benefit to their own country. It also means when it comes time, and it usually does come time in some of these firms where they have to have lay-offs or they have to shut a plant, that they are not as likely to shut a plant in their own nation as they are to shut a plant in Hamilton, Winnipeg, Ottawa, or in British Columbia. That is a problem we face. We are not saying that these foreign-owned firms are evil. That is hardly the case. They have by their very nature other interests and other loyalties.

• (1530)

It is important to us when we pass this legislation that we make sure the Minister and his Department see to it that these firms live up to some Canadian guidelines. This House of Commons is the logical place where those guidelines should be made.

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, this is the third time I have had the opportunity to speak on this Bill. As I have listened to the debate, there really is nothing I have heard that has made me change my mind that this Bill should be dealt with as an urgent matter. It really is, as I said earlier, a public relations gesture. I do not think there is any meat in the Bill that will create jobs immediately in Canada and certainly not in Atlantic Canada. It is like the old story of the preacher's marginal notes which say "argument weak, pound the pulpit". What the Government is doing here is more pulpit pounding in the absence of firm, cogent, meaningful arguments.

There has been a lot of that recently, particularly aimed at the United States. a debate is starting in Canada now with regard to how close the economic liaison should be. Mr. Hurtig, the Alberta publisher and Canadian nationalist, has said that the recent oil agreement signed between the western provinces and Ottawa is the biggest sell-out to foreign oil companies in history. While he is not specific, he said the new agreement amounts to a give-away of billions of dollars to non-Canadian companies and is also jeopardizing easily accessible Canadian reserves of light oil.

There will be a debate, no doubt, on how close those economic ties should be to the U.S. I look forward to that debate. Specifically, let us talk about foreign investment in Canada with regard to this Bill. I want to focus the attention of the House particularly on our Motion No. 9, which reads:

That Bill C-15, be amended in Clause 5 by striking out lines 29 to 31 at page 4 and substituting the following therefor:

"(*e*) assist in the development of industrial and economic policies that effect investment in Canada and consult with labour, business and community representatives about the effects of proposals for acquisition and new business establishments by non-Canadians on regional employment and economic growth,"

It is very important we do that. This motion tries to put down more explicitly that there is a need for a consultation process, that there is a need to recognize that Canada is not one country the same all across the continent and we are different in different parts. We have different needs. That difference should be recognized within the context of that legislation.

The province from which I come happens to have, I believe, a greater need for economic development than that, for example, of the province from which the Minister comes. I am not saying that just because the Minister has a great deal of power in this Bill to decide which come in and which stay out without consulting Parliament or the Cabinet. The Minister is given a great deal of powers. I am not saying that just because he comes from Ontario he would decide in favour of a company that wanted to establish in Ontario if at the same time it happened to hurt a company set up in Newfoundland. He might not do that; let us give him the benefit of the doubt. The problem is this. The problem is that an American firm might want to invest in Ontario, which is already heavily industrialized, and at the expense of some manufacturing company in Newfoundland which is under-industrialized. Our need is to have that secondary processing. That is what we need in Newfoundland. We are a resource-based province. Already many of our national resources are being shipped out in their raw state. What we need to create jobs in our province is secondary manufacturing. That is why we need a policy. We need it to say that when applications come from foreign firms they will be screened on the basis of the impact they will have on the various regions of this country.

We need that built in to any proposal. We used to have that in the PIP grants which the previous Government established and which were in effect until very recently. There were clauses in those grants that stated that before you get money for drilling, you must ensure Canadian content, Canadian jobs, a certain degree or precentage of Canadian products used. All of those things were built into the policy. When companies drilled off the east coast of Newfoundland, off the Hibernia area, those things came into play. Before companies got the funds, they had to agree to Canadian content. The PIP grants have gone. We no longer have them. The policy makes industry wide open to competition from anybody. We used to have a focus on an area that needed protection and we do not have it any more. It is the kind of thing we should have in this legislation and which is lacking.

I want to see something in the legislation that says: "Before the Minister says yes, you can come in from the States, you can come in from Britain or wherever and take over a company or invest in Canada, there must be a consideration of regional needs". There must be consideration of how this will impact on a province that has a weak manufacturing sectors. Is it going to hurt? If so, it should not be allowed. That is why we are asking for an amendment that provides that before approval is given there must be consultation with labour, business and community representatives about the effects of proposals for acquisition and new business establishment by non-Canadians on regional development, regional employment and economic growth. That is what we want, Mr. Speaker.

The record of foreign investors leaves a great deal of question in my mind. The company with which the Prime Minister (Mr. Mulroney) was associated is a large American investor. What is the track record of that investor in Labrador City? Fifty per cent of the workforce is now gone from that particular community because it was an American company. I believe if a Canadian company had been there instead of an American company, we would have seen quite a different policy following. The same thing applied in the City of Corner Brook. We saw a British firm with an old mill in which it had not bothered to reinvest or to modernize. The mill was at the end of the production chain. It was the weakest link. It was let go and was wiped out. As a result, the Government had to take steps to see that the company was taken over. The track record of foreign companies in my own area in certain circumstances leaves a lot to be desired. I do not think we should simply open the doors wide without building in some safeguards.

The model to which I would like to see the Government pay attention is the Industrial Labour Adjustment Program. ILAP operated under the Liberal Government. The present Government intends to wipe it out. We made great use of ILAP in the circumstances to which I have referred. When the Iron Ore Company of Canada laid off its workers, it did not make a financial settlement with them. Instead, it said to them that their contract indicated that if they were laid off temporarily, the company had a three-year recall right, and that if they were laid off under those provisions of the contract, it did not have to pay them severance pay or relocation allowances at any time during those three years, knowing that the iron ore industry would not revitalize that quickly.

● (1540)

I would like to see some consideration being given to taking that kind of approach with foreign companies when foreign companies take decisions which impact adversely upon Canadian companies. This is why I support Motion No. 9 particularly. Unless we do that, it will have a serious effect in my own area.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I want to make a few comments about the Bill, in particular about the amendments which we have put forward in the second group. I want to talk about two specific amendments because I think they are very important and that the Bill is weak, if it is intended to do what it says it is intended to do, namely, to encourage investment in Canada by Canadians as well as to encourage investment in Canada by non-Canadians.

There has been a great deal said during the course of this debate and second reading debate about the concerns of our Party that the Bill will simply perpetuate foreign control of our economy. It certainly seems to be an open invitation to bring foreign investment into the country, where previously it was reviewed and there was an attempt to ensure a demonstrable benefit to Canadians.

Part of the purpose of the Bill is to encourage investment in Canada by Canadians. In Clause 5, to which we propose amendments, there are a number of duties given to the Minister. It seems to me that it would be very useful to elaborate upon them, if the Government is genuine in its concern for trying to develop investment in Canada by Canadians. We are talking about whether or not the Minister of Regional Industrial Expansion (Mr. Stevens) will take responsibility for industrial strategy within this country, something the previous Government talked a great deal about but did not implement. It seems that the same is happening under this new Government as well.

I am very much afraid that Clause 4, dealing with the duties of Ministers, and the carrying out of that in Clause 5 about which we are talking right now, is mere window dressing. In fact, they are put in there to try to placate critics of the Bill who say all the Government really wanted to do was to take away the protections of the Foreign Investment Review Act and not put anything in their place.

Our amendment refers to the need and the obligation of the Minister to develop medium-term and long-term public and private industrial sector investment guidelines which would be consistent with an industrial strategy that emphasizes full employment, growth, diversification, autonomy and export competitiveness of the Canadian economy. As a socialist, as a Canadian social democrat, I can say that I think those are good objectives for an industrial strategy. If we were to achieve those more effectively, we would have equity in terms of employment, and the country would look a lot better economically and socially than it does right now. If we set those as objectives of an industrial strategy, we have to worry about how we will get there. I am afraid that the present Minister and his Government are ideologically and temperamentally opposed to actually deciding what an industrial strategy should be and then working out how we will get there.

We recognize that our amendment cannot compel the Minister to do that, but at least it puts more into the legislation than is in it right now in terms of what the Minister's obligations are meant to be. We can then try to hold him accountable through the various means which we have in Parliament and which the people of Canada have at election and other times.

Mr. Thacker: Social democrats respect the law?

Mr. Cassidy: The Hon. Member must have been a member of that Conservative group which set up that "freedom from metric" gas station that consistently broke the law of Canada over two and a half years. I think he should talk to his own Members for a while.

Mr. Gurbin: That is not what the judge said.

Mr. Cassidy: The judge has not said anything.

The Acting Speaker (Mr. Charest): Order. There is only a 10-minute period for speeches. We should not waste it on heckling.

Mr. Cassidy: I point out to Hon. Members that not only has there been no court ruling; in fact, there is no law to be broken right now because the Public Works Nuisance Act regulations, which were enacted by Cabinet a few days ago, have not been gazetted. They do not have the force of law. The RCMP is being forced to make illegal arrests out there at the direction of the Hon. Minister of Public Works (Mr. La Salle). I suggest to members of the government Party that they tell the Minister of Public Works to stop breaking the law and making the RCMP enforce a law which does not exist.

The Acting Speaker (Mr. Charest): Order, please. Everyone in the House knows very well the concern of the Hon. Member for Ottawa Centre (Mr. Cassidy) on that issue. We are presently debating another piece of legislation.

Mr. Cassidy: Mr. Speaker, I apologize, but I think you might have brought our colleagues on the government side to order when they chose to introduce those irrelevant remarks.

Another amendment in this group calls upon the Minister to convene industrial sector advisory groups, bringing together business and labour, provincial and local authorities, which would seek to recommend on investment policies and priorities. I cannot over-stress the importance of that approach if we as Canadians are in fact to be successful in implementing an industrial strategy and holding up our own in terms of the world competition with which we are faced right now.

During the course of his comments on the Bill—and I think it was accurate—the Minister said that we have to recognize that there is a changing competitive environment out there. The question which has not been adequately debated in the Chamber, in the Commons Finance Committee or any place else, is what we as Canadians will do about it and how we will respond. Too often, whether it is Ontario or federal Conservatives or whether it is business spokespeople, I hear people saying that the thing to do is to beat down workers, force them to accept minimum wage and impose the standards of Taiwan on Canadian workers rather than use our human resources, brain power and skills to build upon our natural resource base, to maintain a decent standard of living and to maintain the kind of economy we have known over the course of years.

Everyone knows that the key to industries in the future will be the best use of human resources. It will not be working more, but working smarter. If we want to work smarter, this means learning how the different elements in a society or in a business enterprise, or for that matter between Government and business, can in effect work together. If we are to have effective industrial strategies, it will require having business, labour, local communities, regions and voluntary groups working together to devise the strategies which they will then buy into and be prepared to co-operate in implementing.

That is extremely important and is largely ignored in the present law which says that the Minister, if he feels like it, may consult and organize conferences of representatives of industry and labour or provincial and local authorities in exercising his powers and in performing his duties under the Act. Any Minister can have conferences. That is done all the

time. We have seen a few economic conferences under the new Government. They do not need legislative authority to do that. However, I would suggest that this be a requirement. The Government of Canada, through this particular Minister, should not only be implementing an industrial strategy, coming full blown from the brow of the Minister for Regional Industrial Expansion. It should be developed at the base, at the grass roots, community by community, industry by industry. Working people should be involved as well as managers. That is the way to begin to turn around the economy of this province and of this country.

Just the other day I spoke to a conference on industrial strategy at York University. The title of the conference was *Competitiveness Through Technology*. It was extremely interesting to hear the approaches of experts from Britain, the United States and Canada. They considered me one. I was glad to be there. Some of them were discouraged in terms of their efforts to implement an industrial strategy. However, some of them reflected the sense of optimism which we in our task force on jobs found across the country. They said again and again that it was not one vast strategy, that it was a lot of specific measures taken in order to become more competitive, in order to adopt technology more rapidly and see it diffused more quickly within a particular industry, in order to co-operate in terms of marketing in difficult areas of the world, and in order that some of our industries in Canada which compete against each other on the Canadian stage can co-operate with each other in competing against very large industrial players from Japan, the United States and the European Common Market when they go out on the international stage. All of these things require co-operation. You will not get co-operation unless you get the Parties to sit down together. You must get them working together to determine the needs, the kinds of investments that have to be done. They must start to lean on those participants in the industry that are not doing the job in order to encourage investment by Canadians in Canada. You must get a means by which, for example, you can ensure that multinational companies that have not become Canadianized at least provide world product mandates for companies which have been operating in this country for a substantial period of time.

● (1550)

These are the kinds of things that we see as the central element in an industrial strategy for Canada. This is what we would see flowing from the kind of amendments which we have put forward to the Investment Canada Bill. I am perhaps a bit naive in saying that what we have done is try to take the investment in Canada portion of the Bill and make it real rather than simply turning this Bill into a watered-down version of the Foreign Investment Review Act, designed by the Progressive Conservatives to pander to those elements in business which want to see all control over foreign investments simply removed from this country.

I know that it is a tall order in one Bill to try and devise how it is you can work. However, from my reflection, I have come to feel with increasing intensity that we have to find some new ways of doing things in this country. We have to find new ways by which we can learn about export competitiveness, foreign markets and how we can expand and grow and build our industry. We are not going to do that by simply saying a few pious words to the Minister. Specific measures are needed to ensure that the Minister does carry out an industrial strategy for Canada. That is the purpose of this group of amendments coming from the New Democratic Party.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, with respect to the second group of amendments proposed by my colleague from Winnipeg-Fort Garry (Mr. Axworthy), we cannot speak to all those amendments, there are too many. So perhaps I will restrict my comments to the two main motions, namely Motions Nos. 4 and 6.

[*English*]

This constructive amendment was, of course, rejected by the Tories in committee. The Liberals propose that the separation of the Minister and the public servants who serve Investment Canada be clearly indicated in the Bill. Investment Canada is not intended as a personal staff for the Minister. That is why Motion No. 4 specifically excludes the word "management" from the Bill and replaces it with "provision of policy direction to the agency".

That is a situation which, in my view, is as clear and concise as anything political I have heard. I have been in politics a long time. One of the greatest difficulties with understanding things political is to be able to differentiate between what is political and what is rules and regulations, the why of the issues and the how to best put into action these objectives. Why should we have a review process? Why should we have a Minister who is interested in seeing that investments in Canada are for the benefit of all Canadians? That is something which any of us in this House could make a speech on for one or possibly two hours.

How best do we do that? How to better implement these objectives that are reached by all of us, as determined by law, is the work of public servants. That is known as the how issues. They are the professionals who best know how to advise the Minister and who best know how to go about doing these things, and should remain in that position.

In this Bill we see that the Minister is going to be charged with management and direction of the agency. We say that the Minister should be charged with providing policy direction, but should not be charged with management. That is the prerogative of the public servants and rightly so.

We have a different view from the Government on this question. I think Canadians understand that we justifiably hold that view since we believe there should be a division between the Minister's staff and his policies as he sees them and as his Party enunciates them and how public servants would carry out the directives. Otherwise the Minister leaves himself open to accusations of being friendly to the big contributors, to his personal friends and so on, and very narrow in

his outlook, some would say Toronto-based and not nationally-based.

Mr. Boudria: To be Tory-like.

Mr. Gauthier: To be Tory-like, but not be Canadian-like. What direction is indicated by the Minister's actions to date? What kinds of proposals would he consider rejecting, for example, as not being of benefit under this new legislation?

As I said, this constructive amendment leads me in the short time that I have to try and address the second point, which is Motion No. 6. In my view, and in the view of this Party, the Minister should be responsible to assist Canadians to invest in Canada. To do that, the Minister has to be aware and he has to examine the potential of Canadian interests in investment.

I want to relate something which happened in my riding which I also related at second reading. It is rather important. It deals with something that I am sure everyone will understand. The University of Ottawa is the biggest employer in my riding. There are 3,000 people who work there and there are some 18,000 students. It has a bookstore. The bookstore was having certain difficulties, mainly because of a lack of proper expertise and management. Capital outflows were not sufficient. The university was thinking of getting some outside help to administer this important contribution to university life. A company called Brennan College said that it had the expertise. It operates in the United States. It said that it thought it could take the bookstore over and make it a paying proposition.

• (1600)

[*Translation*]

The University of Ottawa was forced to lease its operations to a foreign company. FIRA was in on this, of course, since a foreign company was going to take over a Canadian organization. The review done by the federal Government agency revealed that it was not to the benefit of Canadians, that Canadians did not stand to gain significant benefit if Brennan College were to take full control over the bookstore. Negotiations were held, and I imagine the Minister took interest in the matter even though the whole deal was secret. Some cooperative companies were invited to consider the possibility of coming to Ottawa and keeping the bookstore in operation. None could meet the requirements.

Finally, after further negotiations, Brennan College reached an agreement with the University: Brennan College would provide the required expertise, the University would retain a 51 per cent ownership, Brennan College would have the remaining 49 per cent. A new application featuring the conditions I have just mentioned was submitted to and approved by FIRA. Everything is going just fine, and that is what we mean by a role of examiner, a role of reviewer, a role of promoter, a role of defender of Canadian interests.

The University still holds a major interest—49 per cent in Brennan College Service Inc.—the bookstore is operating normally, the students are satisfied, everybody is happy, and we have kept here a bookstore which is being run on a profitable basis. Incidentally, Mr. Speaker, without FIRA, the Ottawa University bookstore would now be wholly owned by U.S. interests, and I think it is pretty obvious what would have happened to other universities which like Ottawa were having problems managing their university bookstores. Demand varies constantly, and books do not always sell easily. With an organization like Brennan—with its particular expertise—that is in a position to offer students a system of sales and exchanges, it works a lot better. The fact is that we have here an example of American expertise that was imported and that provides a service, mainly to Canadians.

Mr. Speaker, the cultural environment of our young Canadians has been preserved. I do not think Brennan College, the U.S. company, has any expertise in biculturalism or bilingualism, but the university does, and the combination of a Canadian and a U.S. component has strengthened a business in my riding. It has helped it to maintain an essential service, and to maintain the cultural level of that service.

There are many more examples, Mr. Speaker, but I see you are making signs that my time has expired. That is unfortunate, but I will get back to this later on.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs—United States sulphur emissions—Chemical pollution of Niagara River; the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin)—Petro-Canada—Sale of Come by Chance oil refinery. (*b*) Request that sale be halted; the Hon. Member for Fundy-Royal (Mr. Corbett)—Railways—Atlantic Limited—Request for restoration of service.

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amend-

ments) from the Standing Committee on Regional Development; and Motions Nos. 4, 6, 7 and 9 (Mr. Axworthy), No. 10 (Mr. Langdon), No. 11 (Mr. Axworthy), Nos. 14 and 15 (Mr. Langdon), No. 16 (Mr. Axworthy) and Nos. 17 and 18 (Mr. Langdon) (p. 4183).

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate the opportunity to place a few remarks on the record regarding this particular group of amendments which pertain to Clause 5 relating to the duties and powers of the Minister. At the outset, I would like to say that we in our Party recognize the importance of investment and its necessity to our economy but we believe that investment must be made in accordance with certain guidelines. This motion requires the Minister to develop those guidelines both for the medium and the long term.

It was interesting last December when the Minister first introduced this Bill. At that time, an editorial appeared in *The Toronto Star*, I believe, that spoke of "Stevens' short-sighted gamble". This Bill takes a very short view, a view that hopes that by opening the door to investment, we will create all kinds of good things for the Canadian people. However, the Bill does not take a medium point of view, much less a long-term point of view.

I believe all of us would agree that today the Canadian economy is badly distorted. If I could use an example from my home Province of British Columbia, I would point out how over the past number of years the entire economy of British Columbia has become more and more oriented toward the export of natural resources and in many cases the export of natural resources in an unfinished form. We do not smelt our own copper. We have seen an increase in the export of round logs. In many cases we export pulp rather than finished paper. We are now into a situation in which there is a depletion of these resources. Many of our mines have been worked out and our forests are in a serious state of crisis.

The Government of Canada and the Government of British Columbia have not yet been able to come to an over-all, comprehensive ERDA agreement that would see funding to help our forests. We are having difficulty with our fisheries and the Fisheries Committee is dealing with some of those problems right now. Different user groups are involved in a great battle over who will get what share of this resource.

At the same time as there is difficulty with the basic resources, we are having more and more difficulty with our markets. We are even having difficulty selling the products upon which we have traditionally relied even though those resources are getting more and more scarce.

Although the Government promised that there would be jobs, there are 22,000 fewer people working in British Columbia today than there were last September when the present Government came to power. We have not seen any instant creation of jobs. I do not believe that this Bill will see the creation of jobs unless it is amended very substantially to include the kind of guidelines we wish to see.

The distortions we see in the British Columbia economy today and indeed in the economy of Canada as a whole are distortions that are the result of investment decisions that were made by large corporations that were acting in their own interests. They were acting in the interests of maximizing their power and profits. I do not think there would be any point in our trying to fault large corporations for acting in their own interests. After all, that is what we expect of them. We should not try to fault large corporations for that any more than we should try to fault tigers for being carnivorous. However, we do not allow tigers to roam at will. Just because we do not wish to fault a tiger for acting like a carnivore, there is no reason for opening up the village and allowing it to devour what it will.

The so-called free market to which this Bill looks to develop the Canadian economy is really nothing more than a jungle filled with predators. Unless there are some guidelines to protect our interests, our interests will not be protected.

We believe that investment decisions should be made not only in accordance with the guidelines developed by large corporations for their benefit but also in accordance with guidelines developed for the benefit of the Canadian people. That is the responsibility of the Government and the Minister. That is why we want to see Motion No. 10 incorporated into the Bill.

We in our Party believe that investment should not be haphazard but should fit in with an industrial strategy that will try to guarantee full employment, ensure growth and diversification and ensure Canadian autonomy and export competitiveness. I am sure all Members will agree that these are desirable goals and certainly Hon. Members on the opposite side see these as being desirable goals. However, here is where we find the basic difference between New Democrats and Tories. The Tories believe that somehow these goals will be achieved if only we open the doors to foreign capital. If only we make it possible for foreign investment to enter Canada, they feel that these goals will all fall into place naturally.

The "Gospel According to Sinc" says: "Seek ye first foreign investment and all these things shall be added unto you". We say: "It ain't necessarily so; in fact, it ain't so at all". Studies have indicated very clearly that this is not the way things work.

An Hon. Member: Do you deny God?

• (1610)

Mr. Manly: Mr. Speaker, a Conservative Member asked me if I am denying God. Well, if the Conservatives want to make a god out of the almighty foreign investment dollar, as some of them do, then yes, I am quite prepared to deny that deity.

New Democrats believe that we must plan in order to meet these goals. There is a role for private capital, but that role must be in accordance with public criteria. The federal Government must develop a planning framework. Within that framework there must be a provision for local input. If I could refer again to my constituency, I do not believe that the

loggers and the millworkers in the Lake Cowichan area would have seen that area so completely and quickly devastated, and the timber resources sold off so rapidly, if they had done the planning. If they had done the planning there would still be strong milling communities in that area, instead of communities which depend more and more upon tourism and retirees for the basic economy.

I would like to make a few comments on Motion No. 14, which requires that non-Canadian ownership and control, when it comes into Canada, must respect the rights of workers, and particularly the right of workers to collective bargaining. We believe that is essential. As one of my colleagues stated, we do not want to see the labour standards of Taiwan, Singapore or South Korea being imported into Canada and forced upon Canadians as part of the Investment Canada package. Again, it should be a responsibility of the Minister to insist that the foreign companies which come into Canada know what are the rights of the workers of this country.

Motion No. 15 states that one of the duties and powers of the Minister should be to encourage Canadian control in areas relating to our cultural heritage and national identity. We would like to see that as one of the Minister's recognized duties.

Motion No. 17 adds the words "or territory" to Clause 5 of the Bill. It requires that the Minister will not only enter into agreements with the provinces, but also that he must include the territories. I know it is commonly understood that the word "provinces" includes the territories, but we think it should be spelled out in order that the territories will not be ignored, as they are so often.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, but his time has expired. I will now recognize the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) on debate.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in the debate on Bill C-15, and the amendments which have been proposed by my colleagues with respect to some of the worries which we have *vis-à-vis* the legislation as it presently stands.

My colleagues have spoken at some length on these amendments because we are worried about what this Government is trying to do. It wants to change the foreign investment legislation to encourage the investment of foreign capital in Canada.

Everyone is in favour of having more investment and more capital to create jobs, but that is not the issue. I know it is hard for Tories to understand this, but we, as Liberals, want to introduce amendments which will ensure that there will be good economic benefit for Canada. Furthermore, we want to ensure that the decisions which are taken are not taken in a political way by the Minister of Regional Industrial Expansion (Mr. Stevens).

It is our view that the staff which will be charged with the policy decisions at Investment Canada should not report directly to the Minister and be in the position in which they will become merely part of the Minister's personal staff. Ministers have a personal staff which is already far too large. We know that just from peeking out the window and seeing the large array of automobiles, limousines, drivers, assistants and political commissars. The last thing this Government should do is set up legislation which will enhance the personal office of the Minister, instead of having unbiased public servants playing their regular administrative roles. We want the administration of such programs to be done in a non-partisan manner.

Why do we want that? Let us recall what happened a few weeks ago in the Domtar issue. At that time, a number of Ministers were contradicting each other. Had it been left to the Minister of Regional Industrial Expansion, I am sure that my colleagues opposite, especially those from Quebec, realize that Domtar would not have received anything because the Minister was of the view that nothing should be done to assist Domtar. Luckily, other Cabinet Ministers had different views. Of course, that may now be changing. However, with the advent of this legislation we are giving those kinds of unilateral powers to the Minister and not to Cabinet. The Minister will be able to deny benefits or to encourage investment without restriction. Perhaps, he may do so in a biased manner, or with a purely regional perspective, and those decisions will not have the benefit of assistance from other Members of the House or Cabinet. Our Party wants these amendments to ensure that the legislation will be more accountable to the Government, and that the staff of Investment Canada will be more responsive to the Government, the House of Commons and Canadians.

During the last few months I have become increasingly worried about the situation in the textile industry. My concerns are due, in large part, to the unrestricted imports of various textile products which come into Canada. I am also concerned with the fact that textiles are not properly labelled. Certain products which have quotas imposed on them are coming into Canada under a different label. For instance, a T-shirt is called a shirt, as opposed to something else. Therefore, certain products which are tariff-exempt are entering Canada when tariffs should be imposed on them. Of course, in my constituency a great number of people are employed in the textile industry. The number is less than what it was at one time because of the difficulty in that industry.

● (1620)

The same, of course, applies to the footwear industry. On December 10, 1984, the Minister responsible for international trade wrote a letter to Monsieur l'Abbé Gérard Dion of the Canadian Textiles Labour-Management Committee. He was responding to a letter from l'Abbé Dion. The Minister said in his letter:

> You will realize, of course, that there have been many priorities facing the Government since it took office in September and it is not possible to address them all simultaneously.

The Minister for International Trade (Mr. Kelleher) was telling us in December that he did not have the time to look after the textile industry and to protect Canadian jobs, yet,

Mr. Speaker, his colleague, the Minister of Regional Industrial Expansion, who is responsible for the textile industry—perhaps not the import section of it, but for the industry in general—had all the time in the world to introduce an Investment Canada Bill and to send his leader to New York, Washington, and all over the place to tell the Americans what a great thing it would be to have unrestricted investment provisions from here on in. But he failed to protect these jobs allegedly because the Minister for International Trade did not have the time.

It is clear this Government looks at its priorities in a rather unusual way. It has the time to speak to foreign investors in New York, alleging that it wants to create more jobs, but does not have the time to introduce legislation and protective measures to protect the jobs we have already. You can understand, Mr. Speaker, that my constituents who work in the textiles and footwear industries are very concerned.

I would like to read to you, Mr. Speaker, a letter which was sent by The Shoe Manufacturers' Association of Canada on April 1, 1985. The letter is addressed to the Minister for International Trade. It says in part:

Dear Mr. Kelleher:

In your letter of October 16, 1984, nearly six months ago, you wrote me that "I hope to be in a position to get together with you, representatives of your association and the unions at an early opportunity". We know that as Minister for International Trade you are travelling very much and that you are very busy but we would appreciate an hour of your time in April.

In other words, Mr. Speaker, eight months after this Government was sworn into office, no representative of Cabinet had the time to meet with people from the shoe industry. But they had all the time in the world to give away the store to large American investors without any protective measures at all for the people of my riding and for others in this country who are involved in that particular industry.

I would like to bring to your attention, Mr. Speaker, a report which was tabled in this House and given to the Minister of Regional Industrial Expansion on January 14, 1985. This report is entitled, "Trousers, Slacks, Shorts, Jeans, Overalls and Coveralls. A Report to the Minister of Regional Industrial Expansion". This report describes all of the problems of that industry and what restrictions are necessary in order to protect the jobs we already have. We in our Party are very concerned about the way in which this Government has been proceeding with this legislation as well as other measures. We want protective measures. We want foreign investment but we do not want it at the expense of Canadian jobs. Therefore, the amendments proposed by my colleague, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), are very necessary and, of course, I support those amendments.

[*Translation*]

Mr. Lorne Nystrom (Yorkton-Melville): This afternoon the House is considering several motions introduced by the New Democratic Party and the Liberal Party. The Bill refers to the power of the responsible Minister, Mr. Speaker, and to many other very important powers.

Mr. Boudria: The "irresponsible" Minister.

Mr. Nystrom: I beg your pardon?

Mr. Boudria: The "irresponsible" Minister.

Mr. Nystrom: The "irresponsible" Minister. That comment was made by the Member for Glengarry-Prescott-Russell.

Well, Mr. Speaker, many important duties are mentioned here. For instance, the Minister shall encourage business investment by such means and in such manner as the Minister deems appropriate. Second, he shall assist Canadian business to exploit opportunities for investment and technological advancement. Third, he shall carry out research and analysis relating to domestic and international investment. Fourth, he shall provide investment information services and other investment services to facilitate economic growth in Canada.

And other important duties, Mr. Speaker.

[*English*]

I believe, despite these kinds of powers which we see given to the Minister in this particular session, there are a number of things missing. I think that the whole thrust of this particular Bill weakens the position of the federal Government in terms of foreign investment, investment which is so important to the future of Canadians as far as jobs are concerned. It is very important that our country assert its sovereignty and independence, in no way any stronger than that of other countries around the world.

One way of doing that is by accepting many of these motions put forward today by the Liberal Party and the New Democratic Party. These motions will strengthen the role of the Minister and the Government when it comes to foreign investment in our country. We are not asking for anything more than other countries do. We see a positive assertion of economic nationalism in most countries around the world.

We sometimes criticize the Americans for being too nationalistic, "It is my country, right or wrong", or Japan for being too protectionist in the way it organizes its economy or, indeed, many European countries. There was a question in the House today from an Hon. Member of the Liberal Party with respect to the European Common Market. He asked the Secretary of State for External Affairs (Mr. Clark) about the Europeans being too protectionist about some of their farm products. This particular question concerned beef. We had the Reagan-Mulroney summit in Quebec City. Our Prime Minister and the President of the United States talked about free trade and this new cuddly arrangement between these two good friends. But no sooner are the Prime Minister's officials back in Ottawa and President Reagan is back in Washington than the President's people announce this countervailing duty on hogs which hurts this multi-billion dollar Canadian industry.

Other countries around the world assert their independence and their sovereignty. They want control over their own economy and want to exercise their national powers. What we on this side of the House are seeing, and what I know a lot of Conservative back-benchers see but, of course, cannot say

publicly because of the kind of system we have, is that we should strengthen as well the rules and regulations which govern foreign investment in our country. I know that these Conservative back-benchers are becoming very frustrated.

An Hon. Member: Show me one.

Mr. Nystrom: There is one across the way who just spoke out. I think he is very frustrated and other Hon. Members are very frustrated. They cannot speak up in the kind of system we have because they are afraid of the Prime Minister. In fact, the Prime Minister is trying to emulate Mr. Reagan. He is becoming more and more of a Republican in the way he governs this country right down to the podium, Mr. Speaker. They are afraid to alienate the Prime Minister's Office for fear they may not get to be a Cabinet Minister or parliamentary secretary or chairman of a committee.

[*Translation*]

Mr. Speaker, I can understand why the Member from Quebec would agree with me now. He is not at all pleased about the course taken by the Government of Mr. Mulroney. He does not agree at all because his boss, the Leader of the Progressive Conservative Party, spent most of the election campaign talking about job creation—jobs, jobs and more jobs—and yet the unemployment rate is now exactly what it was six, eight or nine months ago. There are still 1.5 million unemployed Canadians in this country. The situation is the same as it was when Mr. Trudeau led the Government. I know that my friend over there is very disappointed by this Government and I hope he will speak openly and strongly in the House, Mr. Speaker.

● (1630)

[*English*]

I notice, Mr. Speaker, you are about to call me to order; I was getting a little bit off base there. However, I think it is important for these Members across the way to speak out, to stand up for their country and its sovereignty and say we are going to strengthen these particular clauses which deal with the power of the Minister. We want greater public co-ordination and planning in the investment process. We can get that by accepting this package of amendments.

I know the Canadian people also want broader-based input into decision making. My colleague from Essex-Windsor (Mr. Langdon) and others who travelled across this country a few months ago on the issue of jobs found that the main thing people wanted was more participation in the decision-making process at the local level. They wanted more economic democracy, more self direction from their local community, and more direction of the economy in general. There was a lot of criticism of some of the megaprojects which have been directed from Ottawa or by big companies. They also want greater Canadianization of our economy. They want the money made in Canada to stay in Canada. They want to ensure that the research and development which was paid for with money provided, in effect, by the workers of this country will stay in this country. Most research and development is not done in Canada but elsewhere.

These are things that the Canadian people want and all we are saying in this series of amendments and motions is that we should strengthen the hand of the Minister and the federal Government in the decision-making process and not leave it to the so-called open market. I find this all over the place. In my own Province of Saskatchewan we have a small population base. Back in the 1930s the province was in the middle of a great depression. We had drought, a tremendously bad financial rating, a lot of poverty, farmers riding the rails, dust storms, hunger and famine of the 1930s. Our people decided they had to control their own economy and they built the wheat pools and the co-operative movement and fought hard for things like the Wheat Board. They wanted more public direction, control and self-determination, which is probably the best word, over the way the Saskatchewan and Canadian economy worked. They went out and fought for some of those ideas and we now have a Canadian Wheat Board which gives farmers collective clout, and a Minister who has a lot of clout in grain marketing in this country. I am not asking, nor is the Liberal Party, for anything more than some clout, some public input and direction. I know the Hon. Member for Assiniboia (Mr. Gustafson), who just came into the House, is one of the best known red Tories in Saskatchewan.

Mr. Gauthier: He was a Liberal at one time.

Mr. Nystrom: One of the best known red Tories in Saskatchewan gets up and fights for things like the Wheat Board, parity pricing and the CBC. He does that because he believes that the Canadian people need to have more say over the future economic direction of their lives. If he were the Minister in charge we would not have a Bill that was as wishy-washy as this one; we would have a Bill that would give the Minister some real clout. So I feel sorry for the Hon. Member who must feel very frustrated that this Government across the way is so conservative. No wonder he is silent, because if he got up he would give a thundering dissertation in this House just like John Diefenbaker would do. John Diefenbaker used to have a national vision; he stood up for Canada and criticized—

[*Translation*]

—and you agree with me on that, he often criticized the Liberal Government and the Liberal Party for being overly pro-American, too strong a supporter of the United States.

[*English*]

He was very, very critical of that and I am sure that if he were in this House he would be extremely upset to see this kind of legislation before the House. We are timid and meek like little kittens. I am sure he would agree with that. We are really afraid to assert our own independence, and that is not what the Conservative Party used to be. Historically it was a nationalist Party and the Liberal Party was a continentalist Party. I think the Hon. Member for Assiniboia agrees with me and I am sure that is why many years ago he left the Liberal Party and joined the Conservatives, because he thought John

Diefenbaker stood for Canada. With this kind of legislation we are seeing a Conservative Party which has become more and more like the Republicans. In fact, they have become the Republican Party North, and I am sure that is why you are rising; you do not like that.

The Acting Speaker (Mr. Paproski): I regret the Hon. Member's time has expired.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I want to begin where I think my friend from Saskatchewan left off, and that is to indicate my concern that the back-bench Members of the Conservative Government are sitting so quietly and silently through the passage of every one of these amendments before us. As you know, there are several amendments before us and if I were to attempt to speak to each and every one of them on an individual basis I would more than take up my 10 minutes of time. Therefore I am going to focus primarily on two parts of those amendments.

The first one deals with the role of the Minister with respect to policy on investment, the way in which it fails to separate the role of the Minister responsible for the agency and the manner in which the policy is carried out by the bureaucracy. This Bill does not take into consideration a demarcation between the policy direction, namely that taken by Cabinet, and the way in which it is administered, namely by the bureaucracy. Secondly, I want to focus some of my remarks on the motion which deals with the Industrial Labour Adjustment Program.

Before doing so, I want to ask the Conservative back-benchers from Toronto why they are not speaking about this Bill which fails to protect the transfer of technology. Surely they would want to be speaking on this Bill to make sure that in the days ahead when the sale of de Havilland Corporation to European enterprise is imminent, if all reports are true, they represent their constituents and make sure that Investment Canada will protect Canadian jobs in Downsview; will protect workers from facing a situation where a foreign national can come in and purchase de Havilland, withdraw all the technology, and transfer it to its European-based enterprises.

I suppose the best example is that of the latter part of the 1950s and early 1960s when the Conservative Government under John Diefenbaker scrapped the Avro Arrow and allowed a foreign multinational to transfer all the technology to the U.S. we exported all of our scientists who had to go in search of employment in the U.S. rather than in the Canadian environment they were so used to. I ask myself why is it that the Conservative MPs from Toronto are so silent on this issue? I ask myself why there is not one Conservative Member of Parliament from the Montreal region standing up to talk about the motions which can affect the sale of Canadair Corporation. Everyone knows that the Minister responsible for industry is planning to put on the block a number of Crown corporations which in the past have been so instrumental in developing Canadian technology and creating jobs here in Canada. This allowed Canadian firms to compete on a world-wide basis and keep the jobs here in Canada. Why is it that there is not one Conservative Member of Parliament from Montreal standing up to protect his constituents?

In his November 8, 1984 economic statement the Minister of Finance (Mr. Wilson) outlined for the first time some of the long-term plans he had for DRIE, which included cut-backs. Why is it in the weeks that followed that announcement we did not have one Member of Parliament from the Conservative back-benches who represents those areas of this country which have in the past been aided so well by DRIE get up and speak on this issue? Where were they when these cut-backs were announced on November 8?

I ask myself where are they today when we have under Motion No. 9 a severely limiting effect on the ILAP program? There is a program that I am very familiar with. I represent the constituency of Sudbury which I think most Members in this House would recognize has had a rough economic ride, so to speak, in the last decade. In that decade we witnessed 10,000 of our people emigrate outside the Sudbury region in search of employment elsewhere. That emigration would have been much worse had it not been for the programs put in place by the Liberal Government under DREE and later under the reorganized program called DRIE. The Member for Winnipeg-Fort Garry (Mr. Axworthy) was the Minister of Employment and Immigration at the time that those lay-offs occurred in the Sudbury area. He was instrumental, using the provisions of the Industrial Labour Adjustments Program, in minimizing the impact of the loss of those jobs in our community. The people in our community banded together. Labour groups, small business groups and local Government formed committees to help mitigate against the loss of jobs which was going to be incurred in our major industry.

• (1640)

A veil of secrecy and silence permeates this discussion, Mr. Speaker. People who are watching this debate at the present time will note that only Members of the Opposition are rising to debate this Investment Canada Bill clause by clause. One must stretch one's imagination to believe that Conservative Members of Parliament who represent small town Canada will not see their communities severely impacted in the next several years.

The trend lines in our economy dictate that there will be changes in the textiles and shoe manufacturing industries. These are not going to affect the Torontos and Montreals of the world but rather small town Canada. None of the Conservative Members of Parliament who represent those areas have told their Government what changes they want in this Bill to protect the interest of their constituents. That says something about the way in which the Conservatives are putting this Bill through the House of Commons. In order to represent their constituents they should be speaking to ensure that Investment Canada will fulfil the mandates that their constituents require of this legislation.

I spoke earlier about some of the amendments to the main motion. I would like to focus in on one very small area. Under the old Foreign Investment Review Agency the Government

could review the multinational take-over of a firm worth considerably less than the $5 million which is being proposed in the present Investment Canada Bill. I think most Members of Parliament would agree with me that in the past the creation of job opportunities has not come from multinationals or large employers such as the International Nickel Company or General Motors. These large companies have had a decrease in the number of people they employ. Most people now recognize that the major engine of growth for job opportunity and job creation in Canada today comes from thousands of small businesses which employ 20 people or less. By and large these firms have less than $5 million of equity. Through their own research and development many of them create niches in the North American markets. They have products which can be marketed on a world-wide basis. They involve technology that has been created in Canada to create jobs for Canadians.

There is nothing in this Bill to prevent a multinational from purchasing a small Canadian firm and transferring the technology that has been created at that place of employment outside the boundaries of our country. The cost will be Canadian jobs. The job opportunities in this country have not been created only in Montreal, Toronto and Vancouver. They come from the small backwater sections of Maritime Canada and the small communities in rural and northern Ontario. Why are the Members of Parliament who represent those areas of the country not standing up to speak on this Bill?

In the last 15 years in northern Ontario we have witnessed a net migration of our young people. Only through the efforts of the Members of Parliament who represent those areas to get the Government of the day to move on programs which defend their constituents' interest are we able to keep that emigration of our population to a minimum. I think their constituents should be asking where their voices are. They should be standing up to debate this Investment Canada Bill.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I must express my amazement at the complete silence of Members of the Conservative Party. Many of the amendments which have been moved by Members of my Party and of the Official Opposition deserve careful consideration and support. I would like to put on the record one amendment proposed by my colleague the Member for Essex-Windsor (Mr. Langdon) which reads as follows:

—develop medium term and long term public and private industrial sector investment guidelines consistent with an industrial strategy that emphasizes full employment, growth, diversification, autonomy and export competitiveness of the Canadian economy;".

Clothing or textile plants which are the only industry in some smaller cities are disappearing every week. The unions representing clothing and textile workers have been calling on Governments of the day to take steps to ensure that the industries can survive and provide jobs. Yet the fact remains that in Canada, as in the United States, plants are closing up every week. Companies which have been in operation for 40 or 50 years are closing, very often due to bankruptcy. Workers who have worked for a company for 10, 20 or 30 years are finding themselves unemployed. That is happening because no company in these fields in North America can compete with the product produced in many of the Third World countries where workers receive less wages per day than workers in Canada get per hour.

I am not suggesting that I am opposed to imports. I am not suggesting that it may not be advantageous to consumers to import clothing or textiles made in other countries. However, if the Government has concern for the people of this country, it should develop policies to provide alternate employment for people employed in the industries which are to be eliminated or are to face a steady decline in employment. There are between 10,000 and 15,000 people in Winnipeg who work in the textile and clothing industries. If the companies which employ those workers cannot compete and get orders, and therefore go out of business, it will be serious. Employment in Winnipeg is diversified. Hopefully those workers who are now in the industry will find jobs in other fields. I am concerned about the people who work in those two industries in Winnipeg. I am even more concerned about the workers who work in those two industries in those cities and towns in Quebec, not just in Montreal, where there is no alternative employment. I have not heard a single Conservative Member of Parliament from Quebec expressing the concerns, which I am sure there are, of their constituents about what will happen to them unless the Government adopts a policy to protect those jobs or at least will see, as the jobs disappear, that there are alternatives.

• (1650)

Let me turn to another problem that I see, namely the desire of the present Conservative Government to privatize Crown corporations. We have never had a social democratic government in Canada.

Some Hon. Members: Hear, hear!

Mr. Orlikow: Somebody says hear, hear. We social democrats believe in a substantial amount of publicly owned enterprises. We have never had a social democratic government in this country. All the Crown corporations which we have in Canada—I am talking about the ones that come under the jurisdiction of the federal Government, the federal Parliament, and nearly all of the Crown corporations established in the provinces—have been established by Liberal, Conservative, Social Credit, Union Nationale, or PQ Governments. Why were they established? They were established because the Government, federal or provincial, believed that there was something needed in a province or nationally which was not being done by the private sector and the Government had to step in. The people of Canada, the Government of Canada, now own two very large Crown corporations involved in the aeronautics, aerospace field. I am talking about Canadair and de Havilland. Why are they Crown corporations? They are Crown corporation because when they were originally privately owned there came a point when business was so bad that the private owners said: "We are not going to continue. We cannot continue. We are going to close". The Government of Canada,

with the consent of Parliament, said that a modern industrialized country had to have an aeronautics, aerospace industry and that it must not let those companies close. We had an experience with a former Conservative Government which closed the company that developed the Avro Arrow. de Havilland and Canadair are now Crown corporations. They employ thousands of workers in Toronto and Montreal. The Government says that it is going to privatize them.

Let us assume for a moment that there are private investors prepared to pay a fair price for those two companies. I doubt that, but let us assume that for a moment. What happens three, four, or ten years from now if the industry goes into a decline? Will the then Government of Canada let those two companies close if they are not making any money? Will we permit 10,000 workers to be out of jobs? Will we get out of the industry? We won't of course. We have said that we need in this Bill a clause that will protect the interests of the ordinary people of Canada. Unless and until we have that kind of clause in the Bill, Mr. Speaker, I and the other Members of our Party cannot support this Bill. We will continue to oppose it.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it is most unfortunate that we have to debate in the House of Commons one by one these motions that ought to have been accepted in committee.

Let me illustrate the point with a brief analysis of three of them which seem to me to be eminently reasonable and which should have been accepted in committee. I will start with Motion No. 6. Clause 5 gives to the Minister the powers to assist Canadian business to exploit opportunities for investment and technological advancement. All we were asking in committee through the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) was to add the words "and find Canadian buyers wherever possible purchase businesses of value to Canada". What is wrong with that, one inevitably has to ask? For the life of me I cannot understand why the Government would find it impossible to accept this amendment which simply puts a greater emphasis on the desirability of "wherever possible", so that as a modification of this trust that is not mandatory in absolute terms, it just says that wherever possible let us try to find Canadian buyers to purchase businesses of value to Canada. What is wrong with that? I really wonder, Mr. Speaker, and I am sure you wonder too.

I draw your attention to the next motion, Motion No. 7. In the proposed Bill Clause 5 simply reads:

> The Minister shall—
>
> (*c*) carry out research and analysis relating to domestic and international investment;

What we were proposing in committee to the Hon. member for Winnipeg-Fort Garry is an expansion of this thought, namely "including research on means to achieve greater autonomy by non-Canadian controlled businesses in Canada"—and by that we mean subsidiaries of multinationals—"to compete for world markets with their parent firms". Again, this is a motion that I am sure privately every Tory Member from Quebec and Ontario and other industrial centres would be glad to support. It makes sense. It is good politics and good Canadianism. Here again we are facing this kind of indifference which makes it so hard to understand why on earth this kind of motion which is simply an expansion of a concept, which does not modify the sense of the concept but only adds greater emphasis to an orientation toward Canada, would not get acceptance by the Government.

Let me also draw your attention to Motion No. 9 also before us, Mr. Speaker. Here you have a concept whereby in the proposed Bill Clause 5 reads:

> The Minister shall—
>
> (*e*) assist in the development of industrial and economic policies that affect investment in Canada;

That is just fine. In the amendment before us, we are adding something which was almost the theology of the Tory Party in the last election. We are actually talking Tory language by saying "and consult with labour, business, and community representatives about the effects of proposals for acquisitions and new business establishments by non-Canadians on regional employment and economic growth". We know this process of consultation has value. It has validity. We have seen in communities the purchase of a plant by a company from abroad. A few months later the plant, once acquired by that foreign interest, is simply closed. The local jobs are gone; they disappear. It could be a cannery of tomatoes in British Columbia or a tannery in Chicoutimi. It could happen in the backyard of the riding of any Member of Parliament. When it happens it is a bit too late and it hurts profoundly. Therefore this concept of local consultation has a certain validity. Mr. Speaker, I note that you are becoming a bit nervous—

• (1700)

The Acting Speaker (Mr. Paproski): I am not nervous. I am just going to call it five o'clock.

[*Translation*]

It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Paproski): Is there unanimous consent for the House to proceed to Item No. 159?

Some Hon. Members: Agreed.

HERITAGE RAILWAY STATION PROTECTION ACT

MEASURE TO ENACT

Mr. Gordon Taylor (Bow River) moved that Bill C-211, an Act to protect heritage railway stations, be read the second time and referred to the Standing Committee on Communications and Culture.

He said: Mr. Speaker, it is a great pleasure to move second reading of this Bill, an Act to protect heritage railway stations, known as Bill C-211. I should like to pay tribute to the former Hon. Member for Parkdale-High Park because he actually had the Bill prepared by the legislative counsel. I was in the process of preparing a similar Bill when the former Hon. Member introduced this one. When the Hon. Member was not re-elected, we decided that we might just as well use the same Bill, as they were so similar. I pay tribute to him for preparing this Bill.

I should like to deal with what the Bill really does. If it is passed, it means that no railway company or any other company shall remove, destroy, sell, assign, transfer or otherwise dispose of a heritage railway station owned by it or otherwise under its control, unless authorized by an order of the Governor in Council or, in other words, of Cabinet. Any company which contravenes this Act, once it is passed, is guilty of an offence and liable to a fine of not less than $50,000 or not more than $1 million.

Another clause of the Bill provides that if a company plans to remove, destroy, sell, assign, transfer or otherwise dispose of a heritage station owned or controlled by it, it must file an application for authorization to do so with the Minister in accordance with the regulations passed by the Governor in Council. After having given public notice of its intention, the company files notice with the Minister. Concurrently with the said filing, the company shall submit to the Minister a profit and loss statement of its estimated annual losses for preserving the said station and of any other expenses the company would likely incur in future years as a result of the application being refused.

Any person who objects to an application for authorization shall within the stipulated time within the Act serve notice on the Minister setting out the reason for the objection and any relevant facts, so that the general public has an opportunity to say why a station should not be destroyed, sold, et cetera. Upon the expiration of the stipulated time, the Minister refers the matter to the Historic Sites and Monuments Board for a hearing and report. The Board then holds a hearing as soon as possible after publishing notice in at least one newspaper in each official language in general circulation in the municipality in which the station is located. The Board must grant all interested persons a reasonable chance to appear before it to make representations. After the representations have been heard, the Board must within 30 days submit a report not only to the Minister in charge of this particular Bill, but also to the Minister of Transport setting out its findings and recommendations together with the reasons for them. I think that is a very excellent point. The report will not rest with one Minister.

The Minister of Transport is being brought into the picture as well.

Within 30 days after receipt of the report, the two Ministers shall transmit to Cabinet or the Governor in Council their recommendations along with a copy of the said report, the application for authorization, the estimated annual costs and the notice of objection. The two Ministers must reach a decision and then take that decision to Cabinet.

Cabinet may authorize the company to alter the station owned by it, or the company may be authorized to remove, destroy, sell, assign, transfer or otherwise dispose of the station. In other words, if they accept the application, the railway company has authority to go ahead and do what it wanted to do. If they do not accept it, then of course it is given heritage designation. The authorization required by the company is in addition to any and all authorization and any other legislation. There will be nothing slipshod about it. It will be thoroughly reviewed.

That is the gist of the Bill which I thought I should outline to Hon. Members of the House. The Bill will actually provide efficient mechanisms which allow concerned citizens to make timely objections to the destruction, removal or sale of stations of historic or cultural value to ensure their conservation in the public interest.

The reason I was interested in this Bill—and I suppose it is the same reason the former Hon. Member for Parkdale-High Park was interested—is that too many of these stations are being destroyed. I can think of a station in my own City of Drumheller, on the banks of the Red Deer River, in the Valley of the Dinosaurs. CNR moved out and without saying a word to city council suddenly one day destroyed the whole station. It was an historic momunent of that city. Thousands of people went through that station. As a matter of fact, the unique part of that station was that if one was going east; one would get on a train going west, and if one was going west, one would get on a train going east, because the line wound through that beautiful valley.

How many other stations have been destroyed? Perhaps we will never know. Scores of stations were built in another era of Canadian history, typical of their period. They tell people what it was like in the early days of the railways. They were built with public money and railway money, but they have become historic monuments. They are relics of a particular era. In my view they should not be destroyed.

I know of another station in the Town of Claresholm. The people of the area want to have it designated a heritage station and used as a museum. They are fixing up the grounds around it. This Bill will be welcomed by them.

Things have happened in terms of a number of stations as a result of co-operation on the part of one of the two railway companies. For example, in the town of Okotoks its station was made into a meeting place and a place for the arts, for drama and painting. The people of that area come there to paint and participate in other cultural activities. Drama is presented on the stage. It is also a meeting place. Recently I

attended a meeting of the Big Rock Club. It is named after a large rock in the Okotoks area.

● (1710)

In High River, they made the station into a museum. In the village of Beiseker, they turned the station completely around so that it would face Main Street. It remained in the same location but completely turned around. It was made into the town hall and included the council chamber and village office. They used a little imagination and put in the library. The person who looked after the library was also to look after a small store which sold knitted goods, clothes, fancy dishes and moulded items to tourists. Some splendid things have been done. We want the same to happen in every town and village across the nation.

When I was pursuing this subject I wondered whether this was only an Alberta problem. Therefore, I wrote to some of the Ministers across Canada. I will read a few excerpts from what some of these Ministers said. The Hon. Billy Joe MacLean, Minister of Culture, Recreation and Fitness for the Province of Nova Scotia, after mentioning that his staff is undertaking a study of transportation heritage, wrote:

I mention these activities to make clear my desire that action be taken by legislative and other means to protect and/or recycle railway heritage properties.

The Hon. James Chabot, Minister of Government Services for the Province of British Columbia, said:

The protection of railway stations with heritage significance is a concern of my Ministry.

The Hon. Rick Folk, Minister of Culture and Recreation for the Province of Saskatchewan, stated:

Your proposed Bill to protect railway stations across the country is a most welcome item of legislation, and this Department certainly supports your efforts.

The Hon. Eugene Kostrya, Minister of Culture, Heritage and Recreation for the Province of Manitoba, said:

—this is a current concern of the Province of Manitoba and although we have made significant headway in our efforts, support at the federal level is essential.

The provinces are supporting it. I was very happy to have the Hon. Member for Davenport (Mr. Caccia) say that he was interested in supporting the Bill. He is in the House today. Also, the Hon. Member for Regina West (Mr. Benjamin) indicated to me that he would give strong support to this Bill.

The Bill is not complete. I have read quotations from various Ministers. Some Ministers had concern as well. One concern was the matter of land on which the building was sitting and whether that would be looked after. There are concerns and probably some ramifications. Consequently, I would not expect the House simply to pass the Bill as it is and say that's it. Either we pass the Bill and it goes to committee, where it receives a lot of consideration, or we discharge second reading of the Bill, which I hope the House will do, and send the subject matter of the Bill to committee for consideration. Perhaps it could come back here in the form of a government Bill. That is what is important. We need protection for these stations. Therefore, I take great pleasure in moving second reading of Bill C-211, an Act to protect heritage railway stations.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, we on this side of the House are glad to support this excellent Bill. I congratulate the Hon. Member for Bow River (Mr. Taylor) for having taken this initiative. I also want to pay homage to the work done, as he mentioned, by the former Member from High Park who was extremely interested in this issue.

We have come to this conclusion because of experiences at the municipal level for many of us as a result of the existence of historical buildings, not necessarily railway buildings, being threatened. Often the feeling was very strong in the community that without the history provided by a building, a nation loses its sense of history. It has to be passed from one generation to the other in order that we can understand lifestyles, ways of communicating and moving people, in the case of railways, for generations preceding the one that still has the benefif of admiring certain buildings.

In north Toronto we had a very sad experience a few years ago. The Canadian Pacific Railway station, despite enormous interest expressed by local community groups and the endorsement of the mayor and some Members of Parliament from that part of the city, was all of a sudden destroyed. That building had character. Alternative future uses had been proposed. That experience left a very bitter taste in the mouths of the citizens. Canadian Pacific displayed a distressing insensitivity to the will of the population there. Many had been born around the station, grew up and had learned to appreciate the presence of that station. It had a beautiful architectural design, was functional, had character and, as I said, a future. That building is gone. Therefore, there is the necessity for taking certain measures such as that proposed by the Hon. Member for Bow River. We are glad to see his initiative. We congratulate and applaud him. We hope this initiative will go to committee for further study and improvement.

The federal Government does not necessarily have the final word in this matter. It is mainly a provincial and municipal power to be exerted. Nevertheless, it will have an exemplary effect and a symbolic meaning. It will be useful to citizen groups. They will be extremely grateful to the Hon. Member for Bow River if this Bill becomes adopted one day. It will be appreciated by present and future generations of Canadians.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, like probably every other Member in this House, I am delighted every time the Hon. Member for Bow River (Mr. Taylor) gets to his feet, particularly on this occasion when he is bringing forward a subject matter and a Bill that deals with an area that all of us from time to time are touched by, namely the heritage of Canada. We are doubly pleased. We congratulate him on his efforts and the excellent remarks that he made in bringing forward this topic and this subject matter.

We can all understand his references to the number of facilities or railway stations in his area that either have been or might be affected if we do not do something constructive and approach this problem, which does not rest only in his constituency but exists right across Canada. We are looking for ways

to address this problem and ensure that the natural heritage of Canada is protected.

● (1720)

This Bill is particularly timely now because heritage conservation is much in the minds of Canadians this year. One hundred years ago this November, the Government of Sir John A. Macdonald established Canada's first national park at Banff. That was regarded by all of us as the beginning of the heritage conservation movement in this country.

The National Parks centennial year is an occasion for all of us to celebrate what has been accomplished in the last 100 years and also to chart a course for the future of Canadian heritage conservation. Today there are 31 national parks across the country; at least one in each province and each territory. There are also more than 70 major national historic parks in Canada and nine heritage canals. All of these heritage places are managed by Parks Canada for the benefit and enjoyment of all Canadians.

This year there are centennial celebrations at every national park, site and canal across the country. I am sure the Hon. Member and indeed every Member of the House joins me in wishing great success to these special festivities.

It was a Conservative Government which, 100 years ago, took the first steps to protect our natural environment, and it was a Conservative Government which took the first steps to protect our historic resources. Canada's first national historic park was initiated in 1917 at Fort Anne, Annapolis Royal, Nova Scotia. Two years later, 1919, the Historic Sites and Monuments Board of Canada was created by the Government of the then Prime Minister, Sir Robert Borden.

This Bill would propose new responsibilities for the Historic Sites and Monuments Board. I invite Hon. Members to look for a moment at the Board's historic and at its important accomplishments. The Historic Sites and Monuments Board of Canada was created to identify persons, places and events of national historic significance and to advise the federal Government on appropriate ways to commemorate them.

The first point I would like to make is that the Board's task is enormous. It has a responsibility for the entire country with many specific items to consider. At the time it began its work, there were literally dozens of sites of great historic interest in every province, sites which were unprotected and subject to destruction at any time. Interested Board members were given a $10 per diem allowance to attend Board meetings and in order to discourage unnecessary expense they were instructed to do the bulk of their work by correspondence. I do not know how well that would work today, Mr. Speaker, but at that time perhaps correspondence services were satisfactory.

By 1921, 46 sites had been recommended to the Minister for commemoration as soon as possible. The first bronze commemorative plaque was set in place in 1922 at Port Dover, Ontario, to mark the location at which France laid claim to the Lake Erie region in 1670. For those who do not know where Port Dover is, it is very close to Simcoe. Soon after this more plaques were erected in different provinces.

Today the Historic Sites and Monuments Board consists of 17 members who advise the Minister of the Environment (Mrs. Blais-Grenier) on matters of national historic and architectural significance. Each province and territory is represented by one member except Ontario and Quebec, each of which has two members. Other members of the Board are the Dominion Archivist, a representative of the National Museums and a representative of Parks Canada.

The Board meets twice yearly to review submissions and make recommendations to the Minister of the Environment. Only the Minister can declare a person, place or event to be of national historic significance. The Historic Sites and Monuments board welcomes suggestions from historical societies, heritage groups and other organizations and individuals. Suggestions should be of truly national importance as opposed to regional or local importance.

To determine what constitutes truly national importance, the Board has established general criteria. The first such criterion is persons who have had a significant impact on Canadian history, irrespective of the country in which all or part of their achievement occurred; second, events or movements which have shaped Canadian history or illustrate effectively the broad cultural, social, political, economic or military themes of Canadian history; and third, places which shed light on or illustrate effectively the culture of a prehistoric people or are associated with important archaeological discoveries. That is very reminiscent of the comments made by the Hon. Member who spoke previously about the great archaeological items in his own constituency. The fourth such criterion is structures which embody the distinguising characteristics of an architectural or engineering type, are exceptionally valuable for the style or method of construction of their periods or are examples of the work of a master builder, designer, engineer or architect.

The Board very specifically does not consider for commemoration cemeteries and graves except those of the Fathers of Confederation and those having archaeological significance; structures that have been moved from their original location; places outside Canada; and people who are still alive or who have died within the past five years. If the Board determines that a person, place or event is of national historic significance, it so recommends to the Minister, advising an appropriate means of formal recognition.

In most cases a bilingual Historic Sites and Monuments Board of Canada bronze plaque of standard design is erected. The site where the plaque is located need not be owned by the federal Government. Today there are more than 900 plaques across the country, many of them located on privately owned property.

In special cases, the Board may recommend that a distinctive monument be built. The Marie Madeleine de Verchères monument at Verchères, Quebec, and the Stefanson memorial at Arnes, Manitoba, are examples of this. The Board may recommend that the Minister enter into a cost-sharing agreement with a non-profit organization. The independent organization owns and manages the historic location and ensures that

the site is open to the public for a specified number of days each year. This gives the public an opportunity to visit these special sites and locations. The Trestler House near Montreal and Craigflower Manor on Vancouver Island are good examples of cost-sharing agreements.

Places of extraordinary importance to Canadian history are acquired and developed by Parks Canada as national historic parks. National historic parks range from the Motherwell homestead in Abernethy, Saskatchewan, to Bellevue House in Kingston, Ontario; and as everyone on this side of the House at least knows, Bellevue House was once the home of Sir John A. Macdonald. Fort Langley near Vancouver, Lower Fort Garry near Winnipeg, Artillery Park in Quebec City and the mighty Fortress of Louisbourg near Sydney, Nova Scotia, are among the many other national historic parks across Canada.

A great deal has been accomplished since the Board's first meeting in 1919. In large part this is due to the hard work and dedication of individual Board members. It is also due to the Board's advisory rather than administrative role. The Board does not have a staff or office space. Its members are paid only a small honorarium and an allowance for expenses incurred while travelling on Board business. The Board exists solely to advise the Minister on matters of national historic importance. I am sure all Members of the House would want to join me in thanking the members of the Historic Sites and Monuments Board for the important work they do for all Canadians. Members generously donate their time and experience to help us preserve significant aspects of our history.

The Bill before us proposes that the Board take on an administrative role regarding the future of heritage railway stations. That is the key point, Mr. Speaker. The Bill proposes changing the function of the Board from a simple advisory role to an administrative role. The Bill would require that the Board hold hearings and prepare reports on the future of all heritage railway stations that are in any way threatened or scheduled for renovation, restoration or repair. What a monumental undertaking that would be! In fact, the very limited resources would be quite incapable of responding to this very important work and this great need.

There are thousands of railway stations in this country. All of us have the unfortunate experience of knowing what has happened to the railways in this country and to many railway stations, many of which are close to the hearts of many of us and our constituents. If the Board were assigned the responsibility of looking after the future of these sites, it would change very dramatically its basic role. I would ask Hon. Members if they want the Board to take on this administrative role.

The Historic Sites and Monuments Board is well aware of the heritage value of our early railway stations. The Board has considered many applications concerning railway stations. In fact, 24 stations across the country have already been declared of national historic or architectural significance.

The Board selected for commemoration stations which express the development of our various railway lines. For example, the station at Lévis, Quebec, and Pictou, Nova Scotia, represent the Intercolonial Railway Line. The Canadian Pacific Railway is represented at McAdam, New Brunswick, and Saskatoon, Saskatchewan. Maritime railways are represented at Kensington, Prince Edward Island, and Rothesay, New Brunswick. The Canadian Northern Line is represented at Kamloops, British Columbia, and Miami, Manitoba.

The fact that these 24 stations are recognized does not preclude other stations from consideration in the future. The Board receives submissions at all times and will judge each railway station on its historic and architectural significance to Canadian history. Our early railway stations are all an irreplaceable part of our heritage. This Bill makes that point very clearly and I agree completely with that sentiment.

● (1730)

While I congratulate the Hon. Member for calling our attention to this important issue, I would ask the House to consider carefully whether the Historic Sites and Monuments Board of Canada should be charged with the new administrative responsibilities which are imposed by this Bill.

In view of the comments which I have made, and in view of what I think we all know are very honest and reasoned intentions on the part of the Hon. Member, I hope that the House will be in a position to receive an amendment. I would like to move:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-211, an Act to protect heritage railway stations, be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Fisheries and Forestry".

With that, I will conclude my remarks. I would like to thank the Hon. Member again for his contribution and I hope that the House will be prepared to receive the amended motion.

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

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, this Bill has come before us as a result of a number of scandalous incidents which have taken place concerning railway stations, and in particular the flagrant example of CPR destroying an historic railway building, which was contrary to the wishes of the community, after its importance as an historic monument was recognized. It is incidents of that sort which have led the Hon. Member and Members of the Opposition to argue for more vigorous measures to ensure that Canadian heritage properties and, in particular, railway buildings, are protected.

I respect the intent of the Bill. We know the Hon. Member for Regina West (Mr. Benjamin) supports it. As he is an old railroader himself, he is interested in the railroads and, therefore, is giving moral support to the Bill. I, too, support the Bill. However, I am a little concerned about the amendment to send the Bill to the Standing Committee on Fisheries and Forestry for study. As the culture critic for the NDP caucus, it seems to me that this is very much a heritage matter, and I am

wondering why that committee would be selected to discuss heritage measures.

I would like to look at the broader context of the heritage aspects of the Bill which is before us. It is not just railway stations which are threatened. There is a whole policy on the protection of cultural institutions which must be studied. The fact is that we do not have an adequate heritage policy for Canada, although the arts and culture community has argued for one and various organizations have put forward very constructive proposals.

The recent report of the Federal Cultural Policy Review Committee included a major section on heritage. If the recommendations from that report had been implemented, we would not be discussing the Bill which is before us now because the matter would have already been dealt with by government legislation. So often a Private Member is forced to bring in a Bill to deal with a matter which the Government has simply neglected.

The Applebaum-Hébert Committee, the Federal Cultural Policy Review Committee, came up with a number of proposals which addressed precisely the problem which is before us. I would like to refer to a couple of the recommendations which I believe are relevant. Recommendation 15 called for the establishment of an arm's length agency which was to be called the Canadian Heritage Council. It was to be a visible champion of heritage interests. If that kind of institution had been created I wonder whether it might be the body which would be referred to rather than the Historic Sites and Monuments Board.

Recommendation 17 of that report is very relevant to this debate. It stated that existing federal legislation relating to the designation of historical sites should be strengthened to compel heritage impact studies to be carried out and reviewed before any site is sold, developed or altered from its present use. That is precisely the problem which we have before us now with regard to railway heritage sites.

What has happened to the very pertinent recommendations from the major and rather expensive Federal Cultural Policy Review Committee? A number of the recommendations were discussed by the Standing Committee on Communications and Culture and a great deal of progress was made in ranking them in terms of importance and analyzing them. Positive support was given to the recommendations by the Conservative Party when it was in Opposition. The recommendations were discussed further during the course of the federal election campaign to determine what the Conservative Party's position would be if it formed the Government. I would like to report an exchange which took place with the Canadian Museums Association. The Association asked:

> What will you and your Party do to ensure the heritage and other recommendations of the Applebaum-Hébert Report are given thorough consideration and in close consultation with the museum/gallery community?

The answer to that came from the official Progressive Conservative pre-election platform. It stated:

> We will begin immediately to consult with groups and individuals in the cultural sector on all aspects of policy development. The recommendations of the Federal Cultural Policy Review Committee will form a substantial part of our consultative agenda, because the issues dealt with in that Report were already of pressing concern when the Committee was struck.

Well, consultations are a good idea. The PC position continued:

> The Standing Committee's consideration of the Applebaum-Hébert Report was suspended temporarily to deal with the taxation issues of artist and writers.

That is true. It continued:

> We would hope that the Standing Committee will seek a renewal of the Applebaum-Hébert reference in the new Parliament.

That has not happened. It continued:

> To ensure that there are no unnecessary delays in implementing those recommendations which the Standing Committee and the cultural sector identify as priorities, we will accelerate the process of consultation between the Department and the sector.

There has been no acceleration of consultation. Indeed, consultation has fallen by the wayside. Arts groups, in great frustration, came to Ottawa to lobby on Parliament Hill. They told parliamentarians about their frustration in getting the Department of Communications and the Minister to listen to them.

The pre-election statement of the Conservative Party continued:

> We would encourage the Standing Committee to examine, as soon as possible, the Report's recommendations on heritage and specifically the idea of a Canadian Heritage Council.

I raised that matter before the Standing Committee on Communications and Culture last fall. At that time I asked the Minister very specifically where he stood with regard to the excellent recommendations on heritage which were accepted by the Conservative Party when it was in Opposition. Very specifically, I asked him what he would do about heritage and the Applebaum-Hébert recommendations. The Minister said that all of those reports are not the Bible. He said that they are instruments and we have to use them like that. In short, they are instruments which can be used, but they can also be ignored. There is no sense in honouring commitments which have been made by the Government, especially very specific and well-studied commitments which were made by the Conservative Party when it was in Opposition and during the course of the election campaign. I believe it is a flagrant example of broken election promises.

What is the importance of this heritage policy which we do not have before us, which is somewhere wallowing around in the Department of Communications being studied? It is an important matter. Canada is a young country in the sense of its architecture and its permanent material culture. People may argue that because Canada is a young country it does not have many heritage buildings which need to be preserved. I would regard that as the wrong approach. On the contrary, because we do not have many heritage buildings we have a special obligation to preserve those which we do have. The railways were enormously important historically in uniting Canada. Canadians are nostalgic about their railways. We remember the good old days when they worked a great deal better. We like the old railway buildings. They are a part of

our history, a very important and unifying part. So these railway stations above all should be part of our cultural preservation concerns.

● (1740)

Heritage concerns have to be a major part of our cultural policy. We have to preserve the achievements of previous generations. It is not enough just to go after what artists have to contribute at the present time. What hope will they have that their works are going to be respected in the future if we do not show respect for the contributions of past generations? I very much support this Bill in principle, but I feel that we need to have a mechanism with which to deal with the preservation of railway buildings.

As to the specific amendment before us, I do have some queries as to whether the Bill should go to the Standing Committee on Fisheries and Forestry and not be considered a heritage matter. While supportive of the intent of the Bill, I have to be critical of the Government's failure to bring forward a heritage policy as part of a general cultural policy for Canada. That is really the approach we should be following. We should not be dealing with the question of railway properties in isolation from other heritage matters. We need a comprehensive strategy and adequate funding. It is an important matter for Canadians and that is where our priorities should lie.

Mr. Jack Shields (Athabasca): Mr. Speaker, it is indeed an honour to make a few remarks on Bill C-211, an Act to protect heritage railway stations. I want to compliment my colleague, the Hon. Member for Bow River (Mr. Taylor), for bringing forward this Bill today. I would be hesitant in referring the Bill to committee for discussion if I did not know that the Hon. Member for Bow River would be watching with his usual tenacity to ensure that it gets through that committee and back into the House with the objectives of this Bill met.

I have known the Hon. Member for Bow River for a number of years. I know he will understand when I point out to the House that all areas of my riding are affected by this Bill. As recently as last week the CNR, the Crown-owned company, applied to the Town of Lac La Biche to take down the old railway station which is now not being used. A number of people in the community got together and were hoping to convert it into a senior citizens' drop-in centre such as is presently in the Town of Athabasca. Within a matter of 12 to 14 hours, however, the CNR gave the order to demolish the railway station and that was done. That old building which sat in the middle of the Town of Lac La Biche is lost forever. People can remember going to the station when the train came through two times or maybe three times a week to watch the people getting on and off, to watch the unloading of the milk cans, and so on. The milk can stands were still there. All of those things were very much a part of the development of this country and that is why I salute my friend, the Hon. Member for Bow River, for bringing this Bill forward.

I would like to point out some of the things which can happen. The way the Town of Athabasca is situated, the railroad station is a focal point at the end of Main Street. At one time it was going to be torn down but the people in the community got together and took over. They made an agreement with the Northern Alberta Railways, which was jointly run by CPR and CNR, and converted it to a senior citizens' drop-in centre. Any afternoon of the week one can drop in and not only live heritage but one can talk heritage to all of the senior citizens who make it a point to be there.

Again, I would like to compliment my colleague, the Hon. Member for Bow River. He has indeed performed a service to our communities. With his usual tenacity, I hope he will ensure that this Bill comes back to the House and is passed quickly so that we can protect our railway stations.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, may I also join with the Hon. Member for Athabasca (Mr. Shields) in complimenting the very distinguished senior member of this Chamber, the Hon. Member for Bow River (Mr. Taylor), on his initiative. It is certainly agreed that efforts should be made to preserve these buildings as cultural and social focal points for our communities, indeed for our provinces and our nation. I am sorry that the last speaker for the New Democratic Party has left the Chamber, but for the record I might explain that the reference of the subject matter of this Bill should be to the Standing Committee on Fisheries and Forestry simply because that standing committee is the committee responsible for dealing with matters arising out of subject matters such as this.

Efforts towards the protection of buildings of heritage or historical significance should be guided, I believe, by four principles. The four significant principles I think we should touch on is, first, that all heritage buildings under federal jurisdiction, whether belonging to the railways, government departments, or Crown Corporations such as Air Canada and CBC, in fact should fall under one umbrella legislation and be the result of one policy. Treatment of each type of building by itself—for example, the railway stations—could lend itself to difficulties with other heritage sites. In theory we could have conflicting legislation which could make almost intractable, certainly very difficult, the enactment of legislation in other areas of equal importance.

Second, the responsibility for making decisions as to the heritage or historical significance of specific buildings should be assigned to an agency which is competent and qualified in the area of heritage and our history.

Third, the costs and liabilities of preservation of a building, after it is no longer required for its owner's purposes, should not be borne by its owner. Rather, the legislation might identify an appropriate agency which would be responsible for all costs and liabilities after the building had ceased to perform its primary or historical function. This agency may logically be the one which makes application for designation of the building as having heritage or historical significance.

Fourth, the legislation should prescribe time limits for each step of the entire process beginning with application for designation of heritage or historical significance, and proceeding all

the way through the appeal process to the negotiation of sale, lease or other arrangements for the building. Unless such time limits are set, the process is vulnerable to sabotage, whether wilful or unintentional, through inordinate delays in action on the part of one or more parties to the process.

Bill C-211 is in fact on the "right track" and I make the following suggestions which Hon. Members or the committee may wish to consider. First, other buildings under federal jurisdiction perhaps should be considered. Indeed, it would be my hope that they would be.

Second, responsibility for heritage designation should be assigned to the Historic Sites and Monuments Board of Canada. Under its current set-up the Historic Sites and Monuments Board of Canada is not equipped to fulfil the responsibility of heritage designation. Perhaps the Government might be persuaded to consider the reconstitution of the Board to allow for this.

● (1750)

Third, Mr. Speaker, identification of an appropriate agency that would pay the cost of preservation of such heritage buildings after they are no longer required for their primary purpose, such as railway stations in the case of the Hon. Member for Bow River's Private Member's Bill. Again, we may want to suggest time limits or conditions for the negotiation of sale, lease or other transfer of the building to a preserving agency.

Fourth, the Bill requires the Historic Sites and Monuments Board to hold a hearing for every application. I might suggest that, if written evidence submitted to the designated agency suffices, we could dispense with hearings for every single application and rely upon the history built up by the designating agency, and allow them to make the primary determination.

Having said what I have said, I am sure Hon. Members will agree that the Minister of Transport (Mr. Mazankowski) would not be an appropriate designated authority for heritage matters even as they may pertain to railway stations. Although railways fall under his jurisdiction, it has been found to be both efficient and prudent that certain aspects of the railway business, such as taxation and the environment, be governed by legislation under the jurisdiction of other Ministers. We in Transport believe that heritage is one such aspect which perhaps could be better dealt with by another agency.

I have outlined some of our concerns over the Hon. Member's proposed Bill. These are concerns generated within the Department. I know that were the Minister here he would commend as highly as all others have the Hon. Member for Bow River (Mr. Taylor) on bringing this matter to our attention. I am confident the House would want to see the subject matter referred to the Standing Committee and I repeat for his edification what I said a few moments ago, that the reason it is going to the Standing Committee on Fisheries and Forestry is that is the appropriate committee to deal with matters of the environment, within which this issue falls. The Bill commends itself. We have been chastized in the House today for having given undertakings during the election campaign, indeed in the months and, for some of us, in the years prior to that, but for not having moved immediately. This is one area that is important to Canada, a matter of great importance to the Prime Minister (Mr. Mulroney) and Cabinet generally. There are priorities, I suggest to the Hon. Member. We have only been in government for seven or eight months; give us a little while and we will do it because there is genuine concern on this side of the House about matters such as this. Thank you for allowing me to participate.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Parproski): It has been moved by Mr. Gurbin, seconded by Mr. Fretz:

That Bill C-211 be not now read the second time but that the subject matter thereof be referred to the Standing Committee on Fisheries and Forestry; and that accordingly the Bill be withdrawn.

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

Some Hon. Members: Agreed.

Amendment (Mr. Gurbin) agreed to.

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

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

The Acting Speaker (Mr. Paproski): Accordingly, the order is discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Fisheries and Forestry.

Order discharged and Bill withdrawn.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. The hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

Adjournment Debate

ENVIRONMENTAL AFFAIRS—UNITED STATES SULPHUR EMISSIONS—CHEMICAL POLLUTION OF NIAGARA RIVER

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in raising this matter today, and it was touched upon in November in this House in Question Period, I would like to preface my remarks by saying that we have already seen a Government which has failed to convince the United States' administration at the Quebec City Meeting that there is an urgent need to act on smokestack industries, and that we should jointly proceed with the U.S. in a clean-up operation. As you know, at this stage an increasing number of nations are recognizing the importance of reducing smokestack emissions, and increasingly the U.S. finds itself isolated in denying a policy which would allow it to reduce emissions which, as you know, amount to some 26 million tons a year. We are downwind of these emissions. This policy does not permit us to proceed jointly in the clean-up operation which we set on its way so well by policies initiated a number of years ago.

Today I would like to bring to your attention the question of attempting to convince the U.S. administration that there is an urgent need to halt the flow of toxic chemicals into the Niagara River from leaking dumpsites, industrial emissions, and from municipalities. Here again we may be facing a similar failure. It should be noted by way of background that the report released this month by the federal water policy inquiry during the public hearings which were held across Canada indicated that probably the single most widespread anxiety Canadians have about their water resource is the deterioration of its quality. The report stated that pollution, if we define the term broadly to include toxic contamination, disruption of fish and wildlife habitat, acidification and sewage discharge, attracted more testimony at the hearings than any other issue. That, I submit, should be enough to convince the Canadian Government that urgent action is required to remedy the Niagara River problem.

Again, as I did in November, I would like to ask the Minister of the Environment (Mrs. Blais-Grenier) when she will pursue the recommendations contained in this October, 1984 report published by the Niagara River Toxic Committee.

Let me briefly outline some of the recommendations to refresh everyone's memory: For example, that the Niagara Falls waste water treatment plant be made operative as originally designed and as early as possible. Of course, to obtain that we have to exert pressure on our American friends and neighbours. Secondly, it recommended that the clean-up of the problem dumpsites should be undertaken by the fastest means available and not allowed to be entangled in litigation in the court system south of the border. Techniques should be developed such as recycling, or phasing out the use of many toxic substances and the development of less toxic substitutes, and incineration or chemical fixation to deal with existing and future waste. Finally, the control of persistent toxic substances should be implemented as called for by the Great Lakes Water Quality Agreement of 1978.

These are key recommendations. But I would like to refer the Minister to two specific recommendations, Nos. 23 and 24, on which the United States members of the committee took a different position, a fact which we all must regret very much. Although the U.S. position is in agreement with the need for bi-national management of toxic input into the Lake Ontario basin, they believe that the first step in the implementation of such a plan is the review of all sources of toxic substances in Lake Ontario. The review is a delaying tactic against the knowledge that the presence of toxic substances is now on the increase, rather than the decrease as claimed by the U.S. members of the commission.

● (1800)

I would like to ask the Minister whether she is aware of this position. Has she met with the International Joint Commission to discuss the U.S. position? Has she taken a position on these two particular U.S. recommendations? It seems to me that the Minister must move on the information already obtained and on the content of the report of last October.

Has the Minister met with the EPA to work out a joint Canada-U.S. plan of action for cleaning up the Niagara River? What were the results of the meeting. I ask these questions because the Niagara River is an urgent priority. The communities on that peninsula are extremely worried. We know from the Niagara River Toxic Committee report that there are 61 sites on the U.S. side and five on the Canadian side that have been designated as having significant potential for contaminant migration into the Niagara River.

In conclusion, Mr. Speaker, we know that these sites have been identified. Most of the recommendations have been agreed upon, but two are outstanding and they are very serious in their long-term implications. Urgent action is needed. If we wait, the cost of cleaning up the problem will continue to rise for both Canada and the United States. More importantly, we stand to jeopardize the quality of water in Lake Ontario for decades to come. Hence, the urgency of this issue, Mr. Speaker.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the Hon. Member for Davenport (Mr. Caccia) will recall that it was anticipated that there would be a meeting with Mr. Ruckelshaus within a week of his asking that question last fall. In fact Mr. Ruckelshaus resigned one week after the question was asked. Following that, even though a meeting had been arranged between the Minister of the Environment (Mrs. Blais-Grenier) and Mr. Ruckelshaus, it was necessary to delay that meeting.

Since the appointment of the new EPA administrator, Mr. Lee Thomas, there has already been one meeting and there will be another meeting in the very near future, on May 9 I believe.

The questions which were posed originally by the Member centered around two issues; one was the toxic substances in the Niagara River and the Great Lakes, and the second was acid rain. I noticed that the Member did not spend much time on the acid rain issue, although I think he would be quite amenable to the idea that it continues to be an important part

of our bilateral discussions. I would like to assure the Member that those two major points will be subjects for discussion between the Minister of the Environment and Mr. Lee Thomas.

With regard to the toxic wastes in the Niagara River, the Minister has in fact spent a good deal of time on that both in consequence of the report that the Member mentioned, and in looking for constructive actions that we as Canadians can take. We must recognize, as the Member did, that the vast percentage of the contamination has continued to come, and has been identified as coming, from the American side. It is necessary to work out acceptable and constructive agreements as soon as possible.

The urgency factor which the Member has identified is clearly in the mind of the Minister. It in fact accounts for the reason for the second of two meetings and any further meetings that might be necessary in order to deal as effectively and quickly as possible with this problem. The answer to the Member's question is, very simply, yes. When he receives the detailed response from the Minister I hope he will be satisfied with the details.

• (1805)

PETRO-CANADA SALE OF COME-BY-CHANCE OIL REFINERY. (B) REQUEST THAT SALE BE HALTED

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I rise in my place to take advantage of the proceedings on the adjournment motion this evening to make some comments with respect to questions I asked of the Minister of Energy, Mines and Resources (Miss Carney) in this House on March 12 and on subsequent occasions regarding the sale of the Come-by-Chance oil refinery in Newfoundland.

Members will recall that Petro-Canada bought the Come-by-Chance oil refinery from receivers approximately two years ago for a price of $17 million. At the time Petro-Canada bought the refinery there was some hope that Petro-Canada in doing an analysis and undertaking some studies would determine whether it was possible for that refinery to operate as a refinery once again. In fact, the refinery was put into mothballs for some years. A number of months ago Petro-Canada announced that the continuing cost of mothballing the refinery and maintaining it was more than it wanted to bear at this time. In fact, it was putting the refinery up for sale.

In the early days quite a few companies expressed an interest in the refinery. Six posted bonds of $100,000. Most of the groups that came forward were primarily interested in the possibility of scrapping the refinery; that is taking it apart piece-meal, taking those parts of the refinery that could be rehabilitated and used elsewhere in an industrial complex and selling them to that industrial complex and basically taking the rest of the refinery and breaking it down into scrap metal.

The cost of building a similar type facility today, a new facility, is in the range of a billion dollars. It has been estimated but never in any study carried out by this Government that the cost of rehabilitating the refinery would be in the range of some $200 million.

Despite earlier anticipation that we were going to see only a number of bids from people interested in scrapping that refinery or selling it off piece-meal, it has been brought to my attention by some very excellent sources that we are going to see within the envelope of bids to be opened in a few days, on May 2, by Petro-Canada, bids that will do something more than simply scrap that refinery. These bids would propose to operate the refinery at a much reduced level from what its total operating capacity is, but nevertheless operate the refinery. That means jobs for Newfoundlanders and it means holding on to a facility, keeping it functioning for the day when perhaps a petro-chemical industry will be more promising in Newfoundland.

I asked the Minister of Energy Mines and Resources in this House what was going to be the criteria under which Petro-Canada would sell the refinery. Was the criteria simply going to be that Petro-Canada would simply attempt to get the best possible price? Is that the criteria? Is it that Petro-Canada would try and realize the maximum return on its investment, both the price that it paid for the refinery of $17 million and the cost subsequently of maintaining it? Or was the criteria going to take into consideration what in fact would be the best long-term economic interests of Newfoundland?

My concern is that we may have a series of bids, and when they are opened we may see that the highest bid comes from somebody who wants to scrap the refinery. Let us take an arbitrary figure of $50 million and that a lower bid comes from somebody who wants to put money back into the refinery, that is to spend money in retooling the refinery. Let us take an arbitrary figure of $25 million. If the criteria is simply the best return on its investments, Petro-Canada will take the $50 million bid. It has been estimated that by scrapping the refinery one can generate $90 million. Why would you not pay $50 million for a $40 million profit? My information is there are bids coming forward that will not meet a $50 million price tag, but will see Petro-Canada getting its money back, with the people making those bids saving their capital to reinvest in that refinery in order to make it work, to give the people of Come-by-Chance jobs with the opportunity and the dignity of work.

• (1810)

It is important when I stand here on behalf of Newfoundlanders asking for the criteria that the Minister say something more than, "that is not my business; that is Petro-Canada's". What we are talking about with this facility, and what we are talking about when Petro-Canada has a sale is not just how many cents on the dollar Petro-Canada will realize when the bids are opened. We are talking about future employment possibilities, the prosperity and dignity of people in a province where unemployment is in excess of 30 per cent.

What are the criteria? Will the Parliamentary Secretary on behalf of the Minister assure the House and, through the House, the people of Newfoundland that more than Petro-Canada's realized profit or benefit from the time it has held the refinery will be at stake when those bids are assessed? Will

he assure the House that the long-term economic benefit of Newfoundlanders and their province will be the guiding criteria in assessing who should get that refinery?

If those kinds of criteria are not in place, we shall see the possibility of opportunities lost, the ability to create jobs lost, and an even stronger sense on the part of Newfoundlanders, who live far away from the centre but nevertheless are as proud Canadians as anyone, that this country does not work for them when it can and when it should.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I would like to strike a small deal with the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin). I would like to help him with his anxiety attack, as long as I get from him an assurance that he will not raise unnecessary anxiety in the people who live in his Province of Newfoundland.

I give him the assurance which he asked of the Minister. There has been no deal struck. There has been no limitation of any option as to what might happen in terms of the future of that refinery. All options are open. The Hon. Member should recognize very clearly, being the astute representative he is, that it would be very untimely to start talking about specific details of any one option. Those matters rest in the hands of those who must make the final decision. All options are open. There is no limitation.

For the second half of our deal, the Hon. Member should look back at his question and realize that he tried to indicate that somehow the future of the refinery will determine the future of Newfoundland's relationship to the Hibernia oil fields. I would like to make very clear, in accordance with statements the Minister has made many times, that that in no way has there been any implication, and there will in no way be any reflection on the ability of Newfoundland to have its options in terms of Hibernia. In fact, as the Minister has stated, there is a very clear ability on the part of Newfoundland to have an option of first refusal for offshore supplies, as provided in the Atlantic Accord. The Atlantic Accord in itself assures that the interests of Newfoundland are and always will be protected.

I know the Hon. Member would want to fulfil his margin of the small deal which we have just struck by ensuring that his constituents know that Newfoundland is well looked after by its many representatives in the House of Commons, and that there will be no deals struck which are not in their long-term best interests.

RAILWAYS—ATLANTIC LIMITED—REQUEST FOR RESTORATION OF SERVICE

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I want to take this opportunity to deal with the Government's commitment to return the service of the Atlantic Limited to the Maritimes and Upper Canada. Prior to the last election the Conservative Party committed itself to restoring that service. I am absolutely delighted and extremely proud the Government has done just that. The service will be restored as of June 1. It is certainly an indication of the sincerity of the Government in terms of fulfilling its commitments. This is one of many pledges the Progressive Conservative Party undertook prior to the last election, prior to forming the Government, which it has honoured throughout its early term of office. They certainly are to be congratulated for doing just that.

● (1815)

There are a number of concerns that have been expressed by numerous constituents of the maritime region who will once again be able to enjoy the use of this train from Halifax via Saint John on its way to Montreal. It is important that we ensure that the restoration of this train is in such a fashion that it will be utilized to its fullest extent. I would like to bring to the attention of the Minister, through the Parliamentary Secretary, just a few of those concerns, two specific and one general.

The specific concern I refer to is the apparent intention of VIA rail at the beginning to have only three agents at the VIA rail station in the city of Saint John. When the rail service was discontinued there were seven passenger agents, some of whom doubled as baggage assistants. The concern is quite obvious. If the service is to be utilized to its fullest extent and to its best opportunity, obviously the service people must be in place to ensure that the train runs on time. People must not be inconvenienced by poor service at the ticket counter. Tickets should be readily available. There should not be an opinion formed of VIA rail that the service is less than first class and, therefore, a disincentive to people to use the line. This is basically what my entire address is about this evening. I ask the Minister to look at the staffing positions in the City of Saint John at the VIA rail station to ensure that sufficient people are in place to service the needs.

Second, apparently the baggage car is not going to be manned between several stations along the way, for example, between Saint John and Moncton. This means that people who get on the train at Sussex, which is a focal point in Fundy-Royal, are not going to be able to check their luggage. Their luggage will have to be placed in the car in which their accommodation is, whether it be the day coach, sleeping car or whatever. This will be a terrible inconvenience to a great number of people.

It is extremely important that the baggage car be accessible at all points at which this train will make stops along the route so that people will not be inconvenienced, with another disincentive to people to use that line. After all, if ridership is down, there will be those who will point and say that the service is not good, that it should never have been restored. Therefore, we must make every effort to ensure that the service is there.

Another matter of concern is that there must be some attention paid to restoring the equipment. For the most part, the equipment is 30 years old. When it was announced that the service would be reinstated there was a commitment on the part of the Government to put a fair amount of money into the kitty for restoring the old cars and replacing the old engines. For example, more than $3 million will be spent to refurbish

coaches and locomotives serving the Atlantic line, and another $6 million to $7 million for upgrading tracks and stations. The equipment needs to be replaced.

I would like to read into the record what the rail passenger action force recommended. It recommended that VIA rail "replace at the earliest opportunity its outdated rolling stock with modern state of the art high capacity proven technology cars and locomotives to the highest degree possible with labour components and engineering obtained from across Canada." I support that. I urge the Minister to get on with the program of replacing and updating the equipment. That will take three years if those orders are placed now. We will then have new equipment. The old steam heated outdated equipment of 30 years ago will be gone. People will be further encouraged to use this very valuable and vital service to Atlantic Canada. Again, my congratulations.

● (1820)

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I share in enthusiasm for the Minister of Transport (Mr. Mazankowski) of this country as much as the Hon. Member. Indeed, on January 15 of this year the Minister of Transport announced the reinstitution and restoration of some six rail passenger services in Canada; three of them of a national nature and three of them of a regional nature. We are, of course, speaking of the Super Continental line going from Winnipeg to Edmonton to Vancouver and the Canadian line going from Montreal to Ottawa to Sudbury. The three regional services are the Montreal to Sherbrooke line, the Toronto to Peterborough to Havelock line and the Mont-Joli to Montreal line. Last but certainly not least, and dear to the hearts of all of us in the Maritimes, is the Atlantic line.

The Atlantic line will be a full-service passenger train with dining cars and a complete range of sleeper and day-nighter coaches. Trains will leave Montreal in the early evening arriving in Halifax the next afternoon with the return trip leaving Halifax in the early afternoon and arriving in Montreal the next morning. Stops along the way will include such major cities as Sherbrooke, Saint John and Moncton, as well as numerous smaller towns in both Canada and, I am proud to say, the State of Maine.

To answer in part another question raised by the distinguished Hon. Member, funds allocated to restore the services will be approximately $40 million and some 2,000 jobs will be created both directly and indirectly. I think you will agree, Mr. Speaker, as I am sure we all agree, that the restoration of these services goes a mighty long way toward emphasizing this Government's intention to keep its commitments.

With respect to the other two questions raised by the distinguished Hon. Member, there are worthy questions and I will take them as representations. I will solicit the Minister's support in ensuring that adequate agents are on station in Saint John and that the baggage car, if at all possible, will be manned. The Hon. Member has made a good point.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 2(1).

The House adjourned at 6.22 p.m.

HOUSE OF COMMONS

Tuesday, April 30, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed from Monday, April 29, consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions Nos. 4, 6, 7 and 9 (Mr. Axworthy), No. 10 (Mr. Langdon), No. 11 (Mr. Axworthy), Nos. 14 and 15 (Mr. Langdon), No. 16 (Mr. Axworthy) and Nos. 17 and 18 (Mr. Langdon) (p. 4183).

Mr. Speaker: Before proceeding, I have some comments to make with regard to the Bill. I am waiting for distribution to the House Leaders and those involved. I am ready to rule on the amendments, but as Hon. Members can imagine, the ruling is almost as long as the original document. If it is all right with the House, I think it would be courteous if I waited two seconds while the pages distributed copies to the House officers.

Before proceeding, I am now in a position to rule on those motions about which the Chair expressed reservations on Tuesday, April 23.

The procedural contributions made by Hon. Members on Thursday last were of great assistance to the Chair in preparing this ruling.

1. The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) did not argue the admissibility of Motion No. 3 but offered new wording in an attempt to make it procedurally acceptable. On the surface, the suggested amendment by the Hon. Member appears to render the motion less argumentative. However, the Chair is still faced with the fact that the motion seeks to alter the purpose of the Bill by focusing the thrust of attention on past foreign investment. This was never contemplated in the Bill. I must agree with the remarks of the President of the Privy Council (Mr. Hnatyshyn) and rule that the motion goes beyond the principle of the Bill as agreed to at second reading. In this regard, I refer Hon. Members to Beauchesne's Fifth Edition, Citation 773(5).

2. On Motion No. 5, the Hon. Member for Essex-Windsor (Mr. Langdon) went to great lengths in analyzing the principle of the Bill and focused his remarks on what he considers to be the discriminatory aspects reflected in the purpose clause and in subsequent details of the Bill. I thank the Hon. Member for his valuable contribution in this respect as it has facilitated the Chair's understanding of this piece of complex legislation.

In that the purpose clause differentiates between Canadian and non-Canadian investors and insofar as significant investments in Canada by non-Canadians are reviewable in order to ensure such benefit to Canada, then the Hon. Member is correct, that there is "discrimination". However, that discrimination is limited in its scope. These limitations are defined in subsequent clauses of the Bill.

The House is still faced with the fact that Motion No. 5 would bring in a discriminatory element by limiting the Minister's assistance to Canadian investors only. Such a restriction towards non-Canadians goes beyond the limited form of discrimination specified in the Bill. Thus the Chair has no alternative but to rule Motion No. 5 out of order.

3. In Motion No. 13, the Hon. Member for Essex-Windsor seeks to introduce new conditions of conduct for Canadian businesses owned and controlled by non-Canadians. This is clearly discriminatory towards non-Canadians and again contradicts the purpose of the Bill as agreed to at second reading. It further proposes new provisions to be included in the Bill and thus goes beyond its scope. I must therefore rule that this motion cannot be proposed to the House.

4. The Chair had not seen any problem with Motion No. 14 and had grouped it for debate with other motions. The Hon. the President of the Privy Council argued, however, on Thursday last, that the motion was out of order on the grounds that it went beyond the scope of the Bill, and was irrelevant and redundant, in that it gave to the Minister the exercise of powers which would infringe upon provincial labour jurisdiction. Upon reflection, after listening to the arguments of the Minister, I will in no way rule as to whether or not the motion would infringe upon provincial jurisdiction, as that is a legal question and not one of procedure. However, the motion is irrelevant to the clause it attempts to amend. As stated in Citation 773(1) of Beauchesne's Fifth Edition:

> An amendment is out of order if it is irrelevant to the Bill—

For this reason, I have no alternative but to rule that Motion No. 14 is out of order.

5. As the Chair indicated in its preliminary statement on Tuesday last, Motion No. 21 goes against the principle of the Bill and is therefore out of order.

• (1110)

6. With reference to Motion No. 22, I indicated this motion infringed on the financial initiative of the Crown. The Hon.

Member for Essex-Windsor proposes in his motion that a board of directors be established, including a full-time president, and that the specific allocation of money for the president would be divided among the part-time directors and the president, thus leading to no extra charge on the Treasury. I must congratulate the Hon. Member on such an original approach. That a president would be willing to share his salary with his board of directors, thereby leading to no charge on the Consolidated Revenue Fund, is quite novel. However, the Bill does not provide for the establishment of any board of directors. The Chair must rule that Motion No. 22 infringes on the financial initiative of the Crown. In this connection, I refer Hon. Members to Beauchesne's Fifth Edition, Citation 540.

7. Motion No. 26, as I have already indicated, adds a new exemption to the particular clause it seeks to amend. The Hon. Member for Winnipeg-Fort Garry argued that the principle of recognizing certain exemptions has already been accepted in the Bill and this motion merely offers a further exemption. That may well be so; however, I cannot ignore the fact that the motion, while adding this exemption, discriminates against non-Canadians. As I indicated earlier in this ruling, such discrimination was not envisaged in the Bill when it was given second reading. Consequently, I must rule that this motion goes beyond the principle of the Bill and is therefore out of order.

8. Motions Nos. 28 and 29 clearly go beyond the principle of the Bill and, in one case, infringe upon the financial initiative of the Crown. They are out of order.

9. The Chair had indicated that Motion No. 33 sought to establish a committee not contemplated in the Bill, was a new proposition and went beyond the four corners of the Bill. As well, Motions Nos. 54, 62, 65, 66, 71, 73, 92 and 93 were consequential on this motion. The Hon. President of the Privy Council, in his remarks, thought it highly questionable that a Cabinet committee could be created by an Act of Parliament, a doubt which also exists in my mind. However, I will not comment further on this. The Hon. Member for Winnipeg-Fort Garry pointed out that the Minister in committee had indicated that he intended to consult with colleagues in Cabinet on matters pertaining to this legislation. While the Hon. Member's proposal to formalize such consultation may be laudable, the creation of such a committee was not contemplated in the Bill. Therefore, it is the opinion of the Chair that Motion No. 33 goes beyond the principle of the Bill as agreed to at second reading. The motion also offers a new proposition and should not be put to the House. Similarly, Motions Nos. 54, 62, 65, 66, 71, 73, 92 and 93 also will not be proposed.

10. With respect to Motion No. 38A, the Hon. Member for Essex-Windsor stated that this motion should not have been grouped with Motions Nos. 34, 35, 36 and 38. After taking a closer look, the Chair agrees with the Hon. Member and Motion No. 38A will be proposed to the House separately and, if necessary, voted on separately.

11. Motion No. 37 raises once again the matter of discrimination against non-Canadians and goes against the purpose of the Bill. Based on my earlier remarks when dealing with Motion No. 3, concerning the nature of discrimination, I must disagree with the arguments put forward by the Hon. Member for Essex-Windsor. I therefore rule Motion No. 37 out of order. These remarks apply to Motion No. 39, which is also out of order.

12. As I indicated in my preliminary statement on Tuesday of last week, Motion No. 40 contains a new proposal not contemplated in the Bill and is therefore out of order.

13. With regard to Motions Nos. 42 to 49 inclusive, I must, respectfully and with regret, inform the Hon. Member for Winnipeg-Fort Garry and the Hon. Member for Essex-Windsor that they were not successful in persuading the Chair that these motions are procedurally acceptable. These motions are all similar efforts to introduce into the Bill types of investments that would require review which were not foreseen in the Bill as adopted by the House at second reading. Therefore, these motions will not be proposed to the House. As Motion No. 51 is consequential on these motions, it falls into the same category.

14. The Hon. Member for Essex-Windsor argued that Motions Nos. 55 to 61 attempt to clarify and make more specific the factors set out in Clause 20 of the Bill. The Chair agrees with the arguments put forward by the Hon. Member. In attempting to do so, however, the Chair must point out to the Hon. Member that the motions introduce new proposals into the Bill, proposals which are outside the scope of the Clause. While I fully understand the Hon. Member's intention, the Chair is bound by the procedural rules and precedents, as stated in May's Twentieth Edition at page 555:

> An amendment is out of order if it is . . . beyond the scope of the clause under consideration—

Therefore, I have no alternative but to rule Motions No. 55 to 61 out of order.

15. In relation to Motion No. 64, I must disagree with the remarks of the Hon. Member for Winnipeg-Fort Garry. This motion seeks to introduce into the Bill indirectly what cannot be done directly, namely, a definition of the term "net benefit". Further, it goes beyond the purpose and scope of the Bill. With regret, this motion cannot be proposed to the House.

• (1115)

16. The Hon. Member for Winnipeg-Fort Garry indicated that Motions Nos. 70 and 72 have different objectives and should be voted on separately. I agree with the Hon. Member, therefore, Motions Nos. 70 and 72 will be voted on separately, but shall remain grouped with Motion No. 68 for the purposes of debate.

17. In my statement to the House on Tuesday last, I had indicated some doubt in the mind of the Chair in relation to Motions Nos. 78 and 79 and had asked the Hon. Member to explain their purpose. After taking his remarks into consideration, the Chair is of the opinion that these motions, which seek to reduce the necessary minimum of one-third voting shares to 5 per cent or less in order to obtain control of a corporation, are simply modifying the conditions of acquisition of control.

The Hon. President of the Privy Council argued that to reduce the level to 5 per cent expanded the jurisdiction of the Agency. In the opinion of the Chair the Agency, as defined in the Bill, already has the authority to review acquisition of control. Therefore, these motions are in order and will be proposed to the House together for debate and vote on Motion No. 78 will dispose of Motion No. 79.

18. The Hon. Member for Essex-Windsor argued quite eloquently in favour of Motion No. 80 and has convinced the Chair to allow this motion to be proposed to the House. Motion No. 80 will be debated and voted on separately.

19. Motion No. 82 gives to a committee of the House the power to approve regulations. This clearly was not contemplated in the Bill which gives such power to the Governor-in-Council. Therefore, this motion is out of order.

20. Motion No. 83, as indicated by the Chair on Tuesday last, goes beyond the scope of the clause it is attempting to amend and is therefore out of order. As Motion No. 84 is consequential on this motion, it also is out of order.

21. The Hon. Member for Essex-Windsor asked the Chair to consider further whether Motions Nos. 85 to 88 were consequential to Motions Nos. 83 to 84. Upon reflection, Motions Nos. 86, 87 and 88 are consequential on Motion No. 83 and cannot be put to the House. As Motion No. 85 deals with the disclosure of information in connection with legal proceedings, its subject matter allows the motion to stand by itself. It is my intention to put the motion to the House separately and have it voted on separately.

22. In relation to Motions Nos. 90 and 91, I regret that the Hon. Member for Winnipeg-Fort Garry has not convinced the Chair to change its first impression of these two motions. As I previously stated, Motion No. 91 infringes on the financial initiative of the Crown and is therefore out of order. As Motion No. 90 is consequential on this motion, it is also out of order.

23. Finally, for the reasons given by the Chair in its preliminary statement, Motion No. 94 is out of order and will not be proposed to the House.

This concludes the remarks I have to make in relation to the procedural acceptability of certain motions. For the benefit of Hon. Members, I will enumerate those motions ruled out of order. They are Motions Nos. 3, 5, 13, 14, 21, 22, 26, 28, 29, 33, 37, 39, 40, 42 to 49 inclusive, 51, 54 to 62 inclusive, 64 to 66 inclusive, 71, 73, 82 to 84 inclusive, 86 to 88 inclusive and 90 to 94 inclusive.

I must apologize to the House for the length of this ruling, but I am sure Hon. Members will understand that, with the number of motions proposed, the complexity of the legislation and the high calibre of the procedural arguments made, the Chair was obligated to weigh carefully and to answer fully the procedural concerns of Hon. Members.

Debate will now continue on the group of motions now before the House, with the exception of Motion No. 14 as ruled on previously by the Chair.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I never cease to be amazed at your capacity to make these magnificent rulings. It is the capacity to read them, I suppose, which amazes me more than the making of them. Maybe some day we will be in the position in which we will not have to do this.

First, on behalf of my colleague, I want to thank you, Mr. Speaker, for the kind words which you expressed during your ruling. I am not really talking about that, however, but with regard to the presentations of the arguments which I think everyone in the House felt were extremely well done by all Hon. Members who made representations during the submissions which were made to your preliminary ruling.

• (1120)

Let me talk for two or three moments about the reasons we are attempting to make these subsequent changes to the legislation. The experience we have had over the years with respect to the degree of power which the Minister has is an experience which has led most of us to come to the conclusion that many of the areas we would define on an ongoing basis as "problem areas" seem to be outside the scope of the Minister to resolve. I have on numerous occasions, as have other Hon. Members of the House, come across situations where companies operating in Canada, or seeking to operate in Canada, were prepared to make substantial commitment on paper guaranteeing such things as long-term employment, investment in areas of research and development, and assuring the Government through FIRA—and I now imagine through this legislation—that their intentions were of the highest order and that they were committed to Canada, as we would expect them to be.

Unfortunately—and I want to stress that word—the experience in many instances has not been in keeping with the commitment. All too frequently we have found that after permission was given to either purchase an existing operation or to establish a new operation in Canada, the performance level, when measured against the commitment made, fell substantially short of realizing the goals. So what we are asking is that the powers of the Minister be more clearly defined and that the Minister in fact have the necessary power to deal with some of the problems which, quite frankly, not only did exist in the last few years but continue to exist. We are dealing with basically the same people and with the same corporate entities, in most instances, and if they were not prepared to live up to their commitments voluntarily in the past, then one would have reason to doubt that their attitudes would have now changed significantly. And it would not be unreasonable to think that they would not be prepared to live up to their commitments in the future.

We would very much like to have the powers of the Minister more clearly understood when these circumstances arise. One example which I raised yesterday in Question Period is the take-over of Canadian Porcelain Limited by, I believe, Lapp Industries from New York State. That is an example of a situation which cries out for investigation. It is not unique. It is not the first time it has happened. But the fact that it has

happened again demands that we make some provision in the law to permit the Minister to step in and terminate, if need be, a proposal such as the one we now see before the receiver on behalf of the Royal Bank which is handling the problems of Canadian Porcelain.

Just so Hon. Members understand the dilemma which confronts me and the workers at Canadian Porcelain, Canadian Porcelain is in receivership not totally but primarily because of the actions of a number of foreign-based companies, including Lapp Industries which dumped its product into the Canadian market and, therefore, undermined the viability of this Canadian company which had been in existence for 80 years or more. Canadian Porcelain had been producing insulators for electrical use of a quality which had met the demands of the market-place throughout that entire period, but Lapp Industries, together with others, sold into the Canadian market at below their own cost price. It was found by a tribunal to have dumped. The effect of that action by that company and others was to undermine the viability of Canadian Porcelain and therefore make it impossible for Canadian Porcelain to maintain its position in the market-place. The ultimate result was that the company went into receivership.

• (1125)

Subsequently the employees, 85 of them or thereabouts, decided that this was a good plant with a future potential and they got together with a number of community and church groups in Hamilton. They had the support of the Labour Council, City Council and I think of every Member of Parliament from the area in seeking out another way to continue to operate the plant located in the west end of Hamilton. After undertaking a viability study, they were able to convince the credit union and CUNA that this would be a useful thing for them to become involved in.

They began a process of providing the basic funding for the purchase of the assets which would have permitted the plant to continue to operate. About a week or 10 days ago they made an offer of $1.1 million to the receiver, Peat Marwick. What they were not told when their offer was refused was that there was another offer to be considered. They asked Peat Marwick to give them an idea of what they needed in the way of financing in order to get acceptance of their proposal. They were led to believe that an offer in the neighbourhood of $1.3 million would be satisfactory. They went back to their financial principals and renegotiated and got agreement for $1.3 million. They took that to their co-operative board made up of employees and some others, and got approval for an offer of $1.3 million on Friday last. They then instructed the offer to be drawn up for presentation on Monday last to the receiver in Toronto. But in the meantime the receiver sold the company. Although I am not absolutely clear on how much, we are told that the receiver sold it for an amount in the neighbourhood of $1.25 million, and they sold it to LAPP Industries. Without having the decency to discuss the potential sale with those who were working in the plant, those who would put together the co-operative, without even giving them a chance to enter another offer, the receiver sold the plant to the very company which had been a part of the group which had undermined the operation in the first place.

It strikes me, Mr. Speaker, that there is something dreadfully wrong with that. There is something dreadfully wrong with a situation which will permit a foreign company to undermine its Canadian competitor, force it into receivership and then purchase it from the receiver to the detriment of the workers and in spite of the fact that there was an offer of something close to equal value already on the table from a group of Canadians. I think that is why we have to extend the powers of the Minister.

As you know, I have asked the Minister to step in now and stop it but I know he is going to tell me that he does not have the power. Well, I am going to tell him that we will give him the power. Bring in an amendment to any piece of legislation and we will give him the power to stop what is going on in this case. But more importantly, we will give him the power to deal with these kinds of situations as and when they arise in the future. That is what we are talking about. That is protecting Canada. That is giving Canadians a chance. That is ensuring that they are not undermined by the might and financial strength of their competitors elsewhere. That ensures that we do not see a further deterioration of Canada's position with regard to domestic involvement in our economy as opposed to foreign investment and involvement in our economy. I think it is absolutely and vitally important that amendments such as those which are before us now become part of this particular piece of legislation.

• (1130)

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I rise with a certain apprehension, having to follow the eloquent words of my colleague. I would like to speak in support of the group of amendments that have been moved on this particular aspect of the Bill. I will focus my comments on the impact which the main Bill will have if the amendments are not accepted. Before I do that, I would like to thank my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau), for giving up his position on the schedule to allow me to speak so that I can return to committee.

In the last six months since I became a member of the House I have heard members of the Government talk about investment and about how they perceive the world. The Minister of State for Small Businesses (Mr. Bissonnette) is here today. I urge him to consider these words. I am getting the impression that the Government feels that the only way to create jobs and improve our economy is to throw money at it. In the past we in the New Democratic Party have been accused of wanting to throw taxpayers' money at things to make them go away. That label was also applied to the Liberal Government in years past. Through this Bill all the Government wants to do is bring money in from outside our boundaries to solve everything. They believe that will end all of our economic woes.

In committee as well I am hearing that there is a need to bring in entrepreneurs. However, the definition of entre-

preneurs is those with bucks, not necessarily those with ideas. In committee we have heard about the reality of Canada. I would like to quote from a presentation of an old seatmate of mine, Dr. Stuart Smith, the head of the Science Council of Canada. He stated:

> The missing link is that as individual Canadians and as Canadian institutions we have developed habits of investment which are not appropriate to the rapidly changing international picture. We have developed, over the years, a reliance upon our resource sector to carry us through and a feeling that we could basically ignore the export markets for knowledge-intensive goods, high value-added goods. We have left those either to foreign companies who have not entered the export market because they basically did that from their home enterprise, or we have just ignored them completely and continued to produce very standard products in textiles, furniture and gloves. Generally speaking, we have not been in precision machinery or advanced robotics or any of these things. Now if you say, does that mean we have enough Canadian capital? Well, yes and no; yes, we have enough Canadian savings, but it is not being turned into capital in the sense that it is capital in a given industry.

Investment Canada is a fine name for this Bill. We should be using this Bill as a tool to convince Canadians to invest their savings in new growth industries such as software, electronics and robotics. We should not be spending our time trying to drag in money from outside our borders. Investment Canada should be required to study all proposals to sell existing Canadian companies to foreigners and then to go on a search for capital.

When a company wants to hire someone from outside our borders, they are first required to do a job search. They must go through Canada Employment and Immigration and search from sea to sea to discover if there is a Canadian who is qualified to do that job. In the majority of cases they find a Canadian who is qualified and prepared to relocate for the purpose of achieving gainful employment.

I suggest that Investment Canada should do the same thing. Canadian companies which wish to obtain foreign capital should be required to do a capital search from sea to sea to discover if there is money which is currently sitting in a bank account that could be better used in the production of new wealth and new jobs. That is the approach which the Government should be taking.

There will be times when it will be necessary to bring money in from beyond our borders. We must do that in a very controlled way. We must ensure that that capital is used for the benefit of Canadians. It does not do our society any good when someone buys a plant, perhaps using our money to finance it, and does not create any new wealth or new jobs. Rather, they set the plant up for the day when the parent company, in the time of recession, pulls back its horns and circles the wagons, so to speak. The plant in Canada is the first victim. We saw very clear examples of that in the mid to late 1970s throughout this land, particularly in Ontario. This Bill is trying to turn the clock back instead of trying to develop a mechanism that will allow Canadians to invest in Canada to bring about growth and development of new jobs and new wealth.

Another concern which is addressed by one of the amendments is that all Canadian businesses which are owned and controlled by non-Canadians must respect the rights of the workers for collective bargaining. In the pulp and paper industry in Canada we are now facing very harsh competition from the southern United States. In those southern United States they have so-called "right to work" laws which basically means the right to have an unorganized, non-union facility which pays bottom of the barrel dollars. We have such companies investing in the pulp and paper industry in northwestern Ontario and their record is very dismal. If these companies are going to invest in Canada they must work by our rules. They must follow the accepted approach to worker-owner operations that we have built up over the years in Canada. Unless we put those rules in place, not only will we allow non-Canadians to buy us out, but they will severely lower our standards of living and the rights of workers on the job.

● (1140)

I believe the amendments before us are extremely important because they attempt to make a bad Bill slightly better. Although we would like to see this Bill withdrawn completely, we urge the Government to consider these motions seriously and incorporate them into the Bill.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, we are now in the last stages of the debate on Bill C-15, the legislation being proposed to replace the former Foreign Investment Review Act. Throughout the debate on this Bill, at the second reading stage and in committee, we have been urging the Government to reconsider its approach to establishing a form of control over foreign investment in Canada.

Despite their efforts both at the second reading stage and in committee, up to now the Official Opposition and the opposition represented by the New Democratic Party have been unable to persuade the Government to modify its general approach.

Now, at the report stage, we have a chance to modify the content of certain clauses of the Bill. Among the proposals that were made, Mr. Speaker, I shall, if I may, consider three of the motions, namely, Motions Nos. 4, 6 and 16. I intend to deal simultaneously with Motions 4 and 16 which concern the powers granted the Minister under the proposed legislation.

The attitude taken by the Government, and especially by the Minister responsible for Regional Industrial Expansion (Mr. Stevens) is, I think, an extremely arrogant one. The Minister is empire building. He wants to keep the decision-making power to himself. However, we believe, and that is the objective of Motion No. 4, that a distinction must be made between setting policy and policy implementation.

If Bill C-15 . . . Government Members will realize later on, when they are facing specific problems related to take-overs in their own ridings, they will see how what I am going to say will affect them and maybe, in a couple of years, they will say: Maybe we should have listened a bit more: it might have been a good idea.

Mr. Boudria: Yes, when Sinclair Stevens says no!

Mr. Garneau: In fact, there is more to it than that, because in the Bill, in Part VI, the Government decided to create an agency. Why create an agency? They could have simply—and actually that would have made perfect sense, considering the content of Clause 4—they could have simply entrusted the administration of this legislation, as is customary in other cases, to regular public servants, to an assistant deputy minister or the department's administrative services. However, they decided to establish an agency. The only reason I can see is in order to impose a certain degree of objectivity on the administration of this Act, and to maintain a certain distance between political decisions and administrative decisions. Otherwise, they would not have bothered establishing the agency. I do not see why the present agency is being set up under the conditions set forth in the proposed legislation. If we look at the CRTC, for instance, which operates more or less like other government agencies, the Government, having received a mandate from the general public, sets policy but entrusts policy administration to a group of professionals who implement the policy.

If the Government is establishing this agency, I wonder why, in Clause 4, the minister is not only responsible for setting policy but also for managing and administering the Act. I think this is an abuse of power which is going to create problems, not just for the businessmen who want to buy or sell companies, but for the Minister and the Government, and there will probably be situations that are far more serious than the Government has foreseen, and the result will also be that most decisions on foreign take-overs will become political decisions.

We all know it is not particularly pleasant to have to consider the political side of a case that should be analyzed only on the basis of content and merit. That is why we suggested that Clauses 4 be amended to separate the functions that are really the Government's, that are really the Minister's, functions whose purpose is to establish the policy for the agency created under Clause 6, I believe, of the Bill before the House, from the policies that form the framework for the agency's decision-making role. We therefore propose, in Motion No. 4, that these two be separated.

Mr. Speaker, I must stress that unless the administrative function is kept separate from the political function, there will be abuse of power, and this will put the Minister and the Government in some very difficult situations. I maintain that the agency, by its very existence, becomes a kind of administrative tribunal. Has there ever been an administrative tribunal that had to examine a case, render a decision and subsequently, submit a decision, that could be quasi-judicial, to a minister for approval? This is tantamount to putting political, administrative and quasi-judicial functions all in the same bag, and I submit, Mr. Speaker, with due respect, that this amendment should be given serious consideration.

If the Government is not prepared to separate setting policy from administering such policy, if it refuses to realize the risks it is taking in so doing, at least it should accept our motion concerning the setting up of a departmental committee so that one minister will not have sole responsibility for making such an important decision, otherwise we will get situations—

Mr. Boudria: Like Domtar.

Mr. Garneau: Like Domtar, for instance, where we were told by the Minister's colleagues—that is what the papers told us, and the Minister of Public Works said so publicly—that it was a departmental decision, that he knew nothing about it, and we all know the uproar that caused. They finally found a solution to the problem: Quebec money is going to pay for the Domtar project, since the funds for Domtar were funds already allocated under the regional development agreement and would normally have been used for other purposes. Here they tried to get around the problem and they more or less wanted to reverse a decision made by the Minister. However, the proposed legislation will make it possible for one person, and today that is the Minister we know, tomorrow it may be somebody else, but the fact remains that that person will have the power to make decisions involving thousands and millions of dollars and affecting hundreds of employees. One single person will, as it were, have the right to decide in matters of life or death. That is why I submit that if the Government is not prepared to accept the amendment proposed in Motion No. 4, it should at least consider the proposal contained in Motion No. 16, which is aimed at setting up a departmental committee to review departmental decisions and consider certain regional aspects. I could take Domtar as an example or the Pêcheries Cartier, for instance, and there are many other examples and other industries that have a considerable impact on employment and on the lives of hundreds of Canadian workers. By including the possibility of appealing either to the entire Cabinet or at least to a Cabinet committee, I think this would have a balancing effect on these important decisions. I would like to get back to the point I stressed previously: I think the Progressive Conservative Members, the backbenchers, may be very pleased to find—

Mr. Boudria: Even some Ministers may be.

Mr. Garneau: Perhaps some Ministers as well, who are not aware of decisions when they are made at the departmental level only, and it would give them a chance to ask questions and respond to requests from their ridings or regions.

Mr. Speaker, my time is about to expire. How much time do I have left?

The Acting Speaker (Mr. Charest): Less than a minute.

Some Hon. Members: Proceed!

Mr. Garneau: Less than a minute! The last amendment I wanted to discuss concerns the possibility of giving the agency the authority to seek out actively Canadian buyers across the country. I think this is a suggestion that could appropriately be included in the legislation, because if an offer is made for a company . . . We know that often, businessmen whose children are not interested in taking over the business and who want to dispose of their investment when they reach retirement age, often have to and would like to sell, and if the agency were empowered to help the owner of a company to sell to Canadians rather than to non-Canadians, I think it would be an important adjunct to the legislation. I hope that this House and especially Members on the Government side will at least want to consider these very serious proposals.

● (1150)

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have an opportunity to say a few words on the Investment Canada Bill. It is a very fundamental piece of legislation. It really separates the Government's view as to how we should proceed in terms of investment from the United States and from other countries from the view of the Official Opposition.

Motion No. 4 proposes that the Minister be responsible for the administration of the Act and the management and direction of the agency established by Section 6. Our position is that the public servants who will be working in Investment Canada should receive their policy direction from the Minister and from Cabinet. Of course, under this Bill the Minister will have the power to approve applications which exceed the limit of $5 million. Fundamentally we disagree with that, in that there will be hundreds of applications under that limit. This could have an adverse effect upon small companies. A foreign investor could come into the country, buy out a small company and shut down the manufacturing part of the plant. Hopefully the company would at least retain the Canadian sales force, but in some cases such companies may lay off the sales force and run the entire operation from the United States. We think that Canadians will lose control if the limit is raised to $5 million.

At one time the City of Sault Ste. Marie had three independent dairies. Now it is controlled by Beatrice Foods, a large multinational company. That is happening all over the country. It is not that all foreign investment is bad. It certainly is not, and we want to encourage it. Large companies from the United States could come in here, not necessarily with adverse or negative thoughts about Canadian employment. In many cases that does not even occur to them. Companies are in business to make a profit. No one would deny them that. To some extent FIRA was a bargaining tool; so long as a company did not indicate that it would shut down its manufacturing operations in Canada, move all its research and development to the United States and not give Canada a portion of international markets, its application would probably be approved. Sometimes, if the companies were dishonest enough, these things occurred.

When responsible companies appear before a government agency for approval or review, it should be pointed out to them that we are a country with 1.5 million unemployed, that we would like to see their manufacturing plants here, that we would like to see them try to shoot for a share of the international market, that we would like to see them committed to the long-term expansion and development of manufacturing facilities and plants, and that we would like to see a good portion of the research and development being carried out in Canada. In that event most companies would say that it is not unreasonable for Canadians to make those requests, in that we have higher unemployment than has the United States and we have smaller markets and want to see a portion of them retained.

The Minister has shown that his concern is just how many bucks are involved, regardless of from where they come or what the long-term future will be. I do not think we could give all that power to a worse Minister. He will sit in his ivory tower on the thirty-third floor of Place de Ville and make unilateral decisions. Cabinet Ministers from P.E.I., British Columbia and Quebec, just to name a few, will not have a say because the Minister will unilaterally make decisions.

Last week I heard an interview on the CBC concerning large companies and reverse take-overs which will take place when there is no FIRA to review them. The Minister being able to make unilateral decisions—and if an application is below the $5 million limit, there will be no review at all—is not good for the country.

The Tories are rather embarrassed about the tremendous increase in Canadian ownership of the petroleum industry during the first three or four years of the National Energy Program. Canadian ownership has increased dramatically, from some 28 per cent to around 40 per cent. If this Bill ultimately passes, everything is abandoned and the percentage of Canadian ownership starts to slide, it will be interesting to see just how proud the Tories will be of that loss of Canadian ownership for which we fought very hard during the 1970s. Instead of dividends being distributed to Canadian owners, they will be sent across the border to the United States. The ultimate disadvantage will be to Canadians generally.

● (1200)

It is rather interesting that in the whole scenario of Canadian ownership the Tories said that if we tried to have more Canadian ownership, oil and gas exploration would be drastically reduced.

Mrs. Mailly: That's false.

Mr. Foster: The Tories spend hours opposing that. If we look at our energy-petroleum situation in this country today, we see that we have about a 33 year horizon of reserves and shut-in natural gas. So much natural gas has been discovered that it is not profitable at this stage to explore for more. If we look at oil reserves, we can see that the projections of the Department of Energy, Mines and Resources show energy self-sufficiency on a net basis for oil through to the end of the

century. This shows that Canadian ownership is not adverse either in the petroleum industry or in other industries of this country. I hope that these amendments by our Party will be accepted by the House.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased once again to rise to take part in this debate which is about the fundamental direction that this country will be taking with respect to basic decisions on our economic future. This is an historic debate, a debate which profoundly affects the lives of not just our own constituents, particularly in areas in which there is a significant amount of foreign-owned industry, but the lives of all Canadians, their children and their children's children. Ultimately we are talking about the future direction of this country and whether that direction and our objective as a nation is going to be shaped here in Canada by Canadians, subject to the priority of Canadians, or whether instead, as has been advocated in this Bill by the Government, those fundamental priorities will be decided outside Canada in foreign corporate boardrooms, based not on Canadian priorities but on the global international priorities of multinational corporations, whose only concern is for the global bottom line. That is the essence of what this debate is all about.

Many witnesses appeared before the committee which gave this Bill careful study until the Government cut off debate in that committee. What we deeply regret in the context of these amendments and of our proposals generally on this Bill is that it would appear that the Government has fundamentally ignored the thrust of the representations that were made by the witnesses who appeared before that committee on this important Bill.

The amendments of my colleague from Essex-Windsor (Mr. Langdon), who has been doing such an outstanding job in leading the debate on behalf of the New Democratic Party on this vital legislation, fall into several broad categories. All of them deal with the underlying thrust of the Bill and the duties and powers of the Minister who has the obligation to implement this Bill on behalf of the Government. Perhaps nowhere else than in this grouping of amendments is the distinction more clear between the approach of the Government, which effectively is to throw the door wide open to foreign capital without any restrictions whatsoever, and the approach of the New Democratic Party, which is to say that we are prepared to accept that foreign investment can be beneficial to the people of Canada, but that investment must be made on terms and conditions which are ultimately decided by the people of Canada.

Let us look at the amendment set out in Motion No. 10. The Government's recommendation with respect to the duties and powers of the Minister states that the Minister shall assist in the development of industrial and economic policies that affect investment in Canada. The amendment of my colleague from Essex-Windsor goes far beyond that in its scope. It does not just call upon the Minister to assist in the development of these policies which will ultimately result in the demise of Canadian economic sovereignty, but to, and I quote:

> —develop medium term and long term public and private industrial sector investment guidelines consistent with an industrial strategy that emphasizes full employment, growth, diversification, autonomy and export competitiveness of the Canadian economy;

What a profound contrast between the Government's approach, which basically says that the Minister may assist in the development of certain policies, and that of the New Democratic Party, which states that there is an obligation on the Minister to develop policies, not just short-term, fly by the seat of your pants policies, which has been the response of this Government to date, but to look at medium and long-term policies. Those policies should involve priorities both for the public sector and the private sector. We in this Party, unlike those on the government benches and in many ways unlike those in the Official Opposition, believe that there is an important role to be played by the public sector in this country.

The jobs task force, which was chaired so ably by my colleagues from Yorkton-Melville (Mr. Nystrom) and Essex-Windsor, held hearings across this country. That task force was told in no uncertain terms that the people of Canada accept an important role for the public sector, not some monolithic, bureaucratic, centralized public sector, but a public sector which is responsive to local community needs, responsive to the concerns and priorities of people who live in communities across this land.

There is a role for both the public and the private sector. There is an emphasis on an industrial strategy which has as its heart the promotion of full employment. Nowhere in this Bill is there a commitment by the Government of Canada to the most fundamental and basic priority that must affect all Canadians, and that is the commitment to full employment.

Each of us has seen daily in our constituency offices the effects of the personal and economic devastation that is caused by unemployment in this country, whether it be young people finishing university or high school, out in the job market and desperately trying to find any job, short term, long term, part-time, full-time, or whether it be the insecurity, even of those people who have jobs now, afraid that they may lose their employment. This Bill turns over those basic decisions about the direction of the Canadian economy to faceless men in foreign boardrooms. It is that which we are fundamentally opposed to and that which we will fight right down the line in this Bill until the Government comes to its senses and recognizes that it must change its direction. Full employment, therefore, is a fundamental priority.

Our amendment also suggests diversification in the economy. Autonomy, as I have indicated, lies at the heart of our recommendations so that it is Canadians who are making the decisions about our economy. With regard to export competitiveness, the situation is going to increasingly become the case in Canada of foreign companies deciding that because they do not want to compete with their American head offices, they are not going to be aggressive in the export market. We say that many new jobs lie in the export area. If foreign companies are not prepared aggressively to promote those opportunities,

then they indeed are not welcome because ultimately their strategy will result in the loss of Canadian jobs.

• (1210)

There are many other important amendments in this grouping, including the motion which would encourage and facilitate the acquisition and control of Canadian businesses by Canadians in areas pertaining to our cultural heritage and national identity. In this motion we speak of a variety of very sensible techniques to promote that important objective. We proposed a motion which would ensure that Canadian business enterprises owned and controlled by non-Canadians respect the rights of workers including the right to collective bargaining.

I will pursue these and other important questions in the course of ongoing debate on this fundamental motion and on this Bill. I hope that the Government will come to its senses and withdraw this odious and regressive piece of legislation.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker I rise to take part in today's debate on these amendments with the same conviction I had when Bill C-15, an Act respecting investment in Canada, first came up for debate on second reading.

This Bill is the first measure introduced by the Conservative Government to convince its friends south of the border that not only is Canada open for business as before, but that now, under a Conservative administration, it is up for sale!

Mr. Speaker, we must create hundreds and thousands of jobs right now to avoid wasting a whole generation. The Conservatives promised that tens of thousands of jobs would materialize the minute they were sworn into office. And now, eight months later, they want to do away with a piece of legislation designed to protect Canadian investors, and throw the doors wide open to just about anybody—no questions asked—thus leaving Canada's small businesses and high technology industries to fall prey to foreign competitors.

Mr. Speaker, most jobs in this country are created by small businesses. As if this Bill in itself was not enough to destroy so many years of efforts by Canadians to control their own economy, it even provides that one person alone, a Minister, can decide what our economic future will be. This will not be a Cabinet decision, and the agency created under this measure will not be given political guidelines. Indeed, the agency will be given its marching orders.

Mr. Speaker, we are not questioning the integrity of the Minister of Regional Industrial Expansion (Mr. Stevens). On the contrary, the amendment we are advocating will enable him to answer to the people of Canada for his decisions, thus preventing the Minister from leaving himself open to charges of partisanship.

We all know that the Minister comes from Bay Street and so, without judging him, we simply have to see where he stands concerning such issues as Melcher's, Wabasso, Sherbrooke's cartography institute, Domtar and what have you.

You would think that the Minister is not attuned to the needs of Quebec, yet the facts are there, I am not making this up. The Conservative Government has been in office for eight months, but people still have to demonstrate, and the Pêcheries Cartier people even have to stage a hunger strike, Mr. Speaker.

Our amendment is constructive. The Investment Canada Agency must not be part of the Minister's staff. The Government and the Minister must give general guidelines to the Agency and let management apply the Act and the regulations.

Ours is a democratic society, Mr. Speaker, and our institutions have to be beyond reproach. We cannot leave Canadian taxpayers with the impression that outright patronage is the hallmark of this Government, that it can hardly wait for the end of the board of directors' mandate to find cushy jobs for its friends.

They are being asked to hand in their resignation to make room for the Government's friends, Mr. Speaker. They even went as far as awarding untendered contracts to the relatives of a Minister. That is the kind of example we get from the Government. With this legislation, Mr. Speaker, who will make the decisions? One man, the Minister of Regional Industrial Expansion (Mr. Stevens). And where will decisions originate from? From Bay Street, Mr. Speaker. How can the Government establish credibility with Canadians if it fails to follow its own guidelines and puts itself in a conflict of interests situation every day?

Mr. Speaker, the promises made in the fall of 1984 were just that, worthless election promises, and the Progressive Conservatives had no intention of living up to them after taking over. The only way Canadians will regain confidence in parliamentarians and our institutions is to dissociate political power and administrative structures from Government institutions, as an example to the private sector.

Mr. Speaker, I conclude my remarks by urging my colleagues on Government benches to support our amendment so that democracy will prevail in our institutions.

[*English*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 4 standing in the name of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 6, standing in the name of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

• (1220)

[*Translation*]

The question is on Motion No. 7 in the name of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 10 in the name of the Hon. Member for Essex-Windsor (Mr. Langdon).

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 79(11), the recorded division stands deferred.

The Hon. Member for Ottawa-Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: Mr. Speaker, Motion No. 10 in the name of Mr. Langdon, which you have just read, was not included to my knowledge in the group which has just been debated, namely Motion Nos. 4, 6, 7, and so on. I do not have it on my list, but perhaps it has not been corrected.

The Acting Speaker (Mr. Charest): I think that the Hon. Member for Ottawa-Vanier (Mr. Gauthier) has realized that—

Mr. Gauthier: Very well, Mr. Speaker.

The Acting Speaker (Mr. Charest): Let us therefore come back to Motion No. 9.

[*English*]

The next question is on Motion No. 9, standing in the name of the Hon. Member for Winnipeg-Fort Garry. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

Motion No. 10 has already been dealt with and deferred. We will now deal with Motion No. 11.

[*Translation*]

The question is now on Motion No. 11 standing in the name of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 79(11), the recorded division on the motion stands deferred.

[*English*]

The next question is on Motion No. 15 in the name of the Hon. Member for Essex-Windsor (Mr. Langdon). Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

[*Translation*]

The question is now on Motion No. 16 standing in the name of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 79(11), the recorded division on the motion stands deferred.

[*English*]

The next question is on Motion No. 17 standing in the name of the Hon. Member for Essex-Windsor (Mr. Langdon). Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

[*Translation*]

The question is now on Motion No. 18 standing in the name of Hon. Member for Essex-Windsor (Mr. Langdon).

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 79(11), the recorded division on the motion stands deferred.

[*English*]

The next grouping for debate will be on Motions Nos. 8, 12, 32, 63, 69, 74 and 75.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Charest): The Hon. Member for Ottawa-Vanier (Mr. Gauthier) rises on a point of order.

Mr. Gauthier: You have just indicated that the next grouping for debate was No. 8, but I suppose you meant Motions Nos. 8, 12, 32, 63, 69, 74 and 75.

The Acting Speaker (Mr. Charest): You are right.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 8

That Bill C-15, be amended in Clause 5 by striking out line 25 at page 4 and substituting the following therefor:

"ment and make public, where not expressly prohibited by federal legislation, the results of this research and analysis;".

[*English*]

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 12

That Bill C-15, be amended in Clause 5 by striking out line 34 at page 4 and substituting the following therefor:

"ance with this Act;

(g) regularly compile and make public information, where not expressly prohibited by federal legislation, pertaining to the performance of Canadian businesses owned and controlled by non-Canadians;"

[*Translation*]

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 32

That Bill C-15, be amended in Clause 13 by adding immediately after line 33 at page 9 the following:

"(4) the Agency will:

(*a*) make public within a reasonable time period all new businesses and acquisitions under this part; and

(*b*) make public within a period not exceeding 14 days after notification is given all proposed investments subject to review under Part IV.

[*English*]

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 63

That Bill C-15, be amended in Clause 21 by striking out line 25 at page 14 and substituting the following therefor:

"Canada, and shall make public his ruling including all undertakings made in connection with the investment."

[*Translation*]

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 69

That Bill C-15, be amended in Clause 22 by striking out line 4 at page 15 and substituting the following therefor:

"notice to that effect to the applicant and shall make public its decision including all undertakings made by the applicant."

[*English*]

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 74

That Bill C-15, be amended in Clause 23 by adding immediately after line 47 at page 15 the following:

"(*c*) the Governor-in-Council shall make public decisions described in subsection (*a*) or (*b*), including in respect to (*a*) all undertakings made by the applicant and in respect to (*b*) the reasons for its disallowal."

• (1230)

[*Translation*]

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 75

That Bill C-15, be amended in Clause 25 by striking out lines 9 to 11 at page 16 and substituting the following therefor:

"relating to the investment annually for a period not less than five years in order to permit the Agency to determine, and where lawful, make public, whether the".

[*English*]

Mr. Langdon: Mr. Speaker, one of the most important principles which has been respected over the years by Canadian Governments of whatever political stripe has been that the people who are affected by decisions which are absolutely crucial to their lives should have the chance to have input into those decisions and should have a clear communication when decisions have taken place as to what the outcome of those decisions will be. This whole package of amendments which we moved before you this morning attempts to respect that tradition of Canadian history and Canadian law.

Frankly, Mr. Speaker, one of the concerns we have had with the existing approach within this country to the review of foreign investment is that it is far too secretive and closed a process. We have seen cases in which very important decisions were being contemplated by FIRA, and in those cases, often on an informal basis, FIRA has turned to the interested parties, to communities, trade unions and potential competitors, and asked those people what they thought about a particular take-over being proposed. They were asked how they felt about this new business which was coming into the country. It has been possible on an informal basis for people to make representations. It was, however, Mr. Speaker, not possible for those same people to have communicated to them the outcome of the decision which was subsequently recommended by FIRA and taken by the Cabinet. For instance, in the case of the Black & Decker workers in Barrie, about whom the House has heard a good deal during these debates, it was not thought somehow fitting that the community of Barrie itself, and the workers who worked in that factory, should have public knowledge of the undertakings which had been accepted by the Black & Decker Manufacturing Co. Limited when it took over the Canadian General Electric subsidiary in Barrie. The result of that was to leave that community in a situation where, when the possibility arose of Black & Decker shutting that subsidiary down, the community itself, the workers themselves, did not know what the undertakings were by Black & Decker despite the fact that those undertakings were going to critically and crucially shape the lives of that community and those workers.

We see at this stage in fact, as the month of April draws to a close, that the 600 workers in that plant in Barrie have lost their jobs. They have lost their jobs in part because they simply did not know what the undertakings were that had been accepted by Black & Decker in taking over that plant. They thought that the undertakings were that the plant would continue to be open so long as the plant was profitable. So they made a commitment to try to keep the plant as profitable as possible. Productivity increased significantly as a result of that commitment. The community felt that that plant had made a long-term commitment to the community of Barrie, but they had no way of knowing specifically and exactly the basis on which that plant would stay in that community. So when it came down to the crunch and the plant announced its closure, the workers who were faced with that decision turned to the Government and said: "Our understanding of the undertaking established by the company was that so long as the firm remains viable, the plant would remain open. What's going on?" The Government had to communicate back to those workers, and we have quotations from the Minister to this effect: "As we look into it, we have found that the undertakings in fact were different from what you thought. The undertakings were not as clear cut as you had been led to believe". As a consequence, the Member of Parliament who happens to be a Conservative from Barrie was not able to stand up and fight with sufficient force to save those jobs despite the fact that he recognized, and the Minister recognized, that this case showed up gaps and problems in the procedure of FIRA.

What we say, Mr. Speaker, is that now is the time to see to it that these gaps and problems do not emerge in the case of the new Bill. It is very simple to make sure of that. It does not require a commitment to social democratic ideology. We don't even have to endorse liberalism. All the Hon. Members of this House have to do is endorse a commitment to openness in the decision-making process. I think it is a principle we have accepted as a House of Commons. It is a principle which makes perfect common sense. It is a principle which has associated with it absolutely no problems for the Government with respect to this Bill.

I will be frank with you, Mr. Speaker, and say that some of the amendments we move, I quite concede, are attempts to frustrate what the Government would like to do with Investment Canada as a Bill, because we find that there are parts of the Bill with which we disagree very strongly. However, this set of amendments is not designed to offer frustration. It is not designed to be provocative. Instead, Mr. Speaker, it is an attempt to fill a gap which Hon. Members of the Government themselves will come to recognize if the gap is not corrected now.

I can see what will happen in the years ahead, Mr. Speaker, if these amendments are not accepted. Hon. Members from different constituencies will stand in this House of Commons and say to their own Minister: "A decision has been taken to permit the take-over of this particular factory in my constituency. What undertakings have been established to protect my community?" The Minister will get up, as he has in recent weeks, and say: "We regret that the Act does not permit us to communicate to you as Members of Parliament, to your communities or the workers in those plants, what this company has committed itself to in this take-over". So it is absolutely crucial—not for us because, frankly, our Party will continue to fight on these issues and make political gains based on these issues—for Government members to see the logic of what is a non-provocative argument, a reasonable, rational and constructive suggestion that we open up the decision-making process and make it possible for all those small communities and workers who face problems with the future to have some sense of reassurance because they have some sense of what is actually being done on their behalf by the Government of this country.

● (1240)

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, first of all I want to congratulate the Hon. Member who just spoke for having put to the House Motions Nos. 8, 12, 32, 63, 69, 74 and 75. We support these amendments; indeed, we agree with the common thread that can be seen in this grouping. The fact that the Bill as proposed by the Government does absolutely nothing to open up foreign investment review decision processes bothers us, and I think in the interests of greater parliamentary and, possibly more importantly, public scrutiny, that these amendments should receive some attention and support by the Government.

They should especially interest Government members because they are the ones who are going to go to the Minister when they are affected by decisions taken by that Minister and ask him what happened to the jobs, the research and development and the investment. He will say he does not have to tell them because the Act gives him total discretion. He does not have to tell them anything. That is what the back-benches of the Tories will be facing because what I just said is what is in this Bill; secrecy, power, and one person controlling what? Controlling information, which is as vital to me and this House as it is to all Canadians.

The argument that is put to us by this Government that they must remain secret holds no more water than StatsCan when it asks the people in my riding their name, address, income and their general state of affairs. We are not interested in the balance sheet of the company or in knowing from the Minister whether we have a paying proposition or not; what we are asking the Minister by these amendments is to come clean with the Canadian public and tell us if there is in the take-over some significant advantage to Canadians. If so, make it public. Tell us. Tell us openly what they see in this thing. Tell the Members, tell the back-benchers, tell the book-ends, tell all those nice seals with their flippers going yes, yes, yes. Tell them the truth once in a while what is happening in their ridings. Tell them what is going on.

Mr. Foster: He never does.

Mr. Gauthier: He never does. Why should he? The law says he does not have to. What we are trying to do is open up this legislation. As I said, the common thread is information. Information for whom? For back-benchers and the public of Canada. I hear the Hon. Member for Gatineau (Mrs. Mailly) say this is acceptable. I invite her to get up and say so.

Mrs. Mailly: Accessible.

Mr. Gauthier: If you believe that is acceptable, for God's sake get up and say it.

Mrs. Mailly: Accessible!

Mr. Gauthier: How can it be accessible to the Hon. Member for Gatineau unless she has a particular way into the Government, which I doubt very much. How can she access that information if the Minister is given the right to say no? What is going to happen to that pulp and paper mill of hers? What is going to happen to all those industrial commitments she made in the last election? What is going to happen to those jobs she said she would create? She will never know what happened to them because the Minister will say he does not have to tell her. That is what is going to happen.

Mrs. Mailly: Nonsense and you know it.

Mr. Gauthier: It is not nonsense. I wager that within the next few years that Member will be up saying the Minister has been unfair to the riding of Gatineau because he did not tell us what he was doing regarding investment, job creation and good, sound research and development which creates jobs.

Mrs. Mailly: You do not know what goes on in my riding but I do.

Mr. Gauthier: I invite the Hon. Member to get up and make public her views on this most important subject. We want to know from the Minister how the Government performs. We do not want to know what the profits are, we do not want to know what the situation of a specific company is. We are not interested in that. We want to know about the undertakings. What undertakings did the Minister give to a foreign company wanting to come into Canada, and what significant benefits were in that deal for Canadians? The concentration of effort on much larger investments means that more attention should be devoted to each one. But information can be presented and I said before and I repeat that information can be packaged in such a way that it would be informative to us, yet still preserve and protect those interests which have nothing to do with my interests in terms of profits. I do not want to know whether the company is making profits, I want to know if it is operating as a benefit to Canadians.

Mrs. Mailly: Well then, you are interested in profits.

Mr. Gauthier: The thread through this whole series of amendments, and unfortunately I cannot speak to all of them, is that of information, openness with Members of Parliament and the public, and I commend to Government Members the motions presented and hope they support or at least speak to them today.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, just a few words on the amendments before us. I would like to appeal specifically to my new friends, all these new Conservative back-benchers from Ontario, Quebec and the rest of the country, on the issue and principle behind these amendments; that is, the question of secrecy. Some of them perhaps used to be Liberals in the olden days, Mr. Speaker.

Mr. Boudria: Be nice.

Mr. Nystrom: But if they followed this Parliament a number of years ago they would know that one of the things the Conservative Party crusaded on for years and years was that of openness in Government. There was too much secrecy in government. Why was the Trudeau Government so secretive?

Why was so much confidential? Why do we not have more openness in the way we administer our affairs? That was always the common theme of the Conservative Party. I am sure you remember many years ago a very distinguished Conservative House Leader named Ged Baldwin from Peace River. He had a Private Member's Bill before this House for many years concerning opening up the affairs of government. He made this a pretty big issue and carried on a one-man crusade, and he was very good on that issue.

I remember also when the former Prime Minster, Mr. Joe Clark, took office, that one thing he made important during his short administration was greater openness in government, accessibility to information, less secrecy. He appointed a special Government task force and Mr. Baldwin was—

Mr. Côté (Lac-Saint-Jean): And he was defeated.

Mr. Nystrom: Joe Clark was defeated? He was defeated by the guy who is now Prime Minister of this country. I suppose the majority of you people across the way voted for the present Prime Minister (Mr. Mulroney) over our good friend from Alberta. That is not my fault; you people made that decision, not me. The Conservative Party has historically had that kind of thrust. Mr. Walter Baker, who was the House Leader of the Conservative Party for a number of years, made this a very important issue. When the Member for Yellowhead (Mr. Clark) was Prime Minister, Mr. Baker was the Government House Leader. He made openness and less secrecy in government a very important issue for his Party. He had a lot of support for that from back-benchers on all sides of the House. When there is a large majority Government there is less access to information. The Cabinet has too much power. There is too much power in the PMO, the PCO, and the offices of the various Cabinet Ministers. One thing I like in politics is consistency. We have not had that from the present Prime Minister and his Government. We had a lot of talk about a large deficit—

• (1250)

[*Translation*]

Mrs. Mailly: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Charest): The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: I am wondering about the relevance of the speech, Mr. Speaker. I thought the subject being discussed was the kind of information which should be accessible to the public. The Hon. Member in my view is indulging in a political discourse, rather than dealing with information.

The Acting Speaker (Mr. Charest): I think that if they were to look at the amendments, the Hon. Member and all other Members in this House would see that they have one thing in common. The reason why they are grouped together is because they deal with making information more accessible to the public. In that light, the remarks made by the Hon. Member for Yorkton-Melville (Mr. Nystrom) are quite relevant to the amendments.

Mr. Nystrom: Mr. Speaker, I know the Hon. Member for Gatineau (Mrs. Mailly) was first elected on September 4, but the principle I just referred to is very important in her party's history. Under the leadership of Mr. Diefenbaker, Mr. Stanfield, and Mr. Clark, it was very important, and there were many Conservative Members who spoke strongly on the matter for quite some time in this House. We also introduced numerous motions along the lines held by this party, and so did the Liberal Party.

[*English*]

Maybe I am sounding a little too Conservative. Maybe that is what upsets her. I will refrain from wearing blue from now on.

The Government is moving in the opposite direction. We have concern about the large deficit. We cannot do a lot of things for ordinary Canadians. Yet the Minister's staffs have expanded and the chiefs of staff receive high salaries. That will only result in more and more secrecy and more and more power being concentrated in the hands of the Ministers. I predict that in a couple of years the Member for Gatineau (Mrs. Mailly) will become a very frustrated Member of the House.

Mr. Langdon: She is already frustrated.

Mr. Nystrom: The Member for Essex-Windsor says she is already frustrated. I would not be that nasty. I think she will become very frustrated because she will not have access to information and to the tools she needs to fight for her constituents. All you need do is ask people who have been in the House for a long time, particularly when there was a large Liberal majority, or people on the back-benches of provincial legislatures which do not have freedom of information legislation which they should have. Ask how frustrating it is for those back-benchers to get information to fight for their constituents.

I just cannot figure out what is happening, Mr. Speaker. For so many years this issue was so important to the Conservative Party and its leadership. A year ago when the Conservatives chose their present leader they chose someone who was a fairly radical departure from the Diefenbaker-Stanfield-Clark line. He shared a lot of the ideas of the previous Trudeau Government. In fact there is an old expression in French:

[*Translation*]

The more it changes, the more it remains the same.

[*English*]

I think that is exactly what is happening. I see a Member from Quebec who is agreeing with me. Many of the things we are seeing today in terms of secrecy—

Mrs. Mailly: From you.

Mr. Nystrom: The Member for Gatineau is interjecting once again. I would like to see her get up and defend this lack

of availability of information and this curtain of secrecy which the Government is trying to throw around the legislation in the House. It is certainly not the tradition of her Party. I wonder where she has been during the last number of years.

This is an important issue. I think there should be a back-bench revolt on this principle. When the Conservatives were in Opposition we heard in speech after speech that there should be a back-bench revolt. Members are elected here to represent their constituents. We are elected to do what we can for our constituents. We are not elected to be dictated to by the executive, the PMO, or the PCO. We are elected to hold them accountable. We are elected to represent our constituents. We need the tools to do that job. We are not going to get those tools if we have a cloak of secrecy around all the legislation which comes before the House. I am very disappointed. After September 4 we have many new Members, including the Member for Gatineau.

[*Translation*]

There are many others in Quebec.

[*English*]

There are lots of Members from Ontario and other provinces as well. I thought we would see a new chapter in Canadian political life. I thought we would have more openness in Government, less secrecy, and serious reform of this institution to enable us to become legislators in the real sense as Members of Parliament. I am not seeing that. We have a Government with a large majority and a Prime Minister who is extremely concerned about his image and who governs by polls. We have back-benchers who are nothing but trained seals. I think they should rebel. They should have the courage of their convictions. They should stand up for what their Party represents in the House and the country with regard to issues such as secrecy which are so important.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, how is that relevant to the Bill being considered? The Hon. Member is discussing structure, administration, policy, back-benchers in a non-complimentary fashion, but this has no relevance to the issue at hand.

[*English*]

Mr. Langdon: Mr. Speaker, I rise on a point of order. The Member for Gatineau (Mrs. Mailly) has a chance to speak if she wants to attack what the Member for Yorkton-Melville (Mr. Nystrom) is saying. She should not raise spurious points of order which suggest that he is not dealing with the Bill, when in fact he is dealing with secrecy which is what this whole set of amendments focuses on. That is simply not acceptable, Mr. Speaker.

The Acting Speaker (Mr. Charest): As a general principle, may I remind all Members of Parliament that they must speak to the motions themselves rather than generally to the Bill. The Chair groups these motions according to a certain number of common denominators. In the very specific case which is before us the common denominator is the fact of public accounting as far as the Bill is concerned. In that respect may I remind the Hon. Member for Gatineau that the speech of the Hon. Member for Yorkton-Melville is in order because of that common denominator.

Mr. Nystrom: I wish I had more time, Mr. Speaker. I would read all of the motions to the Member for Gatineau. They all deal with secrecy, openness, availability and accessibility. That is a very important principle which, obviously, a lot of the Conservative back-benchers have thrown out.

In conclusion I would like to quote a former commissioner of FIRA, Mr. Howarth. He said: "Certainly the most telling criticism as far as I was concerned was that the whole process was conducted in secrecy". In other words, the big problem that he had as commissioner of FIRA was that it was conducted in secrecy. "People use words like 'Star Chamber' and this, that and the other. And, of course, it was imputed that the Government wanted to do it in that way and the agency wanted to do it in that way to cover up their own misdeeds and so on. The whole truth of the matter is that Parliament wrote the law and that Government and the agency had no choice but to keep everything concealed and hidden."

The Acting Speaker (Mr. Charest): The 10 minute period is over. Shall we call it one o'clock?

Some Hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mr. Charest): It being one o'clock, I do now leave the chair till two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE PRIME MINISTER

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, following the results of the polls which show their popularity decreasing on a daily basis, the Ontario Progressive Conservatives were able to count on the assistance of "Mr. Personality" himself, who flew to the rescue.

They had television shows, pictures, and all kinds of other photo opportunities with the Prime Minister (Mr. Mulroney), the Premier, and the ambassador of acid rain himself, with his dollar a year salary. I wonder if the Prime Minister suggested

to the Ontario Premier that the same theme as was used in last summer's election campaign, "It's time for a change, too long in power corrupts", would be appropriate.

Did the Prime Minister show Mr. Miller how to make promises by the hundreds and not keep them, or how to tell people all about ending patronage appointments, or how to award advertising contracts, in other words, how to use "Bulroney" on the people of Ontario.

He may want to advise Frank Miller that it may not be a good idea to hide from the people during an election campaign and that he should go out there all day long, and watch himself on TV all night long, as the Prime Minister does. Brian loves Frank, Frank loves Brian but, most important, Brian loves Brian.

This mutual admiration will not win an election in Ontario, and the Prime Minister's performance so far has certainly not been too impressive to the voters of Ontario. Neither has Mr. Miller's performance been too impressive in this campaign. We will see a Liberal Government come Thursday.

* * *

BROADCASTING

APPOINTMENT OF POLICY TASK FORCE

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the Minister of Communications (Mr. Masse) announced the establishment of a task force on broadcasting policy, appointments to which he will be announcing shortly. The terms of reference of the review are themselves seriously deficient. They violate the spirit and the letter of earlier Conservative promises of consultation with the arts and culture community.

First, public broadcasting will be severely limited. There will not be public hearings, and groups and concerned individuals who are not invited to private hearings will have to wait until next year for public discussion, after the publication of a white paper and its reference to the Standing Committee on Communications and Culture. For a Government that promised consultation with the arts community, this is shoddy treatment indeed.

Second, the terms of reference themselves prejudge the conclusions. Despite the expressed concerns of Canadians and the arts community for a strong role for public broadcasting, the task force is geared right from the beginning to a further weakening of the CBC in favour of the private networks. Yet it is well known that significant Canadian content has never been achieved by the private networks and stations, so that a stronger role for the CBC is essential to any increase in Canadian television broadcasting.

The Minister has shown a marked proclivity for putting Conservative connections above professional standing in the field and support from the arts community in his arts appointments to date. Thus we have reason to be apprehensive about these next appointments. Was the arts and culture community consulted—

Mr. Speaker: I must advise the Hon. Member that her time has expired.

* * *

CHARTER OF RIGHTS

EQUALITY PROVISIONS—TRIBUTE TO WOMEN'S INSTITUTE

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, in recognizing the coming into effect of the equality Section of the Charter of Rights, it is important to remember those who laid the groundwork for this historic event. I am speaking of the members of various organizations who fought for decades for greater recognition of women's rights.

One such organization is the Women's Institute which has a network of branches across Canada, and about 2,000 members in my home Province of Manitoba. In recent years the Women's Institute has worked to promote homemakers' pensions and better programs for the victims of wife abuse and family violence. It has made valuable contributions to the Family Law Reform Commission and the Fraser Committee on Pornography and Prostitution. This organization also works with affiliated international groups to promote nutrition education, and to provide clean water.

Farm women have always identified with the Women's Institute; indeed, it is an organization strongly rooted in rural Canada. The theme of the Manitoba Women's Institute this year is "Horizons Unlimited", and I am pleased that the Manitoba branch has chosen to celebrate its 75th anniversary by having its conference at Brandon.

Parliament can take some credit for the equality section and for other steps which promote equality, but it was organizations such as the Women's Institute which continued to deliver their message year after year until we were ready to listen.

* * *

IMMIGRATION

ERNST ZUNDEL—REMOVAL OF LANDED IMMIGRANT STATUS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, yesterday, April 29, an independent adjudicator appointed by the Immigration Department ordered that Ernst Zundel be stripped of his landed immigrant status and be deported. I applaud this decision which follows his conviction on February 28 of wilfully spreading hate propaganda which declared that the Nazi murder of six million Jews was a Jewish hoax. He was sentenced to 15 months in jail on March 25, making his deportation under current law almost mandatory.

It is interesting to note that the West German Parliament recently passed a law making it a crime to deny that the Nazis murdered millions of innocent people in the Second World War.

S.O. 21

Canada has a generous open door policy for many people from all parts of the world who choose to live here. However, we must slam the door shut on the Ernst Zundels of this world. We cannot become a haven for heretics who knowingly spew forth lies meant to inflict pain and anguish on a certain community. This man is not even welcome in his own native Germany. He is clearly not welcome here in Canada.

* * *

RAILWAYS

CEILING PLACED ON GRAIN FREIGHT RATES

Mr. Maurice Foster (Algoma): Mr. Speaker, the amendments to the Western Grain transportation act tabled on Friday show just how naive the Government seems to think the people of western Canada are. The Government has placed a ceiling on freight rates for two years. It did this one week before the CTC is to report on the new rates scheduled for the 1985-86 crop year.

It is well known in the West that the new rates will be significantly lower due to a decrease in volume shipped. It is highly unlikely that the 1986-87 rates will rise to this year's level. The freeze is smoke and mirrors. It will not save producers one cent.

During the election the Tories promised to freeze the rates at last year's lower levels. That would have helped farmers. Clearly, this freeze is meaningless.

The Western Grain transportation act was a very complex piece of legislation. However, the Government has chosen to make very minimal amendments to it. Clearly it now realizes that this was a well thought out Bill. It is also interesting to note that the Minister has chosen to bring in these amendments prior to tabling the Hall Report. He has chosen not to deal with the difficult method of payment issue. It will be interesting to hear how the Minister feels about the method of payment now that he will finally have to take a stand.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE PROPOSAL

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Minister for International Trade (Mr. Kelleher) and the Prime Minister (Mr. Mulroney) continue to press for a position in support of tariff free trade with the United States. I suggest the consequence of this could and would be disastrous for our farmers in every area of Canada.

Price support measures to aid both farmers and consumers would almost certainly be placed in jeopardy. Marketing boards would be questionable under such free trade arrangements.

The United States has historically been the one to have placed obstacles in the way of a relatively free trade position between Canada and the United States. What the United States wants is for Canada to operate by U.S. law. To the benefit of whom? Not Canada, I suggest.

* * *

[*Translation*]

ENERGY

PRICE OF GASOLINE IN QUEBEC

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, I would like to inform the House that, after a few months of work and efforts, the gas price situation has considerably improved in Quebec. Motorists in the Portneuf and Montreal areas including Laval, can now fill up their tanks at a discount. The price of regular gas, which was previously 59.9 cents a litre, now varies between 49 and 51 cents a litre in constituencies such as Portneuf and Champlain, and between 51 and 56 cents a litre in the Montreal area.

Mr. Speaker, I have always believed this to be realistic. I had promised to keep on fighting against any abusive increase, and the present situation is proving me right. I would like to take this opportunity to thank all those who have worked to improve the situation for Quebec and Canadian consumers, namely the media, consumer associations and the consumers themselves.

I urge my colleagues of the three Parties represented in this House to join their efforts in support of the new policy of our Government. All the efforts made until now are bearing fruit because we are letting market forces interact as they should, as I have personally been advocating for the last 20 years.

* * *

● (1410)

[*English*]

INCOME TAX ACT

LEGISLATION'S COMPLEXITY

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, today is April 30 and, as midnight looms, countless Canadians toil to complete and mail their tax returns in an annual ritual which tells us something both about the value of deadlines and about the complexity of our tax laws.

A basic principle in a democratic country is that citizens understand a law which takes their property from them. Yet our income Tax Act, as enacted and re-enacted, amended and re-amended here in Parliament for over 60 years, has become incomprehensible legislation. People really do not understand our tax laws. What people understand, however, are the results of this cumbersome, wonder-wielding tax calliope. When small- and medium-sized businesses pay tax and many large corporations pay none, and when the man pumping gas pays

tax but the fellow in the Cadillac he is filling pays none, people understand that reform is needed.

I applaud our new Minister of National Revenue (Mr. Beatty) for humanizing tax collection and proclaiming a taxpayer's bill of rights. I recognize, too, that our Minister of Finance (Mr. Wilson) wants no major changes in tax structures so that tax predictability will help investment planning and aid economic recovery. Yet, ultimately, taming and civilizing the present tax system will not be enough.

The time is coming when an enlightened form of the flat rate tax will be the order of the day. With a well designed flat rate tax, Canadian taxpayers will understand the system, and Canada will be closer to the democratic ideal of a country with—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

[*Translation*]

PROVINCIAL AFFAIRS

ELECTION OF LIBERAL CANDIDATE HUBERT SEAMANS IN NEW BRUNSWICK BY-ELECTION

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, Monday, April 29 will remain forever a memorable date for the people and especially the government of New Brunswick. Indeed, the people in Riverview elected yesterday with a crushing majority the Liberal candidate, Hubert Seamans—

Some Hon. Members: Hear, hear!

Mr. Robichaud: —who won the riding which had up to now been considered a Conservative stronghold with over twice the number of votes of his opponent. It should be emphasized that this constituency had been a Conservative riding for 33 years.

Mr. Speaker, this is the beginning of the end for the Hatfield administration. The people of New Brunswick have sent a very clear and unequivocal message by rejecting the attitude and conduct of its provincial government. They have also sent a very clear message of dissatisfaction to the Right Hon. Prime Minister (Mr. Mulroney), the Minister of Justice (Mr. Crosbie) and the Solicitor General of Canada (Mr. MacKay) for the way they mishandled the recent case involving the Premier of New Brunswick.

In view of the increasing dissatisfaction expressed by the people of New Brunswick, does the Prime Minister not feel it is imperative and necessary to order a public inquiry—

Mr. Speaker: I regret to inform the Hon. Member that the time allotted to him has now expired.

S.O. 21

[*English*]

REVENUE CANADA

DEPARTMENT'S IMPROVED APPROACH TO TAXPAYERS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, today, April 30, is the deadline for the filing of personal income tax returns.

Canadians note with satisfaction a number of significant improvements to the taxation system initiated by a Minister of National Revenue who is genuinely concerned. These include an elimination of the old reverse onus which presumed taxpayers guilty until they proved their innocence; an assurance that taxpayers are not required to pay disputed taxes until they have had a fair hearing; an extension of hours for telephone inquiry service; a directive that departmental officials contact taxpayers who are in arrears before legal action is taken; the rewording of collection letters and assessment notices to provide clear, courteous, and complete information; and an elimination of oppressive quotas.

Gone are the old days of contempt, scorn, arrogance, quotas, and high-handed collection procedures. The new approach has been embodied in the declaration of taxpayers' rights, which affirms basic rights taxpayers can count on as a matter of government policy—the right to privacy and confidentiality, the right to independent review, and the right to an impartial review before payment.

Under the new system, which presumes their honesty and entitles them to courteous treatment and timely information, Canadians for the first time can rest assured that they will receive fair treatment in all dealings with Revenue Canada.

* * *

IMMIGRATION

ADMITTANCE OF ALLEGED WAR CRIMINAL

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, for the last two days some 3,000 victims of the Nazi holocaust and their families have been meeting here in Ottawa. This morning it was with a sense of shock and outrage that these victims and their families read the story from Washington which indicated that the Office of Special Investigations in the United States, established in 1978 to track alleged Nazis hiding in that country, had found that an individual in the United States was guilty of war crimes and that that individual in question had chosen to come to Canada.

A Mr. Juozas Kisielaitis of Massachusetts came to Canada to escape his day of reckoning in the United States, following the investigation by the Office of Special Investigations. Government evidence showed clearly that this individual assisted the Nazis in persecuting Jews while he served in the Schutzmannschaft, a military battalion in his native Lithuania. Apparently this individual concealed his service in the Schutzmannschaft when he entered the United States and when he entered Canada.

I would hope that our Government would recognize that Canada should not be a haven or a refuge for Nazi war criminals from other parts of the world, and I would hope that our Government and the Minister of Employment and Immigration (Miss MacDonald) would take the necessary steps to bring—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

ORAL QUESTION PERIOD

[*English*]

FINANCE

CONTENTS OF FORTHCOMING BUDGET

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. I recall when he once said in the House that he planned the Budget for the month of April. Then a man called Frank Miller was elected Leader of the Progressive Conservative Party of Ontario, and he called an election. What is it in the forthcoming Budget of the Minister of Finance which he feels will so disturb the voters of Ontario that he has postponed it until the week of May 20?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Right Hon. Leader of the Opposition is really going fishing today. The reason the Budget will be brought down in the third week of May is quite clear. Some excellent ideas came out of the National Economic Conference which we wanted reflected in the Budget. As I am sure all Hon. Members are aware, we also had a very extensive consultation process involving people right across the country, in all walks of life and all areas of the economy. These views must be taken into account for the Budget. That is the reason for the delay.

PRICE OF GASOLINE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if I am on a fishing expedition, that answer was a throw-back.

Mr. Clark (Yellowhead): Careful, John.

Mr. Turner (Vancouver Quadra): Well, the Deputy Prime Minister will understand what I mean. In his part of the country the ice has not left the lakes at the moment.

The Premier of Ontario came to Ottawa, in deep concern, to talk with the Prime Minister about the continuation of Japanese import quotas on automobiles and about a potential tax at the pumps on gasoline to compensate for the energy deal, and he came away with nothing.

How much more would the Minister of Finance estimate that Canadian consumers will have to pay at the gas pump as a result of his forthcoming Budget? How many jobs does his Department estimate in its calculations will be lost by such a gas tax increase? To be more specific, would he be able to confirm that a 22-cent per gallon increase at the pumps would mean the loss of 55,000 jobs in Ontario alone?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it seems to me that the Right Hon. Leader of the Opposition must be drawing from the past some of the statistics which are representative of the era from 1980 to 1983 when the price of gasoline in Ontario went up by about $1 per gallon. Many thousands of jobs were lost because of the National Energy Program which he himself criticized. We have indicated that the result of the Western Accord, which the Minister of Energy, Mines and Resources announced about a month ago, will be very positive for the economy in creating jobs from coast to coast, not the least of which will be in the Province of Ontario.

• (1420)

AUTOMOBILE IMPORT QUOTAS—IMPACT OF POSSIBLE REMOVAL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if the Minister was really confident about that statement, he would not have delayed his Budget. Yesterday I asked, without success, the Minister of Regional Industrial Expansion what would happen to negotiations with Japan on the extension of the automobile quotas on Japanese imports. We got a convoluted answer. I was not surprised. I want to ask the Minister of Finance whether his Department has estimated how many jobs would be lost if the auto quotas on Japanese imports were not extended. Would the figure be in the range of 20,000 to 25,000 jobs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Right Hon. Leader of the Opposition must be aware that 122,000 jobs have been created since the first part of September.

Mr. Turner (Vancouver Quadra): How many were lost?

Mr. Wilson (Etobicoke Centre): Since those statistics were put out, there have been further indications of progress on the part of the Canadian economy. I draw his attention today to the Conference Board's new figures on the level of business confidence in Canada. It is up to a new level over the past three or four years. It is an indication of the confidence that Canadians have in the direction that the country is going under the new Government. I am sure that the decisions that we will be taking on the import arrangements for Japanese automobiles will be further supportive of that direction.

[*Translation*]

EXTERNAL AID

DEFENCE OF THIRD WORLD INTERESTS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Deputy Prime Minister.

In the light of the statement made by the Prime Minister last night in London, when he said that he intended to speak on behalf of the Third World in Bonn this week, could the Deputy Prime Minister inform the House whether the Government intends to revise the drastic cutbacks it made in CIDA programs last fall, so that international observers will realize that the Prime Minister of Canada practises what he preaches, and could the Deputy Prime Minister inform the House whether the Prime Minister of Canada intends to ask President Reagan to change his monetary policy and let interest rates drop, so that Third World countries can meet financial obligations which are putting very severe pressures on their economies?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is common knowledge, and I expect the Hon. Member for Saint-Maurice is also aware, that the really serious cutbacks in CIDA's budget were imposed by the Liberal Government last summer.

As far as Canada's obligation as stated by the Prime Minister is concerned, it is an obligation our Government has accepted. The Prime Minister intends to continue to play an important role in ensuring that Third World interests are represented at the Bonn Summit.

* * *

[*English*]

EXTERNAL AFFAIRS

PRIME MINISTER'S VISIT TO BRITAIN

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I am very surprised at the answer of the Right Hon. Minister. He himself admitted that the goal we have to attain, .7 per cent of GNP, will never be met as it was predicted to be met by us.

I wish to direct a supplementary question to the Deputy Prime Minister. In light of what is going on in London at this time, where again style is more important than substance, and where every election promise is quietly forgotten by the Government, will the Deputy Prime Minister inform the Prime Minister that Canadians do not like him to play games with institutions, such as he did in Quebec City when he snubbed the Governor General in order to look like a president, and what he is now doing in England where he is trying to use the monarchy in order to get some publicity? Is it not time that the Prime Minister of Canada stopped his show business and started to do real business rather than show business?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know where the Hon. Member has been with respect to watching the coverage that the visit of the Canadian Prime Minister is receiving in England, but it all sounds pretty positive to me and to most reasonable Canadians.

Some Hon. Members: Hear, hear!

Mr. Nielsen: To hear the business comment coming out of London from business leaders, as encouraging as it is, seems to indicate an entirely different change of direction in the thinking of business people in Great Britain, and that is a positive change. At least we can all be thankful that the Prime Minister of Canada did not slide down the banisters of Buckingham Palace and do pirouettes while he was over there.

Some Hon. Members: Hear, hear!

* * *

NATIONAL DEFENCE

SATELLITE RADAR SYSTEMS CONTRACTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Deputy Prime Minister. It concerns the news that his Department has signed two contracts for satellite-based radar systems and the related fact that an official from his Department has indicated that these contracts have no relationship whatsoever to the modernization of the DEW Line. If they are not related to the modernization of the DEW Line, what are they all about?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, we just had a meeting of the standing committee in which the defence critic entirely divorced himself from legitimate questions along the lines of the one that the Leader of the New Democratic Party has just asked. I reaffirm to him that the two contracts of which we are speaking, which were not signed by the Department of National Defence but by the Department of Supply and Services, have nothing whatsoever to do with NWS. They are within the jurisdiction of the chief of research and development within the Department, and are really asking the two contractors involved, Spar Aerospace, and I believe the other is Canadian Astronautics Limited, to think through the whole concept of what might be involved by a space-based surveillance system. That's all they are, contracts in the way of exploration of what is involved with respect to space-based surveillance.

REQUEST FOR MORATORIUM ON SPACE CONTRACTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, is the Minister telling us that the Government has hired someone to do its policy thinking? Before any more contracts are let for space related radar systems or any further militarization of space, will the Minister give the following undertaking to the House: that there will be no more contracts let until we get a

policy decision made by the Government, and we have said that should be a negative decision, concerning the star wars project, or until we get the green paper on foreign policy from the Secretary of State for External Affairs which has been promised for months? In short, will the Government stop taking us step-by-step into an involvement in outer space, especially the militarization of space, to which Canadians in particular, and many other nations of the world, are opposed?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, this has nothing whatsoever to do with the militarization of space. This has nothing whatsoever to do with whatever the hon. gentleman means by star wars. This has nothing whatsoever to do with NWS. To follow his suggestions and not let out any other contract involving research and development would be bringing to a shuddering halt any initiative that this Government may wish to take in the research area.

I can assure him once again, despite the repeated attempts to enter into this area of fear tactics, scare tactics, and linking, as did the Hon. Member for Winnipeg-Fort Garry in an article I read today, that the objective of these research projects is to develop the architecture of a space-based radar system, and that does not mean any structures in space, capable of providing surveillance of Canada's air space and Canada's coastal waters. We are doing that now through other means. Another objective is to identify the technologies critical to the development of such a system needing immediate research funding. That is what these inquiries of an exploratory nature are all about.

• (1430)

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I listened with care to what the Minister had to say. Considering that at least through these contracts we are involved in spending considerable sums of money for research in space, research that is connected in some way with our radar system and which has potential connections with the modernization of our DEW line, and perhaps with the star wars system, will the Minister produce to the House of Commons, very soon a policy statement concerning the Government of Canada's attitude toward space development in the military field? Second, as Deputy Prime Minister, will he undertake, after consultation with the Secretary of State for External Affairs, to produce the foreign policy review paper that was promised, and in the meantime not have any contracts that could have any future connection to the United States or any other power, involving the militarization of space?

Mr. Speaker: Order, please. The question is quite long.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I ask the Hon. Member to try to find a question in the question he just asked that is any different from his previous two attempts, for his own political purposes, to link these two research oriented contracts to star wars and to the militarization of outer space. That is totally untrue and totally false. The Hon. Leader of the New Democratic Party is deliberately distorting the issue.

With respect to holding up any other contracts of this nature which have no linkage at all with that to which he is trying to link it, the answer is a simple no.

With respect to the green paper on foreign policy, I will leave the answer to that question to the Minister of State for External Affairs as it is properly within his jurisdiction.

* * *

CROWN CORPORATIONS

FUTURE OF DE HAVILLAND

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. During the last election the Minister of Finance spoke of an aerospace strategy which would amalgamate Canadair and de Havilland in order to produce a healthy company which would be sold and privatized at some future date. After the election, it seems that that Minister has been overruled and, with no strategy for the future, both these companies have been put on the block either for sale or as bait for a possible government contractor. Sales by these companies have slumped because of this tactic, as possible aeroplane purchasers are afraid of being stuck with orphans, as I think the Hon. Minister knows.

In connection with de Havilland, what steps has the Minister taken to ensure that the company will have a future? What has he done to authorize continued research and development? What proportion, if any, of the $150 million allocated to de Havilland in the current Estimates will in fact be used for research and development?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I would like to assure the Hon. Member that if he takes the time later today to read the annual reports of both of those companies, he will be very pleased to see that they are in fact doing better than they did in previous years, and that there is no suggestion of any withdrawal of assistance such as that at which he is hinting. In short, we are maintaining the companies and are at the same time talking to interested possible purchasers, with a view to having them privatized and continued within Canada.

GOVERNMENT STRATEGY

Hon. Bob Kaplan (York Centre): Mr. Speaker, while the Minister gives us these vague assurances that talks are under way about possible sales, and bearing in mind that thousands of jobs at de Havilland and its sub-trades are at stake, does he not think that the Canadian people are entitled to have more details about the aerospace strategy of the Government and about what assurances there are that jobs will be continued and that the company will have a future?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Again I think the spokesperson for the Official

Opposition should bear in mind that it was members of his Party who spent 10 years getting Canada into the trouble in which it is now with respect to these two Crown corporations. Surely we can take a few months to try to reinstate them to a viable and profitable condition and hopefully find suitable buyers to take them back into the private sector.

* * *

INDUSTRY

WHITE FARM EQUIPMENT COMPANY—SALE OF UNITED STATES ASSETS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the same Minister. He has been talking about patience in regard to White Farm Equipment in Brantford. In fact Borg-Warner has now announced that it will auction off some of the U.S. assets of White Farm Equipment on May 29, thus putting the final nail in the coffin for the 370 Canadian workers. Will the Minister finally intervene urgently, telling Borg-Warner he opposes a sale like that, and publicly committing himself to loan guarantees that will permit the survival of this company in Canada, controlled by Canadians?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, we have here an example of a socialist getting into an extra-territorial, long-arm grab. The assets to which he has referred are all assets which are within the United States of America. The debt that will hopefully be liquidated by Borg-Warner as a result of those asset sales is an entirely American debt and there is no direct connection whatsoever with the Canadian company.

REQUEST FOR LOAN GUARANTEES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, in fact the Minister had previously indicated his intention of getting in touch with Borg-Warner. Borg-Warner is proceeding, and that is why this report is so important. It sees a very urgent need to realize its assets. Will the Minister now join his Ontario colleagues who have said that they will put up $10 million as loan guarantees for this plant, by similarly making a commitment on the part of this Government, so that the workers in Brantford may have a sense of security for the future?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, at least the Hon. Member has gone back into Canada for his supplementary question. The answer is that discussions are continuing. Hopefully we will be able to facilitate the working out of a private sector arrangement with respect to the continuance of this company, but there is nothing to announce at this point.

FOREIGN INVESTMENT REVIEW AGENCY

PROPOSED TAKEOVER OF CANADIAN PORCELAIN COMPANY

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion and concerns the proposed takeover of the Canadian Porcelain Company in Hamilton by the Lapp Company of New York. This proposed takeover has a great many of the workers in Hamilton worried about their job security. Will the Minister exercise the power he has under the Foreign Investment Review Act to prevent that takeover which will be of no benefit to Hamilton or its workers?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, that question is very similar to the one that was put to me yesterday. Since that time we have gotten in touch with the Peat Marwick people who are the main receivers. We have told them of our concern and asked for a full explanation of their exact position with respect to the trusteeship. That information should be available to us later today, or certainly tomorrow.

REQUEST THAT INVESTMENT LEGISLATION BE AMENDED

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, will the Minister not now agree with members of the opposition Party who have been saying in committee for days that the Investment Canada Bill, Bill C-15, does not have in its proposed legislation the kind of teeth necessary to prevent this kind of thing from happening in the future? Will he bring forward amendments to that legislation so that Canadian workers can be protected?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as so often happens with members of this Official Opposition, they are jumping to conclusions in a too hasty manner.

* * *

CANADIAN WHEAT BOARD

SPRING SEEDING—REQUEST FOR CASH ADVANCES

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of State responsible for the Canadian Wheat Board. The Minister will know that by this time many farmers have received an initial payment under the Western Grain Stabilization Act, but he will also be aware of the fact that only about one-quarter of western farmers were eligible to receive those payments, leaving one-quarter of the farmers with no other source of loan guarantees to allow them to put in their crops. Four weeks ago the Minister advised the House that it was the intention of the Government to examine the possibility of getting a spring cash advance into the hands of farmers for seeding purposes based upon this year's seeded acreage. Would he tell us what are the results of those decisions? Will he, in fact, offer such an advance for

those farmers who did not get anything under the Western Grain Stabilization Act?

• (1440)

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I believe that in the Hon. Member's preamble he should have said that three-quarters of the producers were eligible, instead of one quarter. In fact about 77 per cent or 78 per cent of western farmers are eligible for their share of the $450 million which we got out prior to spring seeding.

Some Hon. Members: Hear, hear!

Mr. Mayer: When I replied to the same question from his colleague, the Hon. Member for Yorkton-Melville, I said that I did not want to raise hopes because there were some administrative problems. In consultation with the Canadian Wheat Board, which presently administers the Prairie Grain Advanced Payments Act, and several other officials, we have decided that that is something in which we will not be participating this spring.

GOVERNMENT POSITION

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, do I understand that it is quite clear there will not be any form of cash advance to spring-seeded crops and that these farmers can now find someone else to take over their farms?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Yes, Mr. Speaker, that is correct.

* * *

FINANCE

BULK FUEL DEALERS—REIMBURSEMENT OF SALES TAX

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Minister of Finance, and concerns Bill C-17, and the procedure for the reimbursement of sales tax to bulk fuel dealers.

The cost of financing the time period between the date of payment of that tax by the dealer and the date of reimbursement of that tax by the Government is placing a burden on many dealers. Will the Minister examine the possibility of providing a cash advance or a cash float to these dealers?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I very much appreciate the Hon. Member's concerns on this particular issue. While I will take his suggestion into consideration, my initial reaction is that the proposal which he has made is one that would be somewhat difficult to control and one which could become quite complex in the arrangements which would have to be made between the Government and the people involved. But we will have a good hard look at it.

LABOUR RELATIONS

AIR CANADA—TICKET AGENTS' STRIKE

Hon. André Ouellet (Papineau): Mr. Speaker, in the absence of the Minister of Transport I would like to direct a question to the Acting Prime Minister. Now that the federal mediator in the dispute involving Air Canada and its ticket agents has failed in his attempts to bring the parties together, will the Acting Prime Minister tell the House what the Government intends to do next?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I answered that question yesterday, it having been raised by a member of the New Democratic Party. The sessions between labour and management have been adjourned to give the parties an opportunity to step back and reassess their positions. It is normal for that to occur with these kinds of negotiations. Hopefully, they will get back together soon with positive results.

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[*Translation*]

AIR CANADA

GOVERNMENT POSITION ON STRIKE

Hon. André Ouellet (Papineau): A supplementary question, Mr. Speaker. Obviously, the Government does not know what to do. Does the Deputy Prime Minister realize how lengthy and costly such a strike could be for Air Canada and how it could affect the holiday plans of thousands of Canadian travellers? I should like to ask the minister whose government has been quick to appoint its supporters to the board of Air Canada why it takes so long to settle that strike?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Again, Mr. Speaker, the question was raised yesterday—and I imagine that the Hon. Member is not unaware of that—in almost precisely the same terms, by a member of the New Democratic Party. We are fully aware of the seriousness of the situation, as is he. No one has a corner on that. I would point out to him, as I did yesterday, that we are dealing with a Crown corporation which is negotiating with labour within that corporation. I am sure he would be the last to suggest that we should be debating the elements of those negotiations on the floor of the House of Commons. It would do nothing to help and everything to hurt the bargaining process by doing that.

* * *

EMPLOYMENT

MILAP PROGRAM IN BRITISH COLUMBIA

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, would the Minister of Employment and Immigration confirm that she has approved $4.84 million under MILAP for the B.C.

coast? Would she confirm that the $4.84 million program has been placed in the hands of three prominent Conservative organizers, Mr. Thor Petersen of Campbell River, Mr. Jim Lornie of Campbell River, and Mr. Stan Hagen of Courtenay? Would she further confirm that these individuals could pocket up to one-third of MILAP moneys as administrative costs?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, members of the NDP always like to be able to downplay any help which is being given to people who are unemployed and who very much need the work which is being sponsored through MILAP. I would hope the Hon. Member would welcome any assistance which is being given through MILAP. I can tell him that the expenditures through MILAP primarily go to people who are unemployed.

USE OF FUNDS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, would the Minister further confirm that these individuals are paying themselves between $150 and $250 per day on this two-year program, and that they are continuing to pay themselves per diem expenses? Would she also confirm that Mr. Thor Petersen is using MILAP dollars to pay rent for program operations to be carried out in an office building which he owns in Campbell River? Would she not agree that this is probably the grossest government pork-barrelling that this House has seen to date, the pinnacle of patronage which even the Liberals did not have the guts to try?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member is taking it one step too far. There is nothing that can beat what happened during the time of the Liberal regime.

Some Hon. Members: Hear, hear!

Miss MacDonald: I want to assure the Hon. Member that I will look into the details which he has raised to determine how the contract was awarded.

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PARLIAMENT

BARGAINING RIGHTS OF EMPLOYEES

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, an article on page 2 of the Ottawa newspaper *The Citizen*, indicates that today the President of the Privy Council will be introducing a Bill respecting the collective bargaining rights of parliamentary employees. As usual *The Citizen* has the details wrong, but some of us have been working on this Bill for two or three years and I would like some answers. When will the Bill be introduced? Will it differ significantly from that which was prepared by myself and my colleagues two or three years ago? Will it be treated as a priority item? Finally, to what committee will it be referred?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I appreciate the interest which the Hon. Member for Prince Edward-Hastings has with respect to this important legislation which affects employees on the Hill. He has had a long and distinguished service on the Standing Committee on Management and Members' Services. I can confirm that later today I will be introducing this legislation, which deals with the matter of parliament staff relations. Also, I will be tabling a document which will outline the salient features for Members and employees of the House.

It is an important, new and, I believe, progressive measure with respect to labour relations on the Hill. I have discussed the matter with the opposition House Leaders and I know that I can count on the support of the opposition Parties to have this matter dealt with in an expeditious manner.

* * *

INDUSTRY

GULF CANADA—PROPOSED SALE BY CHEVRON

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I would like to direct a question to the Minister of Regional Industrial Expansion. When Mr. Thornton Savage, the vice-president of Chevron Corporation, announced that the corporation would be extending the deadline to May 31 for a Canadian offer on its shares in Gulf Canada, Mr. Savage said: "I cannot put any odds" on Chevron actually selling its interest in Gulf Canada. Yet one Canadian company has already put in a bid, and a second is about to do so. Will the Minister guarantee that Gulf Canada will be sold to Canadian interests?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member I cannot guarantee that Gulf Canada will be sold, but I can indicate to him that the bid which is in hand and the bid which is likely to be tendered are both from Canadian concerns. I am very, very pleased that there is such interest on the part of Canadians to acquire 60 per cent of the working control of Gulf Canada.

Some Hon. Members: Hear, hear!

• (1450)

REQUEST THAT PUBLIC BE INFORMED OF DETAILS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, the sale of Gulf Canada to Canadian interests is very important in order to maintain the principle of Canadianization in the energy sector. Chevron Corporation has already increased the asking price of Gulf Canada by $500 million since last February, courtesy of the gift from the federal Government increasing the price of old oil in its agreement with the western producing provinces. Are the Canadian people going to be informed about the facts of this sale?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member again, let me say that when the deal is consummated, if there is a firm transaction between the two parties, I can only assume that they will want to give the relevant details to the public. But I would want to reassure the Hon. Member that his suggestion that the price has gone up $500 million as a result of some action on the part of this Government is absolutely untrue. When Chevron embarked, at our request, on offering its 60 per cent block to Canadians, it told us of a price that it would accept. It has not changed that price one nickel, and I hope the Hon. Member understands that.

* * *

NATIONAL FILM BOARD

PLAN TO ESTABLISH TELEVISION YOUTH CHANNEL

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Minister of Communications who, no doubt, will be aware that the National Film Board has applied for $5 million of start up funding to develop plans for a national youth channel on television, in both official languages. The Minister, I hope, is aware that so far this is the only possibility which has come forward for a genuinely Canadian channel. The other alternatives have been for massive American importation, as opposed to the quality of the NFB, and its work which is well known throughout the world. Would the Minister, with that in mind, undertake to provide the funding so that we can have the development of a genuinely Canadian youth channel on television?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the applications will be filed with the CRTC in a few days, and the Hon. Member who is so concerned with that aspect, will then be in a position to assess this Government's actions.

[*English*]

REQUEST FOR MINISTERIAL ACTION

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, that was not really an answer to the question. I understand—and if I am wrong I would be interested to hear it—that an application was made to the Minister for funding to develop these plans, not to the CRTC. It is up to him to reply to it. He has a responsibility for the development of Canadian culture in Canadian broadcasting. From the hearings which have gone on, of which I am sure he is aware, and from submissions which have been made across the country, it is clear there is a need for a genuinely Canadian channel. This would seem to be the only chance we are going to get. Some action or intervention is needed now, and it is needed from the Minister's Department.

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, if I may answer the same way, I would suggest to the Hon. Member that within a few days a number of applications, including probably that from the National Film Board, will be filed with the CRTC, and she will then be in a position to assess this Government's actions in regard to that matter.

* * *

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, this morning the Minister appeared before the Committee on Communications and Culture and attempted to justify an unacceptable appointment, that of Mr. Bud Sherman who is well-known among Quebecers as a francophobe, with the CRTC. The Minister told us, and I am quoting him to be fair: "This Government's approach, would be—

[*English*]

Mr. Speaker: Order, please. The Hon. Member knows that any reference to the proceedings of committees is out of order. He is perfectly welcome to ask a question but I cannot accept quotations from committee meetings in the Chamber.

[*Translation*]

Mr. Prud'homme: So the Minister tells us the Government has developed a national reconciliation approach. Could former Mayor Jones expect to be appointed on the task force that will soon undertake an in depth review of the Broadcasting Act? Would the Minister tell this House whether former Mayor Jones can expect to be called upon to play an important role with respect to official language matters?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the suggestions made by the Hon. Member are his own, the Government will assess their merit in due course.

APPOINTMENT OF CRTC COMMISSIONER—REQUEST FOR CLARIFICATION

Mr. Marcel Prud'homme (Saint-Denis): I have a supplementary, Mr. Speaker.

What French-speaking Canadians and well meaning English-speaking Canadians would like to know following that appointment is this: Who has become reconciled with whom?

Mr. Nystrom: That is a good question!

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the CRTC Commissioner referred to by the Hon. Member has had a long experience in broadcasting. The Government was satisfied that his experience made him valu-

able, capable of making judgments, and we are sure that, within the CRTC's mandate as set out in the Act, this commissioner like the others will meet the requirements of the Act.

* * *

[*English*]

IMMIGRATION

ADMISSION OF ALLEGED WAR CRIMINAL

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Yesterday in Washington the United States Justice Department announced that Mr. Juozas Kisielaitis, who was a member of a Nazi battalion, the Schutzmannschaft, which murdered and persecuted Jews in Lithuania, has sought refuge in Canada and, indeed, has returned to Canada. Will the Minister confirm that Juozas Kisielaitis originally entered Canada in 1948 after World War II without disclosing his involvement in the Schutzmannschaft? And what action will the Minister take to ensure that this war criminal is not allowed to use Canada as a haven from prosecution for his crimes against humanity?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, a search of the records has determined that Mr. Kisielaitis and his family arrived in Canada in November of 1948 and subsequently were granted Canadian citizenship. Since that time he has been living in the United States but as a Canadian citizen. Under the terms of the Immigration Act, 1978, he is permitted to come back into Canada.

As the Hon. Member will know, this Government has established the Deschênes Royal Commission to look into the activities of alleged Nazi war ciminals. I am very pleased that at this particular time this commission is in place to investigate such cases.

GOVERNMENT ACTION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Deschênes Commission must not be used as an excuse for inaction with respect to these individuals. In view of Canada's shameful record of denying Jews entry to Canada, and in fact acting as a haven for alleged Nazi war criminals, will the Minister assure the House that if Kisielaitis cannot in fact be stripped of his citizenship for not telling the truth in 1948, and deported, she will speedily take the necessary steps to ensure that he will be brought to justice here in Canada?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I cannot be responsible for the activities of a Government back in 1948 or in the years following. What we have done as a Government is to move for the first time on this very critical issue. Since the whole issue was brought into public play after the end of the Second World War, this is the first Government which has taken steps to do something about it. We will see that cases such as this are indeed brought to justice.

Some Hon. Members: Hear, hear!

* * *

HUMAN RIGHTS

ISRAEL—TREATMENT OF PALESTINIAN ARABS

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Yesterday this House and the country were delighted to hear the Minister respond to the representations from the Hon. Member for Mount Royal with reference to the injustices to the Jews living in the Soviet Union who want to leave that country. Will the Minister also take up the case before the upcoming human rights experts meeting of those Palestinian Arabs living in the illegally occupied territories of the West Bank and Gaza Strip? They are victims of human rights violations of the worst kind, including murder, kidnapping, torture, bulldozing of homes, denial of water, and denial of health care and education, to name just a few.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the conference which is opening formally in Ottawa later in May is under the general aegis of the CSCE process. Question of human rights violations which fall within the concerns of countries represented at that conference will be pursued by Canada, as I said yesterday, either in a general nature in the plenary sessions or specifically in private corridor representations.

* * *

● (1500)

[*Translation*]

THE ADMINISTRATION

APPOINTMENT OF MR. BUD SHERMAN TO CRTC

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have a question for the Minister of Communications. The Minister said yesterday that he had recommended to Cabinet that Mr. Bud Sherman be appointed CRTC commissioner. Does that mean that the Minister endorses remarks made by Mr. Sherman to the effect that bilingualism has been harmful to the economy and to national harmony, that it has jeopardized careers in the Armed Forces? Can the Minister tell us today whether he agrees with Mr. Sherman's views and how he can possibly explain such an appointment to Canadians?

Hon. Marcel Masse (Minister of Communications): Unlike the previous Government, Mr. Speaker, we do not exact confessions before making public appointments.

Secondly, what I know happens to be public knowledge. During the last election campaign, Mr. Sherman committed himself to support strongly in his riding the program of the Progressive Conservative Party, which was the same I supported in my riding of Frontenac. I would suggest that the Liberal Party would be well advised to draw inspiration from that program.

Mr. Gauthier: A supplementary, Mr. Speaker.

Earlier today, in answer to a question from the Hon. Member for Saint-Denis, the Minister said that Mr. Sherman had a lengthy experience in bilingualism. I would say that he also has a lengthy experience in issues which frighten many Canadians and make them deeply concerned about the appointment. Why is he so adamant in his refusal to let Mr. Sherman speak for himself before the committee?

An Hon. Member: What has he got to hide?

Mr. Masse: When it comes to frightening people, Mr. Speaker, I think that the Liberal Party is second to none.

* * * *

[*English*]

CANADIAN WHEAT BOARD

CASH ADVANCES TO PRODUCTS

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I have a point of order which arises out of Question Period. I understand that at the very end of the question from the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) he made a statement that I did not hear. Had I heard it, I would have responded differently.

Mr. Broadbent: I'll bet.

Mr. Mayer: There you have the proof, Mr. Speaker. He asked if cash advances would be available and then very quietly, at least I did not hear him, said that the producers who did not get them would very quietly have to go out of business. Had I heard that I certainly would have responded differently. The policy of this Government is not to let the farmers go out of business, and I think our record to date speaks to that.

Some Hon. Members: Hear, hear!

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I am wondering if we can have some guidance from you. I thought I had made the intervention as loudly as I usually speak in this House. However, if we can have follow-up answers in the House, then can we have follow-up questions?

Mr. Clark (Yellowhead): That is not what happened; another NDP abuse.

Mr. Althouse: The initial answer is still correct; there will be no action taken for these farmers and they will be forced out of business.

Mr. Speaker: I suppose I do not really need to remind anyone that we have not yet had a point of order raised. Perhaps that would encourage everyone to remember that during Question Period it is helpful if everyone can hear everyone when they are asking and answering. That might be helpful.

ROUTINE PROCEEDINGS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

TABLING PURSUANT TO SECTION 62

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, pursuant to Standing Order 46(2), on behalf of the Minister of Transport (Mr. Mazankowski) I have the honour to table in both official languages, as required under Section 62 of the Western Grain Transportation Act, the Report of the Committee of Inquiry on Crow Benefit Payment, for referral to the Standing Committee on Transport.

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to provisions of Standing Order 46(2), I have the honour to table in both official languages copies of a document relating to the Parliamentary Employment and Staff Relations Act.

* * *

PETITIONS

POSTAL SERVICE IN SASKATOON

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I have the honour to present to the House a petition on behalf of more than 550 residents of the subdivision of Lakeview in my constituency. They express their belief that they need a better postal service and make representation to Canada Post Corporation for establishment of a much needed sub-post office.

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

MEASURE TO ENACT

Hon. Ray Hnatyshyn (President of the Privy Council) moved for leave to introduce Bill C-45, an Act respecting employment and employer and employee relations in the Senate and House of Commons.

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

Some Hon. Members: Agreed.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Questions Nos. 276 and 286 will be answered today.

[*Text*]

EXTRADITION TREATY WITH THE NETHERLANDS

Question No. 276—**Mr. Kaplan:**

Is the Government negotiating an extradition treaty with the Netherlands and, if so, is it prepared to include in the catagories of extraditable offences, that of collaborating with the enemy?

Right Hon. Joe Clark (Secretary of State for External Affairs): Canada is in the process of negotiating a new extradition treaty with the Netherlands. We are not prepared to include "collaborating with the enemy" as an extraditable offence in the treaty as it is an offence of a political nature and historically excluded under international law.

TRANSCRIPTS OF NEWS ITEMS

Question No. 286—**Mr. Boudria:**

1. During the period February 18 to February 24, 1985, was the Prime Minister, while in Florida, provided with videotape and other transcripts of news items on a daily basis and, if so, at what cost to the taxpayer?

2. What was the cost of (a) preparation (b) air shipping (c) production (d) taxis (e) other auxiliary fees for such items?

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): 1 and 2. Yes. The only additional costs incurred were those for taxis and long distance charges for the use of facsimile transmissions. The respective costs are $270 and $600.

[*English*]

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

Investment Canada Act

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions Nos. 8, 12, 32, 63, 69, 74 and 75 (Mr. Langdon) (p. 4242).

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in this debate concerning Motion No. 32 and the others we are discussing this afternoon in the House of Commons in relation to Bill C-15. The motion proposed this morning by the Hon. Member from the NDP is quite similar to our Motion No. 7 in its effect. We support the motion because it would lead to greater openness in government. We all know how the Conservatives spent a considerable amount of time during the last election campaign telling us how they wanted to be a more open government. As a matter of fact, they even made a campaign promise to that effect, as unbelievable as that may seem. The Conservative Party said they would ensure that access to information would be implemented in spirit and in fact. They wanted a more open government.

I see my colleague across the way from Lanark-Renfrew-Carleton (Mr. Dick) and I am sure he wants a more open government in Canada.

Mr. Dick: We are doing it.

Mr. Boudria: If this motion is not adopted there could very well be a back-bench revolt among Conservatives in this House. We could perhaps even see the Hon. Member for Lanark-Renfrew-Carleton walk across the floor and join us if he does not get his way in this motion.

Mr. Dick: Never!

Mr. Nystrom: You can have him.

Mr. Dick: I have been there.

Mr. Nystrom: Liberal?

Mr. Dick: On that side.

Mr. Boudria: We know how committed he is towards this principle. Surely, if he is sincere, and I believe he is—

Mr. Nystrom: I rise on a point of order. Just to clarify the record, the Member from the Liberal Party was inviting the Hon. Member for Lanark-Renfrew-Carleton to cross the floor and join the Liberal Party. My understanding is that the Hon. Member said "I have already been there". I did not know he was a member of the Liberal Party and I just want to make sure that was clear on the record.

Mr. Dick: That is irrelevant.

Mr. Boudria: I am sure you recognize that is not a point of order but it is an interesting point nevertheless. The Hon. Member admitted to being a member of a party on this side but I thought he had been a member of the NDP, not the Liberals. Be that as it may, I was discussing the fact that this motion talks about having a more open government. The Hon. Member for Gatineau (Mrs. Mailly), I know, wants a more open government. She has often spoken about various issues in the past which made me believe that she wants a more open government. It seems that perhaps she traded her opinion on this issue for a bridge or something to be constructed in her riding. Perhaps we will find out later when the Member returns.

● (1510)

I would like to bring to your attention, Mr. Speaker, the fact that in the past the Conservative Party has spoken on the Foreign Investment Review Agency in conflicting ways. That is not to say, of course, that they have been two-faced on the issue. As an example, on the issue of the take-over of Black & Decker it was interesting to see that the Conservative Member for that area was, on one hand, telling the people of his riding that he was helpless in the issue of the take-over of Black & Decker by GE and in protecting the jobs because, in his view, the FIRA legislation was not strong enough. Hearing a Conservative advocating stronger foreign investment legislation is enough to make the Minister of Regional Industrial Expansion (Mr. Stevens) want to stand in his place and immediately withdraw the Bill. Perhaps the Hon. Member for that riding, who raised that issue, should demand the Minister's resignation on this issue. However, we do not see that happening.

Conservative Members are not even permitted to speak. Their Party Whip, House Leader, and others, have seemingly tied them to their seats and rendered them unable to speak. The Hon. Member from Simcoe has said in the past that we need stronger foreign investment legislation. We can only assume that that was a Conservative view stated by a Conservative Member of Parliament. I am sure that when the Minister of Regional Industrial Expansion reads *Hansard* to find out what was said in the House of Commons today, he will suddenly discover what a great mistake he has made in introducing this legislation. Hopefully he will withdraw the Bill. Failing that, perhaps he could approve the amendment that was presented just now by our colleague.

We know, of course, Mr. Speaker, where the Government stands on foreign investment. In the past they have said in the House that they want Canada to be open for business. Everyone wants Canada to be open for business, mainly because it was never closed. We all know that. I am sure that you, Mr. Speaker, being the non-partisan person that you are, will recall that Canada has always been open for business. Somehow the Conservatives have been dreaming in technicolour that Canada was closed for business, even though FIRA approved 97 per cent of the applications it received, and even though some Conservative Members, especially from the Simcoe area, said that FIRA had to be strengthened in order to protect jobs at Black & Decker.

Notwithstanding those very strong views and those important issues, the Government is going right ahead with this regressive legislation. Hopefully there will be some salvation in that they will now at least approve of the amendments which we are discussing at the present time.

Foreign investment must be done in such a way as to ensure protection for jobs in the country. It is not that foreign investment is not wanted by all of us.

I would like to draw to your attention, Mr. Speaker, that we do not seem to have a quorum at the present time.

The Acting Speaker (Mr. Charest): I will ask the Deputy Clerk to count the Members present.

And the count having been taken:

The Acting Speaker (Mr. Charest): There is no quorum so I ask that the bells be rung.

And the bells having been rung:

The Acting Speaker (Mr. Charest): There is now a quorum so we will proceed with the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Boudria: Thank you, Mr. Speaker. I am glad to see the Conservative Members back in the House of Commons.

Some Hon. Members: Where are the Liberals?

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I think the Member has been in the House long enough to know that he is not supposed to refer to the presence or absence of Members, or to the fact that all the Liberals walked out of the house to create the quorum call in the first place.

The Acting Speaker (Mr. Charest): Order, please. I think that perhaps several points were made, including the one by the Member for Calgary West (Mr. Hawkes). If everyone agrees, we can hear the conclusion of the speech by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Boudria: Mr. Speaker, I, of course, never referred to any individual Member being absent from the House. I am just glad to see that collectively there is more participation in this Chamber this afternoon.

For the benefit of those who have not heard, we were discussing the issue of the amendments proposed in group No. 8 in relation to Bill C-15. The issue is openness in government. You really cannot discuss openness in government without

referring to the appointments made in secret by the Government. An example of that is the appointment of Mr. Bud Sherman, apparently made by the Minister of Communications (Mr. Masse). One can sense the secretive attitude and offensive procedures that are being used by some members of Cabinet to intimidate the rest of the Conservative Members, not to mention Opposition Members as well.

We in the Liberal Party are in favour of the motion that we are discussing this afternoon. We want the Government to be more responsive. I am sure the Conservative back-benchers agree with that. We want the Government to live up to its campaign commitment of open government.

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, it is with great pleasure that I rise to speak against the amendment. The amendment deals with public disclosure of foreign companies. Under the amendment all undertakings would be made public. Earlier we heard from the Hon. Member for Ottawa-Vanier (Mr. Gauthier). He said that he was not interested in the financial statements of foreign companies or the profits. He only wanted to be in on the decision-making process of the foreign companies. How can you be part of decision making without knowing the financial status of a company? Perhaps that is why the Government is in the disastrous state it is in today. Perhaps the previous Government made decisions but never took a look at the dollars and cents. They were great at spending money but simply did not budget.

I must oppose this amendment. My Government does not discriminate. We do not set up two sets of rules. We welcome foreign investment and Canadian investment.

• (1520)

This country has changed for the better. We will provide fair and equal treatment for all. Canada now has a stable, secure Government that will welcome all foreign investment. We will increase productivity and we will create more jobs. We will get the people back to work and off UIC. We will get people off welfare. Canadians are proud and honest and they want to work. We will attract foreign investment and get them back to work.

Let me talk a bit about the Foreign Investment Review Act and what has happened since its inception. Since 1981 over $17 billion has left this country because we had two sets of rules. We discriminated against foreign investors. Not even Canadians wanted to invest in a country which they could not trust.

I come from a region of Canada that not only lost companies, but our unemployment rate absolutely tripled, if not quadrupled.

Mr. Lapierre: We will see what you do.

Mrs. Sparrow: We will welcome foreign investment because it is a benefit to Canada. We will get technology and encourage joint ventures so that Canadians will be working for and with foreigners. We want to increase the supply of world products. Therefore we will oppose the amendments.

Our Government believes in fair play, democracy, free enterprise, the market system, supply and demand. All investment will be welcomed here in Canada. All companies, be they Canadian or foreign, will comply with the regulations.

Mr. Langdon: Mr. Speaker, I rise on a point of order. I think one is required to address the motions on the floor and not the Bill as a whole, which means that one should be debating the principle of openness, not the points with which the Member is trying to deal.

The Acting Speaker (Mr. Charest): The Hon. Member for Calgary South (Mrs. Sparrow).

Mrs. Sparrow: Mr. Speaker, I believe that my remarks are directed specifically at openness. All investment will be welcomed here. All companies, Canadian or foreign, will comply with the regulations that guide operations here in Canada.

Last September the people of Canada spoke out. They said they wanted the Government to get out of the boardrooms. Government has left the boardrooms. We are a Government of the people which will work for and with the people. We have communicated with the people and we support Bill C-15. I must oppose these amendments.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I rise again to debate the specifics of these amendments. Unfortunately, I believe the Hon. Member who just spoke believed everything she said. She sounds like a charter member of the junior achievers of Canada.

The purpose of the amendments before us are to give Canadians in those communities where foreign interests either take over or create new facilities some input into their development. These amendments would permit those communities to understand what is happening and at least be given information with respect to the rules and conditions that are placed upon companies.

The Hon. Member for Calgary South (Mrs. Sparrow) suggested that our Party wants one rule for foreign investors and another rule for Canadian investors. I can assure the House that our Party, and I believe the Official Opposition, believes that information should be freely available to the community which has an investment of its labour, utilities and infrastructure in a particular company that is foreign or Canadian owned. Any decision that is made by a major corporation in such a community can have a major impact on that community.

I recently visited a community which was prosperous. The company in that community was predicting a great future, saying that it would be there until the year 2000. However, a board decision was made which pulled the rug from underneath the people of Ear Falls in northwestern Ontario. Although there was enough ore in the mine that the company could extract for a reasonable profit, it was not in its corporate

interest to do so. It will close the mine and therefore close the town.

If the people of that town, whether it is the business people, the Chamber of Commerce, the union or its citizens, had been privy to the information about the status of the mine throughout that decision-making process, and if they could have participated and influenced the corporate decisions, they would not be experiencing the frustration and anguish they suffer now and will suffer for much longer.

Another Member of this House said it much better than I. Let me quote from *Hansard*, June 22, 1978, page 6686, in a debate about freedom of information. Freedom of information is really what we are talking about here. The Hon. Member was the late Hon. Walter Baker. He said:

> We need freedom of information legislation for more than the reason commonly given, namely, that people are entitled to information gathered by public servants at public expense. That in itself is not sufficient reason, in my mind, to justify the complications which we may create as a result of such a bill. The real reason lies behind the basic theory and purpose of democratic government. Democracy thrives on the competition of ideas, argument, criticism and visions of the future. It depends not only on the electoral and parliamentary competition of political parties, but on the contribution of other voices in society acting from altruistic or selfish motives. As a parliamentary democracy we encourage organized probing of government actions through the formal structures of the House of Commons. As a pluralistic society we believe in the value of those organizations referred to as pressure groups.

This not only applies to government, it applies to companies which, by their very nature, can positively or negatively develop a community, can give life to a community or destroy it. People who live in communities in which there is foreign investment have a right to know what is going on. They have a right to know if certain rules have been established in terms of job creation or environmental controls. Perhaps there was an agreement to allow for a decline in permanent job positions in those communities over a certain number of years.

Individuals in those communities have a right to know what is happening. This may mean the disclosure of financial statements and minutes of the board of directors. It may mean that the community should have one of its citizens sitting on the board to help participate in those decisions. I am amazed that the Government does not want to accept the philosophy of access to information. Clearly it is desperately needed and should be supported. I urge Hon. Members to change their minds and support it.

• (1530)

In my final moment I should like to offer a personal comment to the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin). I see that he is in the House, and I want to assure him that we are coming back, even though the Thunder Bay Twins are down three to one.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I just want to let the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) know—and following the rule of relevancy—that one thing about the people of Newfoundland is that we believe in being very impressive in making a point. Of course the Corner Brook Royals are being impressive in making a point. We do not believe in slaughtering the opposition; we let them have a game, at least. The people of Thunder Bay and the people of Corner Brook are hanging on to every word which my colleague and I utter. The hockey teams in his riding and mine are having it out over the Allen Cup right now.

I rise in support of Motion No. 8 because it goes to the heart of Bill C-15. This Bill takes the Foreign Investment Review Agency and turns it into something called, for propaganda purposes, Investment Canada. Hon. Members opposite stand in the House and say that they believe in free enterprise, the free market, supply and demand, and capitalism, but no one has asked them whether they believe in the people of Canada, the communities in which they live or the way in which they live. With a bill which allows foreign capital to come into the country and any investment under $5 million to be made without any scrutiny, without any assessment or without any thought as to whether or not the investment is good or bad, we open up a very dangerous can of worms.

There are three fishermen sitting in the visitors' gallery today from the great northern peninsula of Newfoundland. They are here trying to get the Government of Canada to assist them in maximizing the potential of the fishery on the great northern peninsula. Right now there is a shotgun, splinter approach to the development of that fishery. They come from an area where unemployment in the best of times is 35 per cent to 40 per cent and where during the off-season it is 60 per cent to 70 per cent. They have a rich resource—cod, scallops, shrimp, herring and all kinds of roe. They want a development plan to make that region the prosperous area it can be. Why isn't it, Mr. Speaker?

Mr. Wilson (Swift Current-Maple Creek): Because you guys were in power for the last 20 years, that is why.

Mr. Tobin: It is not for that reason. It is because in the northern region unbridled free enterprise does not deal with the reality of northern conditions. That is why. It is not prosperous because companies have come to the North with its rich resource to cherry pick. They have taken the very best resources or the very best stocks for themselves and shipped them off the north coast for processing in Boston or somewhere and have left the rest for the Government to run. That is unbridled free enterprise in that kind of environment.

[*Translation*]

Mrs. Tardif (Charlesbourg): On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): Order please. The Hon. Member for Charlesbourg (Mrs. B. Tardif), on a point of order.

Mrs. Tardif (Charlesbourg): Mr. Speaker, I would ask the Chair to examine the relevance of what the Hon. Member is saying.

[*English*]

Mr. Tobin: I do not know what she said, Mr. Speaker.

The Acting Speaker (Mr. Charest): For the information of the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin), the Hon. Parliamentary Secretary to the Minister of Regional Industrial Expansion (Mrs. Tardif) said that the Hon. Member's speech was not relevant to the subject matter of the amendments brought forward on Bill C-15. The common denominator with which we are confronted here is public accountabilities on the amendments.

Mr. Tobin: I assure the Hon. Member that the people of the northern peninsula are relevant. When we talk about the possibility of foreign investors coming in and picking up piecemeal the fish plants and the operations on that northern peninsula, and consigning them forever to the life of a serf to a foreign master in a foreign boardroom, they are relevant. That is the bloody problem with those people across the way; they see everything in the urban context of the boardrooms and the free enterprise speech that they are born and bred with. They forget about the people of Canada who live in resource sensitive areas. They are relevant. I reject any notion that the people of the northern peninsula are not as relevant to this speech as the people of Toronto, Calgary or Vancouver. You are damn right they are relevant, and that is the bloody problem, Mr. Speaker.

There are a number of resource industries in the country, whether it is the fishery, the forestry or primary production, that we do not see in the cities. They are out there doing a day's work. They are very susceptible to a Bill which will allow foreign investment to come in and cherry pick, to take the very best fish plants and forestry operations, and to leave the rest for the Government of Canada to subsidize.

We want a consolidated resource development policy which recognizes the long-term best interests of the people in the communities where they live. If we have a Bill which allows foreign investment to come in for under $5 million and make a purchase with no scrutiny, of course these people are relevant. Not only that, when there is an assessment, it is kept secret so that no one knows whether it is good or bad. Of course they are relevant. That is why they came to Ottawa. They had to come all the way here to be heard because the Minister of Fisheries and Qceans (Mr. Fraser) would not go to the great northern peninsula. That is the problem, that kind of narrow-minded attitude or that kind of boardroom mentality which says that profits at any cost are more important than people. I reject that philosophy.

I support the NDP motion. We are not so partisan that we do not support a good motion when we see one. This motion simply asks that when an assessment is made, the people affected have the right to see that assessment and have a chance to determine for themselves whether a particular foreign investment is good or bad.

In the case of communities as great, as wonderful and as historic as New Ferolle, Green Island Brook and St. Anthony on the great northern peninsula, Bill C-15, which gives unbridled authority to foreign investment to come in and take the best of what is offered and leave the people with the rest, is unacceptable.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, again I appreciate the opportunity to speak on Bill C-15. The present Government when in opposition made unending pleas for openness in Government and for the opportunity for Members of the House to criticize what the Government was putting before the people. Therefore, it is surprising that the Government now in power is not willing to support the openness or freedom of information which is involved in the series of motions presently before the House.

While in opposition the late Hon. Walter Baker, whom my colleague quoted a few minutes ago, made probably one of the strongest pleas in the House for openness in government. I should like to quote a paragraph from that speech. He stated:

> —if the people of the country are to be able to judge in a knowledgeable way, then some of the tools of power must be shared. One of the great tools of power is not only the ability to probe all the structures within this place, but also to have the knowledge by which that probing, that investigation, that calling to account of a government, can be done effectively based on information and knowledge rather than instinct.

The late Hon. Walter Baker hit the nail on the head. The people of Canada need information to be available. The economy of the country is dependent upon that information, and a judgment can be made with the tools available to the people.

● (1540)

During the committee hearings, a number of witnesses made reference to the need for openness in this Bill. The one who made the most telling plea for openness was a former commissioner of FIRA, Mr. Gorse Howarth. He had a great deal of experience working with the need to control investment in Canada. When he appeared before the committee he criticized the past FIRA Bill, which I also want to put before this House. He said, and I quote:

> The most telling criticism, certainly the most telling criticism as far as I was concerned, was that the whole process was conducted in secrecy.—The truth of the matter is that the way Parliament wrote that law, the Government and the agency had no choice but to keep virtually everything concealed and hidden.
>
> As far as I can see, that is going to happen under the proposed new law, as it is now written. The requirements for confidentiality are no less stringent. Virtually all the information which was classified by Parliament under the Foreign Investment Review Act as privileged is classified as privileged under the proposed new Act. And if that is indeed to be the pattern, then Parliament and the Government and the agency and everyone can expect, sooner or later, after the first blush of happiness and so on has gone, that there will be the same kind of criticism that this whole process is being conducted in a secretive manner. There will be more criticism, perhaps, because this Government, as I understand it, is committed to making things more open to the public.

The previous Minister, the Hon. Walter Baker, would have appreciated that statement. He probably would have said that that is exactly what his Government intends to do, but he would have been wrong. The Government has put into this Bill the same kind of secrecy as was in the former Bill, not giving the people of Canada an opportunity to look at the factors which go into the making of a decision.

This series of amendments is aimed at the increase in the amount of openness in Government. Motion No. 8 asks to be made available to the people of Canada any studies that are made regarding decisions to allow investments in Canada. In the past the Minister and this Government have suggested that we take on faith that every bit of investment in Canada will be good for Canada. These amendments suggest that that is not necessarily so and that what should be available is a process by which decisions which are made and which go into the making up of an investment are available to the Parliament of Canada and the people of Canada so that they can decide whether that kind of investment is good for Canada. They should do that rather than foreign investors being told to buy what they have to, take the profits and run. This would require that their decisions be open for criticism. If that kind of information were available on investments made in Canada, Canadians would quickly join us in saying that unlimited and uncontrolled investment in Canada is not necessarily good for Canada.

Motion No. 12, the second of the motions before us, attempts to strengthen the information base available to policy makers and Canadians generally. It is an attempt to put before the people of Canada information which will allow them to better understand the behaviour of foreign businesses on the whole and their specific behaviour, particularly if this kind of analysis has been done.

If we had before the Government and the people of Canada the reasons for acquisitions before those acquisitions were allowed, we could make some kind of judgment. We would not have the kind of situation which came before this House previously where Black & Decker in Barrie was taken over and almost immediately closed, resulting in the loss of several hundred jobs. Those kinds of decisions would be open to scrutiny. They likely would not be allowed to go ahead. If they were, there would be rebellion among the people in communities such as Barrie when such suggestions are made.

Motion No. 32 deals with making public information relating to the investment which the companies must file under the notification section. That would allow the people of Canada to make judgments, which would suggest that the amount of investment by foreign corporations would be limited only to those areas where we could be sure it would go to the creation of jobs and that the investment would be for the benefit of Canada rather than, as the previous speaker said, just a method of picking cherries and getting out.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I welcome this opportunity to speak to one of the amendments, and I think most Canadians will not understand why Progressive Conservative Members are opposed to this information being released. How are Members of this House to know that a company in their riding has been taken over by foreign investors, if no information with respect to safeguards for employees are to be communicated officially, if there is to be no information regarding the cost of investment, research or manpower training, if none of the obligations of a new foreign company that buys a local company in one of our ridings . . . why are Progressive Conservative Members opposed to all this information being made public? And why are Opposition Members demanding that the Minister be obliged to release such information? First of all, to ensure that jobs are protected; second, to ensure that in the region where the company is established, that particular industry will continue to operate and contribute to the development of the region in question; and third, to ensure that the new company will be able to continue investing as much money in research.

If the Progressive Conservatives are opposed to this amendment and maintain their ridiculous decision to adopt this Bill, two years from now, they will wake up to reality and say: In my riding, such and such a company was operating quite satisfactorily. There were 200 employees. A foreign investor took over the company and shut it down. Members will wonder: How can that happen? Mr. Speaker, the answer will be: It is too late now. You should have been wide awake two years ago.

Mr. Speaker, that is the threat that awaits us. We have already had a sample of secret decision-making by the Minister of Regional Industrial Development. Remember the Domtar case. The Minister said no. Progressive Conservative Members were not even informed. Not even the Minister of Public Works, the Minister responsible for Quebec affairs in Cabinet, was informed, Mr. Speaker.

• (1550)

Had it not been for the role played by the Hon. Member for Richmond-Wolfe (Mr. Tardif) and the Hon. Member for Shefford (Mr. Lapierre) in this matter, nothing would have come out of it, Mr. Speaker. I must commend the Hon. Member for Joliette (Mr. La Salle) who had the courage to take up the cudgels for Quebec in that case. But I keep thinking about all the others who are asleep today and feel that everything will be fine, never mind the unilateral decisions concerning equalization payments to Quebec, another unilateral decision without consultation irrespective of what the province was asking for. The same thing goes for housing programs such as RRAP, Mr. Speaker—cutbacks, unilateral decisions, nary a word from the Government. Members of the Progressive Conservative Party, and more particularly the Member for Lac-Saint-Jean (Mr. Côté), should stop fooling around and sleeping in the House and make sure that the Government is forced to deal openly and see to it that any foreign interests taking over a Canadian business are required to guarantee jobs, develop the region involved, and promote research. That is easy enough to understand and I am sure that some Conservative Members agree with me on that score, Mr. Speaker. It is an important consideration before we proceed to the final stage of this Bill. I would ask the Minister's Parliamentary Secretary to ensure that workers are protected. This is not a question of selling out to the Americans, to foreign investors,

or to anyone else. What matters is guaranteed employment protection in every region of the country and in every municipality. There are 1.5 million unemployed, Mr. Speaker, and without even trying to do anything else, the Government is throwing our doors open and saying: Come and invest in Canada, buy anything you want, do whatever you want, we do not really care. It is unthinkable that Members of Parliament should think like this and allow such a thing to happen, Mr. Speaker. I believe that it is very important for people to require the Minister and the Government to disclose the commitments made by investors about job security, research activities and regional development.

Another major point that this Bill should deal with is the possibility that in a given area, for instance Saguenay-Lac-Saint-Jean or Rimouski, which have terrible unemployment rates, or elsewhere in Quebec or Canada, a new company will be set up and then compete with a local business which is already struggling, and no one will do anything to prevent it. What will happen is that a multinational will set up a plant in that region and destroy a local or family business, and then that multinational will close down its plan and use it strictly as a warehouse to sell and export its own product.

Mr. Speaker, the Hon. Member for Laval-des-Rapides (Mr. Garneau) and my other colleague who speaks on these matters are to be commended as well as the Members of the NDP for prodding the Government relentlessly. It was quite understandable that our "Camera Kid", our Prime Minister, went kowtowing to the President of the United States. However, Mr. Speaker, we have been elected by Canadian men and women and we are here to protect their interests. We, from Quebec, have been elected to protect the interests of Quebec men and women in each of our constituencies. We have not been elected to defend the multinationals, because if only multinationals could vote, there would not be many Members of Parliament. There are many more workers than business leaders in Canada, Mr. Speaker. In all your constituencies, there are many more workers than business leaders. Who elected you? They voted for you to protect their interests. We have 1.5 million unemployed in Canada, Mr. Speaker, and if the Government leaves Bill C-15 as is, there will be more arbitrary and stupid decisions like those this Government has been making since September 4, such as cut-backs in the RRAP program for residential rehabilitation without consulting mayors and municipalities. The Hon. Members are not even aware of it. In Rimouski, the mayors of the regional municipality of Rimouski are complaining about the 60 per cent cut-backs in the RRAP program, Mr. Speaker, and the local Member of Parliament is not even aware of it. The Minister did not even inform his colleague about the decisions he will be making on these matters, Mr. Speaker. The Domtar case is the best example; the map-making institute is another example of this government's unilateral decisions. Ironically, they used to claim: "We are going to do things differently! We are going to consult the people." But when the time comes to legislate and to enlighten the public, the Minister says that he prefers to keep everything to himself. The Parliamentary Secretary has every reason to hide behind the curtains. If I were she, I should be ashamed and would refuse to take my seat. Here she comes, Mr. Speaker. I feel it is important . . . and I rely on the Parliamentary Secretary whom I have successfully provoked and awakened.

The Acting Speaker (Mr. Paproski): Order, please! The Hon. Parliamentary Secretary (Mrs. Tardif) rises on a point of order.

Mrs. Tardif (Charlesbourg): Mr. Speaker, I should like the Chair to consider the relevance of these remarks. So far, whenever opposition members from the NDP have risen, they have dealt at least with the amendments under consideration. On the other hand, when members of the Official Opposition have risen, only a few of them have dealt with these amendments. I should like, therefore, the Chair to look into the relevance of their remarks. Also, I should like the Chair to remind hon. members that they should not mention whether their colleagues are present in or absent from the House, something they have done on several occasions today.

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member should realize that there are rules of relevancy. I am sure he is coming to the relevant point right at this time. He only has about a minute or so left.

[*Translation*]

Mr. Malépart: Mr. Speaker, I do not wish to argue with the Parliamentary Secretary, but I was referring to the amendment and the fact that the necessary information should be disclosed to the members of each area . . . I think that the Hon. Member was absentminded and did not quite grasp my comments, but I was sticking closely to the issue under consideration. I would ask the Parliamentary Secretary, who should play her role, to try and influence the minister in order to protect jobs in Canada. If she does not want to do so, she will pay the political price later. If the Tory members do not want to do their job and merely go on travelling, they will pay the political price later. The Opposition maintains that it is essential for the government to make amendments and accept the amendment suggested by the NDP to make public the information on the following three critical points: guaranteed jobs, regional development and research.

[*English*]

Ms. Pauline Jewett (New Westminster-Coquitlam): I was just sitting here in the House reading a speech made by the Hon. Walter Baker on freedom of information. I am sure the Hon. Parliamentary Secretary has read some of his many speeches on that subject. I was reading a speech from June 22, 1978, on freedom of information, and I agree with the Parliamentary Secretary. That is the subject of these amendments. I

hope I will not be called to task if I stray even slightly from the subject matter of the amendments.

The Hon. Walter Baker and another very prominent Conservative whom many of us remember with great pleasure, Mr. Ged Baldwin, made probably the most powerful arguments in this Chamber outside of those made by members of the New Democratic Party for the need to be fully informed and to have full information flow to the Canadian public on a very great variety of matters.

I can remember their making an argument we have often made, which is that everything should be made public unless there is an absolute specification that it should not be made public. That follows the Swedish rule which provides that information, and indeed information of the kind that is available to the new board that will be created under the Investment Canada Act, should be made public unless there is a specific order that a particular piece of information should not be made public. As I have said, even Conservative Members have made very eloquent speeches on that subject. At that time, the Liberal Government was closing the door to freedom of information.

Indeed, a few years ago, I remember sitting in on the hearings of the decennial review of the Bank Act. One of the things for which we were pushing very strongly was a public disclosure section in that Act which would provide that Canadians would have some idea in larger terms about the actual amount of capital that was flowing in and out of this country.

• (1600)

Almost every country has public disclosure legislation of that kind, except Canada. I believe when the Conservatives were in opposition they supported us on our public disclosure amendment, but we were not able to get it through the Liberal Government. Now, of course, when the Liberals are in opposition, they are like Ged Baldwin and the Hon. Walter Baker when they were in opposition, and are calling for public disclosure. The Liberals are supporting our amendments, which basically ask for the information which is gathered and analysed by Investment Canada to be made public.

As other speakers have pointed out, a substantial amount of the information has been kept secret. I do not know why it is that when a Party ceases to be in opposition and becomes the Government it changes its mind completely about the importance of public knowledge, public awareness and public information. I do not know why, when that Party is in government, it becomes extremely secretive in areas where there seems to be very little ground for such secretiveness. Indeed, the whole state of society can be jeopardized by that secretiveness.

Again, the amendments only ask for certain information to be made public, for example, the studies of foreign investment patterns and behaviour. They ask for information to be made public which relates to the performance of foreign business in Canada. As well, they also ask that undertakings which are made to the agency by a foreign business in exchange for approval be made public. Requests for systematic and public monitoring of approved takeovers to ensure compliance with undertakings should also be made public. Those kinds of proposals are absolutely fundamental for a public understanding and discussion, and indeed a parliamentary understanding and discussion, of the consequences, both good and bad, of the legislation.

I cannot help but wonder if the reason that the Government is being so recalcitrant in accepting these amendments is that it has very serious doubts about whether there will be any new investment of a major proportion under this Bill. Indeed, the Government may have been listening to Wall Street and know that major, fresh foreign investment which would create jobs is simply not in the cards.

Undoubtedly, there will be some new investment, particularly in the under $5 million range in direct acquisitions, which will gobble up much of Canada's small operations, particularly in the high-tech area. The Government is afraid that that will be attractive either to the foreign-owned companies which are already operating in Canada, or to new companies. They will be straight takeovers. New investment and new jobs will not be involved. In fact, there may even be fewer jobs. The Government must be afraid that the "new" investment which we may see will not be "new" money coming into Canada, but that it will be—as has so often been the case in the past—money which is being borrowed from Canadian banks. The Government may know that that will be the consequence and, therefore, does not want to have any information disclosed on investment patterns, foreign investment behaviour and on the performance of foreign business in Canada. It wants to continue with that secretiveness because there will not be new money, jobs and opportunities. There will only be takeovers, probably of smaller Canadian entrepreneurial-type firms, or, if they are larger companies, they will likely be taken over and funded almost entirely by Canadian banks.

I remember a gentleman who owned a small manufacturing business which produced electrical components in Vancouver. The business was doing very well. He went to the bank for a loan to increase the operation, but the bank thought it too risky. Shortly thereafter, he sold the business to an American. The American took over the business and within days received a loan from the same bank which had turned him down. The American was part of a large conglomerate, so he received the loan. In Canada we learn that sort of thing by experience. There is no public disclosure anywhere. People simply have to hear about it from persons who have been involved. In my riding, a firm was bought by a foreign company which began to lay off people. It did not fulfil its obligations with respect to creating new jobs. We hear about them, but there is no public information available to us. Even Mrs. Thatcher allowed a public disclosure Act to be passed in the United Kingdom.

If the Government is saying that it knows we will not get genuine foreign investment which will create real new jobs and that we will get only takeovers, in particular in small high-tech operations, then I suppose I have to say that I understand why the Government will not provide public information and public disclosure.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Don Valley East (Mr. Attewell)—Human Rights—U.S.S.R. Representations on behalf of Jewish population; the Hon. Member for York East (Mr. Redway)—Health—Testing of toxic hormone to control cockroaches; and the Hon. Member for Papineau (Mr. Ouellet)—Transport—Construction of VIA Rail maintenance plant. Government position. (b) Transport industry's fragility in Montreal—Government position.

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions Nos. 8, 12, 32, 63, 69, 74 and 75 (Mr. Langdon) (p. 4242).

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, before speaking to Bill C-15, an Act respecting investment in Canada, I would like to draw the attention of the House to a problem arising from the translation of Motion No. 12 from English into French. I would invite my Francophone colleagues on the other side of the House to try and understand what I am going to read to them. The text reads as follows, and I quote:

g) de recueillir périodiquement des renseignements sur le rendement des entreprises canadiennes lorsque ce n'est pas contrôlé par des non-Canadiens et de les rendre publics appartenant à des non-Canadiens et expressément interdit par la législation fédérale;».

And this is what it is supposed to say, in English:

[*English*]

(g) regularly compile and make public information, where not expressly prohibited by federal legislation, pertaining to the performance of Canadian businesses owned and controlled by non-Canadians;".

• (1610)

[*Translation*]

I wanted to bring this error to the attention of the House, Mr. Speaker, because it is unacceptable, and I hope it will not happen too often.

To go back to the matter at issue, in proposing Motions Nos. 8, 12, 32, 63, 69, 74 and 75, the Hon. Member for Essex-Windsor (Mr. Langdon) is asking, first of all, that the Government make public the results of research and analysis with respect to investment applications. Second, in Motion No. 63, the Hon. Member is asking that the Government also make public its ruling, including all undertakings made in connection with the investment. Third, in Motion No. 74, the Hon. Member for Essex-Windsor asks that the Governor-in-Council make public all reasons for disallowing applications. That, Mr. Speaker, is the essence of the amendments we are now considering.

I hope the Parliamentary Secretary to the Minister of Regional Industrial Expansion (Mrs. Tardif) has taken note that I am indeed speaking to the amendments.

Members on the other side of the House seem to think that we in the Opposition take a special delight in nit-picking. That is certainly not the case. However, we do want to defend the interests of our fellow citizens, and it is the Opposition's role to ensure that the Government does not cause grave injustice to be done.

In my riding, Mr. Speaker, a young man under 30 is trying to succeed with his company which makes tofu, a protein-substitute cheese for meat widely used in hospitals and prisons. So one day he came to my riding office to tell me about the difficulty he was having to find out from the federal Government whether a competitor plant in another city in Canada had received a federal Government grant, which he thought was unfair. I had a hard time myself and it was weeks before I finally got the information. Information is the current buzz word. This is legislation on information. We are trying to make it easier for our fellow citizens and Canadian entrepreneurs to invest their savings wisely.

The administrative machinery is complicated enough as it is. I had hopes, but now I am rather doubtful because nobody on the other side of the House appears anxious to rise and debate our proposals. The logic of those motions is crystal clear, we want to make sure that there is no possibility of conflict of interest. Canadian and foreign investors must be able to rely on the vigilance of this Government. This series of motions introduced by our New Democratic Party colleagues touch upon a rather delicate aspect of the federal administration—openness and ready access to information. No Government can operate properly unless it is quite prepared to report to the public and its representatives on the situation of the federal administration.

How unfortunate that the Hon. Member for Gatineau (Mrs. Mailly) does not seem to grasp the significance of the proposed amendments. As the Hon. Member for Essex-Windsor suggested this morning, she ought to take part in the debate. Indeed, we are wondering why Hon. Members opposite are so quiet in this debate. I am on duty today, Mr. Speaker, I have been here since this morning and I have heard only one speaker from the Government side.

This morning the Hon. Member for Ottawa-Vanier (Mr. Gauthier) made an important point in his remarks. We are not interested in knowing how much money such or such company is making or losing. We want to know how the Government is doing. It is a matter of information and sound operation.

The Progressive Conservative Party has always been a staunch advocate of more open administration, more readily accessible Government, as the Hon. Member for Yorkton-Melville (Mr. Nystrom) pointed out this morning. I fail to understand why Members opposite cannot manage to agree on their political principles of yesteryear.

It is unacceptable that the Progressive Conservative Members be forced to remain silent. After all, there are enough of them and I know that a good many are dying to tell us what they think, not least of whom the Hon. Member for Gatineau (Mrs. Mailly).

[*English*]

My colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau), tells me that Erik gave an order.

[*Translation*]

If I may, Mr. Speaker, I would say that it seems Members opposite have been instructed to keep quiet. So, we are led to believe that Conservative backbenchers are prevented from playing their role as Members of Parliament. After all, if the Government does not want to hear the views of its own Members, it is high time the Canadian people learned about it. To report on information gathered by the agency would not break any Government secret. On the contrary, it would make for openness and acquaint Members of Parliament and potential investors with investment trends, especially at the planning level, and future prospects. It would avoid a duplication of efforts both for Canadian and foreign investors and for the officers of the agency. For instance, let us imagine that a Canadian investor decides to set up a new business. By consulting the list of existing or future investment projects, he would know readily whether he can go ahead with his plan. By following the investment situation, he would be in a position to save his capital if he finds that a similar operation already exists.

I shall conclude in a minute, Mr. Speaker.

The same applies to non-Canadian future investors. The reputation of Canada is at stake. I believe that by providing wide-ranging and sound information, we would help both Canadians and non-Canadians to serve Canada better. If the Government will not accept these amendments, it will miss a great opportunity to show the Canadian people that it believes in open government, because, until now, Canadians have been disappointed in this respect.

[*English*]

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am pleased to have a chance to take part in the debate this afternoon on Bill C-15 and, in particular, on a number of amendments brought forward by the spokesperson for the New Democratic Party in this area. All of these amendments are designed to make the process of review a more open one. The amendments are all very clear. We have a situation where it is still the case that Canadians often have to go to the United States to get information on American corporations acting in Canada. Canada seems to be a place where secrecy reigns, a practice permitted to go on far too long by the previous Government, and I am afraid that the legislation before us now repeats all of the mistakes in the approach of past Governments. It is time that we saw some opportunity for Canadians to get the information they need in order to make representations and for the public to know what is going on. If takeovers are not in the Canadian interest, this should be made very clear.

Of course, our whole thrust with respect to this legislation is that it is going in the wrong direction. We would like to see FIRA strengthened and we would like to have better assurances that foreign investment in Canada will suit Canadian needs and generally create jobs. Because we have this objective, we are disturbed by the whole tenor of this legislation and, certainly, its secrecy provisions are such as to cause a great deal of concern. It is even harder to fight bad legislation and bad takeovers when you do not have the information you need.

Let me speak about the specific amendments at this point. There are five amendments we are considering this afternoon. Motion No. 8 is an amendment to Clause 5 in the Bill. Our amendment would add to that clause the words:

• (1620)

—and make public, where not expressly prohibited by federal legislation, the results of this research and analysis.

This is an eminently reasonable and sensible motion. When the Canadian public pay a government Department to make investigations as to the wisdom of certain investments, this information should be available to the Canadian public which has an interest in seeing that the right economic decisions are made.

The second motion is Motion No. 12, and this is again to amend Clause 5 and would add to the part dealing with performance of corporations the following:

(*g*) regularly compile and make public information, where not expressly prohibited by federal legislation, pertaining to the performance of Canadian businesses owned and controlled by non-Canadians.

This is absolutely crucial to having any sensible economic policies whatsoever. We need to have information as to performance in order to make judgments and if we do not have

the information, then bad decisions can be made and not found out about or objected to.

The third motion before us is Motion No. 32 and it deals with Clause 13. The intent of this motion is that the agency will make public within a reasonable time period all new businesses and acquisitions dealt with in this part of the legislation, and make public within a period not exceeding 14 days after notification is given all proposed investments subject to review. This is an obvious and constructive resolution to a long-standing problem.

The fourth motion we have before us is Motion No. 63 in amendment to Clause 21. It deals with net benefits, an absolutely crucial question as well. The Minister shall, within 45 days after the certified date, et cetera, send a notice having taken into account any information, undertakings and representations referred to the Minister by the agency pursuant to the section and be satisfied that the investment is likely to be of net benefit to Canada. This is absolutely the key question in the decision about whether the investment should be allowed at all; is there going to be a net benefit to Canadians? Our proposal here is to add the words:

—and shall make public his ruling including all undertakings made in connection with the investment.

A most reasonable expectation.

The fifth motion is Motion No. 69 in amendment to Clause 22. It says:

"notice to that effect to the applicant and shall make public its decision including all undertakings made by the applicant."

Again, that is absolutely essential. It is obviously beyond dispute that any undertaking should be made public and the public, who are the people most concerned because they are going to lose jobs when unwise decisions are made, should have this pertinent information.

Well, why is this not happening? The Conservative Party certainly had people who have spoken in the past in favour of openness in government. We have had references made to the late Walter Baker and he certainly was a leader in this respect. He made very strong speeches in this House in his last years of service about the requirements for full disclosure, requirements for a working democratic system, requirements that there not be cover-ups, that the public get the information it needs. These were all very sensible recommendations and we wonder why the Government is not listening to its leaders and respecting those kinds of proposals which have been made in the past.

At the time this Bill was in committee there was testimony from a number of people pleading the cause of openness in deliberations. I would like to quote in particular Gorse Howarth, a former FIRA commissioner who appeared before the committee. He said:

The most telling criticism, certainly the most telling criticism as far as I was concerned, was that the whole process was conducted in secrecy. People used words like "Star Chamber" and this, that, and the other.

Why did they use these words? Because in the consideration of this commissioner, the agency, FIRA, had to operate secretly. It was not that it is necessarily covering up any particular point, but to quote him again, he said:

The truth of the matter is that the way Parliament wrote that law, the government and the agency had no choice but to keep virtually everything concealed and hidden.

What he was concerned about was the current wording of the legislation. He said:

As far as I can see, that is going to happen under the proposed new law, as it is now written. The requirements for confidentiality are no less stringent. Virtually all the information which was classified by Parliament under the Foreign Investment Review Act as priviliged is classified as privileged under the proposed new act. And if that is indeed to be the pattern, then Parliament and the government and the agency and everyone can expect, sooner or later, after the first blush of happiness and so on has gone, that there will be the same kind of criticism that this whole process is being conducted in a secretive manner. There will be more criticism, perhaps, because this government, as I understand it, is committed to making things more open to the public.

Here is someone who listens to election talk and listens to Conservatives in opposition. Indeed, we were treated to many a lecture about openness and civility and other high-minded principles while these people were in opposition, and one wishes they would read their own speeches and put them in action when they are drawing up their legislation.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) should know better than to walk between the speaker and the Chair. He has done that twice and I would just like to bring it to his attention.

Mr. Axworthy: I apologize, Mr. Speaker.

Ms. McDonald: Mr. Speaker, previous speakers for the Conservatives, one just a very short time ago, opened up the debate on some of the wider issues, and I feel compelled to make a few closing remarks at least about some of these issues. We heard a spirited Conservative plea for more foreign investment. We heard statements that foreign investment and Canadian investment were equal. Certainly as a New Democrat how can I be against equality? Well, I would like to remind the House that there is no such equality. Foreign investment and Canadian investment have played very different roles in Canada. It would be very nice if foreign investment had the same effect that Canadian investment had. If foreign investment really had the job potential being claimed for it by the Conservatives right now, we would probably have the lowest unemployment rate in the world. We have had growing foreign investment over the past few decades in Canada and we have had extremely high unemployment. We have more unemployment than many, many other countries which are much more careful about permitting foreign investment. If job creation were the rich reward of foreign investment, we would have more job creation than we can stand.

I do want to point to the great sense of frustration that people across Canada have experienced. The jobs action group which the NDP caucus consulted recently was very worried about foreign investment. They felt decisions were being made behind closed doors, that companies would come into their communities, make their profits and leave, that they would

leave them with nothing. In short, these were investments which were not to the benefit of the community and they felt powerless.

It is important that communities not be powerless, and in order for that to happen they have to have the information, the public has to have it, we in Parliament have to have it so we can fight unwise takeovers and see that economic decisions are made for the benefit of Canadians.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, this morning we considered a series of amendments relating to Bill C-15, and we tried to persuade the Government, through the Parliamentary Secretary to the Minister, to consider accepting certain amendments to the Bill which were aimed at removing what we see as the inordinate discretion allowed the Minister, powers that we find excessive, but it is obvious, although no vote will be taken on these motions since there will be a recorded vote, that the Government has been unwilling to accept any amendments whatsoever.

Despite our warnings and the proposals that were made, the Government says no, and will use its vast majority, although that majority is not apparent at this moment in the House, to set aside any constructive proposals by Hon. Members, and especially from the Opposition.

● (1630)

We are now considering another set of amendments we are proposing to Bill C-15, to make the legislation more acceptable and to make it and those who will have administrative and political responsibility more responsible to public opinion.

Mr. Speaker, I fail to understand why Government Members are not willing to consider Motion No. 8 to amend Clause 5 of the Bill. Clause 5(*c*) says, and I quote:

5.(1) The Minister shall—

(*c*) carry out research and analysis relating to domestic and international investment;

The amendment being proposed in Motion No. 8 is as follows: to add, following the word "investment", and I quote:

—and make public, where not expressly prohibited by federal legislation, the results of this research and analysis;".

Mr. Speaker, can anyone tell me why a perfectly normal suggestion, a suggestion that is entirely in line with open government, with the kind of government that wants to give the general public the information that in many cases is required by businessmen, why this amendment which would, in fact, oblige the Minister to make public the results of this research cannot be accepted? We all know this research is carried with taxpayers' money. The public is paying. Why not accept this simple amendment that is merely aimed at releasing information compiled as a result of research paid for with public funds?

Mr. Speaker, the Opposition, whether it is the New Democratic Party or the Liberals, can certainly not be accused of wanting to introduce sweeping changes in this legislation. It seems to me the Minister of Public Works (Mr. La Salle) could not do otherwise but rise in the House and say that it makes very good sense to have research carried out by public servants or by the agency, at the request of the Minister, studies on external trade, the situation of foreign or Canadian investments, paid for with public funds. We are just asking for the right to know, when there is nothing in the Act that prohibits the release of information, because of course such studies might contain confidential data. The amendment even includes the reservation that an exception would be made if publication were expressly prohibited by federal legislation, in cases where special considerations might—

Mr. La Salle: If necessary, certainly, that is in the legislation.

Mr. Garneau: Mr. Speaker, I do not think the Minister has read the Bill. I do not think he has read Clause 5(*c*). We just want the Minister, provided there is no conflict in the case of confidential matters relating to a specific company, to release the results of such research for the benefit of Hon. Members and also for the benefit of business people who may need the information to make decisions. If the studies were not paid for with public funds, I would not mind, but this comes out of the public purse, and the Government is refusing to accept an amendment of this nature. At least, we have yet to hear any Government Members or the Minister's Parliamentary Secretary tell us why they are opposed to research that is carried out by the Government, at the expense of the taxpayer, being made available on a mandatory basis, provided there are no data in the study that should remain confidential pursuant to existing legislation.

Mr. Speaker, that was Motion No. 8. I am going to skip motion No. 12 and proceed with Motion No. 63. Motion No. 63 has the same objective, which is to make decisions public. The purpose of Motion No. 69 is to amend Clause 22 of Bill C-15.

There again, when we consider the text of the Bill and we analyze Clause 22, we see that the Minister is supposed to examine certain applications for foreign investment.

What we suggest should be done is simply adding the requirement to make public the decision by specifying among other things all the investor's undertakings. We are simply asking that this be made public. Why? Let us take for instance the constituency of Joliette. Let us assume the Minister of Regional Economic Expansion (Mr. Stevens)—and perhaps this could also occur in your constituency, Mr. Speaker—has agreed to an investment, and the company that has just taken over a Canadian business in the constituency of Joliette has decided, shall we say, to increase turnover and research investment, to maintain jobs at the existing level over a period of say

five years, and has undertaken to buy 25, 30, 40 or 50 per cent of its raw materials in Quebec or in Canada, depending on the area where it is located, and if it was on the basis of such commitments that the Minister has agreed to the foreign investment, why not accept that such undertakings be made public so that the Hon. Member for Joliette—he is now in Government and may have special connections with the Minister, but even then the Minister is under no obligation to tell him about it or even to discuss it in Cabinet or in Cabinet committee, more or less like in the Domtar case—does not learn about it from the newspaper reports. All we are asking is: Why not make that public? Failing that, how can we, Members of Parliament, even Progressive Conservative Members, how can we all at some point answer questions from the public? How are we to know whether the undertakings are honored?

But that Government is so sure it is in possession of the one and only truth that it cannot or will not accept any amendment. We will find out later on, with other series of amendments, to what extent we are going to be prevented from monitoring foreign investment, to what extent we are going to be prevented from knowing whether the goals have been reached, whether the terms and conditions have been met because, as we are going to find out, and I will probably speak on that, when the Minister sets terms and conditions and foreign investment is agreed upon on that basis in Canada, reports will be submitted only after the Minister has asked for them.

We feel that those reports by the investor who made the commitments should be submitted automatically, and made public. Therefore, to monitor, to be sure, to be in a position to discharge our responsibility in this House, we have to determine whether there was an administrative decision that was perhaps—without ever suggesting for a moment that the Minister who took the decision was ill-intentioned, since at times he makes dozens and dozens of such decisions and if he does not make them public, he alone later on will be in a position to know whether or not he has forgotten to ask the company to produce reports, because they will only be provided upon request. If that were made public, there would be something like 280 people in this House, and especially Members from the areas concerned who are interested in the economic development of their communities, their constituencies, who could see whether the company after two years, assuming there were originally 200 employees, after having undertaken to increase the number of employees to 250 over the next five years, whether two years later, one finds out there are only 175 employees left and is in a position to sound the alarm, and the Minister will then say: We must ask for a report because otherwise, that company is not complying with the terms and conditions that I myself have set for accepting the sale of that Canadian firm to foreign interests.

The whole issue, the whole approach revolve around those amendments. I have addressed Motions No. 8 and No. 63. The others have more or less the same thrust. I would like to hear, if the Minister of Regional Industrial Expansion has had to leave the House—this is possible for he may have commitments elsewhere—I would like to know from the Parliamentary Secretary why, on which basis, and what the Government has to hide. Why not accept amendments that to me look quite natural and in line with the wishes expressed most of the time by all Members of this House, to be informed and to be in a position to clearly answer before their constituents for the Government?

I am sorry, Mr. Speaker, I would have other comments but my time is up.

• ¢(1640)

[*English*]

Mr. Dan Heap (Spadina): Mr. Speaker, I am very pleased to have an opportunity to speak to this group of amendments which have been put forward by my colleague. I want to concentrate particularly on Motion No. 74.

The purpose of this motion is to ensure that information gathered on matters of great importance to the Canadian people be made public. Clause 23(3) currently states:

> On the expiration of the period referred to in subsection (1) for making representations and submitting undertakings, the Minister shall, in the light of any such representations and undertakings and having regard to the matters to be taken into account under subsection 21(1), forthwith send a notice to the applicant.

In other words, the application has been studied and now he has to send a notice to the applicant:

> (*a*) that the Minister is satisfied that the investment is likely to be of net benefit to Canada; or
>
> (*b*) confirming that the Minister is not satisfied that the investment is likely to be of net benefit to Canada.

While there are other matters on which I am dissatisfied, I simply want to talk about this one matter. When the proposed legislation stops at that point, it loses one of the principal values of any such review. Therefore, I support the inclusion of the amendment, which reads:

> (*c*) the Governor-in-Council shall make public decisions described in subsection (*a*) or (*b*), including in respect to (*a*) all undertakings made by the applicant and in respect to (*b*) the reasons for its disallowal.

In other words, Canadians, including workers and owners of Canadian industries related to the proposed takeover or investment, shall have the right to know what their Government is doing on their behalf. They shall have the right to know why the Government saw fit to allow a certain investment and what were the undertakings made by the investor, or why it saw fit to disallow a certain investment.

The old legislation under FIRA failed on this point. That legislation was intended to protect Canadian industry by government review and, where necessary, government control. However, it failed to publish this sort of information.

The present legislation fails in the same way. It perpetuates the secrecy of the Foreign Investment Review Agency. It

allows, in some cases, some slight discretion to the Minister, but on the basis of the Minister's performance in the last six months when we have asked him repeatedly to explain the undertakings of a company such as Black & Decker, he totally refused. There is no indication that he would change that policy under the new legislation. Therefore, there is need for a requirement that that information be published and also that information about the conditions upon which approval was given or the grounds upon which approval was refused be published.

I am particularly concerned about the effect of this clause on Canada's garment manufacturing industry. There are 150,000 jobs at stake, approximately 30,000 of which are in Metropolitan Toronto. Many of those are in Spadina. This is an industry which is presently more than 80 per cent owned and controlled by Canadians. Many small business people and many individuals who are not small business people have pioneered for generations the businesses that have been an important part of Spadina and many other areas of Canada such as Montreal and Guelph. We cannot take for granted that this industry will continue to be four-fifths Canadian owned.

The industry is becoming concentrated. It is bringing in more expensive electronically-controlled equipment, and foreign investors are indeed beginning to buy holdings in the Spadina garment industry, whether taking over existing industries or establishing new ones with extremely predatory competitive rates.

In particular, there is now a rush of capital from Hong Kong into the Spadina garment industry. That is why this kind of review is needed urgently and should be incorporated into this legislation, as we have asked in our amendment.

Included in the information we want is to know a great deal about the operation of the company and its habits; its employment practices, and the research and development that it conducts either in the home country or in Canada, if already operating here. The information should include what it proposes to do in research and development.

We want to know about its export policy and between factory pricing policies—whether it will try to evade Canadian taxes by rigging its prices between factories. We would like to know its policies for remittances of fees and services or for dividends and interest.

We would like to know what it does with its undistributed profits. Is it investing profits from Canadian operations into Canada or is it milking Canada of these profits?

Many of these investors may well be multi-nationals. We would like to know the details of their world product mandate system. We have heard of this in the automobile industry but we also know that new technological development in the garment industry make this a very real possibility in the not too distant future. Those industries in Canada could be shut down, if not totally then to a large extent, for the sake of industries in countries that pay perhaps 10 per cent of Canadian wage rates.

We would also like to know how parent companies operate at home with respect to such matters as financial contributions to the cultural and educational life of the subsidiary's country. For example, do they intend to give equal treatment to Canada in that respect?

We also would like to know the functions of Canadian banks in takeovers. We have heard of many cases of Canadian companies being bought out with Canadian money from Canadian banks in the hands of a foreign investor. In that case, no new money is brought into Canada. Contrary to the belief of the Government, Canadian takeovers have taken place with very little new money but simply with Canadian money being used to buy out a Canadian industry in the interest of a foreign company which can then shut it down.

Statistics Canada could also provide relevant information with respect to undistributed profits of the Canadian businesses that are already owned and controlled by non-Canadian owners, and indicate whether those profits are reinvested in Canada.

Before a major assault begins on Canada's garment industry, this legislation should be in place so that we can monitor it closely and provide the Government with the power to take what action is necessary. The owners, workers and neighbours of our garment industry will be able to monitor what the Government does by having access to the information which the Government has gathered. The public—particularly the 150,000 Canadians whose livelihood is concerned here—should have access to the vital information that the Government can require by regulation.

● (1650)

All that vital information should be required by government regulations and should be made public in the interests of the people whose jobs, business holdings and shares are being put in jeopardy by foreign takeovers in many cases. In the interests of those Canadian citizens or Canadian residents, that information should be obtained by the Government and made public. If it is a new business, under this legislation it would not be reviewable for conditions under Investment Canada. I am not satisfied with that, but other Hon. Members will be speaking to that matter.

At least notification is required. We should know whether 5, 50 or 100 garment factories in Spadina have been taken over. We should know who has taken them over. We should have a good deal of information along the lines I have just described, even though there are no conditions. We should know what sort of operation is moving into the country, perhaps setting up a parallel operation which is perhaps funded so as to destroy the Canadian operation. If it is a takeover, the law requires that minimum conditions be determined by the Minister, and those conditions should be published. I ask that Motion No. 74 be given serious consideration by the House.

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, perhaps I should follow the suggestion made by my colleague

on my right and speak about the by-election held in New Brunswick. I must say it was a heartening outcome. It was a resounding success.

Mr. Speaker, to come back to Bill C-15 and especially the amendments which I want to support, that is Motions Nos. 8, 12, 32, 63, 69, 74, I would like to point out that this is the first opportunity I have had to speak on this legislation and I am still wondering why this government is giving up a policy which is undoubtedly important and vital for the interests of Canada. Now, as I said, FIRA did not prevent foreign investors from doing business in Canada. Its role was rather to ensure that foreign investments were made in the best interests of Canadians and created jobs for Canadians while not being harmful to Canadian businesses. That review process which was a safeguard should have been maintained. Canada is obviously one of the industrialized countries which allows the most substantial foreign investments in its economy. This is one of the reasons why we should not remove that safeguard provided by FIRA.

If Bill C-15 were passed without the proposed amendments, anyone could come and set up a business and take out of this country without any kind of accountability. That is the problem. It is useless to say that if the bill is passed in its present form, all kinds of foreign interests will want to do business in this country. And if those foreign interests take over some industries or some concerns, as far as the Atlantic area is concerned, Mr. Speaker, such control on our businesses could have serious consequences on our resources.

Now, Mr. Speaker, I shall deal solely with our resource, that is to say our fish. This resource is currently protected by the 200-mile limit, and we know that some people have worked very hard to establish this 200-mile zone to protect our resources. If the Bill were to be adopted in its presents form, there would be nothing to prevent foreign interests from setting up shop along our shores. While they could not use ships to lay their hands on our off-shore resources, they could seize these resources by taking over businesses on the coast. Under these circumstances, what sort of control would we have over these resources which are of paramount importance to the Atlantic provinces? None whatsoever, for these foreign interests would not be answerable either to the people or the communities along the Atlantic shores, not even to the federal or provincial governments. How would we go about protecting our jobs, if these foreign interests decided to have the fish processed elsewhere? How could we protect these jobs? Mr. Speaker, I must tell you that, perhaps in New Brunswick more than anywhere else, jobs are extremely important. Today, the overall unemployment rate in New Brunswick is 17 per cent, and it reaches 21 per cent in my own region, which is unacceptably high. How could we protect these jobs? And how important do the Atlantic people feel these jobs are?

Mr. Speaker, you have certainly read in the papers recently that there were riots which caused considerable damage. They occurred in the Acadian peninsula in Northeastern New Brunswick. Some trucks and pieces of machinery were destroyed, and a plant was damaged to such an extent that it will not be able to operate this summer. Some people have lost their jobs. What is the reason behind these riots? Because workers suddenly realized that a firm intended to install machines to replace manual labour. Should I go on, Mr. Speaker?

The Acting Speaker (Mr. Paproski): I am sorry, but—

[*English*]

Before calling it five o'clock and proceeding to Private Members' Business, I call to the attention of the House Standing Orders 15(2), 15(3) and 15(4), since I have had to reprimand a couple of Hon. Members today. Standing Order 15(2) reads:

When the Speaker is putting a question, no Member shall enter, walk out of or across the House, or make any noise or disturbance.

Standing Order 15(3) reads:

When a Member is speaking, no Member shall pass between that Member and the Chair, nor interrupt him or her, except to raise a point of order.

• (1700)

I would hope that we can have a little decorum. At the same time, while I am reading this Standing Order, and I know Hon. Members have read it, it states also:

No Member may pass between the Chair and the Table, nor between the Chair and the Mace when the Mace has been taken off the Table by the Sergeant-at-Arms.

When the House adjourns, Members shall keep their seats until the Speaker has left the Chair.

Thank you.

[*Translation*]

It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Paproski): Is there unanimous consent for the House to proceed to Item No. 138?

Some Hon. Members: Agreed.

* * *

RAILWAY ACT

MEASURE TO AMEND

Mr. Jim Manly (Cowichan-Malahat-The Islands) moved that Bill C-229, an Act to amend the Railway Act, be read the

second time and referred to the Standing Committee on Transport.

He said: Mr. Speaker, I appreciate this opportunity to speak on my Bill C-229 which reflects the concern of a number of my constituents. I am sure it will find echoes in the concerns of constituents of all Hon. Members. I hope the House will see fit to refer the subject matter of this Bill to the appropriate committee.

The purpose of the Bill is to require all railways, particularly Canadian National, to comply with provincial legislation regarding health and environment. I just want to sketch a little of the background that led me to introduce this Bill. Last August, Canadian National Railways was involved in spraying Spike 80-W, a defoliant, in the Cowichan subdivision of Vancouver Island. This spraying took place at the very time when blackberries were just beginning to come into fruit. For those who do not know, blackberries on Vancouver Island grow to be very ripe, delicious and luscious. People love to pick them. Blackberry bushes grow profusely. They sprawl all over the place. In fact, I have seen places where abandoned buildings have been completely surrounded and covered by blackberry bushes after just a few years.

Here is where we have the problem. People, particularly children, like to walk along the right-of-way where there are blackberry bushes, pick the blackberries and eat them. On the other hand, the railroad is concerned about keeping its right-of-way clear, so it sprays.

Last year when the spraying was done in the villages of Lake Cowichan and Youbou, no notification was given to the local residents that spraying would take place. Even the village council was not notified in advance. When it did find out, it had to go to its own expense to put out a circular letting people know that the spraying was taking place. Later parents were horrified to find that their children were eating blackberries that had been sprayed in this manner. When the village protested to CN Rail, Mr. G. Fowler, the planning engineer for the Mountain Region, wrote back and pointed out:

> Signs were posted on our right-of-way in the City of Victoria and at Deerholme but unfortunately the Village of Cowichan was not forewarned. This was likely due to the short notice given Environment Canada. CN Rail, being a Crown corporation, is not required to obtain provincial pesticide permits for work done on our right-of-way, however, through Environment Canada, the provincial agencies are informed of our intentions.
>
> Our vegetation control program on Vancouver Island was discussed with Mr. Doug Wilson, Senior Program Officer Contaminants Control, Environment Canada, Vancouver, and he was well satisfied with the job and felt CN Rail had complied with all regulations.

CN Rail might have complied with all the regulations, but the people of Lake Cowichan and Youbou were far from satisfied with the way this happened. There are no regulations that apply to protect the health of people or the environment from this kind of spraying.

When I wrote to the Minister of the Environment (Mrs. Blais-Grenier), she replied:

> Environment Canada provides general environmental advice to the Pesticide Control Act Administrator and specific advice on restrictions to protect the anadromous fishery resource from pesticides. . . .
>
> As you noted in your letter, CNR does not participate in the formal review process of the province. . . .
>
> With regard to CN's participation in the provincial Pesticide Control Act review process, we have been advised that the British Columbia Ministry of Environment has sent a letter to the president of CN Rail requesting that the railway obtain provincial pesticide use permits. We are not aware of CN's position at this time, but I agree that it would be desirable for CN to participate in the same way as do all other railways operating in British Columbia.

I am not completely happy with the environmental protection legislation in British Columbia, but at least when there is going to be commercial spraying of herbicides on a commercial scale, a permit is required. In order to get this permit, there is an opportunity for public input. People can say where and how this spraying would have negative impact upon them, their communities or their environment. For example, on a 1983 application by CPR for permission to spray a right-of-way on Vancouver Island, the Environment Appeal Board ruled that there were certain areas where the spraying could not take place because it would impact in a negative manner upon some private homes and gardens. Even this minimal protection given by the Pesticide Control Act is British Columbia is not available when the CNR decides to spray.

I have received further correspondence from the Vice-President for the Mountain Region, Mr. R. A. Walker, dated December 12. He said, and I quote:

> —we are reviewing the legal implications of obtaining provincial permits as a goodwill gesture on future vegetation control programs.

Goodwill gestures are fine, but the people of my constituency and constituencies right across Canada would like more assurance than just a goodwill gesture. They would like some assurance that they are protected, that the railway does have to conform with at least the minimum standards established by the province.

Voluntary participation is another phrase that has been used. Verbal agreements have been reached regarding better notification. That is not good enough. When we are dealing with health and environmental matters, it is not good enough to depend upon goodwill. Goodwill is often subject to the whims of the person who is in charge. Goodwill can find itself victim to the constraints of a timetable. That is not good enough.

It has been pointed out that the problem of spraying on CNR rights-of-way is only part of a larger problem regarding the federal government properties and the provincial environmental regulations. There is also concern about environmental regulations as they would relate to airports, federal prisons and Department of National Defence establishments. The railways are very definitely the chief culprits, however.

● (1710)

One of the objections that might be made to my Bill which would require that all railways be subject to provincial health and environmental regulations is that the CNR would find itself subject to 11 different jurisdictions. I do not think that is an objection that can stand up. Interprovincial trucking concerns must already deal with different jurisdictions. Certainly the battery of lawyers maintained by Canadian National

should be able to figure out what the different jurisdictions require in the way of environmental controls and make sure that the railway complies with those regulations.

A second possible objection to my Bill was suggested by the Minister of State for Transport (Mr. Bouchard) in a letter to me on December 5, 1984. He wrote:

> The question of amending the Railway Act with respect to provincial spraying regulations could involve the whole matter of federal-provincial jurisdiction and precedents for as yet unidentified areas.

It may be true that there is a question of federal-provincial jurisdiction here. I would suggest that the health of the people of Canada is more important than federal-provincial jurisdictional squabbling. I would urge federal and provincial authorities to get together to make sure that this area is covered because it is not covered at present.

A couple of weeks ago, we saw the sorry spectacle in this House of the buck being passed from the federal Government to the provincial authorities when we were dealing with the PCB spill which occurred in northern Ontario. Very luckily, as far as we know, no one was harmed by the spraying that took place last summer in the Cowichan area. We are not aware of any harm that was done to any specific individual, but must someone suffer to the extent that it becomes a national scandal before we are willing to take action?

The basic question I wish to leave before the House this afternoon is, do we have to wait until there is an emergency before we put in place the kind of regulations that will give basic protection to people? On that basis, I would urge Hon. Members to consider the Bill. I think it makes sense that railways operating in a province should be required to conform to the environmental and health regulations established by that province for its citizens and its companies. I urge compliance by all Members of the House.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I have listened with some interest to the Hon. Member. The subject with which he is dealing, as you will know, Mr. Speaker, being a senior and distinguished Member of the Chamber, is one that has been of interest to Members from all sides of the House for a number of years.

The Hon. Member is to be commended for bringing the matter forward at this particular point in time. Our concern in a topical sense with respect to dangerous products has been heightened in recent weeks by a near disastrous incident which occurred in northwestern Ontario. It is therefore appropriate that we are now speaking in a broad and general way of a measure which would indeed require the railways to take some cognizance and be aware of the environmental and other concerns as they relate to the provincial authorities in this country. I know from the Hon. Member's past participation in matters in this Chamber that his interest is perhaps broader than that which is defined specifically by his proposed amendment to the Railway Act.

Section 219 of the Railway Act presently reads as follows:

> Every company shall cause thistles and all noxious weeds growing on the right-of-way and upon the land of the Company adjoining the railway, to be cut down or to be rooted out and destroyed each year, before such thistles or weeds have sufficiently natured to seed.

Earlier today during the meeting of the Standing Committee on Transport, we dealt with a piece of legislation that was introduced and passed by this Chamber in 1919. The fact that that piece of legislation has lasted for 66 years remains something of a testimony to the drafters of that legislation. Here I am referring to the Aeronautics Act. Surely the section I have just read needs the attention of this Chamber that has been occasioned by the Hon. Member's amendment.

Further to that, Section 220 reads:

> The company shall at all times maintain and keep its right-of-way free from dead or dry grass, weeds and other unnecessary combustible matter.

We must recognize that the Railway Act has been in force for a number of years. The historical concern regarding that section was related to fires caused on the right-of-way by sparks falling into the underbrush from hot boxes, seized wheels and so on. The philosophy behind the section was one of weed control, and in past years that has been dealt with in a labour-intensive fashion, specifically by digging up and burning the offending bush.

In the last three decades, there has been a growing use of chemicals by the railway companies to meet the requirements of Section 219 of the Act. During the same period of time, there has been an increased awareness of the effects of chemicals on the environment and on the health of people and animals in areas where these chemicals are used. There are no provisions in the present Act to regulate the use of chemicals and it seems valid that the Act should be amended accordingly.

I do not mean to presume on what the Hon. Member has specifically put forward in his amendment, but implicit in it and clear to all of us is that his intention is much broader. The railways operate in all provinces and if, as this amendment proposes, they are to be required to comply with the statutes of the provinces in which the chemicals are being used, then there must be a mechanism whereby the railways can be exempted from particular portions of the provincial legislation which is unnecessary, unreasonable or inconsistent with the Railway Act. This mechanism should be embodied in the amendment.

We must have an appreciation of the existing pertinent federal and provincial legislation which impacts on this issue and we must examine this with some care and thought. Any amendments to the Railway Act with respect to this matter should be made in the light of the details of all such legislation. If it is proposed by the Hon. Member to amend Section 2 of the Railway Act which, incidentally, covers the definitions of words and terms used throughout the Act, I would suggest that the proposed amendments are ill-suited to Section 2 and would be better dealt with elsewhere in the Act.

● (1720)

In the fall of 1984, the Hon. Member wrote to the Minister of the Environment (Mrs. Blais-Grenier) and to the Minister of Transport (Mr. Mazankowski), in some detail and with some thoughtfulness, with respect to this issue. The Minister

of State for Transport (Mr. Bouchard) replied that the subject would be taken under advisement in the context of the national transportation policy and legislative review that was being conducted by the Department.

The Minister of the Environment informed the Hon. Member that the CNR does not participate in a formal provincial review process. However, CN Rail does submit a summary of all herbicide spray proposals to the Environmental Protection Service.

Further, Mr. R. A. Walker, Senior Vice-President of CN Rail, informed the Hon. Member on December 12, 1984, that there would be a review of the matter of vegetation control and that a resolution would be arrived at prior to the 1985 program being initiated. Once again, I am drawing the attention of Members to the pertinent information which has been conveyed with respect to the subject matter of the proposed amendment. As recently as today, Mr. Walker informed the Minister's office that CN is voluntarily complying with the appropriate provincial legislation. I understand that contracts for such work are issued and that they stipulate compliance with provincial legislation.

There is another point which I would like to discuss, given this rare and very welcome opportunity. Perhaps it is not intended within the scope of the Hon. Member's motion, but I think it should be on the record. If the intent, or partial intent, of the amendment is to impact on employees under, for example, Part IV of the Canada Labour Code, I would dare to caution the House that that could have a detrimental effect on the Government's objective of ensuring uniformity in the protection of the safety and health of all employees working in undertakings which are within federal jurisdiction. The amendment which is proposed by the Hon. Member could have legal ramifications far beyond the area of clearance of the right-of-way. That is, it would obviously affect the question of the health of employees, for example, those employees involved in the construction and maintenance of rail lines, or in the removal of stations and facilities which are no longer in use. If the intent is only to apply provincial laws to the use of chemicals for clearing the right-of-way, it would be more appropriate to amend Section 219 of the Railway Act—which refers specifically to the question which is implicit in the proposed amendment—using Section 210 of the Railway Act as a mode. The latter section has been in existence for many years and provides a mechanism by which provincial drainage laws can be applied to railways. It would seem that the concern of the Hon. Member is very analogous to this situation, and an amendment to Section 219, along the lines of what is already contained in Section 210, would be appropriate. As I do not believe that that is the intent of the Hon. Member, I shall not dwell on that point further.

On the whole, the Government recognizes the merit of the Hon. Member's suggested amendment. It is certainly well-intentioned and it seeks to enact a greater common good. It is the philosophy of this Government to recognize such Private Members' Bills, whether they be from government or opposition benches. Indeed, it gives me pleasure, as Parliamentary Secretary to the Minister of Transport, to be in the position in which I can co-operate with the Hon. Member.

The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) has taken the step and moved this amendment. For many years when I was a back-bencher in the Opposition I was not able to do that because of the intractability of the then Government. Very seldom in my experience in this Chamber have opposition Members been able to have the subject matter of their private Bills referred to the appropriate standing committee for review and consideration. Indeed, with respect to transport, some Members of the Chamber will be aware that for 15 years I attempted to take the regulatory branches of transport away from the responsibility of having to investigate accidents and incidents which occur within the ambit of that regulatory body. There is a conflict if one judges one's own work. I put forward a great idea. A series of Ministers of Transport agreed to it over a period of years. Indeed, I was successful in having the Bill discharged and the subject matter referred to the standing committee. But what happened? It died.

That is not the attitude of this Government. The subject matter of the proposed amendment to the Railway Act is serious. It requires consideration and action by the Standing Committee on Transport. With some pleasure, if it meets the approval of the Hon. Member, I will move an amendment. Accordingly, I move:

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> "Bill C-229, an Act to amend the Railway Act, be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Transport."

I do so in the hope that it will have the support of the House.

In closing I would like to commend the Hon. Member for his thoughtfulness and concern. It is a concern which, I believe, is shared by all Members of the Chamber. I hope the standing committee will give its full consideration to it and report back to the House in due course.

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

• (1730)

Mr. Crosby: Mr. Speaker, I take it that the House has seen fit to adopt the amendment proposed by the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) and that the Bill will be referred to the Standing Committee on Transport for a consideration of the subject matter of the Bill.

The Acting Speaker (Mr. Paproski): Order, please. We are not debating the amendment. Does the Hon. Member want to speak on the amendment? It has not been adopted as yet. It has been proposed.

Mr. Crosby: I understood it had been adopted.

The Acting Speaker (Mr. Paproski): The Hon. Member for Moncton (Mr. Cochrane).

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, it is a pleasure for me to have a chance to address the legislation which has been proposed by the Hon. Member. It is also refreshing to see that Hon. Members in this House feel encouraged to prevent their Private Member's Bill and that the Government takes it very seriously when a private Member has a concern he would like to bring to the attention of the Parliament of this country. It is nice to see that our past performance in this regard has encouraged this Hon. Member to put forward his ideas in the form of Bill C-229. All too often in the past, the initiatives of back-bench Members of Parliament have been relegated to a secondary status in such a way that it has not encouraged people to put forward their ideas, so I am pleased to be part of a Government which does encourage back-bench Members and private Members to draw their concerns to the attention of the House of Commons.

The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) has proposed in Bill C-229 to make all railway companies under the jurisdiction of Parliament comply with provincial laws in respect of health and environment. This could be accomplished by amending Section 2 of the Railway Act.

From what I understand of the background of this situation, the Hon. Member is concerned with the defoliant spray program conducted by the railways on their tracks. This is evident from the correspondence received from the Minister of the Environment (Mrs. Blais-Grenier), the vice-president of the mountain region of CN, and also from the Minister of State for Transport (Mr. Bouchard) to which the Hon. Member referred. The purpose of the amendment, I believe, is to require the railways to seek provincial authority for any spraying which takes place on rights-of-way and to comply with the environmental and safety standards of our provinces.

I represent a constituency which for many years has relied a great deal upon the existence of the railway and its compatibility with the surrounding community. I can very much endorse the principles of Bill C-229 and also express my concern about the use of defoliants along the railway tracks and the effect that that may have upon adjacent communities.

Certainly, as a member of the Standing Committee on Transport who had an opportunity recently to visit western Canada and to follow the railway through the Rocky Mountains as it went beside the Fraser River and the Thompson River, I do share the concern of western Canada that the defoliant spray should be used with prescribed guidelines so that we do not put into jeopardy the vegetation which exists along these tracks. Certainly, with the close proximity of the railway tracks to rivers in the western part of the country, we must all be concerned with the effect of chemicals upon our river systems and the areas they service.

Section 219 of the Railway Act requires railways—as the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall) mentioned earlier—to eliminate on an annual basis thistles and noxious weeds on its right-of-way and upon lands of the company adjoining the railway. Chemicals have been utilized by the railways on an increasing basis over the last 30 years to meet the requirements of Section 219. During the same time, the public has become increasingly aware and concerned about the effects of chemicals upon the environment. There is no question but that the public has every right to be concerned as we look at a number of incidents which have happened in our country where perhaps there was not due care exercised or attention paid to existing legislation with regard to chemicals and their effects upon our environment. There are no provisions in the Railway Act at present to control the use of these chemicals. I would concur with the Hon. Member for Cowichan-Malahat-The Islands that appropriate amendments are necessary and possibly long overdue.

There is, however, Mr. Speaker, a serious concern with the drafting of this legislation. While it seems clear that the Bill is aimed at limiting environmental impairment, the reference to the protection of health in Bill C-229 would require compliance by the railways with provincial occupational safety and health statutes. While the Bill appears very basic and straightforward in its drafted form, there are a number of ramifications with which we must concern ourselves. However, I do not believe that is the desired result of the Hon. Member's Bill. In fact, from listening to his address I believe that he is primarily concerned with the effect that the kind of spray used by the railways would have upon the adjacent areas and the people who would be in contact with it. I think his concern is to make sure that existing provincial legislation, as it applies to these defoliant sprays, is applied to the railways as they attempt to conform with the provisions of Section 219.

The field of occupation safety and health relative to the rail industry is covered by federal statutes, and the danger of the proposed legislation is that it would unintentionally permit the entrance of provincial legislation which may or may not be compatible. I think all Hon. Members would agree that it would be chaotic to have ten different provincial safety and health statutes incorporated into the Railway Act. By the very virtue of our railway system in Canada, particularly as it applies to Canadian National—which, of course, travels right across the country—it would be extremely difficult for those attempting to maintain the railway tracks to be cognizant of each and every borderline between the provinces and the various regulations which would apply with regard to the operation of the railway in that particular area.

I respectfully suggest to my colleagues on both sides of the House, Mr. Speaker, that the proposed amendment to Section 2 of the Railway Act does not meet the legislative goals of the Hon. Member. If my colleague is specifically seeking to protect the public and the employees of the railway against the residual effects of weed spraying on the railway right-of-way—which I believe is what he is intending to do—then I believe the course of action should be to amend those sections of the Railway Act which address this position.

Rather than take a position today by which the Bill would be set aside, I would concur with the amendment proposed by the Parliamentary Secretary to the Minister of Transport that it be set aside and the subject matter be referred to the Standing Committee on Transport. The present Section 219 of the Railway Act which deals with the control of thistles and

noxious weeds was written long before chemical control of weeds was practical and before the intense public awareness of the difficulties which may arise as a result of not having proper legislation with regard to the application of these chemicals.

I do agree that because of the length of time that Section 219 has gone unamended, it may be the right time now for a revision of Section 219. The best way for us to deal with that and, hopefully, zero in upon the issue brought forward by the Hon. Member, is to endorse the amendment so that the material could be forwarded to the Standing Committee on Transport, which would take a look at the intent of the Hon. Member's Bill as well as at the ramifications which might result if Bill C-229 were forwarded in its present state.

I would be pleased as a member of the Standing Committee on Transport to have an opportunity to look this material over and to attempt to recommend some adjustments which could be made with regard to the legislation so that the true intent of Bill C-229, as put forward by the Hon. Member for Cowichan-Malahat-The Islands, can be adopted and put into effect. In that way, the desired effect of his concerns would be handled through the Standing Committee on Transport for eventual report to the House.

The Acting Speaker (Mr. Paproski): Order, please. I believe there was a little misunderstanding between the Chair and the Hon. Member for Halifax West (Mr. Crosby). I am sure he has a few words to contribute to this debate. I recognize the Hon. Member for Halifax West.

Mr. Howard Crosby (Halifax West): Thank you, Mr. Speaker. Indeed, there was a kind of misunderstanding. So to put the matter in perspective, may I precede my remarks by reviewing the technical process and procedure which we experienced in the House of Commons today, as I understand it.

The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) has moved by way of motion the second reading of his Private Member's Bill, Bill C-229, an Act to amend the Railway Act. In response, the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall), the Hon. Member for Dartmouth-Halifax East, proposed an amendment the result of which is to refer the subject-matter of the Bill, namely, the health hazards involved in railway rights-of-way and related matters, to the Standing Committee on Transport. I think that that is the eventual appropriate disposition of this matter. I realize that Your Honour has called the motion put forward by my colleague, the Parliamentary Secretary, but it has not yet been put to the House so we are in the discussion stage. I merely want to make a few remarks by way of discussion of both Bill C-229 and the proposal made by the Parliamentary Secretary.

• (1740)

Let me begin by saying in a sort of personal way that I have no difficulty in recalling Cowichan-Malahat-The Islands. In case I say anything that the Member may not find acceptable, I want him to know that there is nothing personal in it; I have visited his riding and I know from whence the name comes because in travelling along the highways of Vancouver Island—he can correct me if I'm wrong—I encountered an old sign post that had three pieces in the form of arrows, one of which said Cowichan, one of which said Malahat, and the third of which said The Islands. So if you happen to be in Vancouver Island and see that sign post, you will know where Cowichan-Malahat-The Islands is located. So I was proud to be in that constituency and I know it is a very important part of the Province of British Columbia, which brings me to my first point, and that is that in the Bill before the House the Member proposes that the Parliament of Canada ought to incorporate by references health and environmental protection laws of the provinces of Canada, including the Province of British Columbia. But I point out to the Member and to other Members of the House that this is a risky proposition because across this country, if there is one thing we lack it is uniformity in provincial laws. And if the Member wants an example, or any Member wants an example, let me talk about the spruce bud worm which is involved as a plague in some areas and apparently as an animal to be carefully protected in other areas of Canada notwithstanding the damage that it wreaks on our forest.

So if you consider the laws of the Province of Nova Scotia that under certain circumstances allow spraying for spruce bud worm in order to protect our important forest resource, and compare them to the laws of some other provinces like the Province of New Brunswick that exclude any kind of infliction of death or other serious damage on our friend the spruce bud worm, you can get that kind of serious difference. So, to use an old expression, you're buying a pig in a poke when you make provincial environmental and health laws applicable to a matter under federal jurisdiction.

So I would say to the Member for Cowichan-Malahat-The Islands, with no malice intended, that if there is an evil that exists and you want to protect the public against that evil, then you should take the time and the trouble to enact a law that will accomplish that end, and not simply grasp at straws by making provincial laws of unknown and uncertain origin and content applicable. So while I think that the Member's motives are surely honourable and intended to be a protection to the public and to those who may come in contact with the dangers that exist on railway rights-of-way and other railway property, I think that if you are going to accomplish the desired end you have to be more careful in the means and methods that you choose to reach that end.

In summary, Mr. Speaker, let me say that incorporation of laws by reference is always a dangerous course to follow. When you are talking about an evolving and developing field like health and protection, health protection and environmental laws, you are on an even more uncertain course of action. So I do not think this is the course of legal action that is acceptable to the House of Commons. It is not an acceptable method of legislative enactment, and I think that the much wiser course is the one proposed by the Parliamentary Secre-

tary, that is, a reference of the subject matter to the standing committee. I hope that disposition will be acceptable to the Member.

In his presentation to the House of Commons, the Member for Cowichan-Malahat-The Islands made specific reference to the dangers that exist on the railway rights-of-way and spoke of the exposure of young children especially to toxics and poisons that might have been used in controlling foliage on rights-of-way. I would like to address some remarks very briefly to the continuing danger that exists with respect to railway rights-of-way. I would put higher on the list of priorities for actions not the toxics and poisons that might be used but the every-day danger of railway crossings, level crossings, that still exist across Canada. We have not changed for decades the law that controls railway level crossings and every day, in fact this very week unfortunately, there are tragic accidents. In the constituency of my colleague from New Brunswick, in Fundy-Royal, just the other day there was a tragic accident that involved a young boy who was walking along the railway tracks while listening to a Walkman. And of course this use of a Walkman interfered with his hearing. He was apparently unable to hear an approaching train, and even though the engineer responsible for the train saw the boy, knew that he had a Walkman in place and that his hearing was obscured, he could only react by blowing the whistle and attempting to apply the brakes unsuccessfully. The collision occurred and, unfortunately the boy was killed.

I could recite many other similarly tragic incidents. Just this summer, during July and August of this year, we had a tragic accident in my constituency in the village of Kinsac where young children at play after a while take the rail level crossing for granted, so to speak. That is, it becomes so much a part of their playground that they fail to realize that from time to time trains pass. They take no precautions because of the lack of traffic and then fail to notice the approach of a train, with tragic results as in that case in the village of Kinsac this summer. I am sure other Members could recite similar tragedies, and they will occur today, tomorrow and in the months hereafter unless some specific action is taken.

Certainly it is a costly matter to provide a solution to this kind of problem, but how do you measure that kind of cost against the tragic loss of life that we have experienced in all provinces, in all parts of Canada, as a result of railway crossing accidents? So if the Parliament of Canada is going to address the problem of safety on railway rights-of-way, if that ought to be and it is properly the concern of the House of Commons, then let us get at the big problems, let us not just get at the esoteric problems that may or may not occur, and particularly may occur at only parts of times of the year, but let us get at that day-to-day problem right across this country, the dangers that exist on railway crossings.

I say to the Member for Cowichan-Malahat-The Islands that I do not mention that by way of criticism. I just mention that by way of the fact that there is a big job to be done, so that perhaps when the Transport Committee accepts the reference, which I hope the House of Commons will make today, it will consider the broader problem of safety on railway rights-of-way right across the board, not simply with respect to health hazards but with respect to all aspects of safety.

Let me just talk for a minute about the progress of the Canadian railway companies, that is to say those institutions that are in business for Canada, as the Canadian National Railways ad said, and just what they are doing, because I think the Member has accomplished one purpose in presenting this Bill C-229, and that is, to focus attention on what the railway companies are doing across Canada, what progress they have made. I will give you a good example, Mr. Speaker. The Saturday newspaper in the City of Halifax always carries a column "Thirty Years Ago Today". This past Saturday that column referred to a remarkable event that took place 30 years ago, and that was the institution of the *Ocean Limited* travelling between the City of Montreal and the City of Halifax. It was described as a hotel on wheels that only took 21 hours to transverse the distance from Halifax to Montreal. Do you know what the *Ocean Limited* takes today, 30 years later, in 1985, to transport itself from Halifax to Montreal? The same 21 hours, and on bad days, much longer. That is progress in the railway business in Canada. That is a company that is in business for Canada. It took 21 hours for this hotel on wheels to travel 700 miles in 1955 and in 1985 it takes a little longer, accounting for more and longer stops along the way. That is railway progress. It is present in the trains and in the situations which exist on the railway rights-of-way. We still have the dangers that exist on level crossings and other places.

• (1750)

If the Member for Cowichan-Malahat-The Islands is reminding the House that Canadian railways, and in particular the Canadian National Railways, have not progressed a great deal in the last three decades, then his point is well taken. We have certainly seen a lack of progress. The same old trains are chugging back and forth between Halifax and Montreal. I know that efforts have been make to improve the rolling stock, but the fact is that the methods have been substantially unsuccessful. The result is that Canadians no longer use the train, which is one of the most important and effective means of transportation everywhere in the world except Canada. This is a progressive country. We have all kinds of technology. We are participating in outer space activity. We are very proud of the Canadarm attached to satellites, but it still takes 21 hours to get from Halifax to Montreal by train. The progress which we have made has certainly not been reflected in railway activity.

Members of Parliament who are interested in transportation generally ought to take a closer look at the Canadian National Railway and other railways operating in Canada. I hope the amendment proposed by my colleague, the Parliamentary Secretary to the Minister of State for Transport, will be the beginning of a re-examination of the very practical aspects of the operation of railways in Canada, particularly the Canadian National Railways.

I know that other Members want to make some remarks. I will not take up any more of the time of the House of Commons. Thank you again for recognizing me the second time around. I do not mind. It is all in the interest of progress in the House. I hope the Member for Cowichan-Malahat-The Islands will take the proposed amendment in good faith and that we can proceed and progress from here.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I wish that the subject matter of this Bill were not constrained to the Transportation Act. Unfortunately, man has had to depend upon science for a great many purposes, one of which is to eat. We sometimes lose track of the fact that without chemistry, physics, and science we would not be able to produce enough food on this continent to eat. We are therefore dependent upon the scientists of mankind to deliver to us the ways and means of effecting a lot of services, including the production of our food. We need it in the forest protection program, as has been mentioned by my friend from Halifax. We need it in agriculture and we need it very badly in the processes which are discussed in this Bill, namely, keeping the right-of-way clear of debris, weeds, et cetera. We need it in the home if we do not wish to live with flies. We need it throughout our entire life.

It is unfortunate that very often we have been deprived of the use of certain scientific inventions and creations by virtue of the objections of some extremists in this world who have the proper motives. That motive is, of course, the better safety of mankind. When one responds to an extremist—and I am not referring to the Member for Cowichan-Malahat-The Islands at all—we do lose something which we need very badly. We have made a great deal of progress in the application of pesticide. What we still need in the worst way is a proper testing method which will establish the fact that a particular chemical is indeed safe if applied in a particular fashion and in particular concentrations.

When this subject matter goes to the Transport Committee, I would hope that all those in favour of that move would broaden their thought, not only as it applies to the right-of-way, but as it applies to household, farm, and forest use of pesticides. We have lost the use of chemicals which might have been very profitable for us to use. In some instances, we have lost the use of a pesticide due to a single accident by an applicator of pesticides who did not read the label or prepare the proper concentration. He may have sacrificed his own life through his carelessness. I agree that that is not good. However, we do not know what method we should be using for application. At the scientific forestry level we do not know what droplet size is safe and practical for the application of a pesticide. Today we have mechanical means by which we can apply pesticides with virtually no possible drift. However, these methods are not generally in use. If they were in use with most of the pesticides presently being used, we would not be concerned about the drift to other areas.

The cost of manpower to eliminate the pests in various rights-of-way is prohibitive. We must, therefore, look at a safe method by which this can be done through pesticide use. I would appeal to the Member to have that subject matter expanded to study the chemical, the diluent and the mechanical method of application. Can we bring to the conscience of Government the fact that we just do not have the knowledge that we need for safe pesticide use in Canada for the betterment of the entire human race?

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): It has been moved by Mr. Forrestall, seconded by Mr. Crosby:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-229, an Act to amend the Railway Act, be not now read a second time but that the order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Transport."

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

Some Hon. Members: Agreed.

Amendment agreed to.

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

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

The Acting Speaker (Mr. Paproski): Accordingly, the order is discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Transport.

Order discharged and Bill withdrawn.

The Acting Speaker (Mr. Paproski): Order, please. The hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

HUMAN RIGHTS—U.S.S.R. REPRESENTATIONS ON BEHALF OF JEWISH POPULATION

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I rise under Standing Order 45. On March 26 in the House I asked the Secretary of State for External Affairs (Mr. Clark) if he intended to have the tragic plight facing many Jews living in Russia on his agenda when he visited Russia. I was assured by the Secretary of State for External Affairs that, yes, he did

intend to raise this important issue. Further, he had the benefit of consultations and briefings with many leading members of the Canadian Jewish community.

• (1800)

There are now approximately 1.8 million Jews living in Russia, some 350,000 less than in 1970. However, only 896 Jews were able to emigrate in 1984, the fewest in number since 1970. So far this year the emigration rate is almost non existent. In 1979, 51,320 Jews emigrated from the Soviet Union. Clearly there has been a deliberate reduction in the number of Jews allowed to emigrate since 1980.

The Jewish community in Russia undergoes many forms of merciless harassment. This harassment impacts on their daily lives physically, culturally, mentally and spiritually. Many Jews have been denied family reunification. Some 20,000 "refuseniks" who have applied for exit have had their visas denied. After a "refusenik" applies to leave, it seems that he often is routinely dismissed from his job. Some have had their children expelled from college, some have been arbitrarily arrested and some have had their personal property confiscated.

What can we do about this situation as Canadians and Members of Parliament? I suggest that we can organize. Certain steps have already been taken, one being the formation of the Canadian Parliamentary Group for Soviet Jewry. I recently had the honour to be nominated to serve on the executive of that committee. There are a total of 273 Members of the House of Commons and the Senate who are a part of that group.

Some of the activities which have occurred recently include a delegation a few weeks ago to visit the Russian Embassy here in Ottawa. Not too long ago, the President of our group, the Hon. Member for Edmonton-Strathcona (Mr. Kilgour), and several other Members of Parliament visited Russia to see and hear first hand some of the actions that have been taken there and to investigate this widespread harassment.

Another step that we can take is to communicate with individual "refuseniks." I have personally adopted a "refusenik". His name is Simon Shnirman. He is 28 years old and is a metallurgist. He was arrested on October 1, 1983, when he refused a call up to the army because he was intending to emigrate. I recently wrote to his wife, Leah Shnirman, to introduce myself. They have a young daughter and are very concerned that Simon's sentence of three years could be increased due to alleged "breaches of camp regulations". I do not believe that Simon has even seen their young daughter. Many concerned Canadians have also adopted "refuseniks". Representatives of 35 countries are holding a human rights conference here in Ottawa, beginning on May 7. They are planning a six or seven week conference. This meeting, which includes Russian representation, is the first meeting devoted exclusively to human rights.

These countries signed the 1975 Helsinki Accord in which it was stated, "Participating states will deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family". The Soviets are clearly not abiding by this agreement.

• (1805)

The Right Hon. Secretary of State for External Affairs recently said in the House of Commons that Canadian officials would pursue the issue of discrimination against Jews in Soviet bloc countries at the conference. He went on to say that there were a variety of ways in which cases could be raised, both generally and specifically, in formal sessions and in the corridors. He also stressed that he would give his commitment to find ways to raise individual cases with the Soviet Union and with others in a way which would lead to a successful conference.

We know that anti-Jewish propaganda has been increasing recently in Russia. There exists an anti-Zionist committee which uses its title to spread anti-Semitism. As well, an hour long documentary has been shown on Leningrad television which equates "refuseniks" with anti-Soviet behaviour. The anti-Zionist committee has been given widespread media coverage in its claims that Hebrew teachers and cultural activists are spies, criminals and traitors.

In closing, I stress that Canada has a unique role to play in dealing with this type of harassment and lack of basic freedoms. I applaud the Right Hon. Secretary of State for External Affairs for his leadership in this regard. I believe many of us, both in the House and in the Senate, have a real job to do and indeed a real obligation in this respect.

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for Don Valley East (Mr. Attewell) for his concern and for his dedication to a cause which is dear to almost all of us. I had the pleasure of sitting at the same table as the Secretary of State for External Affairs (Mr. Clark) and Mr. Gromyko when the discussion took place. All of us would have been proud of the dynamism and force with which the Secretary of State for External Affairs raised the issue of human rights, Jewish human rights, and family reunification. Even when he was told that it was a domestic matter, he continued to pursue it. He said how it would affect the perception of Canadians in terms of how they feel about the Soviets. We just kept pursuing the issue. The cases of people like Shcharansky and Sakharov were raised on three different occasions that day. The Secretary of State for External Affairs told them how much we wanted Mr. Shcharansky freed.

The Secretary of State for External Affairs went to the Soviet Union in the first week of April with a number of objectives in mind. Among them was his desire to develop lines of communication with the new Soviet leadership in order to discuss the full range of Canada's bilateral interests with the Soviet Union. High among those interests are our humanitarian concerns. In this context, the Secretary of State for External Affairs raised the issue of Soviet Jewry.

This Government views the situation of Jews in the Soviet Union in light of the commitments undertaken by the Soviet

Union as a signatory to various international agreements on human rights, including the Helsinki Final Act. The Government has also sought to reflect democratic values of the Canadian people. It is for this reason that Canada considers respect for human rights as an important factor in our relations with the Soviet Union.

The Secretary of State for External Affairs raised the issue of Soviet Jewry during his meetings with Soviet leaders. He informed them of the importance Canadians attach to the respective human rights. He urged the Soviet authorities to allow the emigration of Soviet Jews. He stressed, in particular, Canada's hope for the release of Anatoly Shcharansky, and he raised the case of Mr. Sakharov as well.

This Government will follow up by promoting respect for human rights already guaranteed in international instruments bilaterally with the Soviet Union and other countries, and multilaterally through the United Nations and the Helsinki process, notably at the meeting of CSCE Experts on Human Rights, now taking place in Ottawa, the first CSCE meeting to take place outside Europe and the first devoted to human rights.

HEALTH—TESTING OF TOXIC HORMONE TO CONTROL COCKROACHES

Mr. Alan Redway (York East): Mr. Speaker, on April 19, I directed a question to the Minister of National Health and Welfare (Mr. Epp) in connection with what steps the Department was taking to test a low toxic hormone called hydroprene, which is being used very effectively in the United States for the control of cockroaches. At that time the Minister indicated he was aware of the fact that the Department was testing hydroprene, but he had no up-to-date information as to when those tests would be completed or when it was likely that hydroprene would be accepted for sale in Canada.

• (1810)

This particular subject, while it may appear somewhat peculiar and unusual to be debated in the House of Commons, is certainly a subject that is of high interest to the people of this country, particularly to apartment dwellers. Anyone who has served on a municipal council is well aware of the problem that roaches cause for the people who live in apartment buildings. In the Municipality of Metropolitan Toronto, where I am from, approximately 50 per cent of the people who reside in the city live in apartments. In my constituency, something in the neighbourhood of 61 per cent of the people live in apartment buildings. This subject is of particular concern to apartment dwellers.

The problem is that cockroaches are great disease carriers and a health hazard to all Canadians, in fact, to all people around the world. Roaches are terrific breeders. One female roach produces something like 500 eggs in the space of one year and, therefore, multiplies exceedingly quickly. This means that these little bugs are carrying a great many diseases to all of us. It does not matter whether or not we are good housekeepers, they are transmitted very easily.

In Metropolitan Toronto it is claimed that most cockroaches are transmitted by people riding the transportation system. If you sit on a bus or subway train, you may well come in contact with an insect of this variety. It attaches to the clothing, you carry it home and infect the entire household.

This sort of problem is particularly acute in apartments where there are so many people and so many units. This kind of insect is transmitted very easily through all of the cracks and crannies that develop in an apartment building, or any residence for that matter. In the past and at the present time we have tried to control this by the use of pesticides.

I was interested to hear the discussion in Private Members' hour relating to pesticides and the problems in testing them. The two pesticides that have been used extensively in controlling cockroaches is dursban and diazinon. Both are used extensively in spraying to kill roaches, but unfortunately the roaches have become immune to this kind of spraying. They seem to thrive on it, whereas it has bad effects on human beings. Another method that is used, because they come through cracks and nooks and crannies, is caulking materials and the use of fossilized shavings in order to block the cracks to prevent their transmission.

All of these things having been said, nothing seems to be working. The problem becomes more and more acute all the time. It is wonderful to learn that in the United States there is a hormone, hydroprene, that is being used, not as a killer, but as a method of birth control for the male cockroach. It has the effect of very substantially reducing the number of fertilized eggs that are laid by any female cockroach. In that respect, it controls the population and should be a very effective method in solving this problem, not only in the United States but in Canada as well.

The people of this country, particularly apartment dwellers, are looking forward to the introduction of hydroprene on the Canadian market. So far, I understand it is still being tested by the Department of National Health and Welfare, and we look forward to the completion of those tests. I hope that the Parliamentary Secretary will be able to tell us today when we can expect those tests to be completed so that the people of Canada as well as the people of the United States will have the benefit of the use of this hormone in controlling this very, very terrible pest that has been plaguing us for so many years.

• (1815)

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I want to respond to the Hon. Member for York East (Mr. Redway), but I do so with some trepidation—treading where angels fear to rush in.

If I could respond to the Hon. Member, let me advise him that National Health and Welfare does not in fact carry out the mandatory safety tests in order for pesticides to be registered in Canada under the federal Pest Control Products Act. Notwithstanding that, upon request by Agriculture Canada, the Department had for many years evaluated the potential health hazards of pesticides based on results of safety tests carried out by the manufacturer. These mandatory safety tests

normally apply to all pest-control products to be registered for use here in Canada.

In October 1984, Health and Welfare received from Agriculture Canada a data package on hydroprene which lacked several important safety tests normally required for pesticides. In November 1984, the Department advised Agriculture Canada that the applicant should submit the full complement of safety tests normally requested for pesticides. I regret to advise the Hon. Member of this, but so far the Department of National Health and Welfare has received no response to this request.

The Acting Speaker (Mr. Paproski): Order, please. I regret to inform the Hon. Parliamentary Secretary that his time has expired.

[*Translation*]

TRANSPORT—(A) CONSTRUCTION OF VIA RAIL MAINTENANCE PLANT—GOVERNMENT POSITION. (B) TRANSPORT INDUSTRY'S FRAGILITY IN MONTREAL—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, I thank you for recognizing me this evening. On April 24 last, I asked the Minister of State for Transport (Mr. Bouchard) a question on the report that was made public very recently by the Office de l'expansion économique de la Communauté urbaine de Montréal, which revealed that the transport industry was showing signs of fragility in the Montreal area. I wanted to know the Minister's views on this subject and what the Conservative Government intended to do precisely to solve this problem. The minister's answer was rather odd. In fact, the Minister began to accuse the previous Liberal government of being the source of all the problems faced presently by Montreal. I would say that in other circumstances such totally unfounded claims would be funny. But considering the difficult economic situation in Montreal, the high unemployment rate in the transport industry, I think the Minister should look at his files and make a much bigger effort to help the Montreal area.

I would remind him that the transport industry is absolutely essential to the economic health of Montreal, according to the chairman of the executive committee of the City of Montreal. As a matter of fact, the report I mentioned earlier says that in the area of labour, of employment alone, maritime, railway and air transport companies produce what amounts to 69,411 person years in terms of global impact.

The Minister of State seems to think that the previous administration did not do much in the area of transport in Montreal. I will remind him very briefly that a Liberal administration equipped the Port of Montreal with the adequate and modern facilities it has presently, which enable it to be the most important container port in Canada, if not in North America. It was also a Liberal administration which a few years ago purchased Canadair from the American company General Dynamics for some $46 million at the time, which was a fairly large amount of money and which enabled that company to remain in business. That move enabled thousands of workers of the Montreal area to continue to earn a decent living at Canadair. It also enabled the company to develop, in the Montreal area, water bombers which are used not only in Canada but all over the world, and to develop a very sophisticated and very important airplane, the Challenger.

• (1820)

I could mention the efforts made by our government to help the Bombardier company to purchase the required technology to sign substantial contracts for the construction of the New York and Mexico subways. It is our government which helped some companies such as Pratt & Whitney, Paramax, CAE in the Montreal area to get important contracts in the aeronautic and aerospace fields. Moreover, it was the Liberal government which supported the research of SPAR Aerospace which developed, as you know, the arm used on the American space shuttles. That is a great honour for Canadian technology.

This a series of achievements of the former government which the Minister of State seems to forget.

Finally, I would like to remind the Minister of State that his record is far from wonderful as far as Montreal is concerned. He was the one who announced that the Air Security Board would be moved from Montreal to the National Capital region. He was the one who told us that the construction of a maintenance centre for VIA Rail in Montreal would be indefinitely postponed. He was the one who told us that the trains needed by VIA Rail would not be purchased from Bombardier but from General Motors. And finally, he was the one who announced that the construction of frigates by Marine Industries in Sorel, in the Montreal area, was cancelled.

Now I respectfully submit to the Parliamentary Secretary who will answer me to convey those comments to the Minister of State so that he may become a little more considerate of the aspirations of Montreal.

Finally, I will quote journalist François Roberge who said:

> With respect to another issue, that of Mirabel and Air Canada, the Minister of State for Transport, Mr. Benoît Bouchard, has also raised misleading if not vicious arguments to justify his future inefficiency to keep in Montreal the remains of the important air transport industry of Quebec—
>
> It is inexcusable of the Minister to show his ignorance of matters under his responsability while giving up on the issue of the Quebec aeronautic industry which, at first, he attempted to defend—

Mr. Speaker, such is the subject matter of my comments. I appeal to the Minister of State to listen a little more carefully to the demands of transport workers in the Montreal area.

[*English*]

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, sometimes I have to wonder just where it is that the Hon. Member for Papineau (Mr. Ouellet) is coming from. He well knows that the Government is faced

with a $35 billion deficit, accumulated as a result of the wasteful spending, mismanagement and a total disregard of the taxpayers of the country by the previous Government. Economic recovery in Canada will be achieved evenly, from one end of the country to the other.

The distinguished former Minister knows very well what is going on in Montreal. He knows the role which is being played by Crown corporations. Air Canada, for example, has 40 per cent of its total workforce in Quebec, mostly in Montreal, and it injects close to $800 million in salaries.

The Government's intention is well known. It has no concept whatsoever of interfering with the very prominent role which is played by large active Crown corporations in the continuing development of the City of Montreal.

Montreal is one of the world's great ports. Last year it set records and this year it will set more records. What supports that? What are we doing to make the Hon. Member so upset? The Hon. Member is very much aware of the former Government's intention to remove Transport Canada's Transportation Development Centre. That was kept in Montreal by the actions of the present Minister of Transport (Mr. Mazankowski) and the former Government under the leadership of the Right Hon. Joe Clark. They kept it there because we are concerned about Montreal.

• (1825)

With respect to the Hon. Member's very specific question, he knows that the development centre will not create new jobs. It will simply be a method of transferring jobs from one centre to another. It will not have the thrust that the Hon. Member is seeking. There is no intention, Mr. Speaker, on the part of this Government to be other than most attentive to the aspirations and hopes of the cities of Montreal, Halifax, Toronto and Vancouver.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 2(1).

The House adjourned at 6.26 p.m.

HOUSE OF COMMONS

Wednesday, May 1, 1985

The House met at 2 p.m.

● (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PROVINCIAL AFFAIRS

ONTARIO ELECTION CAMPAIGN

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the voters of Ontario are shocked to learn that the Premier of their province is using intimidation and threats to win support in tomorrow's provincial election. He told the residents of Simcoe that only by electing Progressive Conservatives would they be assured of getting fair treatment from the Tory Government, if it is to be re-elected, and God forbid it should.

The Premier said that the area which elected two Liberal Members in the last election would continue to be neglected unless it was painted blue. This is inexcusable behaviour for a man who calls himself Premier. It is blatant discrimination and shows the desperate attempts of a candidate who, in the final days of a campaign, has gone from promising to bullying. It brings to mind the behaviour of the Prime Minister (Mr. Mulroney) when he warned that there would be jobs for Liberals only after there was not a single, living, breathing Tory left in the land.

Canadians are in fact protected by the Charter of Rights and Freedoms against such threats and overt discrimination as we have seen practised not only by the Prime Minister but by the Premier of Ontario. In light of all this, I think the Minister of Justice (Mr. Crosbie) should review these extraordinary threats, and advise Parliament how the constitutional rights which have been given to Canadians, and which the Minister is sworn to uphold, can be fully protected against such threats.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

SALE OF MALVERN LAND CONTAMINATED BY RADIOACTIVE WASTE

Mr. Dan Heap (Spadina): Mr. Speaker, the Government of Canada owes some home owners in Malvern, Scarborough, the price of their homes which they were sold under false pretences. In 1972 CMHC sold land in Malvern, Scarborough, to the Ontario Housing Corporation, land which it knew was seriously contaminated by radioactive waste. CMHC knew that Ontario Housing Corporation would sell the land for housing purposes, and it did so under a program with the cynical name of "Home Ownership Made Easy".

Unsuspecting families bought these houses and only later learned that they were the owners of a radioactive waste dump. Their children play on contaminated soil, and noxious fumes leak into their basements. Home prices have dropped disastrously. These home owners appealed to their Member of Parliament, the Hon. Member for York-Scarborough (Mr. McCrossan), last fall, but it seems that he has done nothing about this mess.

The previous federal Government cheated these home owners, with or without the connivance of the Conservative Government of Ontario, by concealing the fact that the land was poisoned before it was purchased. I call on the Minister of Labour (Mr. McKnight), who is responsible for housing, to buy out those homes at a fair market price.

* * *

[*Translation*]

REVENUE CANADA

INCOME TAX DISCOUNTERS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I would like to draw the attention of the House to a situation that has existed for a number of years, and which I find deplorable. I am referring to the tax discounters. The number of Canadians who avail themselves of the services of these discounters has almost doubled in two years. In 1983, 118,000 people used the services of these companies, while in 1984, their number rose to 274,000.

The customers of these discounters are poor people, mothers of single-parent families and welfare recipients. In fact, 64.5 per cent of these customers who must give part of their tax refund to the discounter have a gross income of less than $8,000 per year. We can safely say that the victims of this system are among the neediest in our society.

Furthermore, the 15 per cent interest that may be charged by tax discounters works out to an exhorbitant rate when calculated on an annual basis. In fact, it means that on an annual basis, these organizations may charge up to 90 per cent interest. This should not be tolerated, since Section 305 of the Criminal Code protects Canadians by prohibiting interest rates over 60 per cent, and even that is excessive.

According to the Association coopérative d'économie familiale du Québec, people go to these companies because they

cannot wait until they get the money through the usual channels.

Mr. Speaker, I agree with the two solutions proposed by this association, which are to abolish this type of service and to repeal the legislation that allows the existence—

Mr. Speaker: I am sorry to inform the Hon. Member that his time has expired.

* * *

[*English*]

AUTOMOTIVE INDUSTRY

PROTECTION URGED FOR PARTS MANUFACTURERS

Mr. Elliott Hardey (Kent): Mr. Speaker, the question of Japanese automobile import quotas is far from simple, particularly in the auto parts industry. This problem cannot be solved by a simple percentage formula of letting in just so many Japanese cars each year.

As we all know today, what looks like an American, German, Swedish, French, or Japanese car may contain a variety of parts made in a half a dozen countries. Appearance and name-plate may mean nothing at all so far as origin is concerned. Components for a Renault may be made in Mexico; General Motors products are now manufactured in South America and Japan; Volkswagen is manufacturing parts in Japan as well as Pennsylvania; and Australian Mazda is marketed under the Ford label. This is just a sample of what has become universal practice in the auto industry today.

Because of this, it is somewhat futile to be over-concerned with Japanese auto imports *per se*. What is really needed is protection for Canadian auto parts manufacturers with a firm policy such as that recommended in the 1983 report of the auto industry task force. Quite simply, exporters of foreign cars to Canada must either buy all of their parts and repair parts in Canada, or they must invest in the assembly of vehicles in Canada. In other words, reduced to the simplest formula, there should be no sale of foreign cars here that do not make available Canadian-made parts. For our own best interests, this is the only possible solution.

* * *

[*Translation*]

HOUSING

BUDGETARY CUT-BACKS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I would like to speak on behalf of the mayors of Quebec's regional and rural municipalities, who like all... Mr. Speaker, there are some people here who are barking, and I wonder if you could ask them to go and bark outside.

An Hon. Member: They are not barking, they are caterwauling.

Mr. Malépart: Mr. Speaker, I would like to speak on behalf of the mayors of municipalities who are unhappy about the Government's decision to make cuts in the Residential Rehabilitation Assistance Program. The Regional Municipality of Arthabaska is complaining about the Government's cutbacks in the RRAP program—its budget for $412,000 has been reduced to $183,000. The Mayor of Bécancour is facing a reduction of 69 per cent. In the Municipality of Bellechasse, they had $540,000, now reduced by $240,000. In Noranda, cutbacks from $140,000 to $81,000, and in the City of Sherbrooke, a reduction of $225,000 on the original $724,000 requested; in Rimouski, a budget of $6.5 million has been cut back by $3.4 million.

Mr. Speaker, I would ask all Members of this House, especially the Members from Quebec and from the regions concerned, to ask the Minister for additional funding to remedy the injustice caused by the new formula introduced by the Minister, which is making Quebec lose $17 million from the Residential Rehabilitation Assistance Program, a program that is very important to improve the quality of our housing—

Mr. Speaker: The Hon. Member's time has expired.

* * *

[*English*]

POLITICAL PARTIES

RHINOCEROS PARTY, R.I.P.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would hope all Members of the House would join me in lamenting the tragic passing of the Rhinoceros Party of Canada from Canadian politics.

Some Hon. Members: Oh, oh!

• (1410)

Mr. Blaikie: This incarnation of cynicism about politics and politicians, a cynicism so often justified by past and present political events, provided our elections with a source of humour that many appreciated, with the exception, in my experience, of Marxist-Leninists and Tories, who share the same psychic inability to laugh at themselves.

Perhaps the greatest legacy of the Rhinocerous Party will be its very useful suggestions on reform of the Senate. By turning the Senate into a general lottery, available to all Canadians and not just to Liberal and Conservative political hacks, the Rhinocerous Party showed a true commitment to the democratization of the Senate, albeit in an unusual way, and a true understanding of just how farcical is the current situation.

I am sure the late Leader of the Rhinocerous Party, Dr. Ferron, would understand if we all agreed to appoint him to the Senate posthumously, on the easily met condition that his activity therein not exceed that of the average Senator.

Some Hon. Members: Oh, oh!

NORTHWEST TERRITORIES

ENCOURAGEMENT OF LAND OWNERSHIP ADVOCATED

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in the Northwest Territories there are some one and a third million square miles of land, over 99 per cent of which is owned and controlled by the Government of Canada. With a population of less than 50,000 one would assume that there would be enough land to go around. However, as a result of years of restrictive policy, this is not the case.

Territorial residents find it prohibitively difficult to obtain land for residential, commercial, recreational or agricultural purposes. Oft-times they are forced to leave the North in order to obtain real property, the right to which southern Canadians take for granted.

Although the federal authorities are not solely to blame for this deplorable situation, they must change the left-over policy of the previous Liberal Government.

A new land policy ought to encourage land ownership, not discourage it. It should facilitate land ownership, and not place impediment after impediment in the way of Canadians who want to own a small piece of their own country.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

CANADA POST CORPORATION

DELIVERY OF LETTERS

Mr. Marcel R. Tremblay (Québec East): Mr. Speaker, on Thursday, April 25 last, my riding office staff mailed about 1,000 letters to addressees within Québec-Est. The letters were picked up at 4.30 p.m. the same day. The morning after, Friday, April 26, five of those letters were returned to the sender with the 9.30 a.m. mail delivery and, on Tuesday, April 30, 125 of those letters came back to me. In most cases, they mention "Left, no forwarding address" stamped on the envelopes. That does not make sense to me and, as an example, Transport Couture, a moving company, has been at the same address for many years and would surely not move without leaving a forwarding address.

Some of the letters came back exactly as they were mailed, that is without any indication. I cannot understand how this could happen, or that a letter sent to South Dakota ended up at the newspaper *Le Soleil*, a fact I can prove.

All taxpayers, individuals and businesses alike, and Governments must be able to rely on postal services. Mr. Speaker, why should so many efforts to communicate—

Mr. Speaker: Order, please. I regret to inform the Hon. Member that his time has expired.

S.O. 21

AGRICULTURE

OCCUPATION OF OFFICES IN PROTEST AGAINST DEPARTMENTAL GUIDELINES

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, here is what one could read last week in Quebec City's newspaper *Le Soleil*:

Farmers chase public employees out of their office.

I quote:

On April 15, 1985, about twenty farmers led by the Agricultural Producers' Union president chased Sherbrooke's Farm Credit Corporation employees out of their office to protest against the new Government guidelines concerning the choice of notaries. They intend to keep the employees out until the Government rescinds the guidelines.

The APU farmers are furious and they have every right to protest against such shameful patronage on the part of the Conservatives.

An Hon. Member: Scandalous!

Mrs. Killens: On their behalf, I urge the Government to reconsider its decision and to treat Canadians with the respect they deserve. The Government ought to review its decision, drop its presidential approach, and stop interfering with the daily life of Canadians while pretending, Mr. Speaker, that it is seeking more favourable interest rates for the agricultural community.

* * *

● (1415)

[*English*]

CANADA POST CORPORATION

OPPOSITION TO PROPOSED MAIL RATE INCREASES

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, the proposed rate increase by Canada Post came as a blow to Canada's small business sector. In addition to raising the cost of domestic mail, Canada Post proposes to increase the cost of many business-related services. For example, second class advertising rates are to jump 4 cents, large volume rates will go up 4 cents per kilogram, and third class mail will increase between 2 and 3 cents.

If Mr. Warren truly wants to see a more competitive and customer driven Post Office, I suggest he is going about it the wrong way. Instead of placing the burden of past mismanagement on the backs of Canadians, Canada Post should sort out its own problems within the corporation. Mr. Warren should take strong and effective measures to increase productivity and cut costs. The proposed rate increases will hurt Canadians, and Canadians have been paying for the costly mistakes of the Post Office for far too long.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

HEALTH CARE

EXTRA BILLING—ONTARIO ELECTION CAMPAIGN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister. The federal Government has been burying every issue it can which might publicly embarrass the provincial Conservative Party in Ontario. We have received no straight answers for the delay in the presentation of the Budget by the Minister of Finance, for the potential gas tax increases, or for the situation regarding the import quotas on Japanese automobiles.

This morning, from a letter written by Premier Frank Miller to the doctors of Ontario, we learned that we do not have the straight story in this House about secret negotiations between the Province of Ontario and the federal Government on extra billing by doctors. Would the Deputy Prime Minister tell us why the Government is denying this Parliament the reasons and the facts? Is it to protect the very shaky position of the Progressive Conservative Party in Ontario?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to tell the Prime Minister—the Leader of the Opposition that—

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): That might be the best forecast the Right Hon. Leader of the Opposition wants to hear, but his future is probably behind him.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): I want to tell the Leader of the Opposition that he is wrong when he says that there are secret negotiations. He is absolutely wrong. There are negotiations on this basis: after the election of this Government I met with all the Health Ministers and subsequently we have been meeting on the issue of the interpretation of the Canada Health Act, which had not been completed, and the regulations, and we have been meeting on the future of the health care system. I believe that is a responsibility I have.

For too long, I think, health care in Canada has been a battle zone rather than a co-operative area between the provinces and the federal Government. So I say to the right hon. gentleman that there are no secret negotiations, but there is very much an approach of co-operation between all provinces and this Government.

POSITION OF ONTARIO PREMIER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, Premier Miller has told the voters in the Province of Ontario that he has not made up his mind about extra billing. But in a letter he wrote to the doctors of Ontario he said that the right to extra bill is a "symbolic principle"—those are his words for "sacred trust"—even for doctors who choose to take part in OHIP. Would the Minister of National Health and Welfare tell us what the Premier of Ontario has said to him in private about his intentions with respect to extra billing? And would he reveal to this House the position of the federal Government with respect to any initiatives which Mr. Miller might take to further extra billing?

Hon. Jake Epp (Minister of National Health and Welfare): Yes, Mr. Speaker, I would be glad to do so. First, I have had no negotiations with Premier Miller, nor has he asked me to have any negotiations with him. As I said to the right hon. gentleman in my first answer, I have been meeting with the Minister of Health for Ontario, as I have been meeting with all other Ministers of Health, both in the provinces and the Territories, on the issues which I have already explained.

• (1420)

I want to inform the right hon. gentleman that the Canada Health Act, which was supported by this Party when we were in opposition, and which is the policy of this Government today, does not outlaw extra billing. What it allows for is a withholding of funds if extra billing is continued in the province, or if there are user fees.

AGENDA FOR MEETING OF MINISTERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I, of course, accept the word of the Hon. Minister. However, the Premier of Ontario has been telling audiences that he has been hopefully negotiating the province out of extra billing penalties. He has been saying that quite consistently across the province. He has been writing to doctors that he intends to allow extra billing. Therefore, my question is: why has the topic of extra billing been eliminated from the agenda of federal and provincial Health Ministers for the next meeting of those Ministers on May 16 and May 17?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it is one thing to ask questions, but it would be much more helpful if those questions were not based totally on speculation, or involved a fishing expedition. May I tell the right hon. gentleman that the issue of extra billing and user fees is an integral part of the Canada Health Act, and that is the first item on our agenda on May 16 and May 17.

REQUEST THAT CORRESPONDENCE BE TABLED

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed as well to the Minister of National Health and Welfare. We have had the revelation that the Premier of Ontario is telling the people of Ontario one thing publicly, tells the doctors of Ontario something different in a letter, and is failing to protect the interests of the people of Ontario who are very worried about extra billing. Therefore, will the Minister do the honourable thing and at least table the correspondence between his Department and the Premier of Ontario's office so

the people of Ontario can see what exactly is in store for them after the election tomorrow?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to tell the Official Opposition critic that there is no letter to table because no letter has been sent. I cannot table something which has not been sent. I do have a copy of the letter from the Premier to the doctors, and what the Premier says in this letter—and this has been the position of the Ontario Government and was the position of the former Government as well—is that doctors negotiate with their provincial Government or through the hospital service if that is the system the province has established. I do not know if he has it, but if he checks the letter the Hon. Member will find clearly that the Premier gives the doctors the right to opt out of OHIP, a position that was accepted by all Parties in the Canada Health Act. So there is no letter to table because there was none received.

GOVERNMENT POSITION

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, the Premier of Ontario, Mr. Miller, has indicated that he is in the process of negotiating a lesser penalty than that which was stipulated under the Canada Health Act. Why is the Minister now going to back off the principle that he and his Party agreed to under the Canada Health Act when they were in opposition? Will he live up to those responsibilities and protect the interests of Ontario, because we can clearly see that the Premier of Ontario is going to allow extra billing in that province?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again my hon. friend should take a look at what he is asking and what has happened. If he looks at extra billing in Ontario at the end of the first year, which was April 1, he will find that the amount of extra billing today compared with that of a year ago, without any legislation in Ontario, has dropped. The amount withheld per month was based on that first year's calculation of extra billing. Obviously, if there is a reduction in extra billing, as we hope there will be, whether it be in Ontario or other provinces where the same trend is occurring, then the amount withheld would have to be less. That is the discussion we are having, and I say to the Hon. Member that I intend to continue those discussions on Friday with a newly elected majority Progressive Conservative Government of Ontario.

Some Hon. Members: Hear, hear!

PREMIER'S LETTER TO DOCTORS

Hon. Edward Broadbent (Oshawa): I do not know what the Minister has been smoking, but I have a question for him on the same subject.

Some Hon. Members: Shame!

Mr. Broadbent: Mr. Speaker, the Premier of Ontario has said that the extra billing fine the people of Ontario are paying, which is costing the ordinary people of Ontario about $1 million a week, is not harmful to the medical health system of Ontario. Those are Premier Miller's words. Does the Minister not agree that the system now in place in Ontario, which costs the average person, cumulatively, about $1 million a week, is harmful to that province?

• (1425)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I know what I have not been smoking. I do not know whether it is the Jamaican cigars or the Cuban cigars that he is smoking that are making him ask that kind of question.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): The Hon. Member may have a bent for a centralized system for everything. Under the Canada Health Act and health care in Saskatchewan, the fundamental principle is for the provinces to have the right of delivery of the system.

The Hon. Member has asked me to express an opinion, but I will not do that. It is the responsibility of the provinces to deal with their doctors and to deliver the system. That is the principle on which I function and the manner in which I will continue.

COST TO PROVINCE OF EXTRA BILLING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, a Bill which was brought before the previous Parliament was supported by all Parties precisely because we saw that national leadership was required to deal with certain provinces if we were to maintain a universal system of medicare.

In light of the concern that was expressed in Parliament on the need to maintain a universal system at reasonable cost for the people of Canada, would the Minister consider the outrageous statement made by the Premier of Ontario that $1 million a week is nothing to the people of Ontario? If he thinks it is significant, will he take steps to introduce an escalating system of punishment for a province that does not maintain a low cost and universal system of medicare?

Hon. Jake Epp (Minister of National Health and Welfare): The Leader of the NDP probably does not understand this, or chooses not to understand it the day before the election.

Mr. Gauthier: Don't be arrogant.

Mr. Epp (Provencher): I mean that. I am sure that he would like to get an answer from a federal Minister which would be seen as interference in a provincial system. I will not do that.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): The Government would like to see the elimination of extra billing. There is no change in that. During the days of the Diefenbaker Government, when Mr. Douglas was Premier of Saskatchewan, there was a similar

plan. The only difference then was that you had to withhold all the funds.

If there is going to be a change in Ontario or in Manitoba, where there is also extra billing, let the provinces decide that. We have a Canada Health Act which we supported. The clause which the Member is referring to in his question was rejected by the House when he introduced it last time.

REQUEST FOR DIFFERENT SYSTEM

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is absolutely true that the clause that I am talking about was rejected before. However, when it was rejected before there was a hope expressed by the Minister himself, when he was on this side of the House, if I remember correctly, that no additional penalty system would be required. Since then the Premier of the Province of Ontario has said that they can go on paying indefinitely without providing the kind of system we think is necessary.

Will the Government now reconsider its position? If the Government of Ontario continues with its process, which is costing the people of Ontario $1 million a week, will the Government of Canada show national leadership by introducing a different system to encourage the Government of Ontario to do the right thing through financial incentives?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would like to bring the Leader of the NDP up to the present status. The assertion he makes is not correct. In fact, just the opposite has happened. There has now been a move in Alberta, Saskatchewan, Manitoba, Nova Scotia, and New Brunswick to reduce or eliminate extra billing, depending on the provincial case. In Ontario the percentage is going down. In Alberta the percentage is going down. Therefore the very assertion he makes that it is going up is wrong. I say to him that it might be an issue he would like to raise today, but it does not bear out in truth what has happened in the last year.

* * *

● (1430)

PETRO-CANADA

DISPOSAL OF CANADA LANDS ACREAGE

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Deputy Prime Minister. Petro-Canada is seeking to farm out vast amounts of acreage it holds in the Canada Lands to other oil and gas companies, regardless of whether these other companies are Canadian or foreign owned. Bill C-15 is doing away with the protection that we had for Canadianization under the Foreign Investment Review Act. Will the Deputy Prime Minister confirm that the principle of 50 per cent Canadian ownership by 1990 is still a principle of the Government?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I think the Minister of Energy, Mines and Resources, in earlier statements, has been quite clear on the 50 per cent ownership question which the Hon. Member has raised. If he wants to explore that question more fully, perhaps he could do so with the Minister of Energy, upon her return.

CANADIANIZATION OF INDUSTRY

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my supplementary question is directed to the Minister of Regional Industrial Expansion. The Minister of Energy, Mines and Resources is reported to have said on only one occasion that she favours 50 per cent Canadianization by 1990. At the same time as she was reported as having said that, she also said: "I am not an intervenor; the oil and gas companies know the policy of the 50 per cent requirement of Canadianization". In view of the Government's hands off policy on Canadianization, how can the objective of 50 per cent Canadianization by 1990 be achieved?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, if the Hon. Member feels that he is confused about any statements issued by the Minister of Energy, he should take my suggestion and talk directly to her upon her return.

As far as the Canadianization goals in Canada are concerned, I think we are making great progress. I would invite the Hon. Member to read some of the stories that are coming out about Gulf Canada. He may find that there will be news very shortly concerning a move with respect to that company that, hopefully, will increase Canadianization quite dramatically.

* * *

WESTERN GRAIN TRANSPORTATION ACT

HALL COMMITTEE REPORT—METHOD OF MAKING PAYMENTS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of Transport and it concerns the committee of inquiry on Crow benefit payments. The Hall Committee has admitted that it made its recommendation for payment to the producer in spite of the lack of a consensus position among the groups who made submissions and, since this detracts considerably from the credibility of the recommendation, will the Minister assure the House that he will not proceed with legislation implementing this report without looking into the detrimental effects of the recommendation on producers?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I said in my press release yesterday that we intended to seek the views and the opinions of all producer groups and organizations throughout the country. This is a recommendation that has been advanced by the special committee of

inquiry that was established under the auspices of the Act. It is a unanimous report. It brings forth a specific recommendation and it should be given serious consideration. But what we really are expecting here is a full, comprehensive debate on the issue.

COMMITTEE EXAMINATION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the Minister has referred the report to the Transport Committee. If the Minister expects the Transport Committee to make a judgment on the recommendations in this report, will he ensure that the Transport Committee is provided with all of the studies that were carried out in relation to that recommendation? Will he provide for further study into the detrimental effects of the recommendations?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, that will certainly depend upon the decision of the committee about what information they want to seek. In addition to the valuable input of the standing committee, I will be asking the members of the Hall Committee to make themselves available to any group, Members of Parliament, or whoever may want to consult them to get a full briefing, so that there is a clear understanding of the background and recommendations that have been advanced—I might repeat, advanced in a unanimous manner.

* * *

FORESTRY

BUDWORM INFESTATION IN NORTHERN ONTARIO

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of State for Forestry. It concerns the budworm infestation which is ravaging millions of acres of our forest stands in northern Ontario. It is approaching the proportion of a national disaster for many communities in northern Ontario.

So far, the Ontario Conservative Government is refusing to make a commitment to save the forests of northern Ontario from this infestation, and establish a proper control program. Can the Minister, who, I assume, is in daily contact with his provincial counterpart, explain why no action is being taken to control this infestation which threatens the very existence of hundreds of communities and thousands of jobs in northern Ontario?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I am sure that the Hon. Member is aware that the whole question of spraying and protection of the forests is a matter of provincial concern. They have undertaken in no uncertain terms to deal with that on a public basis. They have had tours and displays, and meetings with the public, in order to deal with that particular issue.

The Minister has stated publicly that the Government will be dealing with that policy and will put it before the public within the next few weeks.

Mr. Foster: Surely the Minister cannot wash his hands of this matter as easily as that. He was a provincial Minister.

REQUEST THAT MINISTER INTERVENE

Mr. Maurice Foster (Algoma): Mr. Speaker, surely the Minister knows that the time is running out for a decision to be made on this matter. There must be a 30-day lead time for environmental considerations. Surely the Minister would not want to be party to some kind of secret deal in which no decision is made by the Ontario Government.

Will the Minister make a commitment to the House right now, and to the people of northern Ontario, to phone Premier Frank Miller this afternoon and point out the gravity of this matter to him, and urge him to make a commitment today that he will bring in a proper program to control this infestation?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, it is not necessary for me to call the Premier of Ontario on a matter like this. He is certainly aware of the importance of forestry, and he is aware of the importance of spraying in that operation. The Premier and the Minister will make that decision in due course.

* * *

WESTERN GRAIN TRANSPORTATION ACT

HALL COMMITTEE RECOMMENDATIONS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Transport. When the Justice Hall Committee process was set in place some time ago, one of the basic economic assumptions was that a change in our Canadian farm policy that would be assisted by changes to the Crow rate would permit beef and pork producers to export products into the United States, Japan, and Korea. This assumption was disputed at the time by some of the leading meat packing industries spokesmen, including Mr. Childs and Mr. Kaumeyer. Since then we have seen the United States implement a tariff of 5.3 cents per pound on hogs, on the assumption that we are subsidizing hogs with the stabilization program.

Given that the assumptions have changed, will the Minister reject both the assumptions and the recommendations from that report and start over from square one?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, first I would remind all Hon. Members that this was a government inquiry that was established under Part I of the Inquiries Act. There were two very important criteria included in the terms of reference which I believe should bear some consideration. One was that the method of payment should be

established in such a way as to be the most conducive toward the growth and development of agriculture throughout Canada.

I believe that the other important term of reference is that the method of payment should not provide for an unfair or disproportionate advantage to sectors of western agriculture relative to other regions of agriculture in Canada. I think it is within that framework that the recommendations have been put forth.

● (1440)

The Hon. Member may want to engage in debate on certain aspects or elements of this very important report and this very important issue, but I would remind him that what we are asking and seeking is a full comprehensive discussion on the pros and cons of this issue. I think, because it was put in the context it was under the Inquiries Act, it merits worthy consideration.

DIRECT PAYMENTS TO FARMERS—UNITED STATES REACTION

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, will the Minister recognize that direct payment to farmers could only be construed by the United States as a subsidy to agriculture? The payment to the railways was at least defensible in that they, the Americans also subsidize their canal and river systems and we could be doing similar things. How do we defend ourselves when we are doing this, given the action that the U.S. has taken?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, this particular proposal would apply both to domestic and export grain, and again, as I said, this is one element of the debate. I am sure the Hon. Member will have lots of opportunity to put forth his views and those of his Party. He certainly is entitled to his opinion. I welcome the fact that he is expressing his opinion, as I will welcome all other people who have a view and an opinion on this very important and sensitive issue.

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EXTERNAL AID

ETHIOPIA—REPORTED BURNING OF FAMINE RELIEF CAMP

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is for the Minister of External Relations. According to a report in the *Washington Post*, the Ethiopian army, equipped with Soviet made helicopters, burned and evacuated by force a large Ethiopian famine relief camp which was operated by reputable organizations, including World Vision and the International Red Cross.

What representations will the Canadian Government make to ensure that the hapless 52,500 refugees left without water or medical treatment, and forced to walk hundreds of miles, although thousands of them are under five years of age, will receive adequate care and that Canadian assisted centres will not suddenly be closed down in the same ruthless manner? Irish relief workers at the camp fear that one-half of the walking refugees will perish.

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, we have contacted our ambassador in Addis Ababa and, apparently, the reports are probably accurate. We have asked the ambassador to do whatever is necessary to meet with Ethiopian authorities, but it was impossible because May 1 is a statutory holiday in Ethiopia.

As soon as we get more information, we will be in a position to confirm to the House that we continue to help the people involved.

* * *

[*English*]

PROVINCIAL AFFAIRS

FREEDOM OF POLITICAL ASSOCIATION IN ONTARIO

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): I have a question for the Deputy Prime Minister, Mr. Speaker.

An Hon. Member: Wow!

Mr. Hopkins: We all know by now the practice of deceit and of broken promises on the part of the federal Conservative Government.

Some Hon. Members: Shame.

Mr. Hopkins: We now have a provincial Tory Government resorting to threats and intimidation of the Ontario electorate. I refer you to the statement by the Premier of Ontario that only Tory held seats will be favoured by that Government if elected, God forbid.

In the light of such a statement will the Deputy Prime Minister instruct federal government lawyers to investigate whether such a practice does contravene our Charter of Rights which allows all Canadians, including the Ontario electorate, the fundamental freedom of political association without fear of discrimination? This certainly shows how worn out the Tory organization is in the Province of Ontario.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, obviously it will be polling day tomorrow in the Province of Ontario judging from the allegations that are being made by the Liberal Party across the way. When the Hon. Member speaks of deceit of a political Party, he certainly should know what he is talking about, sitting where he is.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Nielsen: I do not accept his allegations for a moment. Indeed, I think the people of Ontario can expect more of the

honest, forthright, good management government that has been given to them by the Conservative Party in Ontario for over 40 years, after the polls have closed tomorrow.

Some Hon. Members: Hear, hear!

Mr. Broadbent: What have you been smoking?

Mr. Hopkins: Mr. Speaker, that attitude just shows that this Government is worn out after a few months.

Some Hon. Members: Oh, oh!

MEMBERS' INVOLVEMENT IN ELECTION

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, notwithstanding the Deputy Prime Minister's response, it is public knowledge that many federal Conservatives, strangely enough, are heavily involved in the Ontario election.

Mr. Dick: Where were you last Friday?

Mr. Hopkins: I am just trying to be kind to them, Mr. Speaker. Let them just settle down a bit. They are a little excited today.

Mr. Nystrom: Erik looks scared.

Mr. Hopkins: In order to eliminate any suspicion of guilt by association, will the Deputy Prime Minister instruct members of his federal caucus to dissociate themselves totally from the provincial Tories who are practising such blatant political threats, or do they, too, not believe in freedom of political association?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the political health of the country is very important. In response to a question of that nature, I would urge the Ontario members of the Liberal Party to get involved in the election campaign that is going on in their province.

Mr. Epp (Provencher): Like last Friday.

Some Hon. Members: Hear, hear!

Mr. Nielsen: I really find it exceedingly strange when they speak today and when they did last week about the practices they are so familiar with and that all of a sudden they now find so evil and of sufficient degree to have brought forward a non-confidence motion last Friday at which their own Leader was absent, the Leader of the New Democratic Party was absent—

Some Hon. Members: Shame!

Mr. Nielsen: —and only nine of their 40 Members were here to vote on their own motion.

Some Hon. Members: Shame!

Some Hon. Members: Hear, hear!

Mr. Nielsen: Such hypocrisy, Sir, will be seen not only by the people of Ontario but by the entire population of the country.

Mr. Gauthier: You should know. You are the expert.

Some Hon. Members: Hear, hear!

* * *

PARLIAMENT

EMPLOYER-EMPLOYEE RELATIONS—UNION MEMBERSHIPS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the President of the Privy Council. Prior to the introduction yesterday of a Bill respecting employer-employee relations in the Senate and the House of Commons, an application supported by over a thousand signed union cards had been made under the Canada Labour Code for certification of those self-same employees. Will the Government consider those signed cards as valid under the new Act which the Government proposes to have passed by Parliament?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I appreciate the question. I know the Hon. Member for Hamilton Mountain was at my press conference and was standing there with the rest of the journalists giving a standing ovation after I outlined the provisions of the new Bill to him.

This legislation provides a framework and does away with the confusion that now exists in terms of the legalities with respect to the rights of employees. For the first time it gives to employees on the Hill the ability to organize and bargain collectively. This is a progressive and modern piece of legislation, which I hope will be supported by the Hon. member and his Party.

Mr. Broadbent: Answer the question.

Mr. Hnatyshyn: It is one that was based upon an all-Party draft brought down last year. I hope the Hon. Member will be able to support this legislation because it is important to employees on the Hill.

Mr. Deans: Perhaps, Mr. Speaker, you noticed the answer to my question. I certainly didn't.

SIGNING OF CARDS BY EMPLOYEES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would like to ask the President of the Privy Council a supplementary question. The employees to whom the Minister intends to give bargaining rights have already chosen a representative. That representative has made representation under the Canada Labour Code on the right to represent these employees. Over 1,000 of them have already signed cards. Will they have to go back through the process of getting those same people to re-sign in order to comply with this somewhat undermining piece of legislation which the Government has brought forward?

● (1450)

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I cannot understand the position taken by the House Leader for the New Democratic Party because this is based upon draft legislation which is put forward by representatives of his own Party. All I can say to him is that in the present context I am sure the Public Service Staff Relations Board will not be oblivious of what has transpired over the past months.

The reality is that we have to put this into context. We have to move forward to allow these people to take their legal rights and to understand these legal rights. I urge the Hon. Member to assist in doing that by supporting quick passage of this legislation. It is for the good of the employees on the Hill, and for the good of the people of Canada that this institution have progressive labour legislation.

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[*Translation*]

TEXTILE INDUSTRY

GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion and concerns the closing of textile mills.

Last week's newspapers announced that one of the companies whose machinery I installed more than 25 years ago was on the auction block. Three months ago, Tricot Majestic of Saint-Hyacinthe closed its doors, as did the Wabasso Company in Trois-Rivières. The textile industry is falling off because of a failure on the part of the former Government to provide assistance. Can the Minister tell the House whether he will recommend short-term measures to get that industry back on an even keel?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in answer to the Hon. Member from Drummond I want to assure him that the textile industry has been meeting with us as an association, and as well we have met with representatives of the companies within that industry. We are currently working on a plan that we hope will be acceptable to the industry and to the Government, to ensure that some of these problems they have been living with be lessened, if not eliminated completely, in future.

* * *

THE BUDGET

PRESENTATION DATE INQUIRY

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I draw your attention to the fact that it is May 1 and we still do not have a date for the Budget. My question is directed to the Deputy Prime Minister. There is a rumour I have heard to the effect that the difficulty of coming up with a date is the risk of conflict with a Stanley Cup play-off date, if you can believe that, which could occur on either the Tuesday or the Thursday. We have had enough skating on this issue.

Some Hon. Members: Oh, oh!

Mr. Johnston: I see I have the approval of the House Leader. Will the Deputy Prime Minister do the Members of this House a courtesy, and others who have to travel and arrange their plans accordingly, and provide us with a date not later than the end of next week of when the Budget will be handed down?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, notwithstanding the Hon. Member's prowess at hockey, he is not one of those about whom the late Foster Hewitt could say "He shoots, he scores!"

Some Hon. Members: Hear, hear!

Mr. Nielsen: He knows as well as I do that traditionally in this House the date of the Budget is announced by the Minister of Finance. The Minister said earlier this week that he will be announcing the date of that Budget in the House of Commons. As Hon. Members know, the Minister of Finance is in Bonn with the Prime Minister and the Secretary of State for External Affairs. No doubt if the Hon. Member puts his question on the return of the Minister of Finance, he will have the appropriate response.

* * *

GOVERNMENT EXPENDITURES

PROGRAM REVIEW COMMITTEE REPORT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the Deputy Prime Minister is a pretty good skater as well. The Deputy Prime Minister has also been accused of slashing, if we can continue the analogy. He is the chairman of a committee of members of the private sector charged with producing cuts in programs, appropriately known as the Nielsen committee. Will the Deputy Prime Minister assure us that the full conclusions of that committee, not sanitized, but the full conclusions, which have been paid for by the Canadian taxpayer, will be tabled or made public here in the House, preferably at or prior to the budget date?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I take that as a compliment from the Hon. Member in the sense that he expects the task force on program review to produce a conclusion this month, which amounts to about eight months' time, a conclusion that it took Glassco three years to reach, to perform the work of examining well over a thousand programs. That is simply not possible. I should think the Hon. Member would be very encouraging about the approach we are taking to inject more management and order into the affairs of the country, a task which will take until toward the end of the year to complete in

a preliminary way. Certainly he should not be disappointed as we proceed. As I have been doing thus far, we will be making announcements about the results of the task force on program review when they are ready.

* * *

[*Translation*]

SMALL BUSINESS

REQUEST THAT PLANT BE REOPENED IN DESBIENS, P.Q.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of State for Small Businesses. At the pulp and paper plant in Desbiens, a town in the Lac-Saint-Jean area, 125 employees are still waiting for the Prime Minister to keep his election promise to settle the problems besetting this plant, which has been closed for nearly four years. Mr. Speaker, my question is as follows: Two months ago, I asked whether the Government would grant the financial assistance requested by the company and the employees, and today, I ask the Minister to inform the House when he is going to make a decision and whether the decision will be a positive one for these unemployed workers.

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, the Desbiens plant submitted a proposal not long ago. It is now being examined, and as is the case for all proposals received by the Government, we take the time to analyze them, especially those coming from the pulp and paper sector. We are looking at all the implications, and we will make a decision as soon as possible.

GOVERNMENT POSITION ON ELECTION PROMISE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a supplementary.

Mr. Speaker, the Minister said the same thing two months ago in the House. His party and his boss made an election promise last July. Could the minister inform the House today when he is going to take action and do something about this problem, or does the minister intend to break another election promise?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, we do not intend to break any election promises. We are considering the matter, and as the House is aware—

Mr. Nystrom: Considering, always considering—

Mr. Bissonnette: —as you know, the Prime Minister made no formal commitment to start up the plant again—

Some Hon. Members: Oh, oh!

Mr. Bissonnette: —but asked the plant to submit a project. We are looking at this case, and one thing is certain, namely that all job creation projects are considered very carefully, and that this Government intends to create jobs in Quebec the same as anywhere else in Canada.

* * *

[*English*]

FISHERIES

CODFISH—SIZE OF WEST GERMAN CATCH

Mr. George Baker (Gander-Twillingate): Mr. Speaker, an international agreement between Canada and the EEC is being blatantly violated by a member country of the EEC. My question is for the Minister of Fisheries and Oceans. There are 9,500 tonnes of codfish allocated to the EEC in Area 2J3KL, recognized by international agreement as Canadian jurisdiction, a Canadian resource within and without the 200-mile limit. The West German fleet has already caught three times that quota, and it is still fishing today. What is the Minister of Fisheries and Oceans doing about that?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the matter raised by the Hon. Member is serious. I have now received some preliminary information concerning it. I will take very careful notice of the representations of the Hon. Member. I hope I will be able to give him a response by at least this time tomorrow.

• (1500)

GOVERNMENT POSITION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have a feeling that action is being muzzled by those who are staging the Prime Minister's Hollywood production in West Germany today.

Could the Minister verify to the Chamber that he could, if he wanted to, close ports, impose sanctions, or terminate the entire agreement with the EEC? Does the "old pal" attitude take precedence over the fishery of the country?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I could do all of the things the Hon. Member wishes me to do, but until we have a much better and more complete understanding of the facts, it would be completely irresponsible. I told the Hon. Member that I have now received notice of the problem and that I hope that I will be able to respond effectively and in a reasonable way by this time tomorrow.

* * *

CLERK OF PETITIONS' REPORT

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Saskatoon East

(Mr. Ravis) on Tuesday, April 30, 1985, does not meet the requirements of the Standing Orders as to form.

I received notice earlier from the Hon. Member for Comox-Powell River (Mr. Skelly) of an attempt to raise a question of privilege at three o'clock.

Mr. Cassidy: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. I have indicated that I am trying to hear the Hon. Member for Comox-Powell River on a question of privilege of which he has given me notice.

* * *

PRIVILEGE

MR. SKELLY—MILAP PROGRAM IN BRITISH COLUMBIA

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, yesterday in the House I raised a matter with the Minister of Employment and Immigration (Miss MacDonald). The matter I raised now appears to have been confirmed. She had not confirmed the matter yesterday.

The individuals in the program of which she was speaking have in fact admitted that they are receiving substantial amounts of money from the program. It was my opinion that the Minister completely misled the House yesterday and that some definite action should be taken—

Mr. Speaker: Order. There may be a difference of opinion as to the facts but it is clearly not a question of privilege.

MR. McCROSSAN—STATEMENT BY MR. HEAP UNDER STANDING ORDER 21

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, I rise on a question of privilege. In a statement made before Question Period the Hon. Member for Spadina (Mr. Heap) appears to have misinformed the House concerning my actions on the issue of the removal of the radio-active soil on McClure Crescent in Malvern.

Mr. Speaker: Order. This is clearly a dispute as to facts. Is it a question of privilege or a point of order?

Mr. McCrossan: It is—

Mr. Speaker: It is neither a point of order nor a question of privilege. The Hon. Member has the right to rise tomorrow under Statements Pursuant to Standing Order 21 to make a statement of his own, if he chooses. Does the Hon. Member have a point of order or a question of privilege?

Mr. McCrossan: Is it a question of privilege? I am not a lawyer. However, the Hon. Member has misstated my actions without attempting to verify the facts with me.

Mr. Speaker: Order. All Members of Parliament have the right to say what they wish in the House of Commons. That is the privilege of free speech. If the Hon. Member believes that there is a dispute or that a correction to the record needs to be made, he has the right to rise tomorrow under Statements Pursuant to Standing Order 21 to make his own statement. That is the way it works in a free debating environment.

MR. CASSIDY—ACTION OF RCMP—REMOVAL OF TABLE FROM PARLIAMENT HILL

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I rise on a question of privilege. At 2.30 this afternoon, the RCMP removed from Parliament Hill a table at which my colleagues, the Hon. Member for Burnaby (Mr. Robinson), the Hon. Member for Spadina (Mr. Heap) and myself had been distributing literature about peace yesterday and today. This unusual kind of privilege which allows Members of Parliament to distribute material but not citizens would—

Mr. Speaker: Order, please. The Hon. Member knows full well that matters that do not occur in the House during Question Period may not be raised in the House as questions of privilege without giving the Speaker proper notice in writing at least one hour in advance. I appreciate the Hon. Member's interest but the Hon. Member is an experienced Member and he knows that he must abide by the rules.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise on a legitimate point of order which relates to the matter of House business. In light of the fact that I would like to give notice with respect to the Business of the House as soon in advance as possible, particularly when it involves many days, I rise now to designate Friday as the fourth allotted day in this Supply period. Other Business of the House will be under discussion between House Leaders later this afternoon and I hope to make further announcements during the course of the next few days concerning that Business of the House.

ROUTINE PROCEEDINGS

[*English*]

PETITION

POSTAL SERVICE IN SASKATOON

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I have the honour to present to the House a petition on behalf of more than 450 residents from Saskatoon, a majority of whom live in the subdivision of Forest Grove. In the petition, they express their desire for better postal service, and they deserve better postal service. They make representations to the Canada Post Corporation for the establishment of a much needed sub-post

office in their new subdivision. This is the second petition concerning the lack of postal service in as many days.

* * *

DIVORCE ACT

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-46, an Act to amend the Divorce Act.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

DIVORCE AND COROLLARY RELIEF ACT

MEASURE TO ENACT

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-47, an Act respecting divorce and corollary relief.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

FAMILY ORDERS ENFORCEMENT ASSISTANCE ACT

MEASURE TO ENACT

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-48, an Act to provide for the release of information that may assist in locating defaulting spouses and other persons and to permit, for the enforcement of support orders and support provisions, the garnishment and the attachment of certain moneys payable by Her Majesty in right of Canada.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would ask that all questions be allowed to stand.

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Speaker: Shall all Notices of Motions for the Production of Papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions Nos. 8, 12, 32, 63, 69, 74 and 75 (Mr. Langdon) (p. 4242).

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I had a few minutes left yesterday when the House was debating the Bill, and particularly the amendments. I was saying how important employment is back home and that we must ensure that this Bill and these amendments do protect our jobs. I was referring to recent riots in our region because people thought or expected that their jobs would be taken away from them. Why riots? Quite simply because there had been no consultation, because the people, the contractors had failed to talk to the workers and discuss the issue with them. Unions and workers were cornered and it was indeed the only means left to them to protest against disappearing jobs. Because machinery was taking jobs away from manual labour, those people reacted violently. I can tell the House that with 2,000-odd people involved, it was not a pretty sight.

Well, Mr. Speaker, that is something we might witness again if the House rejects the proposed amendments, with the result that new companies setting up shop in our regions might

not have to answer to the people, the Government or even the workers.

Mr. Speaker, those are the reasons why I support the amendments. Needless to say, my very first consideration is the protection of jobs in this country, particularly in the Atlantic region with which I am more directly concerned.

● (1510)

[*English*]

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to speak on Motions Nos. 8, 12, 32, 63, 69, 74 and 75 which have been grouped for discussion. All of the motions deal with making information available to the public and potential business investors in Canada as it applies to foreign investment.

The amendments were put forward by my colleague, the Hon. Member for Essex-Windsor (Mr. Langdon). They are designed to assure the public's right to know about the activities of foreign investors. As well, we hope to accomplish four or five very basic things which we believe are necessary for business to operate in a proper manner in Canada, in order that all Canadians can feel confident that the investment will in fact be beneficial to the country. The method by which we could determine whether the provisions are being met is through the availability of information. That is the intention of most of the amendments.

In order to ensure that foreign investment is providing a benefit to Canada, we believe it is necessary to be able to perform studies on foreign investment patterns and behaviours. We should be able to research such questions as: What is the nature of the investment? Is it coming from outside Canada, or is the investor using Canadian funds to take over a Canadian company? Is the benefit to the country one of combining existing technology or marketing expertise with an outsider? There are many instances in which combinations could be beneficial both to workers and investors in Canada by establishing a joint venture in new technology or marketing expertise with a company from outside Canada. All Members of the House are aware of instances in which the combining of forces has been beneficial to Canadians.

However, the point which is at issue in these amendments is the question of how to monitor the decisions. How do Canadians or potential investors get information to determine whether the benefits which were espoused in fact accrue to Canadians. We believe that more information should be made available which relates to the performance of foreign business in Canada. That is not something which is beyond dispute. It is a question which many people in business and in Government have wrestled within their own minds.

We all know that Americans have far more access to information concerning investors and business than we do in Canada. Some of the amendments attempt to give Canadians, who are interested in what is happening in Canadian business, a similar kind of access to basic information about the companies. That information is available to interested persons if they go to the United States and research the companies which have branches in Canada. If a Canadian wants to find out what a particular chief executive officer of a company in Canada is paid, he is more likely to find that information by going to sources in the United States than to sources in Canada. The information is simply not available in Canada. It is basic information and should be made more available to the public.

During the course of this debate we will also be proposing amendments which set out the types of reviewable investment, that is, investments which have resulted in take-overs of Canadian companies. We believe that the rules and the requirements for the company which is taking over should be made more explicit and that the requirements for the provision of information should be made stronger.

In addition, one of the amendments attempts to have undertakings made by the foreign investor to the Agency in exchange for approval. The Agency would then have some bargaining power to extract basic information from the investing company in exchange for permission to invest in Canada. Along with that permission would come certain requirements and undertakings with which the investing company would have to live.

The last set of amendments which are proposed would have the effect of providing a more systematic and public monitoring of approved take-overs to ensure compliance with the undertakings which the investor had given.

The question of secrecy in business is one which is much discussed in Canada. The question of public disclosure and freedom of information has been a very favourable topic in this Chamber. Over the past number of years I have listened with interest to members of the Conservative Party, when they were the Official Opposition, spell out in very clear and concise terms why it is that Canadians should be entitled to more information on government activities, cabinet decisions and decisions which are made by Crown corporations. We submit that decisions which are made by private corporations should also be made available.

That question was put to witnesses who appeared before the standing committee. One witness, Mr. Gorse Howarth, a former Commissioner of FIRA, gave some interesting testimony on the issue. He said:

● (1520)

I recognize as well as anybody does that every business has its secrets and that it would be exceedingly bad for some of those secrets to become known to its competitors, perhaps even to its workers; and, I have even heard it suggested, to its shareholders. But not everything should be secret. Not everything should be placed under this cloak of secrecy. Or, if you do, then there will be the same criticism and there will be the same sense of unfairness.

So it is to correct this potential for unfairness, or sense of unfairness that we are supporting the amendments to the Bill before the House at this time. Former Commissioner Gorse Howarth went on when questioned to say:

—we should encourage, for instance, workers and their unions to come forward and say what they thought about this and how they saw it developing. I do not know whether we were right to do that or not, but we did. I suppose you could

rationalize it by saying that anybody is entitled to speak to the Government of Canada—any Canadian certainly.

So that at least one of the individuals, one of the commissioners for FIRA, had some second thoughts about the amount of secrecy which existed under the first legislation. Since the Government has chosen to open up the legislation to some extent; to dramatically reduce the mandate of the old FIRA legislation, and to loosen things up in the Investment Canada Bill we have before us, it is still very important, and I think consistent with the many speeches and protestations from the former Opposition, now Government, that we have introduced into this Bill the kinds of access to freedom of information and extra information which these amendments propose. We would assume that government members would, therefore, support it.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I am pleased to have this further opportunity to take part in a debate that is vital to the future of Canada's economic well-being. I see a group of young people here in our visitors gallery, and I imagine that, like me, they must realize that we have here in front of us a Government that is losing its grip. We are considering a very important Bill, and out of a majority of 211 Members, only a handful of Members are here in the House to listen to what the Opposition has to say about this important legislation. They have 40 Ministers, the biggest Cabinet in this country's history, Mr. Speaker, and—

[*English*]

Mr. Gormley: I rise on a point of order, Mr. Speaker. The Hon. Member may be belabouring the Bill unnecessarily, but I believe he is also belabouring the Standing Order which would prohibit reference to the presence or absence of other Hon. Members.

The Acting Speaker (Mr. Paproski): Yes, I have to agree with the Hon. Member. I would hope that the Hon. Member, who has been in the chamber for a few years, would realize that he should not talk about Hon. Members being present or absent from the chamber. I am sure that he will now get back to the amendment.

[*Translation*]

The Hon. Member for Bourassa (Mr. Rossi).

Mr. Rossi: Mr. Speaker, I hope the Chair will consider the time taken by our hon. friend on the Government side and will add it to ours.

The Acting Speaker (Mr. Paproski): The Hon. Member for Shefford (Mr. Lapierre).

Mr. Lapierre: Thank you, Mr. Speaker. Instead of getting upset, I think our hon. neighbour should count how many of his colleagues are present, because sometimes they cannot even keep a full quorum in this House. Instead of getting upset about the fact that I was commenting on absences, the Hon. Member ought to make sure there are at least enough Members present to make a quorum. Mr. Speaker, I am delighted to see the Minister who just woke up, because I hope he is going to listen and realize that the Bill definitely needs the amendments proposed by Opposition Members.

Mr. Speaker, we are asking to have the information made public. That is not unreasonable. In fact, we are asking this for the sake of our Progressive Conservative colleagues, because we know that when decisions are made, as was the case recently, and they do not have to look so smug, Mr. Speaker. I am sure the Minister of State for Small Businesses (Mr. Bissonnette) was never consulted when the time came to appoint Mr. Sherman to the CRTC, because otherwise he would have objected, just as the Minister of Public Works (Mr. La Salle) was never consulted, and just as the president of the Quebec caucus was never consulted. So it is quite obvious that they are unhappy about having things imposed on them, and I am convinced, Mr. Speaker, that the Hon. Member for Drummond (Mr. Guilbault), for instance, would like to be notified if a company in his riding was about to be sold to foreign interests. I think it would be important for the Hon. Member for Drummond to know whether the change in ownership could affect employment in that particular plant in his riding, and whether it was going to bring in new technology, or would the Hon. Member prefer to let the Minister responsible for the agency organize it all in secret?

• (1530)

Mr. Speaker, to the other Members of this House I have this to say: for once, they have a chance to demand that the Government be accountable, and that is why these amendments are before the House. The point is that Members would know that, if feasibility studies are made, for instance, on take-over proposals, the results of those studies would be available to them, as they would be to all Canadians. A person would have to be trusting in the extreme to leave the fate of our constituents in the hands of the Minister of Regional Industrial Expansion (Mr. Stevens).

Mr. Cassidy: You have secrets about the Liberals and we have secrets about the Conservatives.

Mr. Lapierre: Mr. Speaker, if Donald Duck over there could keep quiet . . . Our NDP friend would be better off canvassing in his riding next door instead of talking nonsense here in the House.

One point I want to make is that the amendments before the House will make it possible for Hon. Members and for the Canadian public to know what is going on with respect to foreign investment. We are not asking for the moon. All we ask is to be informed. We want workers who fear their plant will close down because it was taken over by an American competitor to be informed. I do not see why our friends opposite object to that. Have they become so obsessed with secrecy that they do not even want to know about decisions

that may have an impact on their ridings? That is the purpose of these amendments. Our NDP colleague should be pleased we are supporting his amendment, but he is still complaining. I think he will always be dissatisfied, and I am sure the Hon. Member for Ottawa-Vanier (Mr. Gauthier) will agree.

Mr. Gauthier: I certainly do.

Mr. Lapierre: Mr. Speaker, my point is that these amendments are like virtue and motherhood. Who could be against information? Who can begrudge the public the right to be informed? I am sure the only people . . . I am sure the members of the public who are here would like to be informed if their jobs were at stake. And if they went to see their Member, at least he would be able to give them information. However, for the time being, the Minister of Regional Industrial Expansion is being given a free rein.

I see the Hon. Member for Drummond (Mr. Guilbault) and I am sure he does not want to give the Minister a free rein. He is much too worried about what is going to happen in textiles, clothing and footwear to be willing to give the Minister of Regional Industrial Expansion a free rein. I know the Hon. Member has good judgment and that he will vote in favour of this amendment, because its purpose is to keep him informed of decisions that affect his riding, his workers and his constituents.

Mr. Speaker, that is the point I would make, in urging our friends opposite to wake up. I realize that the telegram of congratulations they received from the Prime Minister included the words: Keep quiet! But Mr. Speaker, that was six months ago. There is a time for congratulatory telegrams, the day after the election, and there is a time for decision, and I think they should understand that. I hope they are going to forget the order they received from the Prime Minister's Office, and that now, they will rise in the House. Our friends in the gallery must be very upset to see there is not a single Conservative Member rising today.

An Hon. Member: Velcro lips, all of them!

Mr. Lapierre: Imagine! They call them Velcro lips, Mr. Speaker! I am sure the Canadian public is astonished to see no one is rising to support all these amendments that have the support of the public. They are not even rising to speak against them. That just shows how short they are of arguments. I would invite our hon. friends opposite to tell us this afternoon why they are against the public's right to be informed. Why do they want all these secret operations with foreign investors to go on in the office of the Minister of Regional Industrial Expansion? I would not trust him for a minute, Mr. Speaker. And I am convinced that my constituents would be inadequately served if it were strictly a decision of the Minister of Regional Industrial Expansion.

I see the Minister of State for Small Businesses (Mr. Bissonnette), the translator of the Minister of Regional Industrial Expansion and his factotum, as my colleague the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) would call him . . . he is not aware of the decisions, because Cabinet is not even consulted. It will be strictly the responsibility of the Minister of Regional Industrial Expansion who will decide as it may please him. His Parliamentary Secretary (Mrs. B. Tardif) who is here to support the Bill is not aware of the decisions either. The whole process will take place in an atmosphere of secrecy, and that is what we want to prevent. Mr. Speaker, I am sure that you support entirely the principle of public disclosure. Because you are a wise man, you would not like to be taken for a ride, something which is likely to happen to us.

I urge you, therefore, Mr. Speaker, to use all your influence to persuade our hon. friends opposite to wake up and support this amendment, failing which they might be very sorry when they see plants in their own ridings closing down following their take-over by foreign interests.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have great respect for the Hon. Member for Shefford (Mr. Lapierre) and I welcome his support for the principles of this Bill. I note the fact—and this is why I interrupted him—that when the Liberal Party was in office it was responsible for FIRA, and FIRA's restrictions concerning information to the public were similar to those contained in Bill C-15 now under consideration. That is precisely why we want some changes and have introduced amendments. I gratefully accept the support of the Liberal Party. Unfortunately, however, when that Party was in office it could have brought in radical changes so as to share information on the conditions and agreements made with companies investing in Canada, but it did not introduce the necessary legislative amendments with a view to opening the books to a wider audience than the restricted circle of officials of the Minister responsible for the administration of this measure.

Mr. Speaker, the amendments proposed by this Party highlight the fact that the process advocated in Bill C-15 is shrouded in secrecy. To put it another way, a company prepared to invest in Canada may very well have to guarantee to the Government that its investment project will be of benefit to Canada, but such corporate guarantees will never be revealed and made public. Therefore, the only control measure proposed by the Government in that case is what might be termed administrative accountability, or accountability to public employees. It will therefore be left to the discretion of Investment Canada administrative staff to decide whether we should know—two, three or even five years down the road—if a company has lived up to its guarantees once the investment has been made.

That is expecting quite a lot from them, Mr. Speaker, because they are a busy crew with all kinds of things to do. All the more so because it is difficult to interpret today the full

extent of a guarantee given years ago. It is difficult because the staff are forced to work in a rather nonsupporting environment, especially if the Government of the day happens to be Conservative. They have shown a bent for foreign investment, but they do not seem overly concerned about the rules and conditions inherent in investment approval.

As it is, one public employee is expected to do on his own something which calls for well-advised public input. It should not be the exclusive responsibility of somebody who works in an office in Ottawa, for the workers and the people in the community want to know what is going on, because they may be the people who supply parts to the manufacturing company that has made the investment. The same goes for people who buy the products and others in service industries created by that investment. All kinds of people must be in on it, that is the guarantee, including the shareholders, I would say, since many of those companies probably have shareholders in Canada and in other countries. But Canadian shareholders especially have the right to know exactly what guarantees have been offered by the company and whether it will actually live up to them.

Mr. Speaker, I would like to remind Hon. Members that in the past, the concept that information is something very important, that it should be shared with the public rather than restricted to officials or even Members of Parliament, was a view that was never assumed by any spokesman of a Progressive Conservative Government.

The former Member for Peace River, for instance, a man who was respected by all sides of the House because of his efforts in trying to achieve freedom of information, Mr. Ged Baldwin, stated on February 12, 1976, as reported in *Hansard*, and I quote:

[*English*]

He said:

—it is time for us to act. I know there will be some argument about detail. We will all agree there must be exceptions. Government cannot be asked to conduct all its discussions in a goldfish bowl. When there are working papers leading up to a decision, then I am quite prepared to accept the fact that those working papers should not be available during the time the decision is being considered.

Our recommendations are that the negotiations can be carried out in secret. But then Mr. Baldwin said:

But once the government has arrived at a decision, it would be my submission that all working papers of a factual or statistical nature should be made available so that members of the public would be able to examine the bases upon which the government acted, and evaluate whether or not the government's decision was sound.

What we are saying is that the promises and undertakings made by companies regarding their investment in Canada should be made public as part of the record. If that is done, then you can genuinely have accountability under the foreign investment review process proposed by the Government. It will not just depend on the civil servant, with many other things on his plate, occasionally saying, "well, gee, I wonder about that particular investment that was made three years ago; are they living up to their promises or not?" The chances are under this legislation the civil servant may never get around to it because he will be too busy, and the company is not required to report every year, as our amendment proposes it should, about how it is fulfilling its undertaking.

In other words, we are not saying that one person who may have dozens of investments to oversee and many other responsibilities, should be responsible for seeing that a promise to create 1,000 jobs in Canada is fulfilled, or a promise to source spare parts in Canada is being fulfilled, or a promise to generate research in this country is being fulfilled. Frankly, Mr. Speaker, that is not enough. It is well known that the span of control of individuals can only go so far.

One way of getting around that is to make things public so that if something is going wrong, then the workers in a particular plant, or the middle managers or the community or the customers or the suppliers can speak up. They can say that when this company came to Chatham or Ottawa or Montmagny or some other part of the country, it promised to create 350 jobs and buy parts from Canadian suppliers, and it has not achieved that. They can say that this company promised that by 1986 some 49 per cent of its shares would be Canadian owned and it is not moving in that direction. That is the kind of accountability which you cannot have with a secret process.

I recall very much during the course of the election campaign that the Prime Minister (Mr. Mulroney) promised we would have a new kind of government. We would have change because so many Canadians were fed up with what had happened under the Liberals.

I welcome the comments of the Hon. Member for Shefford (Mr. Lapierre) supporting these amendments calling for much greater openness, and I deplore the fact that he forgot to mention that his Liberal colleagues in government prior to last September had not brought in that openness by making the necessary amendments to the Foreign Investment Review Act. We have the opportunity to make up for the failures of the old government. We have a government in power which promised to do that and bring in a process of openness. Our amendments are directed to that process so we can learn from our mistakes, ensure accountability, and get information about how foreign investment actually behaves.

• (1540)

This is not just good management practice. We have to learn to share information with employees if companies are going to be managed effectively in the country. This also does a favour for those foreign investors who want to be good corporate citizens. The foreign investor who wants to be a good corporate citizen is tarred with the brush of those companies that are not good corporate citizens. I am sure there are cases where technology has come across the border and some foreign investment that has been of benefit to Canada. Unfortunately, there are too many cases where foreign investment has not been of benefit to Canada.

However, when the company is living up to its obligations by doing a good job and bringing net benefit to Canada, it is in its interests, as in the interest of all of us, for that information to be there. There was a voluntary process under the Foreign

Investment Review Agency which led to a total stifling of information. It is time to ensure that it is obligatory. I call on members of the Government, particularly the Minister of State for Science and Technology (Mr. Siddon) to support these amendments.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, it is a pleasure to have the opportunity to speak on Bill C-15. Each time I speak I become more concerned about this Bill. The Bill is called Investment Canada which is a complete misnomer. It should be called "investment anything else but Canada".

The actions of the Government give us more reason to be concerned about this Bill. The amendments we are considering today contain very important points which we should keep in mind. As the Member for Ottawa Centre (Mr. Cassidy) has said, we want more openness in this type of legislation. He has rightly said that under the Federal Investment Review Act there was not as much openness as a great many of us would have liked to have seen. That is correct. However, there is now considerably less openness in this particular legislation. It is frightening to think that investment in the country is being completely shrouded in secrecy, and to realize in whose hands the information is located.

Investment Canada is going to put more and more power in the hands of one Minister. It is even more frightening to realize who the Minister is, "Mr. Compassion", the Minister of Regional Industrial Expansion (Mr. Stevens). That is of very deep concern to me personally and to other Members on this side of the House.

Yesterday I asked the Minister about the sale of Gulf Canada by Chevron Corporation. That is a very important aspect because we want to ensure that Gulf Canada is sold to Canadian interests. That is tremendously important because we want to maintain the principle of 50 per cent Canadian ownership of the oil and gas industry by 1990. From 1980 to 1983 Canadian ownership increased from approximately 28 per cent to over 40 per cent. As the ownership gets higher, it will be more and more difficult to obtain that 50 per cent level. It is an important issue. The Government is continually dismissing it.

With the Government's present frame of mind, and its present policies, there is no way that there will be any consideration for decentralization. The Government is too intent on following the policies of the United States. In his speech on December 10 at the Economic Club in New York the Prime Minister (Mr. Mulroney) said that we are open for business. His Government will not do anything to review any take-over or investment in the country. This Act is supposed to say that anything under $5 million will be reviewed, but it will not be reviewed, Mr. Speaker, because the Government will not want to antagonize or hurt the feelings of the United States in any way.

This is a problem in respect to Canadianization. It is not only threatened, it is a concept which the Government is not even considering. The Government is following lock-step with what it believes is wanted in the United States. This is the first time that a Canadian Prime Minister has gone to a summit without a distinctive Canadian monetary policy. While in Bonn the Prime Minister is "me tooing" exactly what the Government of the United States wants. This is not only frightening, but shameful, in view of the monetary problems which exist in the world today. This is a threat to the economy of Canada and the Canadian industry, not to mention the principle of Canadianization.

What about the policy of Canadianization? I asked the Minister of Regional Industrial Expansion today about that. I asked whether the Minister could tell me if they are adhering to a policy of 50 per cent Canadian ownership by 1990. He said that I should wait until the Minister of Energy, Mines and Resources (Miss Carney) comes back. She is going to be away for a month. That is great consideration for Canadianization or whatever goes on in the country. I do not object to her being away, but that is no reason that the Minister cannot answer a question of fundamental importance to the people of Canada.

[*Translation*]

Mrs. B. Tardif: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): The Honourable Parliamentary Secretary on a point of order.

Mrs. B. Tardif: Mr. Speaker, I would like again to question the relevance of the debate now going on. I think the Hon. Member does not even know which motions we are now discussing.

[*English*]

The Acting Speaker (Mr. Paproski): I believe all the motions deal with public information. I am sure the Hon. Member will be relevant to the clauses.

Mr. MacLellan: Mr. Speaker, in my opening remarks I mentioned the motions we were discussing, the issues in those amendments that are of concern, and the issues that these amendments address which, if accepted, would go part way toward allaying the fears of the country with regard to this Bill. I do not object to the Minister of Energy, Mines and Resources not being here. As far as I am concerned, she can stay away as long as she wants. However, I do object to the Minister of Regional Industrial Expansion refusing to answer questions of fundamental importance in the House of Commons. A supposedly important Minister should be able to give the Government's position on a principle which is supposedly being adhered to by the Government and which was in place long before the Government took office.

This will be a concern with respect to Canadianization as well as all aspects of business in the country. If there is no check on foreign investment in the country, the foreign investment may very well be in the form of take-overs. If that is all we can expect from foreign investment, we will be shortchanged tremendously. That must be of very serious concern to the country because we want more than just take-overs from foreign investment. I do not disagree with foreign investment. I

think there is a definite role for foreign investment and we need it. However, it must be understood by foreign investors that we want new investment. That is what it is all about. This is supposedly why this stance has been taken. Yet, it seems that there will not be any kind of check whatsoever. If we do forget about it, we will suffer.

One of the principles that the Government is discussing and putting forward is that this is supposed to be a benefit to regional development. If foreign investment is not checked it will not be of benefit to regional development because the industry will be placed wherever the investor wants it.

● (1550)

It has not been indicated to my satisfaction, or to the satisfaction of many other people in this country, what benefits we will be able to achieve. There has been much talk about broad theorization, but nothing to indicate that this Bill will be an improvement. In fact, the more one studies this Bill the more one believes that it will be a detriment and a large step backwards from the Foreign Investment Review Act that has been in place in this country.

If there is a downturn in the economy, it is the branch plants of these foreign companies that will be the first to lay people off. They will be more concerned with their head offices in other countries and will buy the products from their head offices and main corporations. These foreign interests would not have the same incentive as Canadian operations to operate in Canada.

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to join in this debate on the amendments to the Investment Canada Bill introduced by my Party. These amendments are important because they address the whole question of secrecy.

As I have stated in other speeches I have made with respect to this Bill, this Bill is deplorable and represents a backward step in our struggle to maintain our cultural and economic identity. This Bill is a blow against our efforts to maintain an economically independent Canada.

The Government's efforts in this area are not unique. Such backward steps can also be seen in the Government's cutback on our cultural agencies and the CBC; on foreign policy and defence policy in which it is trying to destroy Canadian independence. Therefore, it is no surprise to us that Bill C-15 is a blow against our economic independence.

With respect to these amendments, I would point out how strange it is that angels should preside with Opposition Members. When the Conservative Party was in Opposition, I joined with many of them in urging the Government to introduce freedom of information legislation. We often worked closely with prominent Conservatives like Walter Baker to try to squeeze some sense of commitment from the Liberals for public disclosure and freedom of information. As a result of an election, roles have switched and we find that the angels sitting with Opposition Members this time happen to be Liberals. They are now espousing the virtues of freedom of information and it is the Conservatives who are stonewalling efforts to have a more open and free society.

Information is essential in a democracy because the public depends upon it to know what is right and what is wrong when it makes the ultimate decisions. It is up to society to define public morals and standards, and this can only occur when the public has the information upon which to make decisions. That is why it is essential in a democracy to have freedom of information.

In our increasingly complex and interconnected society, each part of our social economic structure affects our society as a whole. For example, a decision made by the board of directors of a corporation not only affects the shareholders and the investors in that corporation, it affects the employees, the consumers, the community and ultimately the public at large. Therefore, I reject the notion that much of the information in such corporations should be considered private.

Many of these corporations receive large direct Government grants and enjoy tax breaks. They enjoy the use of the public infrastructure such as roads, railways and telephone networks. They enjoy the products of our educational system. I suggest they could not exist without our modern state that provides all of these services to the community as a whole. Therefore, I reject the notion that much of the information of those companies should be considered private.

When we are dealing particularly with foreign investment, I submit that it is important for information to be made public. For instance, if a foreign company makes commitments to the country before acquiring a Canadian firm, surely the affected Company's workers, the community, its suppliers and the public as a whole have a right to know about those commitments. I suggest that the public is the ultimate judge in a democracy, and therefore has a right to all information in order to make that judgment.

Let me give several examples. A few weeks ago Dr. Stuart Smith of the Canadian Science Council appeared before the Standing Committee on Miscellaneous Estimates. He brought to our attention that a company from Massachusetts was planning to buy up small companies in Canada that were low in capitalization but high in technological know-how. Many of these small Canadian companies had receive either direct Government grants for research and development or the benefit of the R and D tax credit. There is an aspect of public investment in these young Canadian companies that have been nurtured by public policy. Therefore, I would suggest it is immoral for them to be acquired by foreign companies. Surely the public has a right to know if these firms that are receiving public funds are being gobbled up by foreign companies. That is why it is important to allow access to information.

Let me give another example concerning the environment. An American company involved in disposing of toxic wastes could come to Canada to buy out a similar Canadian company. Experience in the United States has shown that gangsters and mobsters are often involved in such companies in the United States. Testimony before the Congress in the United States has shown that some unsavoury characters are involved

in environmental clean-up and the disposal of toxic materials. Therefore, Canadians should know the background of these companies which attempt to buy up Canadian firms that are involved in this area of toxic waste disposal.

The provisions of this Bill will never permit the Canadian public to know who is coming into Canada to buy up Canadian firms. We will not know their background and what commitments they are making to the Government of Canada when they come to invest here and take over a Canadian company. We do not know this vital information, Mr. Speaker.

• (1600)

This Government does democracy a disservice by not supporting the amendments we have introduced. A complex industrial society like ours can only function if there is a free flow of information so that the public will have the information to form its opinion and make the decisions on how the economy and this country should be run. By not allowing the public information, we do democracy a disservice and we weaken our free society. For all these reasons I support the amendments.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, might I say that on several occasions in the past I have talked about each one of the amendments in the motions that are here before us. Every one of those amendments has dealt to a large extent with the process, the results of the review of the acquisitions undertaken and the method by which the new Investment Canada Bill wishes to undertake those reviews. I think that nothing could have brought home to all members of the House in a better way the need for some amendments to these motions before us on Investment Canada than the situation that arose earlier this week with respect to the take-over of Canadian Porcelain Company by an American firm called the Lapp Co., New York.

Here is a situation whereby the jobs, the employment record, I suppose, and to some extent the economic importance of those jobs to the City of Hamilton have been jeopardized by the actions of a competitor from the United States which has dumped its product at below cost into the Canadian market in direct competition with the Canadian Porcelain Company. The dumping was done to such an extent that the Canadian Porcelain Company had to go into receivership. At that time the receivership was being handled by Peat, Marwick and company. In turn Peat, Marwick approached bankers and others interested in bailing out the company. Lo and behold we find that the purchaser of the Canadian Porcerlain Company will be the same company that dumped its products into the Canadian market in order to put that Canadian company into receivership.

I find it incredible that we on this side of the House in the Opposition have had to ask day after day to have the Investment Canada Bill amended so that the definition of benefit to Canadians is more clearly understood in the Bill and that the responsibilities which the Minister would have to live up to are contained in those amendments that we are suggesting. I say that because here is a situation in Hamilton that I think in a way illustrates why we must have the definition of benefit further explained in the Bill. These workers are asking themselves some very valid questions. Of what value will the take-over be of Canadian Porcelain Company by Lapp Co., of New York? Absolutely none, Mr. Speaker. It will be done with a loss of jobs in Hamilton, a loss of jobs in Canada and with a loss of economic impact in terms of the salary components in the City of Hamilton.

Workers were not informed about that take-over. They were not informed whether there was to be some provision in the take-over about their job security. These workers are basically at the mercy of the receiver, the Royal Bank of Canada, that will be funding the take-over by Lapp Co. Workers have no say in the way in which job security can be protected.

Under the Foreign Investment Review Act, the legislation that is in place today and which was put in place by a previous Government, we allowed the take-over of Canadian companies by multinationals. Let me tell you, Mr. Speaker, that when a multinational or a foreign interest decided to buy out a Canadian company we certainly asked questions; for example, what will this do to jobs in Hamilton? What will this do in terms of the investment climate in the City of Hamilton? We made sure that workers would be protected in a take-over of that kind. I think the workers in Hamilton realize this week that, thank heavens, the Foreign Investment Review Act is still in effect, and they are asking this Government and the Minister of Regional Economic Expansion (Mr. Stevens) to ask those same questions of the company doing the take-over.

With respect to that particular case, I think you are well aware, sir, that because of questions raised in the House this week the workers involved at the Canadian Porcelain Company have decided to pool all their resources and, with the aid of various groups in the City of Hamilton, including the Chamber of Commerce, labour groups and church groups have put forward a competing bid to buy back their own company. By doing that, at least the Canadian workers can ensure that they will have job security. That is something the Lapp Co., of New York will not guarantee. It is something that the present Conservative Government of Canada will not guarantee to those same workers in Hamilton.

When we are considering the review of Investment Canada, why do we not apply the situation that exists today in Hamilton to the need to have those amendments put on the books? If the previous legislation is to be thrown out of the window with the approval of the Investment Canada Bill, why are we so silent about the need to make sure that the same privisos are in this new Investment Canada Bill, namely to defend the interests of Canadian workers, because that is what they are asking. That is what they ask of their Member of Parliament, the Hon. Member for Hamilton Mountain (Mr. Deans). It is the same question I raised in the House two days ago.

I find it astounding that we have the Canadian labour movement behind a group of workers in Hamilton who are concerned about the so-called benefit to Canada of this acquisition by Lapp Co. of New York yet getting no answers from this Government. Quite frankly, they are not getting any

answers from their own Conservative Members of Parliament who represent the Hamilton region. I think the conspiracy of silence among back-benchers of the Conservative Party will be reflected in the actions of voters in the Hamilton area in the next election. People expect more of their Members of Parliament. They expect them to defend their constituents' interests.

I have found that we as an Opposition have been required to put up all the speakers for these motions before us on Investment Canada. I am sure, Mr. Speaker, if you asked individual back-benchers for the Hamilton area to try to defend their silence when their constituents are losing jobs because of the lack of provision in the Act and the lack of willpower by the Minister of Regional Industrial Expansion to protect their interests as labourers and as contributors to the economic activity of the Hamilton region, you would be astounded by the lack of response.

When we talked earlier about the way in which the previous government Bill, the Foreign Investment Review Act, was put into place, and the way in which we have used it over the years, there seemed to be a misconception that FIRA was responsible for a decrease in the flow of foreign capital into the country over the last seven to eight years since it was implemented in the mid-1970s. Nothing can be further from the truth, Mr. Speaker. There has been only one year in which foreign investment showed a decrease in terms of the amount invested in this country. That year was 1981. It was the year in which the National Energy Program was introduced by the Liberal Government. The reason for a net outflow of capital was the buy-out of the multinationals so we could have a window on the oil industry. With the exception of 1981, despite the existence of the Foreign Investment Review Act, there has always been a surplus of foreign investment in Canada.

I remember very well the speech made by the Minister when first reading was given to the Investment Canada Bill. He made quite a thing of the fact that he felt with the implementation of Investment Canada billions of foreign investment would flow into the country. To this day I am still waiting to see the result of that new mood of optimism expressed by foreign investors. The facts do not show that these dollars have flowed into Canada in the last six months. If anything, the situation is to the contrary.

Much was said about the Prime Minister's economic statement in his speech to the business community in New York last fall about how he felt that Canada was open for business again. As my Leader has said, whoever said that it was closed? Canada has never been closed. Every year we have had more and more foreign investment pour into the country, even under FIRA which did a lot more to protect Canadian interests than this Investment Canada Bill. I suspect that if in the United States, the country in which the Conservative Government has put so much hope, the rebound in the economy that is supposed to bring all kinds of goods to Canada as well as investment and job opportunities fails to materialize, the people of Canada will not forget what this Government stands for.

• (1610)

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I am glad to have the opportunity to make a few remarks on this third grouping of amendments to this Bill. I suggest that the principle involved in this grouping of amendments is one that should certainly be acceptable to government Members. The principle is one that they used as the basis for a good deal of their campaign in the last election. It is the principle of accountability combined with the principle of the right of the public to know, the principle of open Government. We heard a great many of those phrases in the few months prior to the election. We have not seen a great deal of result since the election on September 4.

The Conservative Party has a legacy of which I am sure you are aware, Mr. Speaker. Before I came into the House I was very much aware of the fight that was put up by Ged Baldwin leading the campaign for freedom of information. That whole movement was initiated in the early 1960s by Barry Mather, a New Democrat from British Columbia. It certainly achieved a great deal of prominence under Mr. Baldwin. In the last Parliament, the late Hon. Walter Baker carried on that struggle for freedom of information. The whole principle of open Government was something we heard espoused time and again by Conservative Members when they were sitting on the Opposition side.

When the testimony was being presented before the committee on this Bill, the former commissioner of FIRA, Mr. Gorse Howarth, testified that very often the present legislation respecting the Foreign Investment Review Agency left no option but to keep everything concealed and hidden. Secrecy was built into the law. That was one of the unfortunate drawbacks of the present legislation. Unfortunately, the previous Government built that in. One criticism business often made of that legislation was that it felt that it was before some sort of star chamber. Mr. Howarth pointed out that there has been no change, that the criticism that people made of the present FIRA legislation also applies to the legislation respecting Investment Canada. What was required to be secret and hidden under the FIRA legislation will also be required to be secret and hidden under the present legislation. We want to see that opened up, as I am sure many Members opposite would like to see.

We all recognize that there is a need for business confidentiality. If business is going to operate, it has to be able to do so with the knowledge that not everything it does will be on the front page of the paper or in the business section of *The Globe and Mail* the next day. The whole concept of business confidentiality can be abused, very much like we have seen an abuse of the concept of national security or Cabinet security.

I will give an example from my own riding. Last year people in that area were very concerned about the export of raw logs from our area. I applied under the Freedom of Information Act to obtain details about these exports. I tried to find out where these raw logs were going, what volume was involved, and what prices were being paid. I was not able to get that information. The answer I received was that to reveal that

kind of detail would destroy the concept of business confidentiality, that it would undermine the competitiveness of the companies involved.

We were concerned with the export of basic resources from this country to another country. These resources were being exported with no processing at all. We were receiving the minimum benefit, yet we could not get information about what was happening because of the concept of business confidentiality. That has been carried too far. Certainly the present legislation carries it too far.

The Hon. Member for Ottawa Centre (Mr. Cassidy) spoke about the need for performance accountability and the need for that accountability to be made public. If a company comes into Canada, obtains a corner of a key sector of our economy, promises a certain number of jobs, makes a commitment about the research and development it will be performing in Canada and a commitment about Canadian purchasing, those commitments should be made public so that the people understand the kind of commitments that are being made. Following the investment, there should be a monitoring process, the results of which should be made public. In other words, there has to be built-in accountability. We cannot presume that every dollar of investment that comes into Canada will automatically result in some good for the Canadian economy.

Getting back to the whole concept of business confidentiality, it is important to note that several of the amendments contain clauses that allow specific areas to be protected if the whole question of confidentiality is required. We want full public disclosure of company commitments involved in takeovers of Canadian business.

I want to make a few comments on the right of the public to know. It is not simply an abstract virtue, something that we say is nice, kind of a frill and, if at all possible, the public should have the right to know. In a democracy the right of the public to know is fundamental. Democracy depends upon an informed electorate. Indeed, it depends upon informed legislators and an informed Opposition. Unless the legislators and the Opposition have access to information, they are not going to be able to deal in an informed way with the problems that face us.

We live in a world of managed media news. A good deal of what passes for news is really nothing more than a staged photo opportunity. We see a lot of managed media rather than substantive reporting. Every so often an issue arises where the public insists upon having the truth, where it wants to know, where it is not satisfied with merely a glossy photo on the front page. In those situations where people are prepared to do the digging, they should be able to get the facts. That is why we want these amendments adopted. They would make the facts available. They will not always make the front pages of the newspapers, but the facts will be available for those who want them.

In conclusion, as I see you are giving me the sign to wind up, Mr. Speaker, I want to emphasize to Members opposite that they campaigned on the need for open Government. The Government has that mandate now. As it brings this legislation before the public, let us insist that written into it is the kind of guarantees we need so we can do our job, and that the public needs so that it can stay informed and make a responsible decision at the time of the next election.

• (1620)

Mr. David Berger (Laurier): Mr. Speaker—

Mr. Frith: Hear, hear!

Mr. Berger: Thank you, Mr. Speaker, and I suppose I should thank the Hon. Member for his encouragement.

Today we are debating Motions Nos. 8, 12, 32, 63, 69, 74 and 75. In speaking to these motions, I would like to remind Hon. Members that their purpose is to provide a balance in the tremendous powers that have been given to the Minister of Regional Industrial Expansion (Mr. Stevens) under this Bill. In light of the powers given to the Minister, these amendments are concerned with the publication of information and access to information. This would provide some balance to the powers of the Minister under this Bill.

I would like to remind the House of the powers of the Minister. Under the Investment Canada Bill, as opposed to the Foreign Investment Review Agency, final authority is to be vested in the Minister rather than in the Cabinet, and no provision for appeal to higher authority is formally stated. Therefore, the Minister of Regional Industrial Expansion is given discretionary power to decide by himself whether or not a foreign investment in Canada should be accepted. How can there be any justification for putting in the hands of a single Minister the power to make the final decision on such important investments for Canada? Any amount of money, be it $500 million or $100 million, could be involved. As has been pointed out by previous speakers on behalf of our Party, the Cabinet has totally relinquished its responsibilities under this legislation.

These amendments propose to provide the balance of which I spoke earlier. They speak to the need for greater openness about the process and about the results of reviews of the acquisitions undertaken under this legislation.

The amendments before us today have been proposed by Hon. Members of the New Democratic Party, and many of them are similar to amendments we proposed in other motions. These amendments are all supported by the Liberal Party with the caveat that those who are directly affected by them should be allowed to make the case that commercially valuable information would, if released, damage their business in a measurable way.

I would like to refer specifically to several of these motions. First, Motion No. 8 would amend Clause 5 which deals with the duties and powers of the Minister to carry out research and analysis relating to domestic and international investment, and it simply states that the Minister should make public this research and analysis where not expressly prohibited by federal legislation. There really should be no unwillingness to accept this kind of an amendment. We are not talking about confi-

dential information in the possession of any company. We are not talking about business information. We are simply talking about research and analysis which will have been conducted by the Minister or by the agency under the authority of this legislation.

Motion No. 12 provides for similar disclosures. Again, under this legislation, the Minister must ensure that notification and review of investments are carried out in accordance with the Act. Again this appears in Clause No. 5. Motion No. 12 would add a further subclause (*g*) under which the Minister would be obliged to regularly compile and make public information, where not expressly prohibited by federal legislation, pertaining to the performance of Canadian businesses owned and controlled by non-Canadians.

One of the important reasons for having a requirement of this nature was brought up during the course of the committee hearings by the Chairman of the Science Council of Canada, Dr. Stuart Smith, who proposed an amendment to the Act which would allow the Government to review foreign takeover bids for Canadian enterprises that have received over $100,000 of federal money for research and development in the preceding five years. This amendment which was proposed was, as I understand it, defeated in committee and was ruled out of order by the Speaker as being outside of the four corners of the Bill.

I think it makes sense that takeovers in situations where companies have received substantial assistance from the Canadian taxpayer for research and development be subject to review. Indeed, when this suggestion was made there were comments from the private sector which indicated that when companies have undertaken research and development without any assistance from the taxpayer there is no reason, other than a moral reason, that they should be accountable to the Canadian public. However, when such assistance has been furnished by the Canadian taxpayer, it seems eminently reasonable that such takeovers should be subject to review.

As I mentioned previously, this amendment was not accepted in committee. However, Motion No. 12 which is now before us would oblige the Minister to compile and make public information pertaining to the performance of Canadian businesses owned and controlled by non-Canadians, and this information would of course be compared with information regarding the performance of Canadian businesses owned and controlled by Canadians. This would give Canadians the opportunity to review the performance of foreign-owned companies as opposed to Canadian-owned companies in the area of research and development.

Another amendment we are debating today is contained in Motion No. 63. I was very interested to hear the remarks made earlier by the Hon. Member for Ottawa Centre (Mr. Cassidy). He said that the previous Government was just as secretive as we are accusing the present Government of being. I would simply point out that the amendment in Motion No. 63 indicates that the Minister should make public his ruling, including all undertakings made in connection with the investment.

I have with me a sample undertaking from a firm which made an acquisition under the auspices of the Foreign Investment Review Agency. Several years ago, a certain company acquired control of a Canadian company. At the time the acquisition was announced, it was announced that the foreign company had undertaken to expend certain amounts of money for the purchase of plant and equipment, to export actively a certain percentage of its sales, and to give the Canadian-owned company a mandate to export a line of products world-wide. There is no guarantee in that type of undertaking that those undertakings will be made public under the present legislation. However, if this motion is accepted, they will be made public.

• (1630)

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I would like to repeat certain points which have been made with respect to the motions which are before the House because I do not believe that they can be made too often. The motions deal with the need for a greater openness about the results and the reviews of the acquisitions which are undertaken.

I am concerned about the effects which foreign takeover will have on certain areas of the country, especially those areas which are underdeveloped and more vulnerable than others. In particular, I am referring to Atlantic Canada and my province of Newfoundland.

As the Hon. Member for Bonavista-Trinity-Conception (Mr. Johnson) will know, a group of people appeared before the Standing Committee on Fisheries and Forestry yesterday who spoke about an area in which private enterprise is very vulnerable. I am concerned that foreign companies will be allowed to come in holus-bolus to any area of Canada and take over companies in areas in which Canadian companies are struggling for survival.

While the fishery is in a very difficult situation in Newfoundland, it is the small private companies about which I am concerned. I am glad to see that the Minister of State for Small Business (Mr. Bissonnette) is in the House today, because he will know from my remarks that it is the small fishing companies in Newfoundland which have survived and done very well. It is the larger companies in Newfoundland which have not done very well. I am afraid that foreign companies will come into Newfoundland, without reference to Newfoundlanders, and take over companies in a holus-bolus fashion. This Bill gives the Minister the right to let that happen without reference to Parliament or Cabinet. There is no requirement for consultation. A foreign company can come in, in the dead of night, and take over an operation in which a small-businessman is struggling to survive.

The Bill may make some sense in principle, but certain aspects of it require a closer look. One of the amendments which is before the House asks for consultation with people in the underdeveloped regions. There is nothing in the Bill to target foreign investment. A foreign company from any country could suddenly decide to invest in Canada. That company will go to the area which has the best prospects. There should

be an incentive, target or carrot in the Bill to lure investment into the areas of Canada which need investment the most. There is nothing in this Bill that does that. There is nothing in the Bill that indicates that investment should be made, for example, in Atlantic Canada or Labrador. I would like to see that provision in the Bill.

Returning to the point which I made earlier, apart from not having a carrot, incentive or provision to target the investment, there is no provision for consultation with existing businesses and the people who work in those businesses. There should be consultation with existing business groups, chambers of commerce, unions or other groups which will be directly affected. There should be consultation with local communities. As well, there should be a provision for existing Canadian firms, if they so desire, to take advantage of the opportunity which a foreign firm identifies. Of course, that would be done without any prejudice to the foreign firm.

The situation in Newfoundland is quite critical. Newfoundland has the highest rate of unemployment and the highest cost of living in Canada. Government cut-backs are having a disastrous effect on many people in Newfoundland, both the workers and the consumers. For example, the increase in ferry rates is having a detrimental effect. The trade which existed between Nova Scotia and Newfoundland will be affected by that increase. Those cut-backs are having a disastrous effect on the economy of that area.

First, I believe that there should be safeguards to protect existing Canadian business and workers. There should be a provision for consultation with Canadians before a decision is made by the Minister to allow a foreign company to invest in Canada. Second, there should be a provision for targeting. Previously, there were provisions for targeting. As a matter of fact, part of the mandate of the Minister of Regional Industrial Expansion was to do that. The mandate of that Minister was to enhance, develop and promote regional development in Canada. That was the original principle behind DREE. However, DREE has been replaced by DRIE. Some people refer to it as "Canada DRIE". Some people say that DREE has dried up. It has dried up in Newfoundland, because DRIE was primarily for manufacturing, and Newfoundland, like many western provinces, has a resource-based economy.

Part of the mandate of the Minister is to target investment and to give incentives to companies, whether they be Canadian or foreign, to set up their businesses in underdeveloped areas. This Government has already implemented certain measures which have militated against that kind of development. For example, the cut-backs in government programs and the changes in unemployment insurance regulations will have that kind of effect.

I would like to mention PIP grants. When the Liberal Government was in power it told the oil companies, whether they were foreign or Canadian, that if they drilled and explored in a certain area they would be given a certain amount of money, provided that jobs were created for Canadians, that Canadian goods and materials were used and that Canadian companies had a chance to bid. There had to be some benefit to Canada. That was the principle behind PIP grants. However, PIP grants have been done away with. So far, nothing has been established to replace those grants. There may something in the Budget. The Minister of Finance (Mr. Wilson) may tell us that he will give tax breaks to companies which explore in the offshore. However, the policy which gave investors assistance, if there was Canadian content and a benefit to Canadian companies and workers, has been abolished.

I am seeing evidence of the removal of the existing incentives to Canadian companies, of benefits for Canadian workers and of the existing provisions for Canadian content. I think they must be highlighted in this Bill. We are telling the Minister that amendments are required to improve the Bill on behalf of Canadians, and in particular on behalf of the Canadians who live in underdeveloped parts of the country.

● (1640)

In conclusion I do want to emphasize again that I think the Government and the Minister should take the points I have made into account. I think the appropriate amendments should be made to this Bill before it comes to us for final approval.

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I would like to address my comments this afternoon to the proposed seven amendments with respect to Bill C-15, an Act respecting investment in Canada, and in particular to the amendments which reflect the desire of the Opposition to have divulgence of information or, as the Opposition likes to say, to make it a more open Bill. I would like to address my comments to the intent of the Opposition in asking for the kind of information contained in the seven amendments.

Essentially, the amendments seek, through various ways, to open up Investment Canada so that the Minister will be forced or empowered to release a great deal of information which, I think, on the face of it, is highly unfair to business in Canada and to those non-Canadians who come to our country to invest. It all sounds very good. The Opposition talks about open Government and about giving the ordinary Canadian the ability to look into those companies. But it is highly irregular for a Government to do what the Opposition would like our Government to undertake. On the one hand, it is suggested that Government demand information, some rather commercially sensitive information. As Hon. Members who are in business would know, that kind of information would affect a company's competitive position and investment capability. The Opposition would like the Government, through this Bill, to divulge that information openly to the public. What is so unfair is the burden which this places on the Government, which would first have to ask for it and then turn around and open it up to anyone in Canada who would like to see the information, even information which would be commercially sensitive.

I will isolate three motions as examples: Motions Nos. 8, 12 and 63, which were proposed by the New Democratic Party. Motion No. 8 asks to make public the results of agency research. It sounds noble on the face of it, but if one looks a

little more closely, one finds that there would arise, in any agency research through the examination process, confidential information. That would only be natural if the agency research were done to a respectable standard. The New Democratic Party would ask that that information be made public, and I believe I speak on behalf of all businesses when I say they would be very strongly against operating in the kind of environment where, on the one hand, we encourage investment which will open up Canadian jobs, opportunity and economic growth, and on the other hand we say, "Well, the agency has done some research, has uncovered some confidential material and now anyone in Canada can come and take a look at it". I think that is very unfair.

Motion No. 12 asks for the agency to compile and publish information about the performance of foreign-owned companies, again, with typical New Democratic Party fervour. To examine these foreign-owned companies sounds very noble, on the face of it, and when one looks at the role which we see for Investment Canada, one finds that, of course, within reason, there will be the release of statistics and information which will be relevant to the different industries which are involved. The implication in the wording of this motion that the performance of a company is going to be monitored for some purpose—the purpose is unstated in this motion—and it is told that it has to fulfil certain criteria, is something to which I addressed myself earlier. What I told the New Democratic Party then, and I must now repeat, is that in my home Province of Saskatchewan we looked at the nationalization of the potash mines and the role which the state plays to such a great extent in the lives of business people, and found out what that does to the psychology of investment. The Government should deal realistically and openly with the people, hoping to become part of their economy. The people should not think that their Government does not really trust them. Their Government should not act as if it does not give the average man and woman investor in this country enough credit for their ability to know what is good for the operation of their company within the safeguards of our Bill as it stands.

Motion No. 63, Mr. Speaker, is another New Democratic motion. I do not know why I chose three New Democratic motions, except that they seem to be the most hopelessly off-base of the package. This particular motion requires the publication of decisions and undertakings. Again it sounds so noble in all the idealistic and rather naive fervour of the New Democratic Party.

Mr. Riis: You don't have open Government.

Mr. Mazankowski: There's not one of them that's ever met a payroll.

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Gormley: The Minister says that not one of the New Democratic Party Members ever met a payroll, and I think that this is a very accurate statement to those who follow this political Party's attempts in this House. Undertakings will sometimes contain or reveal commercially sensitive information. I think that is self-evident. An undertaking by anyone who is dealing with Investment Canada, by its very nature, will contain commercially sensitive information.

I would like to look now at Motion No. 63 and perhaps address my concerns in a little broader way about the communication and disclosure which is a part of this Bill by its very nature. For example, Motion No. 63 asks that somehow the decisions and undertakings be publicized. Originally, in Bill C-15 there was no prohibition on the disclosure of decisions or of information contained in written undertakings in a lot of cases. This will ensure that the public can be informed, and the Government has already shown that it means to disclose the information in cases where there is a public interest, such as, for example, in connection with the recent Chevron-Gulf and Texaco Canadian reserve cases where details of the undertakings were in fact made public. Again, if we go back to what Bill C-15 attempts to do, we find that safeguards are already evident, as well as the important measure of accountability.

It has been said by some Hon. Members of this House, in addressing their thoughts to accountability, that the Bill does not make the Government accountable. If I can refer members of the Opposition to Clause 44 of the Bill, they will find that accountability is spelled out. This ministerial accountability will empower the Minister to prepare a report on the operations under this Act to be laid before each House of Parliament. Rather clearly, this clause has the Minister explaining to the committee and to the House of Commons the functioning of Investment Canada.

I have not been very political up to now, Mr. Speaker, on the way this Bill has passed through this House to date. But I think what should be on the record at this point is the performance of the opposition Parties in the plethora of motions which have been moved, the taking up of so much valuable time of this House of Commons and the level of debate which has gone on to this point. Debate on second reading of this Bill lasted 16.5 hours. This particular Bill was in committee for 40 hours where all seven of these motions were dealt with in some form. Now the Bill is at the report stage and we have been in debate for over 18 hours. I would like to say that these motions as proposed would simply reduce to the most distrustful terms the way that Government encourages business in Canada. For that reason, Mr. Speaker, I speak strongly against these motions.

● (1650)

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I am pleased to rise today on behalf of my Party to speak about an extremely important matter. What propelled me to this House with such haste to ask my colleagues whether I could speak out of the normal order was the opportunity I had to listen to the speech on television of the Hon. Member who preceded me. He talked about—

Ms. McDonald: A lot of drivel.

Mr. Skelly: My collleague from Broadview-Greenwood says "A lot of drivel".

Mr. Gormley: She would.

Mr. Skelly: Unfortunately, I have to agree with her. For those who think this debate is not serious we should examine the facts. This Bill proposes to sell out Canada and do it in secret. I am appalled at what I see across the floor of this House.

Mr. Siddon: You guys have destroyed the country.

Mr. Skelly: I have worked many hours in committee with many of those people across the floor. We have battled together to condemn the Liberal Party and the Liberal Government for exactly the same kind of thing that the legislation before us today is trying to prevent: honesty in government. It took the Liberal Party of Canada 50 years to reach the low level they had reached in this country. We all remember the attempts to get information in this House. There are Members across the floor who have been here since 1979 and we fought together to try to extract information that was impossible to get. I see the Minister of Transport (Mr. Mazankowski) smiling. He fought those battles as well. Members across the floor screamed loudly about patronage when the Liberal Party sank to depths we just could not comprehend. In the dying days of the last Parliament it was nothing less than disgusting. The amendments before us today are an attempt to stop that from happening in another agency of this Government. It is a sad situation when the Conservative Party starts at the low depth at which the Liberal Party ended up, and it is going down faster.

I will give you one example of what I think will happen with this and other agencies while this Party is in power. This is definitely not a humorous matter; it is a matter which is extremely serious. We have seen the appointments to Air Canada, VIA Rail and other government boards which are nothing less than disgusting examples of Tory patronage. We know we will never see a shred of information, that we will have to do things that the Conservatives, when they were in opposition, never thought of in order to get the kind of information we need to have from this Government. The Conservative Party of Canada did itself a great disservice in making some of these patronage appointments, and I suggest they have reached new depths of which the Liberal Party never even conceived.

To give you another example, and it is probably as nasty and ugly as any we would want to see, the Minister of Employment and Immigration (Miss MacDonald) decided to give a $5 million grant to three Conservative organizers. Essentially she said, "You can spend one third of it, or approximately a third, let's not dicker about numbers", and with undignified haste they began to put that money in their pockets. That money is not going to unemployed Canadians on the coast of British Columbia, it is going into their pockets. We suspect this has become a vehicle for handing out money to people who had served the Conservative Party. This situation, we understand, was not the fault of the Minister of Employment and Immigration; it was the Minister of Fisheries and Oceans (Mr. Fraser) who had advised her to do that. We then see three prominent Conservative organizers—

The Acting Speaker (Mr. Paproski): Order, please. I would like to know which clause the Hon. Member is speaking to, which one this is relevant to, if he does not mind?

Mr. Skelly: Mr. Speaker, the clause is in Motion No. 8, that this Bill be amended in Clause 5—I hear my friends from the Conservative Party laughing and giggling. I think they must be new Members because they do not realize that at one time we fought together on this issue. But it was false morality, strictly political stunts, and today they have gone too far.

These amendments before us deal specifically with open Government, honesty, access by Members of Parliament to information, and I suggest that from the examples of withholding information, the hard and blatant patronage we have seen, this is clearly relevant and an example of the manner in which this Government will be operated.

We remember the example of the Prime Minister (Mr. Mulroney) flying across the country and talking about Liberal patronage. He joked about it, much the same way his colleagues here said—

The Acting Speaker (Mr. Paproski): Order, please. I really think the Hon. Member should get back to the clause, if he does not mind, either Clause 8, Clause 12 or the many other clauses he can speak to. I do not think that what he is saying is really relevant.

Mr. Skelly: Mr. Speaker, if the business of patronage is not relevant, if honesty is not relevant, if openness and fairness in government is not relevant, I do not know what purpose any of us are serving here. These clauses basically deal with those types of questions, and I tell you as honestly as I can that the Minister of Employment and Immigration yesterday in this House, in attempting to deal with those issues, completely misled the House. It strikes me that if the Government is not prepared to address that issue, this whole thing should be put forward to the Standing Committee on Privileges and Elections and we should get to the bottom of it so that some kind of justice is done here.

The clauses before us would move us forward to more honesty in government. There would be less patronage. It strikes me that for the House not to pass these clauses would be absolutely astounding. I am absolutely astounded at the hypocrisy in the Conservative Party, a Party which fought in this House against patronage, the dishonest handing out of taxpayers' dollars and applying them to purposes which are completely unacceptable. Then we have the situation where a Minister can stand up and say with some pride that she is giving money out in this fashion on the recommendation of other senior Cabinet Ministers. I am completely astounded that that kind of thing would happen. For a Government and a Minister of the Crown to mislead the House in her statements is completely astounding.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, it is one of those afternoons when we have had a number of lectures from distinguished Members of this House, and I want to continue that by going back over a little bit of history. Some of those who are academically inclined would recall that in the United States during the 19th century there was a political Party called the Know Nothing Party. That Party was characterized primarily by the answer it gave to every question, which was, "We don't want to know anything about that". Well, Canada has once again duplicated in all its glory the American pattern with our own Know Nothing Party, otherwise known as the Government of Canada.

● (1700)

From time to time we have heard statements made by members of the governing caucus. In answer to questions for information their basic response is that it is better if Canadians do not know what is happening to them. There is no point in having information, understanding what is going on, or trying to analyse the impact of foreign investment. They want to ensure that the people do not know. They tell us to trust in them, have faith, and believe. That is all right if you are in church, but we are in Parliament. Parliament expects a reasoned, rational approach to public policy dependent upon useful information and, more particularly, information that will ultimately hold members of the executive accountable for their actions.

In the Investment Canada Bill the most serious investment they are talking about is the investment of the Minister responsible with the most extraordinary powers ever given to a Minister under any statute ever passed by this Parliament. He is accountable to no one for any of it. He will be responsible for billions of dollars of investment decisions and no one will know why, how, who, or what the exact result will be. One wonders if the Conservative Members of Parliament realize the kind of power they are giving to their Minister of Regional Industrial Expansion. If I were a Member of Parliament from Quebec I would be a little concerned. We saw how sensitive he was to the concerns of Quebec with regard to Domtar because he had arbitrary powers. They should be equally concerned that this Minister has full and total responsibility for making decisions and that he reports to no one. Yet they argue time and again that they do not want to know. I guess if you are a member of a know-nothing Party, that sounds reasonable. They feel that perhaps they can slide it by and no one will notice what the Minister is doing. Unfortunately, Mr. Speaker, it is not that easy.

We have seen time and again that decisions by foreign investors sometimes have a devastating impact upon communities, workers and industries. The case of Canadian General Electric was raised in the House this week. The parent company in the United States imposed requirements upon its subsidiary basically to strip the company to improve the dividend performance of the parent company. The parent company said that if the subsidiary did not do that, it would shut it down or sell it off.

Under the Investment Canada Bill it will be increasingly hard to get information about those kinds of decisions. We introduced amendments in the last grouping which were turned down, amendments that attempted to make the Minister accountable. At this stage we are giving the Minister an incredible amount of power and putting a veil of secrecy around those decisions to ensure that Canadians will not know what the impact will be.

I would like to point out another very telling case, Mr. Speaker. Time and again we were told before the committee that there is a substantial difference between the performance of foreign-owned companies and that of Canadian-owned companies. That was not socialist propaganda or Liberal mythology. We heard that from the Conference Board, from the Science Council and from reputed research organizations, which said that foreign investors import a much higher range of components from their parent companies, therefore substantially impacting upon our balance of payments. It is also true that subsidiaries of foreign-owned companies are not allowed to export or compete against their parent company. It is also true that subsidiaries of foreign-owned companies do not provide nearly the same amount of research and development.

If those suppositions and representations have any element of truth to them, Mr. Speaker, the Government that is responsible for the economy of the country should be prepared to do the analysis and intelligence and to provide the information to determine what the impact of foreign-owned investment in the country should be. It should also be prepared to share that information with Parliament so that all legislators would know it in case of need for remedial legislation or for a response.

If the Government is saying that the great panacea to our economic condition in Canada is wide open foreign investment, then logically Parliament should be able to determine in the future whether that hypothesis is correct. At least the Government should be willing to put its hypothesis to a test. If members of the Government are as firmly convinced as they say they are that wide open foreign investment is the answer, then why are they afraid to have that information shared with Parliament so that in a year or two they can be called to account?

Mr. Frith: Because they are know-nothings.

Mr. Axworthy: Because they are know-nothings, and furthermore, I suspect that they do not have the courage of their convictions. I think they are chicken. Otherwise they would agree to the amendments that have been brought forward by the Liberal and New Democratic caucuses asking for further information so that we can hold them to the test and determine whether their blind faith and true belief in the miraculous solution of foreign investment pans out. They are not prepared to live up to the faith they have placed in their commitments. They are not prepared to do the intelligence or allow Investment Canada to publish that information for the benefit of Members of Parliament and the public.

I can only conclude that they know something that the rest of us know, even though they are not prepared to admit it, that

is, that foreign investment is not the economic answer to what ails Canada. The answer must be found within Canada, through Canadian investment and Canadian growth. It is embarrassing for all Canadians when the Government says that it must rely on foreigners to solve our economic problems. It is churlish of the Prime Minister (Mr. Mulroney) and the Minister of Regional Industrial Expansion (Mr. Stevens) to preach that someone else must provide the solutions to our economic ills.

Time and again, as the Government has rejected amendment after amendment, we have seen that it is not prepared to provide improvement to this Bill which would encourage further enhancement of Canadian investment or to hold the Minister accountable for his actions. It is not prepared to provide information to Parliament that would determine whether foreign investment is working. It is are not prepared to support amendments that would give Canadians the right to ensure that the technology and investment which takes place here will be worth-while and beneficial to Canadian workers. It is providing us with a know-nothing solution. It is asking Canadians to act on faith and belief. Mr. Speaker, its theology is faulty and its faith is lacking. That is why the Opposition intends to continue to oppose this Bill and why our Party supports these amendments.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have an opportunity to respond to some of the comments made by some of my colleagues in the Conservative Party this afternoon. We in the New Democratic Party feel very strongly that we do not have to look to foreigners to solve our problems. We do not have to look to Hong Kong to solve the economic and social problems in our country. We have faith in Canadian investors. We have faith in Canadian businesses. Given the right leadership and opportunities from the federal and provincial Governments, we can create the economic climate and expansion, and therefore the jobs, to put the 1.5 million unemployed people back to work in our country. We have faith in Canadians.

• (1710)

This Investment Canada Bill says that the Government does not have faith in Canadians. The Conservatives are saying that they want to make it easy for foreign investors and business people to come to Canada because they do not have faith in Canadians to do the job. The fact that there is more foreign control of our economy than in virtually any country in the world is overlooked. This Bill displays almost a religious zeal that is built on the assumption that making it easier for foreigners to come into our country will automatically make life in Canada better.

In the last number of months I recall many of my colleagues standing in the House holding letters written from the head offices of foreign corporations based in the United States, Japan and Europe directing their branch plants operating in Canada not to do any research and development in Canada. This is taking place at a time when research and development in our country is of paramount importance. Yet the directive to branch plants in Canada was not to participate or make expenditures in research and development because it is being done in Dallas, Texas, Frankfurt, Tokyo, Hong Kong or Singapore. We do not want to see a situation in Canada where firms are encouraged not to participate in research and development into new product lines and economic activity.

A second directive that has been quoted time and again by Members of the House has been for the branch plants of foreign head offices not to participate in export development or try to sell the goods they are producing to another country. Again, that is the job of the parent corporation. At the time when we need more export development, export opportunities and more research and development, the provisions of this Bill will prohibit that development. It is almost a guarantee that firms within Canada will not participate in research and development and the creation of export opportunities.

Government Members are declaring that this Bill will help business in Canada. I recall listening to bankers when they appeared before the committee. These were domestic bankers from schedule A banks, schedule B banks as well as foreign bankers. They were asked if this Bill will result in a significant amount of additional investment in Canada. Their answer was no. They said that in their estimation the Foreign Investment Review Agency did not really stop any investment of any substance in Canada. I am not talking about fly-by-night operators who want to come in and rip off the system for a short term without having to go through all the hassle, but legitimate firms who wanted to come to Canada to make a long-term investment in an operation. They were quite prepared to demonstrate to the FIRA officials that in fact their development in Canada would be for the benefit of Canadians.

I am most surprised when I hear government Members saying that they will vote against these motions of the NDP and the Liberal Parties. These thoughtful motions from our two caucuses are simply asking that more information be made public. Government Members are saying that they do not want that to happen. They want to impose a veil of secrecy over this operation. They do not want to obtain and provide information to parliamentarians that would demonstrate what the role of a foreign corporation is in our country. They do not want those firms operating in Canada to demonstrate how they are benefiting Canadians in the Canadian economy.

If this discussion were taking place eight months ago when the Conservative Members were in opposition, I suggest that they would be standing up one after the other ranting and raving, screaming and shouting, ringing the bells and stopping votes because of the dictatorial powers that this Bill gives the Minister responsible for Regional Industrial Expansion.

The other day we saw the Minister of Regional Industrial Expansion hand out tens of millions of dollars to a central Canadian corporation because he felt that it was the appropriate thing to do. This Bill gives more powers than we have seen given to any other Minister responsible for an economic portfolio in this country.

While I might have a lot of faith in the present Minister, I am not certain that any Minister of the Crown should have

these incredible powers to make economic decisions as though he were being given the divine right to decide on the future of what corporations and what type of economic development would be in the best interests of our country.

When listening to witnesses who appeared before the committee, Mr. Howarth, a former FIRA commissioner, made a presentation. Let me read a few of his words about the whole matter of secrecy. He said:

> The most telling criticism, certainly the most telling criticism as far as I was concerned, was that the whole process was conducted in secrecy. People used words like 'Star Chamber' and this, that, and the other. And of course it was imputed that the government wanted to do it in that way and the agency wanted to do it in that way and cover up their own misdeeds and so on and so on. The truth of the matter is that the way Parliament wrote that law, the government and the agency had no choice but to keep virtually everything concealed and hidden.

This FIRA commissioner went on to say:

> As far as I can see, that is going to happen under the proposed new law, as it is now written. The requirements for confidentiality are no less stringent. Virtually all the information which was classified by Parliament under the Foreign Investment Review Act as privileged is classified as privileged under the proposed new Act. And if that is indeed to be the pattern, then Parliament and the government and the agency and everyone can expect, sooner or later, after the first blush of happiness and so on has gone, that there will be the same kind of criticism that this whole process is being conducted in a secretive manner. There will be more criticism, perhaps, because this government, as I understand it, is committed to making things more open to the public.

I think the people of Canada understood that the Government was committed to making the proceedings of Government more open and accessible to the public; that it was going to allow the public to see the inner workings of the system.

This new Act, as reflected in the words of a former commissioner, is making things as secret if not more secret. Surely that is the motivation behind the presentation of these motions which we are discussing. They would shed some light on those activities so that the public could see what is happening. Presumably the Government has nothing to hide about how it will deal with corporations under this new Act. Surely the firms that will be operating in Canada from foreign bases will be acting in an honourable way. That is what we want to see.

In closing let me say that if we as parliamentarians are going to be responsible, it would be very naive of us to assume that the operations of a foreign based corporation in our country will be in our best interests. When one sees what the petrochemical companies have done to our river system and our environment generally, one finds that it is one of many examples of corporations that have not acted in the best interest of Canada and Canadians but only in the best interest of their shareholders.

Looking at the track record I suspect that foreign-based firms are the greatest culprits. All that we are asking in these motions is to be more open and to let Canadians have an opportunity to see the activities of these corporations in Canada. Surely, in the spirit of openness and freedom of speech, that is not an unreasonable request.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 8 standing in the name of the Hon. Member for Essex-Windsor (Mr. Langdon). It is my understanding that Motions Nos. 8, 12, 32, 63, 69, 74 and 75 are grouped. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea?

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 79(11), the recorded divisions on the proposed group of motions stand deferred.

● (1720)

The next grouping is Motions Nos. 19 and 20.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 19

That Bill C-15, be amended in Clause 6 by striking out lines 12 to 14 at page 5 and substituting the following therefor:

"the Minister in exercising his powers under this Act, to secure notifications and conduct reviews of investments by non-Canadians under this Act, and provide to other relevant federal departments and agencies information about means to stimulate investment by Canadians in Canada."

The Acting Speaker (Mr. Paproski): Motion No. 20 is to be moved by the Hon. Member for Essex-Windsor (Mr. Langdon). He is not here. Could I have unanimous consent to have the Hon. Member for Comox-Powell River (Mr. Skelly) move Motion No. 20 for the Hon. Member for Essex-Windsor? Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): We are debating Motion No. 19.

Mr. Riis: Mr. Speaker, I rise on a point of order. I wish to have a clarification on the proceedings. We were intending to debate Motions Nos. 19 and 20 together. Is it your ruling that we are not now doing that because unanimous consent was not given?

The Acting Speaker (Mr. Paproski): We cannot propose Motion No. 20 because the Hon. Member is not in the House and unanimous consent was not given. That is correct.

Mr. Skelly: Mr. Speaker, I rise on a point of order. Would you clarify for me exactly, because I am not certain about the interchange you had with the Hon. Member for Kamloops-Shuswap (Mr. Riis). Is the result of it that Motion No. 20 will now be lost?

The Acting Speaker (Mr. Paproski): Yes, I am afraid so. It cannot be proposed. It was grouped together with Motion No. 19, but it cannot be proposed because the Hon. Member for Essex-Windsor (Mr. Langdon) is not in the Chamber. We are now debating Motion 19.

Mr. Skelly: My I ask one further thing, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Yes, you may.

Mr. Skelly: Mr. Speaker, there have been other occasions when Ministers and other Members of the House have requested this type of permission and it has gone forward without too many problems. I am quite surprised that members of the Conservative Party would not recognize this—

The Acting Speaker (Mr. Paproski): I appreciate that. Any Minister can act for any other Minister because they have collegiality.

Mr. Axworthy: Mr. Speaker, may I rise on the same point of order? I just intervene because in watching the proceedings I was not sure what the actual indication was from Members opposite. I understood that they were prepared to give unanimous consent to having the Hon. Member for Comox-Powell River (Mr. Skelly) move Motion No. 20 for the Hon. Member for Essex-Windsor (Mr. Langdon). At least in terms of the indulgence of the House, you might want to take that sounding again. Maybe we could clarify the matter and eliminate something of a procedural wrangle.

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. I am sure that when we asked for unanimous consent—and I am talking to an old professional, the Minister of Transport (Mr. Mazankowski), and I know I will get his attention—it was in the spirit of proceeding more rapidly. When we ask for special permission from time to time we have a tendency to say no, and that is it. May I just make an appeal to our colleagues? We have three and a half years to go and there may be other times when the Government may want to ask for permission—

The Acting Speaker (Mr. Paproski): Order, please. The Parliamentary Secretary to the President of the Privy Council (Mr. Dick).

Mr. Dick: Mr. Speaker, I just want to indicate that, by all means, our Party will be happy to give unanimous consent in this matter.

The Acting Speaker (Mr. Paproski): Is there unanimous consent for Motion No. 20 to be moved by the Hon. Member for Comox-Powell River on behalf of the Hon. Member for Essex-Windsor?

Some Hon. Members: Agreed.

Mr. Ray Skelly (Comox-Powell River) (for Mr. Langdon) moved:

Motion No. 20

That Bill C-15, be amended in Clause 6 by adding immediately after line 14 at page 5 the following:

"(2) The Agency shall have the power to ask for policy directives from the Governor-in-Council as it deems necessary."

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, it is an historic moment in this young Parliament in that we are now working in the spirit of co-operation. I hope the spirit will carry over slightly longer and we might find some agreement on the amendments. Though I understand that will be a proposition that is a little tougher, I am quite prepared to try to make the case. I hope this amendment, the one that we are introducing in Motion No. 19, will speak for itself. Motion No. 19 is a motion that is fair, reasonable and provides to the Government a more accurate portrayal of its own intentions.

During the course of our committee hearings, there was one central theme that we heard from all private sector delegations. They wanted certainty. They wanted to make sure that the Bill as passed by the House would clearly enunciate what the actual objectives were, what the procedures would be and what the rules and responsibilities of the various players and partners would be.

If I were to make any criticism at all of our former FIRA legislation, there were from time to time certain areas of ambiguity about its deliberations. I think that quite honestly and for good reason the people who appeared before us said, "Give us a Bill that, in a very distinguishable way, ensures that when people read the Bill as passed by Parliament they will know what to expect".

I suggest that the amendment we are presenting is presented to meet that concern.

Clause 6 as it now stands, Mr. Speaker, reads:

There is hereby established an agency, to be known as Investment Canada, to advise and assist the Minister in exercising his powers and performing his duties under this Act.

What are those powers and duties? Nowhere in the Bill will you find an elaboration of what the Minister is supposed to do. Again we are transferring a very general, vague set of powers and duties which may be further elaborated by regulation but do not have the sanction of parliamentary statutory passage in this House.

Our amendment at least attempts to clarify in three important respects that the Minister is responsible and so is Investment Canada for advising on questions of notification and review. This will ensure that foreign investors will know what to expect. Second, as a bare minimum the Minister will be responsible for sharing information with his colleagues about how to stimulate investment in Canada by Canadians.

● (1730)

In a previous set of amendments, which unfortunately were ruled out of order, we provided eight or nine specific enumerations of what the ministerial powers and duties should be. However, in its wisdom the Chair felt that that was going beyond the scope of the Bill. These are accepted as being in order by the Chair. Therefore, I make the case that they do not interfere with the objectives of the Bill, but do in fact establish that this is still a Bill to review and notify on foreign investment.

I know that some Members opposite may want it otherwise, but you cannot camouflage the fact that there is still to be a review of foreign investment. It will be a weak review, it may be a non-influential review, but it is a review nonetheless. As a result, it is important once again that this be clearly established in the Bill. Perhaps more important, we say that part of the powers and duties of the Minister should be to share information, if not with Parliament, at least with other Departments and agencies so that they can complement decisions taken under Investment Canada with their own investment decisions.

One of the most important reponsibilities of any Government is to get its act together to co-ordinate the various actions of different Departments and agencies. That is not an easy thing to do, especially when you have 40 Ministers, almost one-third the Ministers in history. There is a requirement to bring those different Departments and agencies together in order to co-ordinate the various forms of investment that might be made by the Department of Transport, the Department of Supply and Services or the Department of Communications. We say in this Bill in particular that the Minister of Regional Industrial Expansion should be required to try to co-ordinate those investment plans that come about as a result of a decision he is taking under this Bill, to co-ordinate that with other Departments.

I make that case because of its importance for regional development. If, for example, a foreign investor is establishing here, because of the review provisions in this Act the Minister of Regional Industrial Expansion should know that there may be some impact upon resource development in the Atlantic provinces. That would immediately affect the Minister of Fisheries and Oceans, the Minister of Transport and the Minister of State for Forestry. Surely we should try to bring those various Ministers together to get a total impact of that investment as opposed to having it happen separately in a discordant fashion.

I ask Members opposite what is wrong with that. Surely they are not going to argue that that kind of co-ordination, that sharing of information is somehow inimical to the interests of Canada and inimical to the interests of this Government. Equally, it may be that the Minister of Regional Industrial Expansion receives notification about a proposed take-over and that some other Minister is working on a proposal for a Canadian investor in the same region, in the same area. That Minister should also be informed of the intentions. It should redound upon the ultimate decision taken by the Minister responsible under this Act to refuse that application for a takeover or for some pre-acquisition.

I hope that the Conservative Members of this Parliament will understand that the amendment we are bringing forward in this case, Motion No. 19, is designed to ensure that any decision taken by the Minister of Regional Industrial Expansion will be compatible with Canadian investment opportunities and that we will not by his decision forgo or cancel out some activity by a Canadian investor or enterprise that would be put out of action by a foreign investor. Certainly that fits the objective of the Bill which, we say, is to encourage Canadian investment. I would assume that if there is to be an advantage or a priority, this Government will have to accept that the priority should be given to Canadian investment.

In the remarks I made a few minutes earlier, I pointed out that the evidence is conclusive that Canadian investment carries with it substantially higher economic benefits than does foreign investment in terms of research and development, export potential and less reliance upon imports from other countries. Therefore, we have a clear case. In weighing the balance, if there is some kind of judgment between the advantage of a Canadian investor and a foreign investor, the Canadian investor should have the priority. That will only happen if there is some sharing of information, which is what our amendment proposes.

If Hon. Members accept that basic proposition, they should support this amendment. We will give them enough time, certainly during the debate on this motion, to take it up in caucus, to consult with their Minister and perhaps come in with a willingness to show that they as a Government are prepared to say in a clear way that when it comes down to a choice, they are going to choose Canadians over foreigners, that they will clearly enunciate their belief that when it comes down to weighing the balance, it is Canadian investment that should have the priority. That is not to say that foreign investment will not be considered, but under this amendment we require the Minister under this Act to make sure that in the weighing of the balance the preference will clearly be on the side of Canadian investment and Canadian enterprise. With that, I recommend this amendment to the House. I look forward to its constructive response.

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to have this opportunity to speak on both amendments. I think the grouping is reasonable. Together they make one very important point, that is, that the base of responsibility for the operation of the agency and the work of the Minister under this Act must be as wide as possible. Both these amendments have the effect of asking for that widening beyond what is provided by the Bill at present. That widening is needed not only so that the operation will be seen to be fair in a situation where there are competing interests and a possibility of the appearance of unfairness of any decision by any person or body, not only for the best chance of fairness and appearance of fairness, but also for effectiveness. I will come back to that with regard to the garment industry as I have become acquainted with it in Spadina.

Motion No. 20 proposes, and I quote:

The Agency shall have the power to ask for policy directives from the Governor in Council as it deems necessary.

This is the subsection that would be added. The first reads:

There is hereby established an agency, to be known as Investment Canada, to advise and assist the Minister in exercising his powers and performing his duties under this Act.

Our amendment would go on to say:

The Agency shall have the power to ask for policy directives from the Governor in Council as it deems necessary.

● (1740)

The point of that is very clear. Those who are appointed by the Minister in consultation with the Cabinet and anyone else with whom he chooses to consult must be people in whom he has confidence, and they in turn can exercise that confidence by requesting directives from the entire Cabinet and not exclusively from the Minister who, after all, has the limitation of being only one person, however capable a person he may be. In other words, this widens the base of accountability.

The motion put by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) provides that the agency will advise the Minister in exercising his powers under this Act to secure notifications and conduct reviews of investments by non-Canadians under this Act and provide to other relevant federal Departments and agencies information about means to stimulate investment by Canadians in Canada. That is a very important function. I do not think that function can be adequately exercised if, at a vital point, it has to be entirely and exclusively channelled through one person, however competent that person may be. The one Minister will still have the final responsibility for decisions, but there is a great deal that can and should go before that and a great deal that might come after that in the implementation of the decisions.

What is particularly critical here is the relationship to the investment by Canadians in Canada. Here I am referring to the purpose of this legislation as stated in Clause 2 which indicates that increased capital and technology would benefit Canada and that the purpose of the Act therefore is to encourage investment in Canada by Canadians and non-Canadians. In other words, this Bill is not only concerned with investment by non-Canadians but is concerned with investment by Canadians.

I suggest that investment by Canadians is more important than investment by non-Canadians. Canadians may have more money or less money than non-Canadians and they may have more ideas or fewer ideas than non-Canadians, but what they have is a sense of accountability to Canada and very often a superior knowledge of Canada. Therefore, I suggest that the principle must be to integrate investment by non-Canadians into investment by Canadians. For that to happen, there is a great need for consultation with the industry in which the investment may be made. That consultation should not take place through favouritism. There should not be consultation with only those who happen to have the ear of a particular Minister. That consultation should take place in a properly established and organized way that is accountable through the agency and whatever advisory groups or subcommittees the agency might establish.

In Spadina, there still exists a large and flourishing garment manufacturing industry. Some Hon. Members have heard me mention this before. What I have been told by a spokesman for that industry is that members of the industry are prepared to develop and modernize to a very considerable extent. They are not only interested in modernizing but they say they have the money to do so. They do not say that they can get the money from outside; they say that they have the money to introduce computer-guided technology and other modernizations into the industry. They have certain concerns about the security of their investment and those concerns relate to the Canadian market. They say that we do not need to give them money to develop the industry but that we just need to assure them of a reasonable share of the market for more than a year at a time.

Technological change in the garment industry is moving fast, whether it be in Canada or in other countries. Everyone agrees that Canada must keep pace with that movement. The people to make those changes should primarily be the Canadians who are now working in the industry. The people who could give the best advice about how investment by non-Canadians could be integrated into that industry are the Canadians who are now working in the industry. They would be able to give advice about just what kind of technology and training through our technical colleges is needed. They would be able to give advice about the production of the appropriate machinery and equipment for this technological development.

These people should have the assurance that they will be heard in an organized way. Therefore, there should be advisory structures developed, and the proper point of application for those structures would be the agency as envisaged here. However, the people who work in the industry must have the assurance that that agency will be able to make responsible use of the advice it receives. The final decision will still be in the hands of the Minister but the people in the industry will want to know that the agency is able to request advice from the Cabinet. They will want to know that the agency genuinely shares with the Minister the responsibility for securing notifications, conducting reviews and doing the other work that is necessary under this Act, and they will want to know that the agency will not simply be a rubber stamp.

One person, however capable, cannot provide the assurances to which I have referred because he cannot be instantaneously in touch with many representatives of many industries. Therefore, I urge the House to adopt these amendments in the interests not only of fair play but of effectiveness.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I would like to speak on behalf of the motion brought forward by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). I believe it is a motion that goes quite far not only toward what we hope to achieve for purposes of better information service to the economy of the country but it can also have a very positive effect on the development and management of the regional development of this country.

I would like to deal with my first point which is the knowledge of what is going on in the economy of the country. We need this knowledge so that we can minimize the negative surprises we receive when companies pull out of the country and when jobs are taken away from branch plants and given to head offices in foreign countries. We need this knowledge to be able to communicate between Departments. I think it is of vital importance that this knowledge be increased and considered a routine procedure between government Departments. If it is not, there could be takeovers prompted and approved by the Department of Regional Industrial Expansion that will have a very negative effect on the responsibilities of the Departments of Science and Technology and Energy, Mines and Resources.

For instance, a takeover could run completely contrary to what Canadians want to see happen, which is 50 per cent Canadianization of the oil and gas industry by 1990. This is a tremendously important aspect. If each government Department had the information that other Departments have, then we could better prevent such negative and sudden turns that are not considered beneficial to the Canadian economy.

As well, I would like to deal with the regional development aspect of this amendment. Here we have something that is a very positive by-product of this motion to amend Bill C-15. If Hon. Members are aware of the concept of regional development in other countries, they will know that regional development is not handled by a Department of the Government but quite often by the office of the Leader of the Government. The reason for this is that, through the Leader's office, a Government is better able to co-ordinate the concept of regional development. It is not left to a Department, with the vested interests of that Department, as is the case in Canada. The Leader, through his or her office, is able to co-ordinate with other Departments the activity of regional development. That is important, not only from the point of view of determining what a prospective investor would want and need to be able to carry on the work of the organization in that region, but conversely, it can also be used by the Government to plan the economic future of that region. The Government would be able to determine what that region required to be able to attract economic activity.

● (1750)

I see that the Minister of Public Works (Mr. La Salle) is in the House today. I would like to tell him that the removal by his Government of the federal building in Sydney has had a very adverse effect on the economy of that area. The cancellation of the decentralization project of social income security from Halifax to Sydney—and Sydney has over 40 per cent unemployment—is taking jobs away from an area which needs those jobs. The Government is taking away jobs which could have been created instantaneously and which would have had a spiral effect in the community. The project would have provided an economic stimulus and it would have diversified the economy. It would have created business for hotels, motels, and transportation. It would have created an economic spinoff and put additional moneys in the economy if the decentralization offices had been moved to downtown Sydney. It would have created a stimulus for downtown restructuring in an area which badly needs the activity.

Had the Government considered the activities of all Departments before making those decisions, it would not have created the additional hardship in industrial Cape Breton which it has created. In addition, the Minister's Department has not followed through with downtown and harbour development in the City of Sydney, thereby making it less attractive to industries which would set up businesses in that city.

There is also a need to co-ordinate with provincial Governments as to what certain areas require. For instance, if an area has adequate school and hospital facilities, of course it will be much more attractive to regional and industrial development than an area which does not have those facilities. Those concepts should be thought out and co-ordinated. That is not being done by this Government nearly to the extent to which it was done by the last Government. The areas of regional disparity are slipping further and further behind the growth areas. It is a tragedy. If the downward slide can be caught with industrial and regional development, then the distance will be less to bring that area back to the Canadian norm and, more important, the level which we in Canada consider to be the level of economic development and life which we want to have in Canada.

More important than the disparity between regions is the disparity between people. In this technological age, because there has been no consideration given to planning and because of the lack of co-ordination between Departments, we do not know what employment opportunities will be provided to Canadians. There are thousands and thousands of young people who have given up hope of finding jobs. There is not even a make-work program into which they can fit. They are not coming off unemployment insurance and they are not employed. They are not disabled. They are young people who want to make a start. Because they have not had unemployment insurance benefits, they cannot qualify for grants because only people whose unemployment insurance has expired can receive them. It is a Catch-22 situation. It is very dangerous. We are dealing with the lives of Canadian citizens. To make it even worse, we are dealing with people who know what they have to offer to this country. We are snuffing out the possibilities and the hopes which young people have. With regard to other Canadians, we are snuffing out the possibility that they will be able to fit into the technological age and the job opportunities which will come from that. If we are not careful, the Government will create a society within a society—one society with possibilities and upward mobility and a second society without any hope of being able to be a part of what this country has to offer.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to speak on the two amendments to Clause 6 of Bill C-15. Clause 6 is important because it creates the agency which will be known as Investment Canada. The first amendment was moved by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), and the second amendment was moved by the

Hon. Member for Essex-Windsor (Mr. Langdon). They attempt to spell out in further detail what should be the powers and requirements of the agency.

The effect of the amendments will be to increase the scope of Investment Canada. Instead of being there only to advise and assist the Minister in exercising the directives which the Minister may set out, the amendment indicates that the agency shall assist:

> The Minister in exercising his powers under this Act, to secure notifications and conduct reviews of investments by non-Canadians under this Act, and provide to other relevant federal departments and agencies information about means to stimulate investment by Canadians in Canada.

The second amendment would further add to that clause by adding the following:

> (2) The Agency shall have the power to ask for policy directives from the Governor-in-Council as it deems necessary.

The first amendment would expand the scope of the agency and the second amendment would provide a certain amount of independence for the agency which would permit it to make recommendations to the Governor-in-Council or to Cabinet.

What do Canadians expect from Investment Canada? I think that it depends upon which Canadians you ask. The Government seems to be making this the flagship of its economic policy. It is the only economic change which has been proposed during the term of the Government thus far. It leads one to conclude that the problems of unemployment, high interest rates and getting the economy fully functioning again are being left by the Government to the tender mercies of foreign investors. The Government is putting everything in one basket and relying on foreign investment to bail the country out of its problems.

Is that realistic? I think not. I would like to continue when we next meet again.

The Acting Speaker (Mr. Paproski): When the Bill is before the House again, the Hon. Member will have the remaining six minutes in which to speak.

It being 6 p.m., the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, May 2, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed from Wednesday, May 1, consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions No. 19 (Mr. Axworthy) (p. 4313) and No. 20 (Mr. Langdon) (p. 4314).

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, when my remarks were interrupted by the adjournment of the House last evening I was discussing the reason we need an agency to review foreign investment. Canadians ask themselves, very legitimately, if we want foreign investment which cannot meet the test of being of significant value to the Canadian economy, which the previous Bill required. I also mentioned that the Government seems to be putting great stock in this Bill as it is the first and only economic measure which it has proposed in an attempt to turn around the dreadful unemployment rate in Canada. The Government seems to be throwing the responsibility for job creation to the private sector. Regrettably, with the rhetoric we have heard concerning this Bill, the Government seems to be relying almost entirely on the foreign private sector to create jobs. It is time we asked ourselves if that makes sense. I suggest that it does not.

The Investment Dealers' Association of Canada has pointed out that more than 95 per cent of the investment needs of Canada can be met by internal sources. If the economy was functioning at full capacity, instead of the restricted capacity at which it is functioning now, the investment needs would be surplus to the amount of investment which Canada could absorb.

The Government seems to spend a great deal of time attempting to copy the example and policy of the United States. I think the Government has missed the very significant differences between the U.S. and Canadian economies.

First, the savings rate in Canada far exceeds the savings rate in the United States. The Canadian rate is double or triple that of the rate of savings in the United States. That is one of the reasons, which the Investment Dealers' Association of Canada has pointed out, that even with the depressed state of the economy Canadians can still raise over 95 per cent of Canada's investment capital.

A second significant difference between Canada and the U.S. is that the U.S. has had a trade deficit for the last four years and Canada has generated a trade surplus. Canada generates plenty of investment funds. It does not have to rely on foreign investment to get the economy moving.

If we look at the current account, we will see that for the first time in some months the Americans have a deficit. That tells us that the U.S. is beginning to rely on foreign investment, so much so there is beginning to be some question about the possibility of the U.S. being able to refinance its investment needs. In fact, most analysts have agreed that interest rates are so high in the United States because of the shortage of investment funds. The United States is hiking up interest rates and cannot attract money from outside.

I submit that Canada would make a great mistake if it followed that practice. Canada would end up charging more interest than it needs to, given the strong underpinnings of our economy. In short, the Government would be much better off concentrating on "made-in-Canada" interest rates in order to make use of the great amounts of money which are generated within Canada. If that were done, Canada could become self-sufficient in investment needs, and would be able to reap the benefits of the continued and accelerated ownership of Canadian goods and services by Canadians.

• (1110)

When we do set out to achieve Canadian ownership of key resources and sectors of the economy, we can be successful. While there were some problems with the National Energy Program, I think that programs preceding it and that program itself as it applied to Canadianization of the industry showed some progress. We went into that particular program owning about 11 per cent of our natural gas and oil reserves and refining capacity. Seven or eight years later that proportion of ownership had approached 30 per cent. I think that is a very good turnaround for Canadians in that period of time.

This assisted the creation of more control and ownership in Canada. It has meant that head offices are employing people in Canada. It has meant that the technology which the industry uses, because the decisions are made in Canada, tends also to be contracted within Canada. I am using that as an example, but it presents all of the arguments for some Canadian control over the type of foreign investment we have.

Because of the lack of time, I won't be able to describe a couple of recent cases where foreign investors received an advantage over potential Canadian investors, a form of dis-

crimination which has gone on far too long in this country and which passage of this Act will only make worse.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am quite pleased to have an opportunity to participate in another debate on this Bill, particularly on Motion No. 19. I was somewhat hesitant to rise, Mr. Speaker, because I wanted to give the opportunity to Hon. Members of the Conservative Party to speak. I know that deep down inside they want to participate. Be that as it may, I guess they just won't be able to do so. They have probably been prohibited by someone on the Tory side. They have been whipped into line again and won't be able to say what they want to say. So I would like to take this opportunity to say it for them, as I think those Hon. Members opposite need and are looking forward to our help.

Some Hon. Members: Oh, oh!

Mr. Boudria: I can tell from some of the noises coming from the book-ends over here, Mr. Speaker, that that is indeed the case.

The position of our Party is that the Minister and the committee chairman, of course, had rejected Liberal efforts in the past to make a positive contribution to this Bill by giving the Minister the power to promote investment by Canadians. The Minister only wants to exercise negative powers, as we all know, and then very rarely. The Minister seems not to be interested at all, unfortunately, in either participating in this debate himself or even to avail himself of those powers and then share them with his cabinet colleagues. He wants to exercise that authority himself and have that secretive type of discretion which we know is becoming an all too familiar approach of this Government.

I thought that some of the Hon. Members of the Conservative Party, who want a more open Government and who have campaigned on that theme during the last election campaign, would have stood today and demanded from the Minister that this whole process be changed.

I received a little pamphlet which I want to share with you, Mr. Speaker. It is entitled "Speakers Bureau of the Progressive Conservative Party of Canada". It says that if one has a meeting someplace, one can phone that group and they will send back-benchers, Members of Parliament, Senators and Parliamentary Secretaries to speak in one's riding. This is misleading advertising, Mr. Speaker. The Minister of Consumer and Corporate Affairs (Mr. Côté) should investigate this. We in this House know that Conservative back-benchers do not speak. I have yet to see a Conservative back-bencher speak on this issue, save and except, perhaps, the Hon. Member for Calgary South (Mrs. Sparrow) who spoke for a few moments a few days ago. But the Hon. Member who is sitting at the other end here today should be making an important contribution to the debate on this Bill. He has factories in his riding, and the workers in those factories who want their jobs protected want him and the Hon. Member for Montreal-Mercier (Ms. Jacques), and all the others, to participate in this debate. We would hope that they will say that they want this Bill to be modified in the way that Liberals propose.

• (1115)

Some Hon. Members: Oh, oh!

Mr. Boudria: Of course, if the Minister really had the interests of the Canadian people at heart, if he really wanted to do the proper thing, he would withdraw the Bill entirely. But we know that that is not likely to happen, so we have attempted to put forward a series of strong and constructive amendments to convince this Government that the Bill could be salvaged somewhat, given a certain willingness on the part of Conservative members to understand that the modifications are indeed very necessary. We have not had the opportunity of convincing them so far, but we will continue to make our point and speak forcefully in this House on behalf of the people of Canada because the back-bench Conservative members are either unable or unwilling to do so. I am sure you understand this, Mr. Speaker, and that at an opportune time you of course would want to say this on behalf of the people of Canada because of the unwillingness of the Conservative members to do so.

We in our Party want to make the sharing of information with other Departments and agencies a formal duty of the Minister. We remember from the Domtar case and others that this particular Minister, and perhaps others who will succeed him in the future, does not have the regional interests of this country at heart.

I see the Minister of Public Works (Mr. La Salle) sitting across from me. He will know, because he knows how government does business, being in charge, in a way, of letting government contracts, that this can sometimes lead him into controversy. But the fact that he is familiar with how government does business, and being a Minister from Quebec, he will know, and so will the Hon. Member for Dollard (Mr. Weiner), that it is important to have that regional input into those kinds of decisions which may have an adverse effect on Canadian jobs. One of the best ways to prove this is to look back at the Domtar issue and several others in which unilateral decisions were imposed on everyone by the Minister of Regional Industrial Expansion (Mr. Stevens). I see my friend across the way is shaking his head in disapproval but he knows, being the good Member that he is, that many, many people had to lobby the Minister, and ultimately the real power in the Cabinet had to tell the Minister what to do, otherwise that province would have been forgotten. Well, on many other issues there may not be the intervention that there was in this particular case. Ministers would have their way individually and not act in the best interests of our country.

That holds true on several other issues. We know the Minister of Regional Industrial Expansion has some rather unique views, shall we say, on the issue of foreign investment. He believes all investments should be allowed to come in, even if it means eliminating Canadian jobs.

I remind you again of the issue I raised with you only a few days ago about the member from the Simcoe area who stated publicly that FIRA had not been strong enough to stop the take over of the Black & Decker factory in his riding and the eventual loss of hundreds of jobs. This was a Conservative member saying that FIRA was not strong enough. I am sure that when he is given the opportunity to vote on this Bill he will stand up and vote against the proposed Investment Canada legislation; he has already stated that the existing legislation needs to be strengthened, not destroyed. I find it unusual that that Member, who made such strong statements, did not participate in this debate. I challenge him now to stand up and make a contribution on the record, indicating how his constituents feel about this issue. He was quite forceful during last summer's election campaign when he talked to the good people of Barrie. He told them that he, as a Member of a Government of his Party, would not have allowed that take-over. They won that election and are in power—not that I like it, but nevertheless they are in power temporarily until the next election. They had promised to strengthen the legislation to ensure that there would not be take-overs that would unduly affect their constituents.

● (1120)

Rather than introducing measures to help small business, to assist the farmers of the country, or the people on social assistance, the Government's first priority was to help out the large multinational corporations. That is the priority of the Tories, Mr. Speaker. What happened to the beautiful promises they made to the people of Canada? They forgot them. They made 338 promises and probably around 325 of them will never be fulfilled.

That is enough to cause a backbench revolt by some of those very forceful Tory backbenchers who want the Government to do something to help small business and want to strengthen investment review legislation in order to ensure that jobs are not lost. Instead, they sit on their hands in the House, not even making a contribution. They do not say a word while the Minister of Regional Industrial Expansion is perpetrating this vicious attack on the Canadianization of our industries. When the Bill was introduced all Members on the Government side who were in the House that day applauded the legislation. They sat in their places applauding legislation which was contrary to the promises they made to the voters of their riding in the last election campaign.

The Government should withdraw the Bill entirely. However, the very least it can do is to approve whole-heartedly and speak in favour of Motion 19 as proposed by my colleague.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I am glad to have the opportunity to make a few remarks on this fourth group of amendments and to indicate my support, as well as that of other New Democrats, for Motion Nos. 19 and 20. Motion No. 19 was moved by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), and Motion No. 20 was moved on behalf of the Hon. Member for Essex-Windsor (Mr. Langdon).

Both of these motions relate to Clause 6 of the Bill which reads:

There is hereby established an agency, to be known as Investment Canada, to advise and assist the Minister in exercising his powers and performing his duties under this Act.

● (1125)

Both of these motions are intended to ensure that this agency known as Investment Canada will have a degree of independence and will be able to perform the functions for which it is intended. While Investment Canada is supposed to assist the Minister, we believe that the assistance the Minister needs must be of a very broad nature.

Motion No. 20 reads:

That Bill C-15, be amended in Clause 6 by adding immediately after line 14 at page 5 the following:

"(2) The Agency shall have the power to ask for policy directives from the Governor in Council as it deems necessary."

Very simply, we on this side of the House believe that Investment Canada should be able to appeal to the entire Cabinet rather than be completely under the thumb of the Minister of Regional Industrial Expansion (Mr. Stevens).

Clause 7 of the Bill states that the Governor in Council shall appoint a person to be the president of the agency, to hold office during pleasure. Clause 9 points out that other officers and employees of the agency will be appointed in accordance with the Public Service Employment Act. The president will be appointed by the Governor in Council. We hope that the president will not simply be another patronage pay-off to another Tory hack.

We urge the Government to implement its promise that there will be an all-party committee of the House that will vet senior appointments such as this to ensure that we do have a president of Investment Canada who will have an independent mind, a broad grasp of the issues and an understanding of the implications of Investment Canada, particularly with respect to investment by non-Canadians in a great many areas. Some of those areas that are particularly sensitive include culture, energy and resource development.

We believe it is necessary to appoint someone of independent mind, with a broad capacity to be aware of the implications affecting these many areas. That person should be able to receive advice from employees in the agency, because many concerns will go far beyond the scope of the Minister of Regional Industrial Expansion.

Although there are 40 Cabinet Ministers, far too much power is already concentrated in the hands of the Minister of Regional Industrial Expansion. A number of Ministers, such as the Minister of State for Forestry (Mr. Merrithew), do not have their own departments and we believe that if we are to have 40 Cabinet Ministers they all should have some real power. That is the reason for our Motion No. 20 that would give Investment Canada the right to appeal to the entire Cabinet.

Bill C-15 will increase the power of the Minister of Regional Industrial Expansion to a dangerous level. We have already

seen how the views of the Minister are not necessarily those of his Cabinet colleagues. For example, he was completely opposed to doing anything to help the Domtar situation, yet some of his Cabinet colleagues who were closer to the situation and more sensitive to it saw that there was a need for Government action in this area. Thankfully, the Minister was overruled.

Our Motion No. 20 simply provides that the agency will be able to go directly to Cabinet. This is particularly important when we are dealing with non-Canadian investment in such areas as culture or energy. I see we have the Minister of Fisheries and Oceans (Mr. Fraser) with us this morning. I would be interested to hear his opinion on this amendment. Would the Minister of Fisheries and Oceans like the Minister of Regional Industrial Expansion to have the absolute discretion about investment in fish processing plants and aquaculture? Does he agree with leaving that absolute discretion in the hands of the Minister of Regional Industrial Expansion, a person who knows absolutely nothing about the field with which the Minister of Fisheries and Oceans is concerned?

• (1130)

We want to see a more independent agency that has access to Cabinet at times of real concern. If the Government follows our suggestion and appoints a person of some independence of thought and mind, if the Government follows its own promises and establishes an all-Party committee to vet senior appointments like this, then we would not simply have just another Tory hack, another patronage pay-off, but someone who might have some legitimate concerns that he or she would want to take to committee. I urge support for Motion No. 20.

Motion No. 19 moved by the Hon. Member for Winnipeg-Fort Garry spells out the powers of the Minister that this agency is supposed to assist. Those powers, as spelled out in this motion are to help:

—the Minister in exercising his powers under this Act, to secure notifications and conduct reviews of investments by non-Canadians under this Act, and provide to other relevant federal Departments and agencies information about means to stimulate investment by Canadians in Canada.

These powers are very important, Mr. Speaker. We believe the intention of the Bill should spell them out.

Investment Canada should have information about notifications of investment. The Investment Canada Agency should be able to look at and examine these investments and determine whether or not they really are in the best interests of all Canadians. It should be able to conduct reviews. While we are abolishing the Foreign Investment Review Agency, there will has to be an element of review even though Members opposite might not like it. There still has to be somebody charged with the responsibility of ensuring that investment is for the benefit of Canada. There should be somebody charged with co-ordinating information and making sure that other government Departments are responsible. This fits in very well with our Motion No. 20 that would give Investment Canada direct access to Cabinet. It should have access to other federal Departments and be able to call them in to make sure that any investment is co-ordinated to serve the best interests of all Canadians.

What we want is to strengthen Investment Canada so it can serve the real purposes of all Canadians. This is not a good Bill. We are not happy with it. We would like to see it improved in certain key areas, by strengthening Investment Canada, by giving the Agency access to Cabinet and by spelling out the powers and duties of the Minister that Investment Canada is supposed to assist. We do not want the Minister simply to have *carte blanche* for his open door policy. We want to see some vestige of a review process, and we want to see wherever possible that Investment Canada will have the option of going to Cabinet when it has a concern, and not be completely under the thumb of the Minister of Regional Industrial Expansion.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I have a few brief words on what is taking place today on Motion No. 19 and Motion No. 20. Having listened again to the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) and the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), it is very apparent that hon. gentlemen opposite have run out of things to say on this Bill. They have become extremely repetitive. I would admit that on occasions these two gentlemen do have good ideas and do have something to contribute to debate in this House. At the present time though they have run out of ideas. What we are witnessing is something we very often get at report stage on a Bill where there is a wide difference of opinion between the Parties represented in the House of Commons.

A number of motions have been introduced, not with the idea that they add or take away anything from the Bill, but just as a vehicle for debate and prolongment. The motions we are dealing with here are frivolous motions. They are meaningless. They are senseless motions.

Mr. Gauthier: That's nonsense.

Mr. Nickerson: The Opposition is using the occasion for delay. I do not mind the Opposition doing that. I spent a lot of my life on that side of the House. I am glad I am not there any longer. I am quite happy to be on this side. But what we will have to think about in the future is changing the Standing Orders of the House of Commons dealing with report stage on Bills.

Mr. Gauthier: Speak to the motion.

Mr. Nickerson: When we have a Bill of this nature the Opposition feels obliged to put motion after motion on the Order Paper and have these debated *ad infinitum*, thereby forcing the Government to bring in time allocation. That is something we do not want to do. We have been very lenient so far in this debate. There is no threat of time allocation closure as long as Opposition Members behave themselves—

Some Hon. Members: Oh, oh!

Mr. Nickerson: —are nice and get this over with in a reasonable period of time. I ask Members of the Opposition not to force us to bring in time allocation on closure. I think we have to look at the rules of the House of Commons so we can allow the opportunity for a certain amount of delay—that is the only real power the Opposition has—but at the same time not force the Opposition into forcing the Government to bring in time allocation on practically every Bill where there is a great difference of opinion between the two sides of the House.

With respect to Motion No. 20, this is one of the most peculiar motions I have ever read in this House. The Hon. Member for Essex-Windsor (Mr. Langdon) who introduced this should go back to law school and take a course in legislative drafting, because the motion is meaningless. It purports to give to the agency the power to ask for policy directives. Any one can ask for a policy directive. I can ask for a policy directive. One does not have to write that into legislation.

If we really want to take a look at what it says here and draft it properly, what we would be saying in the Bill would be the other way around. It would say the Governor in Council shall have the authority to give policy directives to the agency. If that is what was said here, can you imagine, Sir, the howls of indignation that would come from the benches opposite? The Governor in Council is the Cabinet for all intents and purposes and we would be hearing that we have in law set up an agency that is supposed to conduct its affairs with some degree of objectivity, yet here you are giving a bunch of politicians who form the Cabinet the power to overrrule them. That is what is really being said here. If that was translated into proper, legal legislative language, I am sure opposition Members, particularly those in the New Democratic Party, would be absolutely against what they are trying to say here. It makes no sense whatsoever.

• (1140)

If we look at the motion introduced by the former Minister of Transport, we see that it is completely superfluous and redundant. All one has to do is read Clause 5 of the Bill. The agency is supposed to advise and assist in the exercising of all the powers and duties of the Minister by virtue of the existing Clause 6. They are all listed already. They are precisely the things which are repeated again in Motion No. 19. There is absolutely no need for it. All it is is a vehicle for debate and prolongment. There is no way that we on this side of the House will vote for something which is as nonsensical and as redundant as Motion No. 19. All these authorities are already given; all the directions are given to the Minister by the House of Commons, by the Parliament of Canada, in Clause 5.

In conclusion, I would like to make an illustration or give an example. When we had FIRA in the country, it was the big brick wall. Everybody was up against FIRA. It was an agency of Government, and its objective appeared to be to stifle investment in Canada. It was the agency which always said no. It was a very negative agency.

In this Bill we are trying to do quite the opposite. We are trying to establish a positive agency which can be a repository for advice, knowledge and expertise in the field of investment in Canada, both by Canadians and by non-Canadians. When people walk into the office of the new agency, they will be welcomed. They will be told that we want them to invest and to create jobs in Canada. They will be told that we want profitable businesses in Canada. If they are profitable, then we can tax them. We will not subscribe to the old Liberal ideas where we have to say no to everything. We will not tell them to keep out, that we do not want their business or that we are not worried about jobs and profits.

Two or three years ago I had the opportunity to visit Malaysia which had an agency in some respects similar to the one we are trying to establish under this Bill. In talking with the members of that agency, in comparison with crossing the street and talking with FIRA people here, it was like night and day. Although there were the same kind of political problems there as there are in Canada, in that they were worried about an excess of foreign ownership and having to put on some degree of control, just as we are doing with this Bill, the whole emphasis or attitude was different. It was: "Come on in and we will try to facilitate the making of your investment because it will be to the benefit of both of us". That is what we are trying to do with this Bill.

I hope the Opposition Parties will quit using delay, will state the case and be prepared to vote on the Bill so that we can get the Act into effect as quickly as possible and start creating jobs and investment opportunities in Canada.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I welcome this opportunity to rise in the House after the Hon. Member for Western Arctic (Mr. Nickerson). As far as the Hon. Member saying that the motions proposed by Opposition Members were stupid, I would like to inform the Hon. Member that I have never heard a stupid person make such a stupid speech in this House.

Mr. Speaker, while Opposition Members have from the outset been trying to explain the logic of—

Mr. Lanthier: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for La Salle (Mr. Lanthier), on a point of order.

Mr. Lanthier: Mr. Speaker, is such language really parliamentary? I know there was a previous occurrence, but I would appeal to your experience. Is it parliamentary to use such language or to address remarks to Hon. Members instead of debating their arguments?

Mr. Malépart: On a point order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), on a point of order.

Mr. Malépart: Mr. Speaker, I can inform the Hon. Member for La Salle (Mr. Lanthier) that his colleague said Opposition Members were stupid. I think he should listen more carefully and refrain from political partisanship.

Mr. Deputy Speaker: Concerning the point of order raised by the Hon. Member for La Salle, I would like to point out to the House that the word used by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) is parliamentary. However, it is not appropriate in the circumstances.

Mr. Rossi: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Bourassa (Mr. Rossi).

Mr. Rossi: Mr. Speaker, I notice that Government Members, as usual, take delight in holding up the debate when our colleagues address the House, so that they will run out of time and not be able to say what they want to say. Mr. Speaker, I urgently request that the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) be given the time to which he is entitled so he will have his full 10 minutes.

Mr. Malépart: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), on a point of order.

Mr. Malépart: Mr. Speaker, since this is a point of order, I would ask the Chair not to include the time used to make my point of order as part of my speaking time.

Mr. Speaker, I agree with your ruling, namely that the expression, though parliamentary, is inappropriate, but I think it is appropriate when used in referring to people who really are that.

Mr. Speaker, to continue the debate concerning the comments of the Hon. Member who was criticizing Opposition Members both on the Liberal and the New Democratic Party side for proposing amendments to a Bill—in fact the aim of these amendments was mainly to protect jobs—I realize that the previous speaker is more concerned with protecting the multinationals and the wealthy. However, I think that in this House, every Member has the right to express his views as he sees fit and to defend the groups and individuals he wants to defend. If the previous speaker only wants to defend the wealthy, he will suffer the consequences. However, I think the Members of the Official Opposition and Members of the New Democratic Party are here to defend all Canadians, whatever their income or beliefs, Mr. Speaker. The amendment proposed by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) and the previous amendments rejected by the Conservatives were in fact aimed at ensuring that all parliamentarians would be informed of all investments made in Canada, and not only that a foreign company was taking over a company in one of our ridings, but also whether that company was going to guarantee existing jobs. The Minister of Regional Industrial Expansion (Mr. Stevens) and this Government cannot be trusted, because when Bill C-15 was tabled, the first thing they said was that now Ottawa could easily get rid of Canadair. All the Bay Street Minister is interested in is selling Canadair, at any price, but he could not care less about the company's employees. I think the Member for Dollard (Mr. Weiner) should wake up to this fact, since Canadair is in his riding. The Member for Lasalle, instead of worrying about whether a term is parliamentary or not, should start worrying about the employment situation in this area which affects the people west of Montreal.

Mr. Speaker, this shows a complete lack of . . . The Progressive Conservative Members from Quebec will have to stop listening to these people who keep telling them that the Prime Minister is always right, that the Ministers are right, and that their job is to applaud or make sure they are in front of the camera so they can be seen on television when somebody else is speaking. It is appalling. On the weekend in my riding, people were asking where the Hon. Member for Duvernay (Mr. Della Noce) had his seat, because every time a Member rose to speak, he would change seats. They wondered whether his seat had wheels. And the same applies to the Hon. Member for Temiscamingue (Mr. Desjardins). All they do, besides opening doors, is move from one seat to the next to make sure they are in front of the camera. Mr. Speaker, I think Progressive Conservative Members should listen—

Mr. Desjardins: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Témiscamingue, on a point of order.

Mr. Desjardins: Mr. Speaker, I wish the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) would speak to the amendment. I think his attacks are uncalled for. We, that is, the Committee, accepted 17 amendments to this Bill, and I think Canadians would like us to get to work on other Bills they are waiting for. His attacks on us are uncalled for. We would like to hear him speak to the amendment.

Mr. Deputy Speaker: I regret to advise the Hon. Member that it is not a point of order. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, I will be nice to the Hon. Member. He is not familiar with the Standing Orders, so I will be patient with him, he will learn them some day. It is just a matter of time. Mr. Speaker, he will learn the Standing Orders the day he will stop playing up to the camera and taking seats close to the speakers. He ought to go by the Standing Orders, get up on his feet and defend proposed bills.

Mr. Speaker, Canadians will understand the fears of both Opposition parties if they consider the choices and priorities of this Government. It is not a matter of one party being more

fussy than the other, for both Opposition Parties have introduced amendments to guarantee employment, to make sure that Canadian investors do not lose faith in their country, and to promote regional development throughout Canada, particularly in Quebec.

Here is the kind of headlines we see these days, Mr. Speaker:

> Complete reversal of federal priorities. Military expenditures favoured over regional assistance.

Statements by ministers and Government priorities are quite enough to worry Canadians, and the whole exercise cannot be left in the hands of only one individual. Let us say I have confidence in this Minister, but all Hon. Members know that he will not be alone to monitor the situation. Officials and various people will be there to assist him. I would suggest that Hon. Members are in the best position to advise the Minister. They are supposed to be familiar with their region, their riding, and regardless of political affiliation—Conservative, Liberal and NDP alike—each Member must have a role to play because his first responsibility is to uphold the interests of men and women in his riding who elected him in the first place.

Mr. Speaker, when we consider the decisions made since September 4, or November 5 when the session began, including Summer Canada programs budget cut-backs in most ridings, no wonder people have lost faith in the Conservative majority. Various projects have been handed over to officials who make honest and sincere efforts to do their job properly, but those people cannot possibly be thoroughly familiar with our ridings and, as elected Members, we must answer to our electors for every decision made, good or bad. No Sir, I suspect the Government may have been through bad experiences with some of the Conservative Members with respect to Canada Works. The Minister did not waste time before telling those Members—Liberal Members were told automatically—that they could no longer participate with community organizations and businesses in the development of their region. That was the first sign of mistrust between them. The fight has broken out within the power hungry Cabinet. It is no secret, we all know that the Minister of State for Youth (Mrs. Champagne) does not get along with the Minister of Employment and Immigration (Miss MacDonald). Those two are fighting, and one does not know what the other is doing. They are always looking over their shoulders. The best proof, Mr. Speaker . . . The Hon. Member for Mission-Port Moody (Mr. St. Germain) just said something. The best proof? The president of the national caucus was appointed, not elected. It shows a lack of confidence—

Mr. Deputy Speaker: Order, please. I would ask the Hon. Member to speak to the two motions.

Some Hon. Members: Hear, hear!

Mr. Malépart: I am sure you agree with me, Mr. Speaker, and when you stood up, it clearly demonstrated that I was right on and that the problem is truly there. That is why all the amendments introduced both by the NDP and the Liberal Party aim at ensuring that Parliamentarians get the proper respect. These amendments call for the Cabinet to be advised of the terms of any planned takeover. That is quite normal. Why try to hide anything? Why object to public disclosure? What is there to hide? Is someone plotting anything? I wonder, because of the position of the Conservatives towards these amendments. If we consider the proliferation of the little clubs with a $100 admission fee, we become increasingly suspicious about the concentration of privileges. I can understand the Conservatives' reaction, because they cannot stand being told the truth. Otherwise, if they had nothing to hide, why would they refuse the amendments proposed both by the NDP and the Liberal Party?

Have you ever seen ordinary citizens trying to hide anything? Ordinary citizens are open, Canadians are open, and what we are trying to do, first and foremost, is to protect thousands of jobs in every part of the country.

In this regard, if we consider the substance of the amendment moved by my colleague, as well as those moved by NDP members, we realize that the purpose of all these amendments is to make sure that when foreign investors take over existing plants or build new ones in Canada, it will not result in a loss of jobs as is the case at the present time. Also, they would have to agree to continue the development of the region together with community groups. And finally, to make sure that they are not setting up shop just to be able to dump their products in our market and to force the closure of a competitor who is doing just fine.

We know that the textile industry is rather shaky. Are we going to let foreign investors come to Canada and jeopardize the future of our own companies which can hardly survive? It would be unthinkable! I believe that the information should be made public and that the member of Parliament representing the area should be the first to know, or perhaps the Progressive Conservative members do not give a damn about their constituents, preferring to travel extensively, ignore the problems and enjoy the good life. But I do not think there are many like that, Mr. Speaker. I know a number of them who are honest and sincere and who are eager to work for and defend their constituents. These people should support our amendments, Mr. Speaker.

I notice that the time allotted to me is about to expire, Mr. Speaker. I could add a great many things to try to convince them, but, unfortunately, they will not listen.

Mr. Deputy Speaker: The Hon. Member for Richelieu (Mr. Plamondon) has the floor.

● (1150)

Mr. Louis Plamondon (Richelieu): I should like to point out to my colleague that if he intends to speak about the Progressive Conservatives in his constituency, as a Progressive Conservative member, I intend to speak about some Liberal members and especially him. I am told that the Progressive Conservatives are quite bright people. They do their homework seriously instead of shouting as the Liberal member is now doing. And it is not with shouts or with charges of inaction that this country will be soundly administered. In that respect, I have been receiving complaints in my constituency and I am asked: What are they doing? And they refer to that well-known statement of Mr. Mulroney who said: "The clowns of the Liberal party are not all gone."

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I intervene again on Bill C-15 and the amendments to Clause 6. The reason for our Motion No. 20 is very obvious. We think there should be some separation between the Minister and the agency. We believe we should not give the Minister the authority to make judgments. We have a good basis for our feeling of insecurity about giving the Minister that kind of power. Consequently, we moved this particular motion which would eliminate, as far as possible, the kind of control and power that is given to the Minister by this Bill.

If we were to look at the long-term Tory position we would find first that there is not that much difference between the present Tory position and the past Liberal position, although the periphery of that position is being defended very strongly these days. During the election campaign, the Prime Minister (Mr. Mulroney) said that he would put FIRA on the back burner and would establish a new screening process, and that looked as though it might be a good idea. However, we now find that the screening process is made up of a pretty big net through which everything can fall.

● (1200)

I would like to quote from a statement by the Hon. Member for Mississauga South (Mr. Blenkarn). He said:

> Let us look at foreign investment. The test now is whether that investment is of significant benefit to Canada. I say, Mr. Speaker, that almost every investment in Canada is a benefit to Canada—We do not need to turn it off—What we must do as part of our industrial strategy is to remove the shackles put on foreign investment.
>
> We need to have another strategy, Mr. Speaker, a strategy of hands off.

That is the Tory policy as far as investment in Canada is concerned. It is unfortunate.

Over the years the policy has changed considerably. It seems that the Conservative Party has taken on the mantle of C. D. Howe, the mantle of unfettered continentalism, in opening the doors to investment, particularly investment from the United States. I wonder what the Right Hon. John Diefenbaker would say, if he were listening to this debate, with respect to the policy of the present Conservative Government. I wonder what John A. Macdonald would say if he was listening to this debate and hearing what the Conservatives are attempting to do by removing FIRA and any inhibitions to foreign investment in Canada. I can imagine what Mr. Diefenbaker would say. He would be on the floor of the House every minute of the day saying that this policy would make Canada the fifty-first state of the United States. We do not trust the policy and, therefore, we believe that making it difficult for the Minister to have these powers under the Bill is worth-while.

Motion No. 19, which would also amend Clause 6 of the Bill, is an attempt to have more Canadianization. Nothing could be better. This Party knows, as does the Government, that the net amount of investment in Canada during the last 25 years has been negative. More Canadian money has been invested outside Canada than has been invested by foreigners in Canada. More money has left Canada in research and development, profits and interest than has come into Canada during the last 25 years. If the Government wants to establish Canadianization, it should look at investment and turn it around. It should not increase foreign investment, because it has a domino effect. The more investment, ownership and money which foreign companies have in Canada, the more they will spend increasing the size of their companies. Those foreign companies will become larger and expand into other areas. Canadianization over the years has had some impetus as far as the Government is concerned, but this Bill will turn that entirely around. Canadian nationalism will no longer be a basis for development in Canada.

I spent a number of years in Nigeria. That country is considered to be part of the Third World. At that time the Government of Nigeria was what we in Canada would call a benevolent despot; it had a military government. However, Nigeria had the courage to realize that if it was going anywhere, it had to own Nigeria. That Government put into place a Nigerianization policy, which allowed it to take over small businesses and large corporations. Nigeria did that, even though it was having problems maintaining its status as a democracy. The people in that Government had the courage, foresight and understanding of foreign ownership which enabled them to eliminate, as far as possible, foreign ownership of Nigeria's businesses and industries.

For example, the Nigerian policy dictated that any industry which was worth under 400,000 naira had to be owned and operated entirely by Nigerians. Nigeria gave those companies two years to find Nigerians buyers. If no buyer was found, those companies would be closed down and Nigerians would take over. The same policy existed for large corporations. The Nigerian policy dictated that within a certain amount of time a major portion of the shareholders of the companies had to be Nigerian.

Canada is a much more sophisticated and developed country than Nigeria, but it is unable to control investment in Canada. In fact, this Government thinks that the more investment, the better. The Government thinks that the closer Canada gets to the United States, the better, and the more the U.S. owns in Canada, the better. The idea of Canada becoming the fifty-first state of the United States must be looked at very closely.

These amendments form step one in the process of considering and possibly stopping that.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I wish to take this opportunity to speak to Motion No. 19 as proposed by my colleague from Winnipeg-Fort Garry (Mr. Axworthy) and try and convince Hon. Members that the amendment in question is indeed an important one.

What the motion means is that the Minister is being asked to do two things. First of all, he is being asked to carefully consider foreign take-overs, making sure he has done everything in his power to encourage other Canadian companies to take an interest in a company that may be purchased by foreign interests. Second, the Minister is being asked to exercise the powers he has to inform his Cabinet colleagues about what is going on in his department and, conversely, to receive from those same Cabinet colleagues the information he needs to ensure that everything is proceeding in an orderly fashion, that everything is co-ordinated, and that all parties are working together to create jobs and attract investment for the benefit of our economy.

Mr. Speaker, I would like to get back to the amendment in question, and without quoting extensively from what was said in committee and in various public forums where people have asked that the Minister be given such authority, I simply want to comment on a recommendation by the President of the Science Council, Dr. Stuart Smith, because he appeared before the committee and asked the Government to carefully examine the following suggestion, namely that... As the House is aware, there is a $5 million threshold, which means that the Government must carefully examine any foreign take-over of Canadian assets worth more than $5 million. On the other hand, there are of course companies, and I know several... I see my colleague from Lac-Saint-Jean (Mr. Côté), I see my colleagues from the Ottawa-Carleton area... there are many communities in Canada where industries with assets worth less than $5 million and provide employment might be the subject of a foreign take-over or might be of particular interest to a foreign company, and this might be a lumber mill or a sawmill or a paper mill, whatever, a local industry, and of course I am not talking about a shoe store, for instance, that might be bought out ... That is not what I mean. I am referring to established industries that are important to the community where they are located.

Mr. Speaker, every year, the Government gives grants to companies and industries in the private sector. Sometimes there are very good reasons for helping a company. For instance, a company may be given a grant of $100,000.

When Mr. Smith proposed the amendment before the committee, he said: Any company which receives $100,000 in five years or over five years should be the subject of close scrutiny by the Minister to make sure that the company was not sold to foreign interests at a profit, thus taking advantage of the $100,000 grant.

I think it is serious, I think it is necessary, and I think coordination is required at the departmental level to be sure that grants to companies benefit Canadian companies and, therefore, Canadian workers. That is why, first, I urge the Minister to find out whether there might be a Canadian company interested in buying the company and continue to create jobs and operate the factory, the plant or the sawmill. Second, I think it is important that the Minister should know how much the Minister of State for Science and Technology (Mr. Siddon), for instance, contributes to development or research. I think he has to know what the Minister of Public Works (Mr. La Salle) may have given in grants to such or such company, or such or such organization, just so he might be able to say: My colleagues and I will coordinate the whole thing, see to it that everybody knows what the left and right hands are doing so that, one way or another, Canadians will become interested in the economic activity of their country.

Therefore, Mr. Speaker, the motion under consideration has a dual purpose: first, to secure notifications and conduct reviews of investments by non-Canadians and, second, to provide to other relevant federal departments and agencies information about means to stimulate investment by Canadians in Canada.

• (1210)

[*English*]

In particular, Mr. Speaker, we feel it is very important that these reviews be conducted on all proposed foreign investments, especially those which deal with the high tech industry and research and development and those that have received grants of $100,000 or more in encouragement from the federal Government so that they can continue operating in our country.

Everyone knows that Ottawa-Carleton has a very active high tech industry. That high tech industry has been the object of federal and provincial grants. That industry has received these grants to encourage it to establish itself and to create jobs in the Ottawa area. Recently, the Chairman of the Regional Municipality of Ottawa-Carleton wrote to the Premier of this province asking him to put more money into the Ottawa-Carleton area so that its high tech industry can really grow and prosper. The Minister responsible for this legislation before the House could, in my opinion, co-ordinate not only with his colleagues in Cabinet but with the provincial Government, and possibly with the municipal Governments so that, indeed, we could look at a program of encouragement, co-ordination and working together to encourage these industries to grow.

[*Translation*]

Mr. Speaker, I would like to read into the record the statements made by Mr. Haydon in his letter to the Provincial

Government. He was asking for more extensive economic activity in the Ottawa-Carleton area, adding that Ottawa-Carleton, after having contributed in promoting Ontario's international reputation in the area of high technology, is now demanding greater attention. Those are his terms, and I am reading from a report published April 27, 1985 in the newspaper *Le Droit*. The Provincial Government to provide the following programs, and hopefully they can be implemented with the co-operation of the Canadian Government:

Assistance to firms that want to invest in the construction of research laboratories, research and development loans, financial help up to $100,000—

As you see, this agrees with the recommandation made by Dr. Stuart Smith, President of the Science Council.

The Chairman of the RMOC is also asking the Provincial Government to provide grants for the universities of Carleton and Ottawa for new technology facilities, and to exponentially increase research grants to the Ottawa-Carleton Research Institute.

Recalling the role of high technology—

Mr. Speaker, the Chairman of the Regional Municipality, Mr. Andrew Haydon, goes on to say:

—job creation, Mr. Haydon stressed the fact that such selective programs for Ottawa-Carleton would catalyze the energy needed for high technology industries to reach the critical mass needed to settle down and face competition.

There is the objective: create jobs and expand our high technology industry in the Ottawa-Carleton area. I think this is worthwhile. I am wondering what the MPs for Ottawa-Carleton, that is Ottawa West (Mr. Daubney), Ottawa-Carleton (Mr. Turner), Nepean-Carleton (Mr. Tupper) will do about this issue. I wonder if they will also show concern, rise in this House and suggest that we are in fact requiring some sort of coordination between the federal, provincial, municipal and probably regional governments in order that the leaders may know that the Canadian Government is in a position to co-operate with all those participants and in this way promote and create jobs, making sure that the high technology sector can develop through full co-operation a meaningful industry, an industry which is vital to all of us, an industry which will create jobs, an industry which, as far as we, residents of Ottawa-Carleton, are concerned, Mr. Speaker, has made a significant contribution to the local economy.

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, I too wish to join in the debate today on the amendments proposed by my Party and by the Liberal Party. These amendments are aimed to strengthen the Bill and make it at least a little more palatable to the people of Canada. I very much think that as a whole, the Bill is a backward step.

I know that Hon. Members of the present Government and, in previous years, members of the Liberal Government as well, have bowed to the notion that foreign investment is good. They have never really critically examined that proposition. It has been shown in the history of our country, surely, Mr. Speaker, that it is not necessarily good at all times. Simple logic would tell you, Mr. Speaker, that a person invests in an enterprise hoping to get back than what he puts in. We have seen over the years the amount of money which eventually leaves Canada in the form of foreign investment, return on interest and dividend payments of past investment in Canada. The capital which leaves this country is greater than the capital which comes into this country.

Essentially, we are digging a hole and we try to attract foreign capital to fill that hole but in doing so we have just dug ourselves that much deeper into the hole. The foreign investment we receive, we will in time pay out many, many fold. Therefore, it has always seemed to us in the New Democratic party that it becomes more desirable to have Canadian ownership and Canadian control over our economy. Unfortunately, the Bill which we are debating today is a backward step from that notion of Canadian control.

The first amendment introduced by the New Democratic Party attempts to give the Cabinet a little more power over the Minister. As things stand now with the present legislation, it is the Minister and the Minister alone with his agency who will make the decisions as to what type of foreign take-over should be allowed. In other words, it is the Minister who decides whether a take-over of some cultural agency or research facility or energy corporation by some foreign agency should be allowed.

• (1220)

We suggest it is not just the Minister responsible for this Department who should make that decision; the Minister of Communications (Mr. Masse), the Minister of Energy, Mines and Resources (Miss Carney) and the Minister of State for Science and Technology (Mr. Siddon) should be involved when decisions have to be made which affect their particular field.

We feel the legislation as it stands now gives the agency and its Minister too much power. We have attempted in our amendments to be more specific, but unfortunately those amendments were ruled out of order so all we have left is the amendment which now stands before us. All it does is call for the Cabinet to have the power to give some broad policy direction to the agency and the Minister.

The amendment introduced by the Liberal Party is also a worthy amendment. It attempts to foster greater concern by the agency in developing Canadian investment. When we heard government members explain the Bill to us, they paid lip service to the notion that there should be greater Canadian investment in Canadian industries. Yet we found there was precious little in the Bill which would have the agency actively go out and attempt to foster greater Canadian investment in Canadian industry.

Both ourselves and the Liberals attempted to introduce other amendments which would be more specific concerning direction to the agency to seek more Canadian investment, but those amendments were not considered to be in order. Therefore, we are left with the amendment before us today, but the intent is both worthy and important. We believe there should

be something in the legislation to direct the agency to be more active in seeking investment by Canadians.

These two amendments will improve the Bill. They will give greater responsibility to the Cabinet as a whole in setting policy so that cultural agencies and scientific intensive companies would not be taken over, based on the decision of one person, the Minister in charge, but that the responsibility be shared by the Cabinet as a whole.

We feel as well that the Bill should be more specific in directing the agency to seek greater Canadian investment in Canadian industries. They are important amendments which I had hoped the government members would find to be worthy and positive additions to the legislation. Instead we have heard the few government members who have stood up accuse us of attempting to fillibuster. I am somewhat amused when I hear some of the Hon. Members across the way make that accusation; less than a year ago some of them were participants in tactics which should make them blush when they make that accusation about us.

Mr. Nickerson: We have matured since then.

Mr. de Jong: It is amazing how government members claim that they have seen the light since they have crossed the floor. I would suggest they have lost the light.

Mr. Blaikie: They went into the cave.

Mr. de Jong: If the Government is really concerned about developing a more co-operative attitude in the House where the Opposition need not resort to attempting to drag a Bill out, which is one of the few instruments we have of making the Government accept some of the changes we are proposing, then the Government must also view the Opposition and its amendments as legitimate representatives of the people of Canada, having legitimate points to make, and the Government should cease rejecting out of hand everything we have proposed just because the bureaucrats in the back room and the few power Ministers have said no, this is the way it is going to be and damn what they say across the way; we are going to push this through whatever may come.

Mr. Blaikie: Tories just do what the bureaucrats tell them.

Mr. de Jong: If the Government is interested in a new co-operative attitude in this House, it has to start looking seriously at the ideas we are proposing. A good example of that is the amendments we are proposing today. These amendments will strengthen the Bill. They will be of benefit to the people of Canada and therefore the Government should give serious consideration and support to these amendments when they come to a vote.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, in speaking on the amendments before us, it seems to me that anything which will improve the living conditions and lifestyle of Canadians is the kind of thing we want. You have to use a litmus test to examine whether this legislation will meet some of the basic values and principles which we have the responsibility to move forward in any agenda for all Canadians.

With respect to the definition of the role and responsibility of the Minister, he should be very grateful that the amendments say in a sense that we want to remove this onerous task from his shoulders alone and have him share it with the other members of his Cabinet, share the responsibilities he has to direct the future of Canada, because he has chosen to throw down this welcome mat at a most unusual time in the history of our country and the world.

We are part of a world of competition, a world that is facing some very difficult times. I would like to bring to the attention of the Minister, and particularly his staff, an article which I came across entitled "Canada For Sale, But Who's Buying?". It was written by Deborah McGregor, who points out that there is growing evidence that all the developing countries are desperate for economic growth and they are now winning a bigger share of the world-wide potential of $550 billion in annual foreign direct investment. In fact, the proliferation of free trade zones in developing countries where corporations are given a host of tax incentives and other concessions to produce exports is causing the World Bank and the International Monetary Fund new concern, because this is adding to the fiscal burdens of those countries. In that light, Canada could be compared to a high-priced boutique open for business when all the surrounding shops are holding half-price sales.

If the Minister is serious in considering the well-being of Canadians and wanting to promote an improved lot for us, he is not addressing the issue. If he would accept an amendment of this kind, he would share his responsibility with the entire Cabinet, and it would not rest solely on his shoulders. I would like to bring to the minister's attention, and that of the members of the Government certain realities. They are of the opinion that by just changing the name from FIRA to Investment Canada we are going to have an automatic inflow of dollars. Well, I would like to share some realities which *The Globe and Mail* brought to our attention.

The Prime Minister (Mr. Mulroney) and the conservatives have been blaming FIRA and the NEP for scaring away foreign direct investment. They have attempted to bolster their point by pointing to StatsCan figures on net U.S. direct investment into Canada. I think it is very hard to argue with StatsCan figures, so in that sense I would like to bring them to their attention.

● (1230)

The article goes on to say:

> Indeed, these figures seem to show U.S. capital fleeing Canada in 1976, the year after FIRA was set up, and in 1981-83 after the imposition of the NEP.
>
> Yet, on their own, these net figures are misleading because they are made up of two quite distinct component parts: actual U.S. direct investment into Canada (called gross inflows by Statscan); and the buying back of branch plants by Canadian firms (called gross outflows by Statscan).
>
> When these component parts are examined, the picture is significantly different from that painted by Mr. Mulroney. For until 1982, the gross inflow of U.S. direct investment into Canada continued to expand—in spite of FIRA and in

spite of the NEP. Gross inflows varied between $1-and $1.4-billion throughout most ot the 1970s, before skyrocketing during 1980 and 1981.

FIRA and the NEP did, however, seem to affect significantly the other side of the ledger, the so-called gross outflows of capital from Canada to the United States as Canadians bought back U.S. branch plants.

This trend to repatriation, accelerated by the NEP in particular, peaked in 1981. That year, a massive $6.9-billion left the country, mainly to pay for the purchase by Canadians of U.S.-controlled energy firms resident in Canada.

But while the NEP affected repatriation, it did not seem to turn off the gross inflow of U.S. direct investment into Canada. For that too peaked in 1981, at $3.2-billion. Gross inflows of U.S. direct investment began to decline significantly only in 1982 as the world recession took hold and raw material prices plummeted.

We are not going to cure the problems of Canada by merely changing the name. I strongly recommend that this amendment be considered most seriously. If you look at the responsibilities the Minister has arrogated to himself under Clause 5 you will see that he is really not rendering the country any service. I suggest that he review what he has undertaken and what his standing committee decided to accept. He should take a good hard look and be open-minded and open-spirited with respect to this amendment.

All amendments should withstand some of the litmus tests of our society. If the Minister is to share his perspective with Employment Canada and the Minister of Employment and Immigration (Miss MacDonald), he might be in a position to ensure that the goals which the Government has been enunciating on employment equity are applied and followed through when foreign companies come in to purchase our companies.

The Minister and the Government have thrown down this welcome that. They are inviting the global corporation—which I gather is the new word for multinationals—to come in. They are saying that we are open for business. They must be reminded that we were always open for business, but in this time of stiffer competition money flows where it can be productive. If this money is to be productive the Minister should share his power with other members of the Cabinet, involving as many Ministers as possible.

We must recognize some stark realities. This is not the way that unemployment, particularly among our youth, the need for education and training, the problems of our aged, and the area of ecology and peace will be addressed. Those are the issues which need to be addressed. This Minister and his ministry can certainly do something. Perhaps it can be partly accomplished through this Bill.

Thank you very much, Mr. Speaker. I sincerely hope that some attention will have been paid, both to me and to the issue, and I hope that the amendments will be adopted.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a few comments to make on the amendments which have been put forward on Clause 6 of Bill C-15. That clause establishes the agency, to be known as Investment Canada, to advise and assist the Minister in exercising his powers and performing his duties under this Act.

The amendments before us, which I hope the Government will consider accepting, seek to increase the power of the Investment Canada agency in relation to the Minister who now has the final decision-making authority. These amendments suggest that in certain areas of ambiguity or uncertainty with respect to exercising its mandate, the agency be able to go directly to Cabinet for a decision. The objective of this, Mr. Speaker, is to put some distance between the agency and the Minister without changing the advisory role. This is part of a set of amendments aimed at strengthening the agency itself, as opposed to the Minister.

I regret that so little attention is being paid by the media to the clause by clause consideration of this Bill at report stage. The amendments we debated yesterday dealt with the secrecy aspects which are built into the new agency, as they were in FIRA. The first set of amendments we dealt with were with regard to giving some indication, in the purpose of the Bill, that we wanted the federal Government to show some discrimination in what form of investment it deemed to be beneficial. All these amendments are very helpful in pointing out some very fundamental differences between the Opposition Parties and the Government with regard to the issue of foreign investment.

This is not an ordinary Bill, Mr. Speaker. This Bill represents a drastic change in the way in which we see ourselves as a country and the way in which we understand our national economic integrity. For that reason, much more attention should be paid to the arguments which are being made on both sides of the House. The Government offers a view of Canada's economic future and integrity which is accepted by many Canadians. The Opposition also offers a view which is accepted by many Canadians. I find it regrettable that there is no reporting of the debate as it proceeds in the House.

The issue of foreign investment is absolutely central to the future of any country and to its understanding of itself. Only minutes ago I came from a meeting with Dr. Allan Boesak from South Africa. One of the things which we had occasion to speak about during that meeting was his contention that a change in the foreign investment activities of other countries in South Africa would have a beneficial effect on the struggle of black people there to achieve their freedom and get rid of Apartheid. I realize that that view is not accepted by a great many people. However, it is a view held by increasing numbers of people who are concerned about the situation in South Africa.

• (1240)

They know that not just South Africa but the whole world is sitting on a time bomb that will eventually go off if countries like Canada do not put pressure on the South African Government to radically change its attitude and do away with apartheid.

While that is not a widely held view, I raise this question because it is an example, that is also evident in other countries, of how decisions about foreign investment not only affect the marketplace but the future of those countries in which the investments are made.

Although Canada does not face the same situation as South Africa, that is an extreme example which shows that foreign investment is not only economic in nature but affects the social, cultural and environmental dimensions of the countries in which investments are made. That is why we very much regret the uncritical attitude of this Bill toward foreign investment.

When I spoke to previous amendments that our Party proposed for the purpose of the Bill, I said that we wanted the Bill to indicate a willingness on the part of the Government to exercise discretion and simply not accept the premise that all foreign investment is beneficial. We want the Government to learn from the experience of other countries as well as ours that not all investment is beneficial and not all technologies are beneficial. That discretion will be impossible as a result of the Government's actions. Not only is the Government making these judgments impossible, it is saying that it is undesirable to make those judgments.

The Progressive Conservatives often say that we are open for business. What does that mean? It seems to me that in the context of what the Government has done until now and what is contained in this Bill, "open for business" means sending out the right signals to the investment community. Unfortunately, the Government signals its attitude toward working people and labour-management relations by postponing the amendments to Part IV of the Canada Labour Code. Its signal with respect to the environment has been to cancel research and monitoring programs in order to tell those who want to invest here that they can do what they want to the environment and the Government will not do anything about it. The Government's message with respect to social programs is that it is more willing to tamper with universality than to reform the tax system and collect revenue that would help offset the deficit and eliminate the need to tamper with the social programs.

While it may appear that the Government has made a series of mistakes with respect to these issues, there is an internal coherence to all of its actions. While the Government's other actions were a matter of policy, this Bill is the singlemost legislative action on the part of the Government which is part and parcel of the Government's over-all strategy. Therefore, it is very important that Canadians pay attention to this very fundamental debate about our position in the economic community.

Our Party believes that we should not capitulate and follow the trend in the world to play one country against another. We should resist those trends and work toward a new international economic order in which countries do not have to engage in such a policy by seeing who could be more obsequious to the investment community in order to get jobs.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, the amendments we are discussing today concern the powers of the Minister responsible for the administration of the future agency known as Investment Canada.

Our amendment aims at extending the scope of the Bill so that the various departments and agencies can be kept adequately informed in order to be in a position to promote Canadian investments in Canada.

The main concern of this Government is to open our doors to foreign investors. Its first action as a Government was to introduce legislation to facilitate the takeover of Canadian markets by allowing foreign interests to invest in Canada without inquiring about their intentions or future projects.

Of course, foreign investment should be promoted in Canada. We do not refuse any capital inflow, but if foreign interests develop our markets and our resources, they must contribute to the social, cultural and economic development of this country.

Would the Minister of Regional Industrial Expansion (Mr. Stevens) be willing to entertain people as guests in his home without knowing where they come from, what they do and what they intend to do?

If he had to share his house with these people, would he not ensure that it would be of benefit both to himself and his guests, and that they would help to upgrade rather than degrade his property?

I am certain that, before sharing his house with strangers, the Minister would consult the members of his family. If he then decided that it was to his advantage to share his house, he would ask his friends, relatives and acquaintances to suggest someone suitable in the vicinity rather than a foreigner.

Before concerning himself with foreign investors, did the Minister think about Canadian investors? What legislation promoting Canadian investment have we had in the 8 months since the Progressive Conservative Government came into power? None, Mr. Speaker! On the contrary, to discourage Canadian investments, the Progressive Conservative Government has increased the sales tax, the price of gas and unemployment insurance premiums, which all increase the direct costs of businesses. Those were the first decisions of the Progressive Conservative Government to discourage Canadian investors. It is now introducing a new piece of legislation called "Investment Canada" which is aimed, not at Canadian investors, but rather at foreign investors, so that they will have every opportunity to lessen the entrepreneurship our young people had developed because they were assured that their efforts would be protected by FIRA. Even though we welcomed foreign capital, we ensured that everything would be under Canadian control and that Canadian business would be protected.

Mr. Speaker, our figures show that the savings rate in Canada is twice as high as that in the United States. If we have so much money in this country, why do we not encourage Canadians to invest in our businesses?

We all know that our small businesses create most of the new jobs in this country, but why do we not encourage

Canadians to invest in this sector in order to create the hundred thousand jobs our young people need?

It is clear that foreign investors will not come to Canada to start small businesses. We know full well that because large corporations prefer to operate with robots, they create such a limited number of jobs that they should not be allowed to use our wide open-door policy to jeopardize the future of our small businesses, which account for 80 per cent of our jobs.

Mr. Speaker, this government does not understand the importance of small businesses. The Minister clearly demonstrated that when he introduced his amendments to the Small Businesses Loans Act. This legislation which in the past had helped thousands of Canadians to start their own businesses, this government, in one of its earliest initiatives, made it less accessible to businessmen, thereby discouraging Canadian investors and stopping the development of a great many small businesses.

And what about the Domtar mess? Again, the government failed to encourage Canadian investment, Mr. Speaker. The Minister of Regional Industrial Expansion refused categorically to help, without even considering the benefits which would accrue to both Canada's and Quebec's economies. The Minister has chosen to deal with our neighbours instead of encouraging our own people.

Just how many Canadian projects have failed because of this government's incompetence? Just how many jobs have we lost because of this Conservative government's ineptitude which favours foreign investment at the expense of Canadian investment?

As recently as this morning, I read the following heading in the economic section of the *Le Devoir* daily:

> Ottawa attaching too much importance to foreign investment in Canada.

With your permission, Mr. Speaker, I should like to put on the record a couple of paragraphs from this article:

> The head of the Quebec General Delegation emphasized that he did not mean to go to war against the federal government. Even at the height of the Constitutional crisis, the Canadian embassy has always demonstrated its willingness to co-operate on economic issues . . . Yet, its concern is legitimate, in his opinion, considering that the federal government's interest in the promotion of foreign investment is new.
>
> In fact, this interest is as new as the election of Prime Minister Brian Mulroney who, as soon as he assumed power, announced his intention to abolish the Foreign Investment Review Agency (FIRA). During his official visit to England, he even made it the main theme of his trip.

After selling Canada cheap to the United States in January, the Prime Minister is again trying to sell it to Europe. That shows the little consideration this government has for Canadian investors and small businesses which are responsible for the majority of jobs created in this country.

• (1250)

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I rise today not so much to make a speech but to comment specifically on these two very important motions before us. One of these motions was submitted by the Liberal caucus and one was submitted by the New Democratic caucus. Both motions in a sense attempt to do the same thing.

First, i want to be specific about Motion No. 20. This amendment seeks to increase the power of the Investment Canada agency in relation to the Minister who is now the final decision-making authority. It suggests that in certain areas of ambiguity or uncertainty with respect to the exercise of the corporation's mandate it is able to go directly to the Cabinet to get a decision. The aim of this motion is to put some distance between the agency and the Minister without changing the advisory rule of the organization.

This comes forward after, I think it is fair to say, the New Democratic Party having been on record time and time again suggesting that this Bill in total is not in the best interests of Canada. This motion is an attempt to improve an already inappropriate or bad Bill. I am sure, Mr. Speaker, that you are asking what the Hon. Member means when he says it is a bad Bill. I want to pose the question to Hon. Members assembled through you, Mr. Speaker, namely, do we want foreign investments in Canada that cannot meet the test of significant benefit to Canadians? That is basically the fundamental question. Why do we want to fall over ourselves as a country attracting foreign investment, foreign control of our economy, without assuring that this foreign control of our economy is in the best interests of Canada and Canadian citizens generally?

As responsible parliamentarians, we must not get caught up in the assumption that any business is good for the country, that any kind of technology will obviously benefit us. I do not have to go through the long list of corporations operating in Canada, some of them foreign, some of them domestic, that have not been operating in the best interests of Canada, in a whole variety of ways. I think of some of the petrochemical companies, the Love Canal situation and the acid rain that is now falling on this part of Canada. I looked at my deck early this morning. While I painted it last fall, as a result of the rainfall and snowfall I have to repaint it this spring—because of the penetrating influence of the acid rain continually falling from our skies.

I see the Hon. Member for Western Arctic (Mr. Nickerson) is in the House. He will recall that it was about 18 months ago when there was concern about the building in which we are sitting today because acid rain had caused parts of it to crumble and fall. These situations arise as a result of companies like Inco—both public and private corporations—which have not, in spite of many an attempt by Government to regulate, always acted in the country's best interests. That is all we are saying. Let us not get caught up in the rhetoric that whatever is business is therefore good; what is good for the Bank of Montreal is good for everyone, what is good for Inco is good for everyone. It is that assumption that we are attempt-

ing to challenge by suggesting foreign-owned corporations in Canada, and this is supported by our own studies in the House of Commons, import much more of what they need from their home countries than they do from Canadian sources.

Put simply, if a foreign company opens up a branch plant in Canada its tendency is to obtain services and goods from the parent corporation as opposed to the Canadian company that is down at the end of the block, at the other end of town or, at the other end of the province or the country. One respects that. It is keeping the cash flow within the family, but it is not necessarily in the best interests of Canadian companies, large and small.

Companies tend to discourage competition with their parent company. Again that is totally understandable. If a branch plant from an American corporation is operating in Canada, it will not want to go into the international markets and attempt to compete with a parent company. I think that is only common sense. These branch plants are here to serve this little market and this little market only. Any attempt to sell more lumber or finished products on the world market is not part of their mandate. It is not part of their *raison d'être*; it is not part of the reason for their presence in Canada. In that case, the restriction is on a foreign company operating in Canada which is not necessarily here to expand in the best interests of the Canadian economy, Canadian suppliers, Canadian exporters and the like.

One could go on and on, Mr. Speaker. I think I would choose to end my comments by quoting from the Progressive Conservative Party's own task force on high technology. In the report we find the following:

> Recent data indicates that the research and development intensity of foreign subsidiaries in Canada tends to lack behind domestically-owned operations of comparable magnitude.

Perhaps I will have an opportunity to enlarge on that point this afternoon.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

UNEMPLOYMENT INSURANCE

NEWFOUNDLAND FISHERMEN—EXPIRATION OF BENEFITS

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, once again this year ice is blocking many of the bays around the Island of Newfoundland and along the coast of Labrador. As in past years, fishermen, particularly inshore fishermen, are unable to get their boats out and to fish as they usually do. This has happened before; it has now happened again.

Fishermen cannot collect unemployment insurance benefits after May 15. After that time there is no income for them whatsoever. This situation has gone on and has not been corrected. I call upon the Government to correct the situation by bringing in measures to amend the regulations so that fishermen are treated on a par with other workers, and are allowed to collect unemployment insurance benefits until such time as they are able to go to work once more.

Failing that, I call upon the Government to do what has been done before, to make an *ex gratia* payment, a special allotment, for those fishermen who will have no other income after May 15, so that they will be able to feed themselves and their families until such time as the ice has gone and they are able to fish again.

* * *

EXTERNAL AFFAIRS

UNITED STATES—IMPOSITION OF TRADE EMBARGO ON NICARAGUA

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, Canadians heaved a small sigh of relief yesterday at the news that we would not be going along with the American embargo on trade with Nicaragua.

President Reagan's failure to consult, or even to notify the Canadian Government, should tell us that it is very difficult to be a paranoid's best friend. President Reagan's bully-boy tactics do not even reflect the majority American opinion as expressed in the resounding House of Representative's defeat of his $14 million program to help right-wing rebels. President Reagan's cowboy diplomacy poses a grave threat, not only to the fragile economy of Nicaragua, but also to the equally fragile stability and peace of our world.

Canada has a responsibility to tell President Reagan that we do not support his fantastic goal of overthrowing the Nicaraguan Government. Rather, we should increase our aid to the people of Nicaragua and take immediate action to widen our trade. Let us tell the people of Nicaragua that we are indeed open for business.

* * *

NATIONAL FOREST WEEK

CHOICE OF GRANDE PRAIRIE AS ALBERTA FOREST CAPITAL

Mr. Albert Cooper (Peace River): Mr. Speaker, I would like to inform my hon. colleagues that next week is National Forest Week, making forestry the focus for many celebrations across Canada. These festivities will provide Canadians with an understanding of the resource and its benefits. It is time for

Canadians to appreciate our forest resource and to learn more about it.

I am particularly proud that the City of Grande Prairie in my riding has been chosen as this year's capital of Alberta. I will be with the Minister of State for Forestry (Mr. Merrithew) this weekend as he presides at events in my own riding and in other communities throughout Saskatchewan and Alberta. The forest is a vital element in these communities. It provides economic, recreational, and ecological benefits.

As a nation we have been blessed with the wealth from this resource for centuries. Only recently we have realized the importance of preserving it through proper management, reforestation, protection against insects, disease, and forest fires, and through the use of improved forestry methods.

To mark these festivities the Minister of State for Forestry and the Forestry Service will provide Hon. Members of the House and members of the Parliamentary Press Gallery with a seedling of a genetically improved white spruce. This is our chance, through the care of this fragile gift, to show our concern and support for forestry in Canada.

In closing, I urge Hon. Members of the House to support the activities of National Forest Week taking place in their communities.

* * *

[*Translation*]

FORESTRY

SUBAGREEMENT WITH QUEBEC ON FORESTRY DEVELOPMENT

Mr. Michel Champagne (Champlain): Mr. Speaker, on April 30, 1985, the Canada-Quebec subagreement on forestry development was signed. Under that agreement, both Governments will promote forestry development in order to increase the availability of that resource, and foster the setting up of basic nursery equipment and, of course, of research facilities. This is a $300 million agreement over the five next years.

As you know, Mr. Speaker, for too long we have felt that our natural resources were inexhaustible. For too long we have utilized our forests without carrying out any real policy. This agreement is the trademark of a responsible Government. And believe me, the constituency of Champlain will derive more than significant benefits from it.

Mr. Speaker, in Quebec forestry is one of the main sources of jobs. And since 1970, the number of jobs has been on a steady decline. From 14,815 that it was in 1970, it decreased to 8,994 in 1982, in logging operations alone.

To conclude, I am proud that we now have a forestry policy, and this means jobs. This also means an insurance policy on that national resource, because this Government will safeguard the heritage we will be leaving to the younger generations.

An Hon. Member: Hear, hear!

[*English*]

UNEMPLOYMENT INSURANCE

NEWFOUNDLAND FISHERMEN—EXPIRATION OF BENEFITS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I rise to support the statement made by the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey). Indeed the Minister of Fisheries and Oceans (Mr Fraser) knows that the situation in Newfoundland this year with respect to ice conditions is almost unprecedented. The Minister knows that all along the great northern peninsula, the White Bay region of the province, and on the northeast coast, severe winter conditions are still being experienced and that we have pack ice going off the coast for miles. Also he knows that in 1984, and indeed in 1974, special incentives or payments were provided to fishermen who were unable to acquire an income at this time of the year because their unemployment insurance expired on May 15.

The Minister of Fisheries met with the President of the fishermen's union within the last 24 yours, who was here in Ottawa to underline the urgency of this matter. I ask him to respond through the House to all Canadians, and in particular to the people of Newfoundland who really have no other form of income to which to turn, as quickly as possible, in respect of this matter.

I know the Minister has the welfare and well-being of fishermen at heart. I know he will be able to convince his Cabinet colleagues, particularly the Minister of Employment and Immigration (Miss MacDonald), to come forward with some kind of answer very soon.

* * *

NATIONAL PARKS

RIDING MOUNTAIN—PROPOSED ROAD CONSTRUCTION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, all friends of Riding Mountain National Park, and those concerned with the preservation of our dwindling heritage of natural habitat, should be aware of a matter which poses a threat to the integrity of that park, the proposal by a Progressive Conservative MLA in Manitoba to construct a new road through the west end of the park.

Riding Mountain National Park is a world class heritage area. It is one of the richest, most diverse wilderness settings in North America, surrounded by intensive agricultural towns and villages. It is an island of wilderness, surrounded by human development. This home to thousands of elk, moose, deer, and beaver, dozens of wolves and coyotes, and the elusive lynx and cougar, is in its present healthy state because it has been protected by wise policies and laws over the past 50 years. We cannot permit this rich heritage to be violated by new roads into pristine wilderness areas. This road would disrupt vegetation and wildlife patterns, increase poaching and road kills, and increase the incidence of forest fires caused by the

carelessness of passersby. The integrity of such a rich natural environment in southern Canada should be kept intact.

* * *

[*Translation*]

FORESTRY

SUBAGREEMENT WITH QUEBEC ON FORESTRY DEVELOPMENT

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, as my colleague from Champlain (Mr. Champagne) has done, I would like today to stress before this House the importance of the recent Canada-Quebec subagreement on forestry, which was signed this week in Quebec City. Indeed, on Tuesday, April 30, 1985, I had the privilege of attending with some of my Quebec colleagues the signing of the subagreement on forest development.

Mr. Speaker, this is the fifth regional economic development agreement to be reached between this Government and the Quebec Government. This shows how much this Government has succeeded in reinstating a fruitful dialogue with Quebec, to the benefit of both levels of government.

Our Minister of State for Forestry (Mr. Merrithew) has succeeded in reaching with his Quebec counterpart a historical agreement. Mr. Speaker, this new $300 million, five-year agreement is the best ever signed by Quebec and Canada. Of that amount $190 million will be allocated to public forest development and $90 million to private forest development, on the whole representing the creation of 16,000 person-years of work.

To conclude, Mr. Speaker, I would like to stress the importance of this agreement for the Abitibi-Témiscamingue area. This agreement, in addition to solving in our area the problems of supply, will have important economic spin-offs, both in terms of job creation and with respect to the millions of dollars that will be invested in my area.

* * *

[*English*]

TRADE

IMPORTANCE OF SASKATCHEWAN EXPORTS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, recently the City of Saskatoon hosted one of the international trade consultations which the Minister and his Parliamentary Secretary initiated in 16 centres across Canada. This initiative reinforces the importance which international trade plays in our economy, including the more than three million Canadians who depend upon international trade for employment.

In northern and central Saskatchewan wheat is not the only major export. We export potash, uranium, canola, plant and animal biotechnology, high-tech electronics, and agricultural machinery. As everyone knows, one of the major Saskatchewan exports is its ingenuity which contributes to Canada's future prosperity.

● (1410)

I feel the excitement of future international trade potential growing in Saskatoon. The combination of the research genius of the university, the innovation of the private sector, and the commitment of all levels of government, provide a formula for the prosperity that translates into jobs for Saskatoon, Saskatchewan, and Canada.

With the assistance of my colleagues in the new Government we can develop the tremendous international trade potential that exists in Saskatchewan. The initiative exemplifies the commitment of the Prime Minister (Mr. Mulroney) to get Canada going again and to get Canadians back to work. I applaud this initiative.

* * *

EXTERNAL AFFAIRS

UNITED STATES—IMPOSITION OF TRADE EMBARGO ON NICARAGUA

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, once again President Reagan, the President of a superpower composed of 250 million people, has launched vicious threats against Nicaragua, a small country of 2.5 million people, a country that only five years ago overthrew two generations of Samozan dictatorship and is now trying to build a democracy based on political, economic, and social justice.

The President has decided to impose a total trade embargo on Nicaragua, and to abrogate a U.S.-Nicaragua friendship treaty. The President has not taken similar steps against such "models of democracy" as South Africa, Chile, Guatemala, or even the Soviet Union, but in his opinion Nicaragua is just too evil and too dangerous. What complete hypocrisy and nonsense!

We must do everything in our power to denounce this misguided U.S. policy and to support those many Americans, including many Congressmen, who oppose it as well. I would likewise ask the Canadian Government to take a strong position against this U.S. policy, and to make its views known to the President of the United States.

* * *

EXTERNAL AFFAIRS

PRIME MINISTER'S ROLE

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, people here in Canada and around the world are praising the new course of action being led by the Prime Minister (Mr. Mulroney), an outstanding world statesman.

Some Hon. Members: Hear, hear!

S.O. 21

Mr. St. Germain: In eight short months he has re-established respect for Canada as a key player in the arena of international relations. The Prime Minister has made it clear that Canada is committed to meeting its international commitments, developing international trade, promoting world peace, and meeting its moral obligation to international aid and development assistance.

From the high priority the Prime Minister has attached to our extensive relations with our greatest trading partner, the United States, to the lead role that Canada intends to play at this week's Bonn Economic Summit, our country stands front and centre as an example of a modern nation committed to harmonizing global relations. The Prime Minister's performance under the international spotlight makes all Canadians proud.

* * *

CANADIAN BROADCASTING CORPORATION

REGINA TELEVISION REPORTING POSITION

Mr. Simon de Jong (Regina East): Mr. Speaker, CBC Television in Regina is going to lose its national television reporter position. Henceforth, news of national importance from the Province of Saskatchewan will be covered from either Winnipeg or Edmonton, but not Regina. This is but the latest insult to the Province of Saskatchewan, perpetrated first by the Liberals and now by the Tories. The Liberals took away the taxation centre and transferred it to Winnipeg. The weather office was the next target of the Liberal Government to be taken out of Saskatchewan. As a result, services have deteriorated.

The Tories promised change. They told the people of Saskatchewan that they would do things differently. So much for promises. We are finding the same insensitive behaviour coming from this Government as came from the former Government. Tory restraint has meant an end to the Air Canada reservations desks at Regina and Saskatoon, and now Tory restraint has stripped Saskatchewan of its national television reporter who worked for the very network which was established to provide equal service for all Canadians.

If the Minister of Communications (Mr. Masse) and the mandarins of the CBC have their way, Regina CBC which is considered to be one of the finest facilities of its kind in Canada, will no longer produce the Peter Mansbridges, Eve Savorys and Paul Workmans of the country. What will the Minister of Finance's Budget take from Saskatchewan next? Tory Ministers from Saskatchewan sit on their hands while the Government is turning Saskatchewan into a forgotten province.

[*Translation*]

AGRICULTURE

SITUATION OF QUEBEC PORK PRODUCERS

Mr. Gilles Bernier (Beauce): Mr. Speaker, I represent a predominantly rural riding, Beauce, and I am very much interested in the lot of Beauce farmers. Beauce now has some 900 pork producers who have been penalized since April 3 last when the American Government decided to impose a 5.3-cent excise tax on every pound of pork from Canadian producers.

I would ask the Minister of Agriculture of Canada (Mr. Wise) to make personal representations to Washington and undertake immediate negotiations with American authorities. I would suggest that spokesmen for the pork industry and the two levels of Government form a common front in this respect. Quebec pork producers export about 25 per cent of their production to the United States, and this tax will cost them more than $11 million in 1985.

We in Beauce riding consider that such an excise levy on pork exports is unwarranted since it is related to pork industry assistance programs, at a time when the already stagnating production is declining even further every month.

That is why I strongly urge the Minister of Agriculture to go to Washington at the earliest opportunity. The survival of thousands of Quebec and Beauce pork producers is at stake. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) may grumble all he wants, I will continue to defend the interests of my constituents.

ORAL QUESTION PERIOD

[*English*]

FISHERIES

OVERFISHING BY WEST GERMAN FLEET

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Minister of Fisheries and Oceans told us yesterday that he would inform the Chamber what action he intends to take regarding a blatant violation by the West German fishing fleet of the long-term Canada-EEC fishing agreement. The Minister knows that the West German fleet has exceeded its quota by 300 per cent and is fishing a stock which is managed by Canada, a stock which we claim is a Canadian resource, and is implicitly realized internationally as being a Canadian resource. What will the Minister do about this shocking situation?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, first I would like to echo what the Hon. Member has said. It is a shocking situation, and it is a blatant over-fishing and breach of understanding between this country and the

European Community. Unfortunately, the German vessels have indeed taken over twice the allotted amount of fish from this stock which is viewed as being a Canadian stock. As well, there is a very serious conservation problem.

Earlier today the Secretary of State for External Affairs met with Mr. De Clercq, the EEC Commissioner for External Affairs. A meeting is scheduled on Saturday between the Secretary of State for External Affairs and the Foreign Minister of West Germany. I will be meeting with EEC officials on Monday, and I will be meeting with the Fisheries Minister of the Federal Republic of West Germany on Wednesday. I would like to assure the Hon. Member that this matter is viewed as being serious and is at this time being pursued vigorously at the highest level.

CANADIAN REPRESENTATIONS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, it is not only shocking what the West German fleet is doing, but the Minister's inaction is shocking as well. I would like the Minister to verify to the Chamber that Canada sent a diplomatic note to the EEC one month ago protesting this overfishing by the West German fleet. Will he confirm to the Chamber that the EEC responded bluntly on April 17 to the Canadian mission in Brussels, saying:

We do not recognize Canadian jurisdiction over this stock.

Will the Minister verify that, and will he tell the House why he did not close ports, impose sanctions, or cancel this agreement a month ago?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member points out very correctly that protests have been launched. He also points out that there has not been a satisfactory response. What the Hon. Member also knows, and what is important for the public of Canada to know, is that in addition to cod stocks which the German vessels took within the Canadian 200-mile limit, the recent fishing has been taking place outside the Canadian 200-mile limit. We do not have the authority to interfere physically with that.

• (1420)

The Hon. Member asked me to close ports. That has been considered, but we do not think that at the present time that would be conducive to finding a solution. The options which we have, with respect to future relations with the EEC and the Federal Republic of Germany in this matter, will be discussed in the next few days. I am sure the Hon. Member would not want me to comment on those discussions before I meet with them.

REACTION TO EUROPEAN ECONOMIC COMMUNITY RESPONSE

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Minister has confirmed that the EEC ignored Canada's diplomatic protest which was made a month ago. So, the question remains. Why has the Government taken this lying down? Is it true that the reason is that the Prime Minister is in West Germany fishing for friends? Is that the real reason? While he is fishing for friends in West Germany, the West German fleet is here overfishing our resources.

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I would remind the House that the probability of getting a resolution to this complex problem which, as I said, we do not have the jurisdiction to interfere with physically, is probably much better with friends than with enemies.

The Hon. Member, having raised a legitimate question, is now destroying the credibility of his outrage by trying to play politics. As I said earlier, extensive discussions are ongoing. I will be at those discussions on Monday, and again on Wednesday. I am sure that we will find an appropriate answer. The appropriate answer, in view of the fact that this stock is recognized as a Canadian-managed stock, is not to destroy the contractual agreement under which that understanding exists.

ACCESS TO CANADIAN WATERS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, it is incredible that the Minister of Fisheries and Oceans told us yesterday that he only heard about this matter on Tuesday. We now find out that a diplomatic note was sent a month ago, and that it was ignored two weeks ago. I do not know about the credibility and the outrage in the House today, but the Minister should get his facts straight.

The Minister said that the stock which is being overfished is outside Canada's 200-mile zone. He knows that the Spanish have been denied access to Canadian waters for the last half a dozen years because they overfished the same stock. Is he telling us now that the EEC can have its cake and eat it too? Is he telling us that the EEC can have a quota inside the Canadian zone, yet overfish just outside the limit and maintain that quota? It is one thing to try to use the Queen for a photo opportunity, but it is quite another to sell out the fishermen of Atlantic Canada in order not to upset the applecart in Bonn. What actions will the Minister take?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member, who has just risen in a state of high dudgeon—

An Hon. Member: Spurious indignation.

Mr. Fraser: Yes, it was indignation. It was justified indignation, except that it would be more helpful if members of the Opposition would put forward something constructive.

It is quite clear that unilaterally breaking our relations with the European Economic Community is not the answer to this problem. It would solve absolutely nothing. In fact, it would play into the hands of those particular German companies which are taking advantage of the situation. I would hope that Hon. Members would use some common sense and let us work this thing out.

REQUEST FOR WITHDRAWAL OF FISHING QUOTA

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am not suggesting that we should unilaterally break off relations. I am suggesting that we should follow the EEC example. When EEC members decided that the import of seal fur into those countries, was not in their best interests, it was banned. That ruined the economy of Newfoundland.

Some Hon. Members: Hear, hear!

Mr. Tobin: If we decide that the EEC is overfishing our stocks and ruining the economy of fishermen in Atlantic Canada, it is quite simple. We do not break off diplomatic relations with those countries; we tell them that their licences are withdrawn and that they have no more quotas in Canadian waters unless they are prepared to live with the agreements which they signed. That takes courage and commitment. You have got to show some leadership to have that kind of action take place.

Some Hon. Members: Hear, hear!

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the options which the Hon. Member has shouted across the floor of the House are, of course, options which are available. It would not surprise me, or others, if the concern of the Hon. Member and other Hon. Members in the House in all Parties will be very vigorously put—or, indeed, is being very vigorously put—to our friends in the EEC and our friends in the Federal Republic of Germany. I can assure the Hon. Member that I shall let the appropriate people know just how enraged he is today.

* * *

EXTERNAL AFFAIRS

NICARAGUA—REQUEST THAT CANADA INCREASE TRADING LINKS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Acting Prime Minister. It concerns the unilateral American decision to impose a trade embargo on Nicaragua. It is an utterly disastrous decision, as I gather the Prime Minister and the Secretary of State for External Affairs have said.

I would like to ask the Acting Prime Minister, in addition to the social and economic assistance to Nicaragua that the Secretary of State for External Affairs said would be continued, and in the absence of the Minister for International Trade, will the Government consider compensating for at least some of the U.S. trade by encouraging Canadian trade in the crucial areas of machine tools, pesticides, fertilizers, and other products which have now been denied to Nicaragua by the U.S. embargo?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): As I told the media yesterday, Mr. Speaker, our diplomatic and trade relations with Nicaragua remain normal, and we intend to go on promoting international development. I would think that the trade embargo which has just been imposed by the United States has no extraterritorial connotations and, as a country, we will of course follow the situation very closely.

[*English*]

SUGGESTED ROLE FOR CANADIAN COMPANIES

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I thank the Minister for that answer. Perhaps I could turn to the Minister of Regional Industrial Expansion to ask him that if no extraterritoriality will be applied—that is to say, that American subsidiaries which are operating in Canada can continue to export various goods to Nicaragua—can he also assure the House that the Canadian Government will give some active encouragement to Canadian firms and, indeed, Canadian subsidiaries of American firms, to fill up the slack which will be grievously difficult for Nicaragua, in fields such as machine tools, pesticides, fertilizers, and similar products?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I want to assure the Hon. Member that there has been absolutely no indication of any pressure being brought by Washington or other American sources to restrict Canadian companies from carrying on whatever trade relationships they feel are appropriate with Nicaragua. Of course we will monitor that type of thing. I can assure the Hon. Member that I do not anticipate that there will be any pressures of the nature to which she has referred.

BEEF QUOTA NEGOTIATIONS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I had hoped that there would have been some active encouragement for Canadian firms to fill the slack, particularly in products such as machine tools. I hope that the Minister will give that encouragement.

In my final supplementary question I will return to the Acting Prime Minister, as neither the Minister for International Trade nor the Minister of Agriculture is in the House. I would like to ask the Acting Prime Minister about the very critical matter of Nicaraguan beef quotas. For four months the Nicaraguans have been negotiating their 1985 beef quotas and they have not as yet received an answer on those quotas. Could the Acting Prime Minister or the Minister of Regional Industrial Expansion assure us that the quota on beef imports from Nicaragua will be kept at least at the 1984 level, which was 9.7 million pounds?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I would like to assure the Hon. Member that in relation to beef quotas generally, including those which might apply to Nicaragua, the Government of Canada will be equitable and fair. Those quotas will be announced in due course.

● (1430)

[*Translation*]

EXTERNAL AFFAIRS

NICARAGUA—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Minister for External Relations, and I also wish to inform her that we agree with the Government's policy of continued assistance to Nicaragua. Considering the fact that the Prime Minister said in London a few days ago that he wanted to speak on behalf of the Third World at the Bonn Summit, could the Minister give the House the assurance that the Prime Minister will raise the subject of the trade embargo imposed by the President of the United States on the people of Nicaragua and will tell the President of the United States that Canadians deplore a decision that will have a destabilizing effect on the poor people of Central America, and that here in Canada, people are asking him to encourage a process that is very important to the quest for peace in this part of the world, that is, to encourage the Contadora process?

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I think that in Bonn, the Prime Minister will certainly mention the fact that the Third World should be present at the discussions because of their international impact. As whether there will be any discussion about Nicaragua and any kind of action in the light of the information we are receiving today, I do not think that is the primary objective of the Bonn Summit. I think it would also be premature to make any predictions as to what the Prime Minister will be saying on that occasion.

CANADIAN PEOPLE'S POSITION

Hon. Jean Chrétien (Saint-Maurice): I have a supplementary, Mr. Speaker.

I simply want to ask the Minister to let the Prime Minister know, while he is over there, how outraged Canadians are about this decision. The President of the United States lost the battle with Congress on his policy regarding Nicaragua, and today, he intends to make the citizens of Nicaragua pay for his defeat in Congress. I therefore hope that the Minister will forward this message to the Prime Minister and clearly explain the position taken by all Canadians on this issue.

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, Canada's position is clear. I think our role has always been to promote dialogue and conciliation, and we are convinced that the best way to bring peace to the situation in Nicaragua is by helping the Contadora process, and we shall continue to provide assistance in this way.

[*English*]

SOVEREIGNTY

POSSIBLE APPLICATION OF UNITED STATES LAW TO INDUSTRY IN CANADA

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. He will be pleased to know that I have just been in touch with an official of the United States Office of Foreign Assets Control in the U.S. Treasury Department, who said that the United States will be bringing forward regulations within the next few days to restrict the ability of Canadian subsidiaries of United States companies to export to Nicaragua. Specifically, the official said that if a Canadian subsidiary sells a product to Nicaragua which contains a significant of American content, then the parent firm will pay a significant penalty. This might mean, for instance, that General Motors Canada, Ford Canada, and Chrysler Canada will be prevented from exporting parts to Nicaragua.

Will the Minister, in spite of his earlier comments, immediately request a meeting with U.S. officials so that this unilateral action on the part of the U.S. Government will not end up preventing Canadian exports, and costing Canadians jobs?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, I am sure that the House would be quite interested to know what his source is. All I can say at the present time is that if such regulations are received, we will naturally review them. We will certainly get in touch with American officials if we receive such regulations.

CANADIAN POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, to be precise, Ms. Catherine Mann with the U.S. Office of Foreign Assets Control was the individual who conveyed to me that regulations are presently being put together to restrict Canadian exports to Nicaragua. Other than being simply concerned, is the Minister prepared to say to the House and to the people of Canada, if it is the case that Canadian firms operating in Canada will be restricted in their export policy, that Canadians are quite prepared to take action on their own and do not need to be dictated to by the United States in terms of their export policy?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member knows, it is very difficult to respond to a hypothetical set of circumstances such as he has indicated. I can only say that if it would satisfy the Hon. Member I would have no hesitation in asking one of our officials to get in touch with the source to which he has referred, and at least learn more detail.

[*Translation*]

THE ADMINISTRATION

INQUIRY RESPECTING SPOKESPERSON FOR GOVERNMENT

Mr. David Berger (Laurier): Mr. Speaker, my question is also for the Minister of Regional Industrial Expansion (Mr. Stevens). Yesterday, the Minister said that the Canadian Governement was considering guaranteeing a fixed percentage of the Canadian market to the Canadian textile, clothing and footwear industries. In Bonn, the Prime Minister wants to urge rich countries to open up their borders to goods from southern countries. We saw what little influence the Minister had in the Domtar affair. If the commitments of the Prime Minister are kept, it is obvious that the Minister has once more been telling us fairy tales. The Minister says one thing and the Prime Minister another. My question is this, Mr. Speaker: Who speaks on behalf of the Government?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member may I say that the comment to which he is referring was simply a comment which was made with respect to a general discussion concerning the so-called sunset industries of this country. I pointed out at that time that in talking to textile manufacturers, the shipbuilding industry, and like companies, we thought a longer term perspective, to the year 2000, for example, was most appropriate, and we would like to learn from them—and in our discussions we are learning—what they feel they need from government to give them some confidence to build the factories, to create employment, and keep Canadians working. That is the main concern of this Government, and I wish the Official Opposition would give us more support in getting Canada back to work.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

TEXTILE INDUSTRY

GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, in view of the fact that the North-South dialogue policy established by the previous Liberal Government has been retained by the present Prime Minister, does the Minister intend to strengthen the Canadian Industrial Renewal Board in the next budget so that the regions where textile industries are located can modernize and convert to new technologies, which would allow the Prime Minister to keep his commitments to developing countries?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, with respect to the CIRB organiztion to which the Hon. Member has referred, I would be very interested to know what his view is, because his colleagues, when in government, proposed a sunset at March 31 next year. Is that still the position of the Official Opposition?

Mr. Turner (Vancouver Quadra): What is your position? You are the Minister.

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INDIAN AFFAIRS

FUNDING OF NATIVE ORGANIZATIONS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Deputy Prime Minister. In spite of the Prime Minister's assurance that native programs would not be cut, provincial organizations such as the Council of Yukon Indians have not yet received their funding for the current year. Because the Deputy Prime Minister's task force called for a "go slow" policy in settling comprehensive land claims, many Indian organizations worry that the delay in funding is part of the new government policy for native programs, and that cut-backs are coming. Could the Minister assure the House, and assure the Indian people, that the level of funding for the Council of Yukon Indians, and for other Indian organizations, will not be cut back from the current level?

Hon. Walter McLean (Secretary of State): Mr. Speaker, in response to the question by the Hon. Member I would like to indicate to him, and to the House, that the funding has been approved for the Council of Yukon Indians. I had meetings with the regional director of my Department in Vancouver on Monday. Any questions were dealt with and final review was undertaken at that time. Next week myself and the Minister of Indian Affairs and Northern Development intend to make a more comprehensive announcement about the matter of funding for other organizations.

GOVERNMENT POLICY

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my supplementary question is directed to the Secretary of State.

Mr. Crosbie: Your beard has gone.

Mr. Manly: That is true, it is. So is yours, John.

Could the Secretary of State assure the House that he is not attempting to undermine the funding for provincial and territorial organizations by funneling more money to the bands and not making money available to the provincial organizations?

Hon. Walter McLean (Secretary of State): Mr. Speaker, the Hon. Member will recall that the Prime Minister issued a statement. The guidelines of any announcements made by the Minister of Indian Affairs and Northern Development, or myself, will be within the frame of reference outlined by the Prime Minister in his statement.

• (1440)

[*Translation*]

ENVIRONMENTAL AFFAIRS

STORAGE OF DANGEROUS MATERIALS IN QUEBEC

Mr. Pierre H. Cadieux (Vandreuil): Mr. Speaker, my question is for the Minister of the Environment or the Acting Minister.

In view of the obvious danger of any PCB spill and the outcry among the residents of the western part of Montreal, can the Minister tell us what he intends to do about the proposal of Reliance Power Equipment Ltd. to store 227,000 litres of PCBs in Pointe Claire?

Hon. John A. Fraser (Minister of Fisheries and Oceans): The matter raised by the Hon. Member is very important. Unfortunately, the Minister is not here today, but I shall take due note of his representations.

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AIR TRANSPORT

PURCHASE OF NORDAIR SHARES BY SQT—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is for the Minister of Transport. As he knows, under the Aeronautics Act, federal authorities must rule on the purchase of Nordair shares by the Société québécoise des transports. Can the Minister tell this House what position the Canadian Government will take in this regard? Yesterday, the Minister of State for Transport said that the federal Government was in a quandary. What does the Government plan to do? Will it approve this transaction or not?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Member is absolutely correct. There is a provision in the Aeronautics Act, Section 15(1), which governs that type of proposed transaction. There is also a provision in the National Transportation Act, and in the CTC regulations. When a formal presentation is made, the Cabinet will certainly consider it. But as of this date the latest information I have is that no such proposal has been presented.

[*Translation*]

REGIONAL CARRIERS—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, I have a supplementary. Yesterday, the Minister of State said that it could take several months and I would like the Minister to tell us the reason for such footdragging. This is a very simple question. The transaction will be either approved or rejected. Relations between this Government and the Government of Quebec seem to have changed because it would be quite simple indeed for this Government to approve the request of the Quebec Government. Why this delay? Mr. Speaker, if the Minister refuses to answer this question, he might tell me what are the Government's intentions with regard to regional carriers. Is the Government in favour of a merger or does it want to promote greater competition?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, before we are in a position to accept or reject the deal, we will have to see the deal.

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CANADIAN NATIONAL RAILWAYS

RETENTION OF WINNIPEG AS REGIONAL HEADQUARTERS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the Minister of Transport will be aware of the widespread concern in Winnipeg which followed the creation of a new position in the CNR, that of senior vice-president, to be located in Edmonton. Can the Minister assure Winnipeggers that Winnipeg will continue to be a regional headquarters for the CNR, that there will be no amalgamation of regions, and that there will be no outflow of CNR management jobs from Winnipeg to Edmonton?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, yes, I can give the Hon. Member that assurance. As a matter of fact there will be a new CN regional vice-president appointed in the next few days or weeks. There is no contemplation of a mass transfer of people from Winnipeg to Edmonton. As I said earlier, this is a restructuring of management, and I think the Member should applaud the fact that the decisions affecting investment plans by CNR in western Canada will be made in western Canada. Clearly the management team which will be situated in Winnipeg, Edmonton, and Vancouver will be in a position to make those decisions in the West.

GOVERNMENT INTENTIONS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, we want more than an assurance that there will be no mass transfers; we want an assurance that there will be no significant outflow of management jobs from Winnipeg to Edmonton. We went through this a couple of years ago when, under the previous Liberal Government, there was a rumour that there would be a significant downgrading of Winnipeg in relationship to Edmonton. We now have a Conservative Government in power which said, before its election, it would look after western Canada, Winnipeg being part thereof.

I would like the Minister to say to Winnipeggers not that there will not be a mass transfer but that there will not be a significant outflow of management jobs from Winnipeg to Edmonton. This is what we need to know.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, this Government has no intention of downgrading the role of Winnipeg as a transportation centre and as an important part of the CNR. The fact of the matter is that the growth in western Canada should augur well for the future of the CN operation in Winnipeg, including Transcona, because as the traffic increases it will clearly provide more jobs and more activity in western Canada, particularly in Winnipeg.

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NATIONAL DEFENCE

SINKING OF *LADY MARJORIE* FISHING VESSEL

Mr. Gerald Comeau (South West Nova): Mr. Speaker, my question is directed to the Minister of National Defence. This past Sunday HMCS *Nipigon* fired two shells into the partly submerged fishing vessel *Lady Marjorie* in order to sink it completely. I ask the Minister to instruct his officials to conduct a full and urgent inquiry so that the vessel owner can count on having his vessel replaced as fast as possible.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The short answer to that question by the Hon. Member for South West Nova, Sir, is yes. The vessel he speaks of, the *Lady Marjorie*, found itself in conditions of heavy seas about 60 miles northeast of Halifax on April 28. It took on water to the point where it was awash to the gunnels, its crew had abandoned her, and when asked whether they wished to reboard in order to attempt to salvage her, the response was in the negative and, because the vessel constituted a hazard to navigation, it was sunk.

* * *

UNEMPLOYMENT INSURANCE

NEWFOUNDLAND FISHERMEN—EXPIRATION OF BENEFITS

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Minister of Fisheries in the absence of the Minister of Employment and Immigration. Around the shores of Newfoundland and along the coast of Labrador there is a very heavy ice blockade this year, heavier than we have seen in some years. He will know that after May 15 inshore fishermen will be unable to collect unemployment insurance benefits. That means until such time as the ice disappears there will be no income for thousands of inshore fishermen in Newfoundland and Labrador.

I ask the Minister what steps the Government is taking to deal with this very serious emergency. Specifically, is it prepared to amend the unemployment insurance regulations in order to treat fishermen on a par with other workers and assure their income until such time as they can get back to work again?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member raises a matter of serious concern to the area that he and others represent. In the absence of the Hon. Minister of Employment and Immigration I can say that the Government is watching this very closely on a daily basis. As the Hon. Member knows from the time he came to see me with a delegation from Newfoundland and Labrador, the matter is being treated very seriously, and I know he had the same response from the Minister of Employment and Immigration yesterday as well.

REQUEST FOR SPECIAL PAYMENT

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I appreciate that response, but I want his assurance that he will speak to his colleague, the Minister of Employment and Immigration, and if the Government is not prepared to amend the regulations, which I think is the first course of action, can the Minister in any case assure us that he will ask the Minister of Employment and Immigration at least to make a special payment available to fishermen this year to ensure some income will be in their hands between May 15 and such time as the ice leaves those bays?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, as Minister of Fisheries I understand full well the representations which are being made. The Hon. Member has my undertaking that I will be discussing this with my colleague, and other colleagues if necessary. I will pursue it vigorously.

* * *

TRADE

QUOTAS ON EUROPEAN BEEF IMPORTS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, in the absence of the Minister of Trade and the Minister of Agriculture, my question probably should be put to the Parliamentary Secretary to the Minister of Agriculture. Last December the Government put a stop to the importation of cheap, subsidized beef into Canada, by placing quotas on beef imports. A few months later we are hearing rumours that the Government is crumbling under EEC threats to take retaliatory actions against other commodities. Will the Parliamentary Secretary assure Canadian beef and veal producers that the Government will hold its position and not crumble under the pressure of the EEC?

● (1450)

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the Hon. Minister of Agriculture (Mr. Wise) is indeed aware of this pressure. One should understand that beef imports are only one part of the import and export activities of the Canadian government, and that the Minister and his departmental offcials are presently negociating in an effort to find a solution. You can rest assured, Mr.

Speaker, that we will do our utmost to promote and defend the interests of Canadian producers.

[*English*]

REQUEST FOR COUNTERVAILING DUTIES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I thank the Parliamentary Secretary for that answer. Will he suggest to the Minister that he stand firm against the EEC retaliatory threats? Has the time not come to take retaliatory action against them? Is it not now time for Canada to establish countervailing duties against this highly subsidized beef coming from the EEC?

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, we are aware of the EEC retaliatory threats. It is important for the government of Canada to make sure that whatever measure it may take will not have desastrous consequences, because if it should bring the issue before the GATT, win or lose, it could find itself in a difficult situation. The high level of imports could be raised even higher, which would be disastrous. One should also understand that the government of Canada must also defend the interests of Canadian producers in other areas, for example honey and maple syrup producers in this country. We will make every effort to defend the interests of Canadian producers.

* * *

[*English*]

PUBLIC SERVICE

REQUEST THAT DOCUMENTS SIGNED WITH UNIONS BE TABLED

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the President of the Treasury Board. Ever since the Minister announced what he calls the new era in labour management relations in the Public Service, I have been asking him in the House to table the memoranda that he has signed or negotiated with the Public Service unions. The Minister has persistently said no to my request. In fact, the documents have been leaked to the press. Public servants are quite concerned. Superannuates are very disturbed. Will the Minister table those documents today so that people can rest at ease, read them, and understand them clearly?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, in the first place, I should like to point out to my colleague that those documents which have been described in the media as being signed agreements are agreements in principle which are the basis of the negotiations now under way. I will be pleased, Mr. Speaker, to table those papers in the House today because there is nothing confidential about them. We have to understand that they lay down the basic principles to be followed in the bargaining now under way and which I hope will be completed in the near future.

PENSIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, in order to allay any fear and apprehension among retired civil servants, can the minister assure the House that they will be represented on the pension management board? Will he make sure that the 50,000 retired Canadians will be well represented?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I can say that I have already held discussions with the advisory pension committee in which the pensioners are represented. I have had some discussions with the unions on the matter. And it is the wish of the government to have in the new advisory committee representatives of—

Some Hon. Members: Oh, oh!

Mr. de Cotret: It is absolutely true, you were there. You can argue but we clearly intend to promote the representation of pensioners in the committee looking after the plan which at last, after so many years, will be financially sound.

* * *

TEXTILE INDUSTRY

ESTABLISHMENT OF PARLIAMENTARY COMMITTEE—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

The day before yesterday, Canadian spokesmen for the textile industry held a press conference to ask for a toughened Multifibre Arrangement to stem the tide of imports from low-wage countries which is disrupting our markets.

In view of that problem, is the Minister considering the establishment of a parliamentary committee to give Hon. Members an opportunity to study the matter and see for themselves how important that industry is to Canada's and Quebec's economy?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member's suggestion is very interesting. I think it might be fitting for me to remind him that we do have a study under way at the present time concerning this industry. We have certain other representations to come from industry sources. When we have those it may well be that, rather than setting up a special committee, we could at least consider making a reference to the appropriate committee so that the matter could be looked into as the Member is suggesting.

Oral Questions

AGRICULTURE

PLANTING OF UNLICENSED SEMI-DWARF WHEAT

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, in the absence of the Minister of Agriculture I will direct my question to his Parliamentary Secretary. I sent notice of this question to the Minister's office some time ago. I hope he has received some briefing on it.

The Minister responsible for the Canadian Wheat Board has estimated that over two million acres will be seeded this year to the unprescribed, short-strawed semi-dwarf wheat varieties. Since these varieties are not licensed for use in Canada, and cannot be imported into Canada, will the Parliamentary Secretary tell the House where the seed will come from for this crop and how it will get into the country?

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I take note of the question of my colleague and I can assure him that I will convey his remarks not only to the Minister of Agriculture, but also to the Minister responsible for the Canadian Wheat Board.

[*English*]

IMPORTATION OF SEED

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, perhaps the Parliamentary Secretary could refer the rest of the question to the Minister of Agriculture who is in charge of this particular aspect of our law. Have any charges been laid for illegal importation of seed in the past? Will there be charges laid in the future to make certain that importers comply with the laws of the country?

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): I noted the question, Mr. Speaker, and my colleague may rest assured that he will have an answer at the earliest opportunity.

* * *

HEALTH

SCIENTIFIC RESEARCH—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, on April 17 of this year, the Minister met with representatives of the Quebec Federation of Committees of urea formaldehyde foam victims, and according to newspaper reports and comments I received from these people following that meeting, they were very disappointed. Today, *Le Devoir* reported some very important information, namely that a clinical study had been made of 75 children examined at Sainte-Justine Hospital. Dr. Jacques Lacroix revealed that an abnormally high percentage—65 per cent—of these children who had been in contact with UFFI had suffered from headaches, emphysema and similar disorders.

I would like to know whether as a result of this new medical study, the Minister intends to ask the Minister of Finance to reallocate funding for scientific research, because we must not forget that our children's lives are at stake.

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I can assure the Hon. Member that we have been informed of the latest findings concerning the health of these children. I shall be completing our analysis of the facts on urea formaldehyde foam, and I can assure you, Mr. Speaker, that we will do everything that is necessary to protect the health of Canadian citizens.

● (1500)

Mr. Malépart: Mr. Speaker, as the spokespersons for the Federation remarked, it has been seven months since they gave you the facts, and considering the results of this study and the very real threat to our children's health, I do not think we can afford to wait another seven months. Could the Minister give the House the assurance, here and now, that he will obtain additional funding for scientific research to study the health problems of these people?

Mr. Côté (Langelier): Mr. Speaker, I repeat that we shall be completing our analysis of the facts and we will take action as soon as possible, in the interests of all Canadians.

* * *

[*English*]

CLERK OF PETITIONS' REPORT

POSTAL SERVICE IN SASKATOON

Mr. Speaker: I have the honour to inform the House that the Petition presented by the Hon. Member for Saskatoon East (Mr. Ravis) on Wednesday, May 1, 1985, meets the requirements of the Standing Orders as to form.

I am also in receipt of a Question of Privilege.

* * *

PRIVILEGE

PARLIAMENT HILL DEMONSTRATIONS—REGULATIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, when I raised this matter of privilege yesterday, I was provoked specifically by what appeared to be a double standard in enforcing regulations on Parliament Hill as between Members of Parliament and other citizens of Canada. I have had a chance to look at some of the precedents.

I believe there are matters of freedom of expression and freedom of contact with Members of Parliament which are perhaps more appropriately raised here than the matters of the

administration of the grounds of Parliament. The precedents indicate that, for whatever reasons, the parliamentary precinct under your direct control includes the buildings but not the grounds of Parliament Hill. Therefore, my question is not so much about whether or not it was appropriate for the RCMP to remove tables at which Members had been distributing literature a few hours before, but now relates to a new set of regulations that were adopted by Cabinet last week.

These regulations now impose what I believe are quite extreme restraints on the time honoured right of citizens to petition Members of Parliament, demonstrate their points of view and to communicate their points of view to the public as well as to Members of Parliament here on the grounds of Parliament Hill. I suggest that that is the question which must be considered.

Let me point out that under the regulations it is now an offence to occupy a public work if a peace officer says it is. The dictionary definition of "occupy" is "to be in". Let us say that someone is on Parliament Hill for five minutes. If a peace officer who may be acting under the direction of the Minister of Public Works says that that person is "occupying" and therefore violating the new revised nuisance regulation, that individual can be asked to move. If that person refuses to move, he or she can in fact be arrested and removed from Parliament Hill. Their personal property can be removed from Parliament Hill and they can be subject to a fine of $400.

I believe that constitutes very arbitrary police power to interfere with the time honoured right of persons to in fact demonstrate on Parliament Hill. Joseph Maingot in *Parliamentary Privilege in Canada*, refers to the fact that it is not the precinct of Parliament that is sacred but the function.

As you know, Mr. Speaker, contempt of Parliament can lie in interfering with the work of parliamentarians or in actions which might have the effect of interfering with the work of parliamentarians. I suggest that that is what is happening now as a result of a new power that did not exist in the past to interfere with access to parliamentarians by people who wish to demonstrate.

Mr. Maingot states in the book *Parliamentary Privilege in Canada* that since Parliament Hill has always been a public place, restricting the movement of the general public on the grounds would probably be considered excessive.

In 1971 the Committee on Procedures and Organization spoke of the need to strike a reasonable balance between the importance of allowing the public reasonable access to the House of Commons on the one hand, and the necessity of preserving the security of the House on the other.

Mr. Speaker: The Hon. Member knows that I am required to ask him, in his presentation of his case of privilege, to indicate his point of privilege early in the proceeding. The Member is citing precedents but I must know to what his precedents refer. Could he tell me how his privileges have been breached?

Mr. Cassidy: Mr. Speaker, it is a time honoured privilege of Members of Parliament to have and enjoy freedom of speech and freedom of access. I am suggesting that the freedom of access to Members of Parliament by people who wish to come to Parliament Hill is now impeded by the creation of a power in the hands of the Government and the RCMP to prevent people from coming to Parliament Hill and staying there to express a point of view.

There was evidence last week that that power is in fact applied in a discriminatory fashion. One demonstration is permitted and another form of demonstration is not permitted. One object or structure is permitted and another is not permitted.

I suggest that it would be extremely difficult for Members of Parliament to carry out their duties if members of the public were not allowed access to Members of Parliament. For example, if police officers were to prevent access to a Member's constituency office in Toronto or Vancouver, that would be a contempt.

Mr. Speaker: Order. Would the Hon. Member make it clear if he is saying that his privileges are breached if someone is not allowed to have a demonstration on the Hill? Is that the case he is making?

Mr. Cassidy: I am saying that my privileges as a Member are breached if an arbitrary and excessive right to interfere with demonstrations on Parliament Hill has been created, and therefore prevents the expression of opinion on Parliament Hill.

I am prepared to move that the matter of restrictions to freedom of expression in the vicinity of Parliament Hill which have been recently decreed in regulations by Cabinet be referred to the Standing Committee on Privileges and Elections. Of course, I understand that that motion will depend on your ruling as to whether there is a sufficient case.

However, I suggest that because there have not been restrictions on public access to Parliament Hill, apart from the Criminal Code restrictions and reasonable arrangements made with the RCMP, something new has been injected which is potentially of grave concern. It could be used to stop all demonstrations on Parliament Hill, and I do not believe that that is in the interest of parliamentarians, but represents potentially grave interference with our traditional privileges. For that reason I wish to see this matter referred to the Committee on Privileges and Elections.

Mr. Speaker: The Hon. Minister of Public Works on the same point.

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I think it is important to put everything in perspective with respect to the question of privilege. The Hon. Member who is raising the question of privilege today is not providing full information to the people, I am sure of that. First of all, we must be honest. The new regulations now in

force authorize the Minister of Public Works to protect the grounds which are the responsibility of the Department, and they do not favour any group. Contrary to what the Hon. Member said, Mr. Speaker, it is clear that some groups would not be allowed to demonstrate. I told the media over and over again that it will still be possible to demonstrate in support of certain ideas or principles, but under supervision and to the extent that a request has been made to the proper authorities. That is clear.

Mr. Speaker, I am sure that most Canadians got the message that certain people wanted to get across. It should now be clear to Hon. Members and everybody else that, particularly on Parliament Hill, rules must be observed, and those rules are defined in an order in council of which the Hon. Member is fully aware, Mr. Speaker.

[*English*]

Mr. Speaker: I do not need to reserve on this question. The Hon. Member believes that citizens have and should have a right to demonstrate within the precincts of Parliament. I take his representations seriously, but he must make a *prima facie* case that the privileges of Members of the House have been breached. That is the question of privilege that must be put before the House.

If I understand the Hon. Member correctly, it is his view that a citizen's privilege has been breached and he believes that there may in fact be some different application of rules so that someone's right to hold a demonstration may be different from others. While that may be true, the Hon. Minister says it is not. That is a question for debate as to the fact.

● (1510)

Perhaps the Member is trying to extend the concept of privilege. While I fully accept the right of Members to receive citizens and I fully expect citizens to be received by their Members in offices, or anywhere that is appropriate, it is difficult for me to find that there is a question of privilege. In fact, I cannot even find that there is a *prima facie* question of privilege put by the Hon. Member with regard to the argument he is making, that somehow access to a Member has been prevented in any way whatever.

Therefore, I cannot find a *prima facie* case of privilege.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I rise in my place to ask the usual business question. Is there someone on the government side to let us know what the Government plans to bring to the House in terms of business?

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, tomorrow has been designated as an Opposition Day, as the Opposition already knows. Some discussions have been going on among the House Leaders as to the legislation and how long the various pieces of legislation might take. At the present time the President of the Privy Council is waiting to get more information from his counterparts in the Opposition Parties. He will have more to say in the House tomorrow about legislation next week when he has received that information from them.

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Agriculture in both official languages.

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[*Translation*]

PUBLIC SERVICE

TABLING OF AGREEMENTS BETWEEN TREASURY BOARD AND UNIONS

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I should like to table the agreements in principle between Treasury Board and the two unions concerning ongoing negotiations on the master agreement on pension plans and the dental plan.

* * *

TELESAT CANADA

TABLING OF ANNUAL REPORT—1984

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, pursuant to Standing Order 46(2), I wish to table, in both official languages, copies of the Annual Report of Telesat Canada for the fiscal year 1984.

* * *

[*English*]

PETITIONS

UNEMPLOYMENT INSURANCE

Hon. James A. McGrath (St. John's East): Mr. Speaker, I have the honour to present to the House a petition signed by 14,000 fishermen in the Province of Newfoundland calling upon the House to amend the Unemployment Insurance Act so that fishermen who are obliged to stop fishing before the season ends as a result of quota restrictions or regulations may

continue to qualify to draw unemployment insurance. I have the honour to support the petition.

[*Translation*]

REINSTATEMENT OF VIA RAIL SERVICE—MONTREAL-OTTAWA

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, I am pleased to present to the House a petition concerning the reinstatement of VIA Rail passenger service between Montreal, Hull and Ottawa.

Close to 5,000 residents of the riding of Argenteuil-Papineau have signed the petition, humbly calling upon this House to consider favourably their humble request.

* * *

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-49, an Act to amend the Criminal Code (prostitution).

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

Some Hon. Members: Agreed.

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

* * *

BUSINESS OF THE HOUSE

NOTICE OF ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-15

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I wish to inform the House that there has been consultation among the representatives of the Parties in this House and that it has not been possible to reach an agreement pursuant to Standing Order 80 or Standing Order 81 with regard to the allocation of time on report stage and third reading stage of Bill C-15, an Act respecting Investment in Canada.

Therefore, at the next sitting of the House I shall propose a motion pursuant to Standing Order 82 to allocate one sitting day to each of the said stages of the said Bill.

Some Hon. Members: Shame.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 117, 147, 278 and 322.

[*Text*]

CUT-BACKS IN CANADIAN WILDLIFE SERVICE

Question No. 117—**Mr. Robichaud:**

1. Were unilateral cut-backs made by the Government in the Canadian Wildlife Service and are additional cuts contemplated and, if so, for what reason?

2. Were some 84 positions cut from the service and, if so (a) how were they made (b) which employees lost their jobs (c) were employees with 20 years seniority or more considered (d) will whole services be closed?

3. Did consultations take place before the final decision and, if not, for what reason?

Hon. Suzanne Blais-Grenier (Minister of the Environment): 1. Yes; none contemplated.

2. Yes, (a) The activities—wildlife interpretation and wildlife toxicology, not pertaining directly to the federal mandate of migratory birds and rare and endangered species were eliminated. (b) 68 employees have received surplus notices effective March 31, 1985. The following gives a breakdown by occupational groups: one senior manager; 31 biologists; eight research scientists; one research manager; one chemist; 13 engineering and scientific support; six general technicians; one social sciences support; one program manager; three clerical and regulatory; one steno and typing; one general labour and trade. However, every effort is being made to ensure that these employees are re-employed in other areas of the Department and the federal Government. (c) Yes. (d) No; see (a) above.

3. Yes, with senior officials of the Department.

CHRISTMAS DECORATIONS FOR CENTRE BLOCK

Question No. 147—**Mr. Boudria:**

1. What was the cost to the Government for the Christmas trees and decorations located in the Centre Block of the Parliament Buildings including the cost of decorators, movers, and any person directly or indirectly involved in the project?

2. Did the Canadian taxpayer pay for any part of this?

3. Were there any contracts awarded by public tender and (a) if so, in what amount (b) if not, for what reason?

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): 1. $4,406.11.

2. Yes, $4,406.11.

3. No, because of the short time frame involved.

DOT—IMPROVEMENTS TO AIRPORTS

Question No. 278—**Mr. Ouellet:**

1. Did the Government provide for major improvements to the airport infrastructure and services network in the transportation sector under the Canada/Gaspé and Lower St. Lawrence economic development plan?

2. Did the Government approve an improvement project for the Pabos-Chandler Quebec landing strip and, if so (a) what works were provided for (b) what amounts were allocated (c) on what date were the amounts approved (d) on what date did the works begin?

Hon. Don Mazankowski (Minister of Transport): 1. Yes.

2. This project is being reviewed. (a) The work planned included paving the runway, taxiway and apron, purchase and installation of a rotating beacon, runway identification lights, two lighted windsocks and a light marking system. (b) $845,000. (c) August 17, 1984. (d) The agreement with the municipality has not been signed and the work has not been started.

FCC—ONTARIO REGION LOANS

Question No. 322—**Mr. Boudria:**

During the months of January and February, 1985, within the Ontario region, how many loans were approved by the Farm Credit Corporation and, what was the (a) interest rate on each loan (b) total value of the loans?

Hon. John Wise (Minister of Agriculture): There were 53 loans approved at the following rates: (a) 43—12.750 per cent, 2—13.250 per cent, 7—13.375 per cent, 1—13.625 per cent. (b) $7,630,100.

[*Translation*]

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

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions No. 19 (Mr. Axworthy) (p. 4313) and No. 20 (Mr. Langdon) (p. 4314).

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am very disappointed, as I rise to conclude my few comments on Motion No. 19 and Motion No. 20, that the Government has decided on what I think is the first Bill to muzzle the voices of the duly elected representatives of the people of Canada, perhaps one of the most important Bills this Parliament will debate. I think there are many other Bills that certainly would have moved much more quickly through the House of Commons, but we are talking about a Bill entitled Investment Canada that will in a sense set out the economic agenda for our country for possibly many decades.

We are sending out a message to foreign investors, foreign entrepreneurs and foreign industrialists. We have made countless comments to this point in terms of identifying ways and means to improve this legislation. We have submitted thoughtful amendments to this Bill from the Liberal caucus, as well as from the New Democratic caucus—

Mr. Stevens: Ninety-nine.

Mr. Riis: Ninety-nine says the Minister of Regional Industrial Expansion (Mr. Stevens), and I thank him for that clarification.

Mr. Stevens: Forty-seven were ruled out of order.

Mr. Riis: These amendments are proposed in an effort to improve legislation. That is why we are here.

The Government comes forward with a Bill that, in its wisdom, it feels is in the best interests of Canada. We have concerned Members of the Opposition Parties who have gone through the Bill clause by clause thoughtfully in committee and have made a number of suggestions and recommendations on how we feel the Bill could be fine-tuned. One could comment about the Bill itself; but we recognize there is a majority of government Members and we thought we owed the Government a favour in terms of trying to identify how we could improve clauses of this Bill. After thoughtful deliberation as we moved through that very appropriate process, the Government says "We are not interested in hearing any more comments from Members of the Opposition. We are not interested in hearing any more comments from our backbenchers, or the thoughtful reactions of these duly elected representatives of the people of Canada. That is it." We are being muzzled.

Mr. Tremblay (Lotbinière): Enough is enough.

Mr. Riis: "Enough is enough", says one of the Tory Members. This is, as I say, perhaps the most important Bill that we are going to debate in this session of Parliament in terms of what it is going to do to the future of the Canadian economy and Canadian companies attempting to operate in conjunction with foreign subsidiaries in Canada.

We have just seen dowing Question Period the reason we are concerned about this Bill. The United States has decided in the last number of hours to curtail trade with Nicaragua. We can debate that issue and the merits at some length. Setting aside the wisdom of that decision, that same American Government has now said to its subsidiaries operating in Canada, of which there are many—as a matter of fact, most of those foreign branch plants in Canada are American-owned—if the products they are putting together, manufacturing or creating in Canada have a significant amount of American content, like automobiles, machinery and all sorts of other items, they cannot be exported to Nicaragua. Canadians at this time might be quite encouraged to expand trade with Nicaragua.

Where do those people now turn if they cannot turn to the United States and its allies? To where did Cuba turn? We are right back with the Cuban issue. Cuba had nowhere to turn but to the Soviet Union. Now the United States is saying the

same to Nicaragua. It is saying to Canadian branch plants and subsidiaries in Canada that if the content of their product is sufficiently American they cannot trade with Nicaragua. That is influencing our trade policy.

● (1520)

Now can the Minister sit there, a toughtful Minister on this particular issue, without saying that we will not accept that, that we will not have anything to do with a foreign power dictating export policy for companies in Canada?

[*Translation*]

Mrs. B. Tardif: Mr. Speaker, in answer to the Opposition Member who just spoke, I would like to stress the point that the debate has been going on for quite some time, first here in this House, then in committee. We had 102 amendments for consideration in committee, and we now have 99 amendments here before us. More than 80 hours have already been spent on this legislation. Compared with the FIRA Bill, which was discussed a number of years ago, we have already spent more time on Investment Canada than the Government of the day spent in this House considering the old FIRA legislation.

I would like to remind the House that we have already spent enough time, and Opposition Members have had all the time needed to express their views.

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to make a few comments on the Minister's arbitrary action in deciding that the Government will impose closure on the remaining stages of Bill C-15, the Investment Canada Bill. As my colleague just said, this Bill is probably the most important economic Bill we will see in this session or, quite possibly, in the entire four-year life of the Government. Under those circumstances, the Government's action in deciding to take some 80 amendments, which have yet to be considered in the House of Commons, and simply throw them out the window and dispose of them in one day is arbitrary and unjustifiable.

Mr. Stevens: They were dealt with in committee.

Mr. Cassidy: The Minister is perfectly right. However, he realizes that the committees are not televised. People interested in seeing the debate and in knowing what is happening were unable to see the debate in committee on the particular amendments put forward by the New Democratic Party, the Liberal Party, and quite possibly the Government as well. Yes, they can read them, I suppose, but it is appropriate that Parliament deal with them in a measured and reasonable way. They are important amendments, particularly when there are some serious and important differences of views in terms of what the Government is trying to do with the Investment Canada Bill, and what we have tried to do in terms of improvements by means of the amendments we have proposed.

The particular amendments now before us relate to an attempt to free up Investment Canada, the new agency which is being created, from being completely under the thumb of the Minister of Regional Industrial Expansion (Mr. Stevens). That is an important point. In theory, Investment Canada is being created in order to encourage investment in Canada by Canadians, as well as by non-Canadians, and in order to ensure enforcement of conditions and undertakings which are entered into by non-Canadian investors who are making investments in Canada. In practice, so long as the agency is under the thumb of the Minister there will be no guarantee that those particular provisions will be implemented.

I recognize that Parliament is a talking shop; it is a place where people talk about these issues. In the end, the legislation is passed and has to be implemented by the Government of the day. However, when the issues relate to foreign investment, and when foreign investment is responsible for close to 60 per cent of the manufacturing industry of Canada, and inhibits to such a degree the ability of Canadians to export into our major natural market in the United States, those questions are worth more than a few days of debate, followed by the decision of the Government to impose closure.

For example, if the Government had said that there were six or seven groups of amendments still to be considered and gave one day to each group of amendments—perhaps we on this side of the House would have objected to that—the citizens would have said that it was not totally unreasonable. Then in each area of amendment it would have been possible to have some debate in Parliament itself, in the House of Commons, not just in committee. That was not the Government's decision.

Is the Minister suggesting that 25 minutes should be given to each of the remaining groups of amendments, so that we can get through them all in the course of the remaining day of debate which will come after the guillotine motion has been put down? Does he honestly believe that we can have any kind of reasonable debate on groups of amendments which in some cases may be 10 amendments with different ideas, albeit in a related area? Does he believe that we can have a debate on all those amendments in 25 minutes, with 10 minutes from the Opposition and 10 minutes from the Government—

Mr. Stevens: You have already had 80 hours.

Mr. Cassidy: Of course we have had time in committee.

Mr. Stevens: And here.

Mr. Cassidy: I am talking about the right to debate here. We have been moving along at a measured pace. The pace is not the pace the Minister likes. The Minister is impatient. He wants to sit down in the Chateau Laurier and talk with his friends from the business community.

I would like to comment on a matter raised a few minutes ago. It is very interesting that when the Opposition wants to say things the Government does not like, the Minister for Regional Industrial Expansion comes into the House and announces that he will impose closure on the debate which is taking place. If there were huge amounts of legislation to be

considered, the case would be stronger. We all know that the House has been spinning its wheels because the Government has effectively had no legislation on the plate of Parliament. There is no pressure of stacked-up legislation; Parliament is not faced with a bottleneck. We have lots of time to consider these matters, but the Minister has decided that it is uncomfortable.

In the meantime, the Minister of Public Works (Mr. La Salle) has decided that it is equally uncomfortable for Parliament to have a handful of demonstrators outside seeking to communicate an opinion. This is a Government which promised openness and accessibility when its Members campaigned for office during the course of the election campaign last summer. Somehow what was promised then and what is being delivered now is very different. Like the Liberals who went before, they will be secretive and restrictive. They will restrain debate, take away the rights of citizens to come and protest, do things in a quiet way and try to prevent any sharing of information with respect to this particular Bill. If the Minister has a comment, I will listen.

We have tried to open up the process. We have tried to inject an element that the Minister of Regional Industrial Expansion does not ride roughshod over Investment Canada without at least having the backing of his Cabinet. At least Motion No. 19 provides that Investment Canada will carry out the function of conducting reviews of investments by non-Canadians and will provide to other federal Departments and agencies information about means to stimulate investment by Canadians in Canada. Can anyone object to that kind of provision? Is the Minister really saying in opposing these amendments, as I believe he is, that he is opposed to measures to encourage investment in Canada by Canadians? Is that his position? From time to time that seems to be his position.

The Government came to power determined to do one thing in the economic sphere. It said it would open our doors to business around the world and that somehow that would get the Canadian economy moving. It will ignore the talent and initiative which exists among Canadians. Instead it will court by every means possible investment coming into this country. The Minister should know that there are too many examples of companies and foreign investors taking advantage of the Canadian openness that already exists in that particular regard.

I think of the way the Government and the people of Manitoba were treated by the promotors behind Churchill Forest Industries some 12 years or 15 years ago. Those promoters came in, took dollars away from Canada, took lots of profit away for themselves and left virtually nothing in return. That kind of history has been repeated again and again. I think of the way the rights of working people in Nova Scotia were trampled by the pressure of Michelin Tires when it twisted the arm of the Nova Scotia Government, until the point that that Government passed one of the most repressive anti-labour pieces of legislation the country has seen in order to prevent the workers at Michelin plants from having the right to acquire a trade union. These kinds of things have happened many times.

The Minister will say that some good things have come out of foreign investment in Canada. I am sure that is the case as well. However, every other country recognizes that there must be pressures from Government to ensure that foreign capital acts responsibly and in the interests of the host country. Somehow I believe that this country is really no different.

• (1530)

We have consistently experienced Canadian initiative, invention and companies being restrained from developing products, from carrying out research and development and from developing markets in the United States because those companies or organizations were controlled by multinationals based in the United States. That, my friends, is the kind of thing that leads me to have grave misgivings regarding the degree to which the Government is bending over backward to accommodate foreign multinationals through the Investment Canada Bill. That is why we in the New Democratic Party believe it is important that we strengthen the powers of Investment Canada, and that the Bill puts at least as much emphasis on the encouragement of investment in Canada by Canadians as it does on the regulations and surveillance of investment in Canada by non-Canadians. That is the reason for the various amendments and that is why I believe this matter must be debated further.

I am adamantly and categorically opposed to the decision of the Minister who has simply gotten bored with listening. The Minister or his Parliamentary Secretary may have spent 80 hours in committee listening to people speak about these matters. But, as the Minister knows from his time in Cabinet and from his time in Opposition, it sometimes takes a long time before arguments made in the House of Commons begin to be heard by the people of Canada. That is why it is important that this debate continue. I would call on the Minister and the Government to withdraw the misguided decision to stifle debate in the House of Commons on this important Bill.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I am pleased to rise at this point of the debate to address not just the motion now before us, but also to reflect on the Minister's action which actually imposes closure on the bill.

I am not at all surprised at the Government's action, Mr. Speaker, because this is the second time the Progressive Conservative Government has imposed closure on this legislation. They did so through the Minister's Parliamentary Secretary on second reading, and now it is done once again, this time by the Minister himself, at report stage.

Canadians certainly will be surprised to see the impatient, high-handed ways used by this Government which given its overwhelming mandate, its overwhelming majority in this House, should not have to use such tactics, to use the guillotine

on the few Liberal and Conservative members who were elected.

There are so few of us, Mr. Speaker, that it is absolutely amazing that the Government should want to prevent us from speaking on this Bill. But that being said, the Governeent's tyrannical force cannot be stemmed by this Opposition, but it is my view that the Canadian public will judge the Minister's actions, his impatience, his determination to prevent a full, enlightened discussion of this Bill which, in my view, will cause serious prejudice to the Canadian economy. What will this legislation do in fact? It will give unrestricted *carte blanche* to anyone wishing to take over companies in Canada.

This legislation, so to speak, empowers the Government to sanction the takeover of Canadian companies by foreigners, without laying down specific review criteria to find out whether those investments will have any beneficial impact, create more jobs in Canada, or help our Canadian regions. In some way, it amounts to throwing us bound and gagged into the hands of foreign capital, mainly the large multinational corporations.

The Liberal Opposition tried to move a series of amendments during the clause by clause study of this Bill in committee. A whole series of amendments, including one in particular, were moved. We recommended that Clause 6 of the Bill be amended and that the Government ensure that certain criteria be met before an investment is approved. Included in this amendment were the following:

(*a*) develop a comprehensive information base on all sources of investment in Canada and on the differing factors which affect investment;

(*b*) work with the relevant federal and provincial departments and agencies to develop a favourable climate for private investment;

(*c*) seek to coordinate public sector and private sector investment planning through consultation;

(*d*) act as a clearing-house for information on investment incentives offered by all jurisdictions in Canada;

(*e*) promote by all manner of means the expansion of equity investment by individual Canadians;

(*f*) generally carry out such activities under the direction of the responsible Minister as will stimulate Canadian investment and improve Canadian investment policies and programs.

What the Liberal Opposition wants, Mr. Speaker, is for an objective review of the facts to be carried out by competent public servants assigned to that work.

As we read and understand this Bill, the Minister seems to be keeping for himself the discretionary powers to approve or turn down takeovers by foreign companies and to approve or turn down any foreign investment arbitrarily and strictly as the whim takes him and depending on whether he got up on the right side of the bed or not that morning, without an independent and objective review by public servants assigned to that work. In my opinion, the powers that the Minister is asking for are excessive. This Government, which had such close ties with large multinationals, this Government which went literally on its knees before the oil multinationals by destroying so shamefully the Canadian National Energy Program and giving away millions of dollars to the oil multinationals, while refusing a few thousand dollars to organizations asking for government assistance for social programs, is now showing its bias towards big business and against workers and ordinary Canadians.

● (1540)

I therefore believe that the purpose of this Government and the Minister sponsoring this Bill is to find another way of making life easy for the big multinationals so that they will come to Canada and take over sound Canadian businesses in order to have a solid base for competing unfairly against our Canadian businesses. Indeed, Mr. Speaker, it should be pointed out that under the former legislation passed by the previous Government, the Director of Combines Investigations played a major role.

He could intervene to block a take-over, as well as stop foreign investors from moving in and hurting their competitors in Canada. This bill which the Minister has introduced ignores the need for fair competition to exist in Canada and for small and medium size businesses to continue playing an important role in the Canadian economy.

I think this bill is bad, because it delivers us, bound hand and foot, to the multinationals. I think it is unfortunate that the government has chosen to turn down the amendments which the Liberals had proposed in committee. I think it is even more unfortunate—dare I say outright indecent—that this majority and tyrannical government should not only stop the opposition from proposing amendments, but also prevent it from speaking out.

Mr. Deputy Speaker: The Hon. Minister of State for Small Businesses (Mr. Bissonnette) has the floor.

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I should like to deal with the Investment Canada Bill in a way which is entirely different from the way the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) just did. The Investment Canada Bill will create jobs. We have introduced this bill to make it possible for investors—

Mr. Rossi: How?

Mr. Bissonnette: Because I listened very politely and attentively while the hon. member was speaking, Mr. Speaker, I should appreciate if Hon. members opposite kept quiet and allowed those who want to contribute something positive to the debate to do so, contrary to the Liberals who have contributed only negatively over the past 70 hours.

Mr. Speaker, I believe that this bill will create job opportunities, develop new technologies, put Canadians back to work and restore what Liberal governments have destroyed over the past 16 years.

I think that this bill should be implemented as soon as possible. I think also that we should welcome foreign investors intelligently—

Mr. Rossi: Intelligently! That's not like you!

Mr. Bissonnette: —and politely, and use their know—how and capital to create new jobs opportunities in Canada. The reason we are here is to restore what the previous government has destroyed over the past 16 years. I urge you, therefore, Mr. Speaker, to expedite these matters and make it possible for the House to adopt this bill without any further delay.

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I welcome this opportunity to speak again, today, to Bill C-15, an Act respecting investment in Canada, because I think the amendments we have on the table of the House are extremely important. However, before speaking to the amendments, I would like to say that the Government advised us at 3.15 this afternoon that it would impose closure on this Bill. What that means? It means that the Minister of Regional Industrial Expansion (Mr. Stevens) has decided to gag the Opposition. He does not like what he is hearing, and he obviously has no intention of accepting any amendments. This is an affront to democracy. It is despicable and intolerable.

Mr. Gauthier: They are going to vote for 470 minutes!

Mrs. Killens: Mr. Speaker, I did intend to speak to the two amendments now before the House, namely Motions Nos. 19 and 20.

The clause proposed by the Government is far too vague as it stands. This is how it reads: "There is hereby established an agency, to be known as Investment Canada, to advise and assist the Minister in exercising his powers and performing his duties under this Act."

That is what it says in Clause 6. We believe the two amendments being proposed, one by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) and the other by the Member for Essex-Windsor (Mr. Langdon) are extremely important, since they are aimed at expanding the agency's role.

Mr. Speaker, I shall, if I may, read the amendment we are proposing in order to make sure my hon. friends opposite know what they are turning down. The first two lines remain the same. We want to add the following and I quote:

—in exercising his powers under this Act, to secure notifications and conduct reviews of investments by non-Canadians under this Act, and provide to other relevant federal departments and agencies information about means to stimulate investment by Canadians—

Why do the Members opposite object? I am sure I do not know, Mr. Speaker. Nevertheless, it is all very straightforward. We are trying to give a clear definition of the agency's *raison d'être* that will prevent any problems due to lack of communication and result in better decisions. First of all, we want the agency to obtain advice on investments by non-Canadians, and second, to provide information to other federal departments and agencies.

It is perfectly normal to try and encourage Canadian investors to invest in this country. We could not tolerate opening our doors to foreign investment, if it meant closing them to our own investors. It is the only way for the Government to ensure that Canadian investors will be considered first.

Many of my colleagues have mentioned the importance of keeping Canadian money in Canada. It is just as important to make it attractive for our investors to put their money on the Canadian economy. By informing other departments and federal agencies on ways to promote investment by our entrepreneurs and industrialists here in Canada, we will be promoting the development of a healthy competitive climate.

As I said before, I think it is vital for Canada to monitor the quality of investments made in Canada. We have every reason to welcome foreign investment, but we must not discourage our own businessmen and women from undertaking new ventures here in Canada.

The results have already shown that it works. Investments made in Canada by Canadians are of far greater benefit to the economy than foreign investment, as a result of higher levels of research and development and better export opportunities, and would also reduce our dependence on imports.

Another reason why I think it makes sense to present that motion is that it would enable us to screen and control investment requests. Indeed, if we carefully screened the various investment requests, we would be in position to inform the departments and agencies of the Government about the possibility to ensure an adequate Canadian participation.

If we consulted other countries likely to invest in Canada and put their suggestions to good use, Canadians would be assured that their rights and their funds are protected.

The pride of our businessmen and businesswomen is badly shaken by this Government. It is not a matter of appropriating the ideas of foreign entrepreneurs, but one of finding a common ground leading to more satisfactory co-operation between non-Canadian and Canadian entrepreneurs.

● (1550)

Once again, Mr. Speaker, our jobs are at stake. We must protect them. We are told that we must open Canadian markets to foreign investors, but we must not forget that Canadians who are in a position to participate in this country's economy may give up any interest they might have had, as a result of the Government's lack of action.

We have said many times that lay-offs are a very real threat in a company controlled by non-Canadians. I think that if we encourage Canadian investors, we will not run this kind of risk. As it stands, the Bill ignores the plight of Canadians. In the

past, through the FIRA program, we have always tried to consider the Canadian content of investment in this country. In very recent years, Canadian businessmen and women have regained confidence in this country and in the possibility of being considered full partners. The Bill as it stands does not provide any protection for Canadians who want to invest in our country. That is why our amendment is so important. It guarantees that the Government will not turn its back on Canadians and offer foreign investors the whole pie. In fact, I find it hard to understand why the Government should try to attract non-Canadian investors, when many Canadian investors would be delighted to get the kind of encouragement they need to market their ideas.

This Government claims it favours consultation and co-operation. We also know that it has great plans for affiliation with the United States. We agree that Canada is a country that welcomes entrepreneurs. However, it is our duty to ensure that the autonomy of Canada and the rights of Canadians are not affected, especially in the small- and medium-sized business sector.

After more than six months, the Government opposite has no excuse for its inertia. Putting the blame on the previous Government is no longer an excuse. Canadian men and women are fed up, and it is high time this Government showed it can act responsibly. The time has come to take the concerns of Canadians seriously and to defend the interests of our Canadian industrialists and entrepreneurs. That is why, Mr. Speaker, I support the motions proposed by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) and the Hon. Member for Essex-Windsor (Mr. Langdon).

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, I must say at the outset how shocked I was moments ago when the Minister announced that debate would be cut short by imposing closure on this bill. If I have used the word "shocked" it is because, I remember not so long ago when we sat on the other side, that the Opposition would rake us over the coals and call us everything under the sun precisely because after a while—I am not talking about days, but weeks and sometimes months—the Government would invoke closure. I was shocked and I am surprised to see that my colleagues on the other side of the House do not seem to be overly enthusiastic about this Bill. Fewer and fewer of them take the floor, excepting the Minister, the Hon. Member for Saint-Jean (Mr. Bissonnette), who came in a while ago to practice speech-making, probably because he is planning to make another depressing announcement later on.

For all practical purposes, Mr. Speaker, the Foreign Investment Review Agency is dead. Naturally, we must have another organization to replace it, but I am wondering whether Investment Canada is really designed to replace FIRA. In my opinion, they have turned the whole thing into a political issue instead of trying to improve the existing structure of FIRA, something which could have been done by introducing more radical changes. But no, everything has been thrown overboard and now the Minister alone will be responsible for foreign investments in Canada.

I am sure the Minister is an intelligent man, no doubt about that, but I wonder where he will find the time to deal with all the investments that will be made in Canada. I agree that we need investments in this country, because with a small population of 26 million we simply cannot keep all our industries operating at full capacity. We do need foreign investments.

If we want to instill some kind of confidence in investors, perhaps we should just put our own house in order. We should streamline our legislation. We should also remove from the sphere of politics the problem of foreign investment in Canada. How come the government is going to set up another agency which will report to the minister and tell him whether particular investments are good, not as good, really bad or against the national interests of Canadians?

Let me turn to another phenomenon. In the past, many companies based in the United States, especially in the pharmaceutic industry, chose to set up Canadian subsidiaries. According to the reports they filed with the federal government, they merely said that they had spent a certain amount for research. In fact, it was merely for income tax purposes. There was almost no scientific research done in Canada. Such research was done in the United States. Thus, our researchers could not work in their own country and Canada could not create the jobs normally related to research work.

In fact, when we started putting some pressure on them, the drug companies, for all practical purposes, moved to the United States. If you have no control over foreign investors coming into Canada, you cannot expect them to behave just like Canadian companies with research rights and funds for research which might be expected to create jobs. But I do not think that an agency inside some kind of government department or under some minister's responsibility will amount to much.

Mr. Speaker, as for the person who will be appointed head of the agency, I shall not of course mention patronage, because it is all in the mind of some people—I have nothing against patronage, Mr. Speaker, nothing at all. It has become normal practice, normal political practice, but the problem with the Progressive Conservative Party is that throughout the election campaign, they behaved most improperly by suggesting to the Canadian voters that patronage was a thing of the past, that patronage was out. Mr. Speaker, patronage is with us more than ever before!

An Hon. Member: Right on! Right on!

• (1600)

Mr. Isabelle: To come back to the appointee to that most blessed position of head of the agency, I am sure it will be a man that we do not know yet, but who certainly had some

dealings or connections or some link with the Progressive Conservative Party during the last election campaign. Mind you, once again, I have nothing against that, but I do not think it is the right way—

Mr. Bissonnette: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Minister of State for Small Businesses (Mr. Bissonnette) on a point of order.

Mr. Bissonnette: Mr. Speaker, I feel the Liberal Member is sounding off about patronage which has nothing to do with the Bill before us respecting Investment Canada. He is straying from the subject-matter of the Bill, and I would ask you, Mr. Speaker, to call him to order and ask him to speak to the matter under consideration.

Mr. Deputy Speaker: I must unfortunately inform the Minister that this is not a point of order. I recognize the Hon. Member for Hull-Aylmer (Mr. Isabelle).

Mr. Isabelle: Thank you, Mr. Speaker. In conclusion, I simply want to say that patronage does not exist, because I am quite certain that the eventual appointee will be completely independent, without any connection with the Progressive Conservative Party, nor indeed with the Liberal Party, but will certainly be a school buddy of someone we know quite well in this House.

In any case, Mr. Speaker, if an agency such as the one that will eventually be established can be biased from the start, how can it provide independent advice about some foreign investors? I am certain that those appointed president and directors of the agency have friends in the United States or in Great Britain. I was listening to our Prime Minister, who is on a marvelous trip, and we wish him every success in the mother country, namely Great Britain. He will be travelling throughout Europe trying to prove that Canada exists, and I hope that he will keep up the good work, but he has opened our door or at least given some hope to the British who would like to invest in this country. The door is wide open. However, we should perhaps keep in mind that, a few years ago, when the EEC was established, we had some problems, not with British investments, but with our trade with Great Britain. We should perhaps remember that little game, which the British have never really forgotten, I am quite sure.

Naturally, the Liberal Party has some experience in Government since we had the confidence of the people for 20 years and perhaps even more. We suffered some setbacks in 1957 and 1984, but such setbacks are not eternal. They last but a moment. As I was saying, with its long experience, the Liberal Party moved many amendments, perhaps 47 or 50, and I can promise one thing, and that is that we will make the Canadian people aware of our amendments which were aimed at improving investment in Canada by having all propective investors in this country follow the same rules as the Canadian companies.

To conclude my remarks, Mr. Speaker, we should also help small businesses. Often, small businessmen are in a quandary for lack of money. So the federal Government might help them out, Mr. Speaker, instead of allowing several of them to be taken over by American interests. And I am not sure whether a few years from now, some people, looking back on the Bill before us today, will not be reminded of the passage in the Holy Scripture that says: It were better for him that a millstone were hanged about his neck and he cast into the sea. I doubt that some will actually say this about the Progresssive Conservative party, but I believe some will entertain this thought that will not, I know, come true.

Mr. Speaker, as for us we have made our contribution, and I hope that my colleagues who howl here and there in this House will at least rise and try to prove that their Bill is sound, otherwise I shall have to conclude like all Canadians who follow our proceedings on television across the country that this Bill is definitely a bad one because even the Conservative Members do not want to stick up for it.

Mr. David Berger (Laurier): In speaking to this motion today, Mr. Speaker, I should like to remind the House that when the Minister announced his intention to introduce this bill setting up Investment Canada, he indicated that it would have a positive role, that its purpose was to encourage both foreign and Canadian investors to invest in Canada.

I think therefore that this bill is inconsistent with the stated goal, for there is not in this clause a single mention of the main purpose of the bill which is to promote investments in Canada.

We are dealing today with Clause 6 which establishes an agency to advise and assist the Minister in exercising his powers and performing his duties under this Act.

But, as I said, nowhere does it state that the agency's role will be to promote investments in Canada. As a matter of fact, in committee, the Minister and the Chairman of the committee turned down the amendments Liberal members had proposed authorizing the Minister to promote investments by Canadians. And it seems to us that the government is not prepared either to accept Motion No. 19 which suggests that the Minister should exercice his powers to stimulate investment by Canadians in Canada. If the minister claims that we have adopted a negative attitude, it is simply because each time we have proposed an amendment for the purpose of clarifying the goals of this bill or increasing the powers given to the Minister to fulfil his responsibilities, the government turned it down. The government is now seeking to impose closure, which clearly demonstrate its unwillingness to listen to our suggestions or to consider our amendments. They often urge us to come up with suggestions. And when we do come up with suggestions, they refuse outright to listen.

I mentioned yesterday a suggestion made not by our party, but by the Science Council Canada, to the effect that it would be normal in a bill of this kind to have provisions allowing the

government to review all takeovers of Canadian firms which have been the recipients of government research grants.

I understand the government simply rejected this suggestion in committee, without trying to understand our point of view or explain its refusal to consider any amendment proposed by the opposition.

• (1610)

[*English*]

The unwillingness of the Government to accept any amendment which attempts to clarify the role of the Minister or to permit him to encourage Canadian investment in a well specified manner, is totally contradictory to the words of that Party during the election campaign. We all remember the famous promises that investment would flow into the country the minute the Government was elected. The famous Investment Canada Bill has been tabled and we are still waiting.

I think most Canadians knew that the actions would not meet with the rhetoric. Most Canadians knew that it would take more than the election of the Government and the introduction of one Bill to bring about the economic changes which the country needs. Most Canadians know that a whole range of economic policies in the tax and regulatory areas must be presented to enable our economy to compete in the tremendously competitive world in which we live today.

It is nine months since the election of this Government and we have yet to see a Budget. As you know, Mr. Speaker, this far surpasses the record of the Clark Government which, in spite of all the errors it made, took only six months to introduce its Budget. We know what happened to that Government. Perhaps that is why the new Government has taken so long to introduce a Budget. Needless to say, the expectations of all Canadians are very high in this respect.

An Hon. Member: Fifty-seven per cent today.

Mr. Berger: Fifty-seven per cent today. We will see whether it is 57 per cent one month after the Budget that we are all awaiting at the end of May.

[*Translation*]

Mr. Speaker, I would like to get back to what I was saying a moment ago, that is the need to encourage foreign investments in Canada, or rather the need to have this kind of policy. This government said that the former Foreign Investment Review Agency prevented foreigners from investing in this country. That is why the old act is being repelled and this change is put forward. But I would like to bring to the attention of the House an article published in today's *Le Devoir* where if is said that, according to the Quebec's agent-general in London, Ottawa gives too much importance to foreign investments in this country. So what did Mr. Patrick Hyndman have to say in an interview he gave yesterday to a Quebec journalist in London? He said that he was a little worried to see this governement make the promotion abroad of foreign investments in Canada its top priority. He noted that in the past Ottawa's priority, that is our Liberal government's priority, was instead the promotion of export. We had set up a wide range of initiatives: the Export Development Corporation, the efforts the previous government made to enable Bombardier to get contracts for the New York subway and the Mexico subway. We had set up a wide range of initiatives to encourage exports by Canadian businesses.

The general delegate of Quebec is somewhat disappointed with this new direction the Government is taking, but then, he says that federal involvement may not be necessary because he notices in London an ongoing competition for foreign investment. No less than six provinces have delegations in the British capital, namely the provinces of Quebec, Ontario, British Columbia, Alberta, Saskatchewan, and Nova Scotia. He says that the Ontario Government in Toronto has a delegation of 40 members, seven of whom do nothing but foster foreign investment in Canada. He notices that the province of Quebec has only some twenty employees, three of whom are responsible for all aspects of economic promotion.

Therefore, as shown by a distinguished representative of a provincial Government, namely the Quebec Government, some remarkable efforts are being made at present to foster foreign investment in Canada. Foreign investment will not bring about economic recovery; it is through the promotion of Canadian companies and exports, and thus the creation of our own economy, that we will maintain our current standard of living. That is the reason why we have introduced this amendment which, unfortunately, the Government has rejected offhandedly, and I strongly deplore the fact that this Government rejects all positive amendments put forward by Opposition Members.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley)—Highways—Yellowhead Highway—Request for designation as National Highway; the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart)—Social security—Benefits for widows and widowers aged 60-64—Exclusive of single, divorced and separated persons; the Hon. Member for Gander-Twillingate (Mr. Baker)—Fisheries—Codfish—Size of West Germany catches—Government position.

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions No. 19 (Mr. Axworthy) (p. 4313), and No. 20 (Mr. Langdon) (p. 4314).

Mr. Deputy Speaker: Resuming the debate. The Hon. Member for Laval-des-Rapides.

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, this is the fourth time since the beginning of the debate on Bill C-15 that I rise in this House to speak and call the Government's attention on—

An Hon. Member: No need for that, you are wasting time!

Mr. Garneau: Government members speak about time being wasted. I wonder who wastes more time in this House. Would it be the Liberal Members who are working hard to improve legislation, or those Members blissfully seated in the fat of their regained felicity, as a brilliant Member from Quebec once said, sitting there and applauding but never saying a word on any legislation?

Mr. Speaker, I am amazed because since the opening of this debate, we have called attention first to the principle, and, of course, the huge Government majority won the day, even though the arguments put forward were limited to a few speeches. We resumed the debate in committee, a number of suggestions were made to try and improve the wording of the Bill to make it more operational.

This time, the debate is on Motion No. 19. It seeks to a certain extent to break down the divisions between the various responsibilities of the Agency. It is beyond me why they should want to create an agency, appoint a President to hold office during pleasure which is somewhat like the appointment of a judge, and he cannot be removed—but the Agency to be headed by that President, that high official during pleasure, that Agency has no power because in the final analysis, the Minister alone can make decisions. And when we proposed amendments to clause 5, in the first series of amendments which will be voted upon a little later, and hopefully a few will be passed, the few remarks we heard from the Opposition were negative which leads me to believe that, in spite of my hopes, the amendments will not be passed.

• (1620)

We come back with this Motion no. 19 to amend clause 6 creating the agency; we would like to circumscribe somewhat those powers of the agency which remain extremely ill-defined, and given the fact that the responsible official or the chairman of the agency who is still removable because those powers are not defined, the agency itself will not be able to take any initiative. We would like to be able to amend clause 6 to enable the agency, to be known as Investment Canada, to advise and assist the Minister in exercising his powers and performing his duties under the Act, but we would also like this agency, this person who is to play almost the role of a judge in a quasi-judicial court, an administrative commission, this person whose position is considered important enough to make him or her removable, to have the power to receive opinions, to have investment by non-Canadians reviewed under the present Act. We would also like to see the chairman of this agency who will be, as I said, a person with a very special status, have at least the power and the responsibility to offer the other departments concerned the information available to the agency in order to favour foreign investment, and particularly investment by Canadians.

If all this is not done openly, Mr. Speaker, if the agency does not have the power under the Act, to communicate information ... Let us take for example a foreign company wanting to buy a high technology company and let us say the asking price is $5.1 million ... Would the Progessive Conservative Members in this House not wish that the chairman of the agency could have the opportunity and the power under the Act to get in touch with the Minister of State for Small Businesses (Mr. Bissonnette) and tell him the following: Listen, Mr. Minister, here is a company which is going to be taken over by foreign capital for a price which exceeds the maximum by only $100,000. We are forced to give an opinion, to make a decision. Would you not have, in your area, businesses of another size, a little larger or even a little smaller, which could buy that company with adequate financing? But in the context of this legislation, the Minister alone may take action and the Agency is not empowered, as set out in Clause 6, to go and consult the Minister of State for Small Businesses or any other Minister such as the Minister of Communications (Mr. Masse) when his own area of communications is at issue.

We would like the mandate of the Agency as described in Clause 6 to be broadened somehow and the President of the Agency to be allowed a certain amount of discretion that would enable him to consult his colleagues. Otherwise, all facts remain confidential and he can divulge them to no one but the Minister who alone has the power to make decisions. Amendments to Clause 5 that would have made the Minister exercise his powers not alone but within a ministerial committee were rejected. It is most likely that the proposal now under consideration will be rejected as well.

We asked first that the powers be granted to a ministerial committee. That was refused. A ministerial committee? Denied. The Minister is now the only authority. We say that

the Agency should have at least the chance to consult and to relay information. Of course, Mr. Speaker, people who have been in office for a while are often a lot more careful about legislation than people who do not have that experience.

Members of the Opposition as well as Members of the Government should mark my words. After this legislation has been in effect for a while they will be the first to react negatively to decisions taken by the Minister alone or by an Agency that lacks the power to consult them in their area, either through small businesses, the Minister responsible for Technology or the Minister of Communications. There is no way to override the law and, since the Minister is almost like a judge, he can disregard all objections and hide behind the law, saying that the Act and the powers referred to in Section 6 do not give him any leeway. Members will see what will happen if they have in their riding, companies which are doing better than average. If a company is worth $100 million, there cannot be very many buyers. Smaller companies, in the $5 million range, Mr. Speaker, can employ many people, but the investment is not so high that money cannot be found for a take-over. We believe that this amendment would improve the Bill and I do not understand why the government is acting so stubbornly by refusing to broaden slightly the extremely limited scope of these sections as they now stand.

Mr. Speaker, the second part of the proposed amendment deals with information. Would you not like, as government members who are not part of the inner circle, to be informed of what is happening? Things are going to happen in government departments and you will learn about them in the media. Would you not like to be officially informed? The Science Council of Canada mentioned the importance of publishing information. Imagine for a moment a company which would have received from the Department of Technology $300,000 or $400,000 in subsidies to develop a project. A foreign investor comes along, and the Minister responsible for granting that sum of money does not even know, since notices are not required, that the $300,000 he has given to Company X are going to be used by foreign investors, when Canadian interests might have wished to use it or to buy that company!

Mr. Speaker, I hope that government members instead of viewing this as an exercice in futility will look at our representations and warnings as a positive input which might be of some benefit to all Members of this House, and in particular it might be advantageous for Canada to have the greatest possible number of businesses owned and operated by Canadians thus giving Canadians the opportunity to buy businesses that would otherwise be sold to foreign interests. If government members do not see all of this, it is due to the fact that they are not aware of it, and according to clause 6 of the bill, the agency does not have the authority to give this information through the various departments involved.

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 19 standing in the name of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

[*Translation*]

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 79, the recorded division on the motion stands deferred.

[*English*]

The next question is on Motion No. 20 standing in the name of the Hon. Member for Essex-Windsor (Mr. Langdon). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

[*Translation*]

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 79, the recorded division on the motion stands deferred.

• (1630)

[*English*]

The next motion for debate is Motion No. 23. However, the mover of Motion No. 23, the Hon. Member for Essex-Windsor (Mr. Langdon), is not here. Is there unanimous consent to allow another Hon. Member to move the motion on behalf of the Hon. Member for Essex-Windsor?

Some Hon. Members: Agreed.

Mr. Simon de Jong (Regina East) (for Mr. Langdon) moved:

Motion No. 23

That Bill C-15, be amended in Clause 10 by striking out lines 6 to 10 at page 6.

[*Translation*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 24

That Bill C-15, be amended in Clause 10 by striking out lines 43 to 48 at page 6.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 25

That Bill C-15, be amended in Clause 10 by striking out lines 49 and 50 at page 6 and lines 1 to 43 at page 7.

[*English*]

He said: Mr. Speaker, before addressing myself directly to the amendments at hand, I think it is worth commenting on the recent actions taken by the Minister of Regional Industrial Expansion (Mr. Stevens) who introduced closure to the House. This Minister has never been known for his delicate sensibilities when it comes to Parliament. I think we can now say that his nickname, which used to be "Sinc the Slasher", can now be turned into "Sinc the Slink." He is hiding behind his huge majority, afraid, as is his Government, to face the music—

Some Hon. Members: Oh, oh!

Mr. Axworthy: —afraid to face what they know to be the truth that this is a bad Bill, bad legislation and bad economics.

Mr. Towers: You should be the last one to make that comment.

Mr. Axworthy: This is perhaps the worst kind of authoritarianism when a Government uses its majority to hide behind, to suppress debate, to suppress the opportunity for the public to know exactly what it is facing and what the consequences are of the legislation.

What about those fine virtues that Conservative Members of Parliament used to promulgate when they were members of the Opposition after 40 days of debate on the Western Grain Transportation Bill when we brought in closure? After five days of debate on this Bill, the Conservative Government finds it necessary to slink with its tail between its legs away from the hot and important glare of public debate and discussion about a matter that affects the economic welfare of millions of Canadians. That is a sign of what a lousy Government we have. Its Members are afraid to speak up for their convictions and their own rights.

It will not be long before the Canadian people will understand what a group of mealy-mouths we have on the other side of this House. Government Members do not have the ability, the will or the motivation to defend themselves on their own legislation.

Nowhere is that more clearly seen than in the amendments we have brought forward under this grouping. We are dealing here with a section of the Bill dealing with exemptions for those categories of companies or activities that are totally excluded from any form of notification or review. They get a free ride. They do not even have to register with Investment Canada to make their investments known. Let me point out, for the edification if not the endorsement of Members opposite, just what this means. In Motion No. 24 that we have brought forward we are suggesting that it will be almost a criminal act of folly for this Government to exclude from notification foreign transactions dealing with real estate developments. This Government exempts any form of foreign enterprise dealing with the investment in rental real estate the revenue for which comes from the rental market.

It was but a year ago that some 13,000 tenants in the City of Toronto were faced with total eviction from apartment blocks and the total disruption of their living accommodation in the famous Seaway-Greymac affair. The principal operators were a group of numbered companies that had their registration in that wonderful free enterprise area called Lichtenstein. Under this Bill, this group of numbered companies will be totally excluded from having to notify Investment Canada of their intentions or willingness to buy into real estate in this country. Can you believe that we are now exempting a whole category of investment in what is perhaps the most vital and delicate areas affecting Canadians, their housing and their habitation, from any form of review or notification? That is the intent of this legislation. It is hard to believe, Mr. Speaker. I would think that those 13,000 tenants, who were faced with the most dire consequences last year because of the financial shenanigans and finagling that was going on using numbered companies registered in foreign locations, would not find it so amusing that this new Government of theirs, for which some of them may have voted, is totally relinquishing any protection for real estate development.

My colleague has argued time and time again that this is a Government that must be sensitive to rental housing. We see just how sensitive this Government is in Investment Canada. I am not saying the Government should have to review every transaction. Real estate deals do not even have to be notified or registered. Anybody can buy a group of condominiums in downtown Vancouver, Toronto or Winnipeg, get into the kind of flip deals that we saw in the Seaway-Greymac Affair, put tenants out on the street, and then this Government can say, "We did not know. We had no responsibility". Why? Because this Government has excluded this category under the Investment Canada Bill.

How can Members opposite consider that to be a good piece of legislation? How do they consider that they are protecting the interests of Canadians when they are providing a wide open screen for wholesale transactions in the housing field without having any set of responsibilities placed upon the foreign investor or upon the Canadian investor who wants to use a foreign location as a cover-up for fancy deals as we saw in the Seaway affair? I am not making this up. It was on the front page of every newspaper for four or five weeks. The former Government of Ontario, the Conservative Government, former as of about nine o'clock tonight, was faced with one of the most serious embarrassments of its life because of this

transaction. Yet here we have the new Mulroney Government, the great defenders of Canadian interests, throwing it away, not even interested in that kind of transaction.

Similarly, in Motion No. 25, what else is being excluded totally from any form of notification? Investments by life insurance companies. That is a $4 billion portfolio annually. Life insurance companies, according to the Minister of State for Finance (Mrs. McDougall), are part of this new system of what is called one-stop shopping arrangements. These companies can get into a whole variety of investments. They can circulate funds from Canada through foreign subsidiaries and back again. They too are excluded not only from review in Investment Canada but from any notification.

• (1640)

I do not attribute any undue motivation to those people in life insurance industry, but this is an open invitation to avoid the other requirements of the Act by channelling portfolio investments through insurance companies in order to get themselves into deals which will not be subject to any form of assessment or judgment. I would make the same comments on the proposal put forward by the New Democratic Party in Motion No. 23 dealing with forms of financial assistance. Once again we are dealing with a case where properties or enterprises are acquired and, because they are used as collateral, they become a form of indirect acquisition which under the Act is subject to review if it happens in the normal fashion. If a company gets an indirect acquisition because of its collateral holdings, because it gave financial assistance to another company, it is not covered by any notification or review procedure.

I can only assume that the Minister and the drafters of the Bill were in one of their sort of nocturnal moments when they were not paying much attention to the finer points of the legislation. How they would let a matter so crucial to ownership in the country once again escape any assessment or judgment really boggles the imagination. But they have done so. I think I have shown the key areas—real estate, life insurance or indirect acquisitions through financial assistance. All three are very common forms of enterprise and transaction, and they totally avoid any accountability under this legislation. This opens a wide area of investment where there will be no information or no ability on the part of the Government of Canada to ensure that the interests of Canadians are protected in this area, nor will there be any opportunity provided for remedial action.

I put the proposition to the House that if ever there was a set of amendments which could be used and adopted by the Government to improve its own legislation, clearly this grouping fits that particular definition. As I said yesterday, I am afraid the Government has become a know-nothing Government. It does not want to know what is good for it. It does not want to listen to constructive proposals. It does not want to accept amendments which make sense. The Minister laughs. That is the attitude of the Government. It has a large majority, so it does not have to pay attention to the Opposition. Government Members can proceed in an arrogant fashion because they have a majority. Many countries have been ruined by that kind of attitude. They simply say that Parliament does not mean anything any longer. They feel that they do not have to listen to Parliament. They can go to committee and invite people to make representations, but they do not have to listen. They do not have to listen in committee. They do not have to listen at report stage. They can steamroll whatever they want through the House.

That is a Government which is doomed to destruction, for all its protestations about consultation. It is a facade, it is phoney. The Government does not want to listen. The Prime Minister (Mr. Mulroney) is simply a Sammy Slick, interested in getting headlines. Real consultation means that there is a response at the end. There has to be a willingness not only to listen but to respond. The Government has absolutely no intention to do that. We have seen this in spades in this Bill—nothing in committee and nothing at report stage. It brings in closure, closes down the House, gets the legislation through and goes ahead and makes mistakes, even though, for all intents and purposes, the Opposition is here to do nothing else but try to help the Government in terms of its own folly and its own mistakes.

We are presenting these amendments to try to ensure that Canadians in the rental market will not be subject to the kind of disturbance in their lives which they faced in the Seaway affair, and to ensure that life insurance companies are at least required to notify the Government when they make foreign investments and collateral arrangements for investment purposes. We are proposing measures to improve the legislation. If the Government is not interested in improvement, it can live with the consequences.

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, I listened with interest to some of the remarks made by the former Minister. I should like to correct the record. For the Hon. Member's information, with regard to the Greymac sale, the number of people affected was 25,000, not 13,000. Those people made submissions to FIRA and to the Liberal Government. They were advised that that sale was none of FIRA's business. They were turned down by the Liberal Government. The tenants then went to the provincial PC Government and were protected by legislation passed in the Province of Ontario.

It is not a matter of what rules we have or do not have. The question is whether or not a Government is sensitive to the needs of the people. The Liberals have proven in the past that even though they had all the rules, regulations and laws in place—they do not care, whereas Conservatives have proven the opposite.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I welcome this opportunity to take part in the debate, but unfortunately, the Minister of State for Small Businesses (Mr. Bissonnette) has left, and that is too bad, since he is responsible for protecting a sector that creates the most jobs in Canada and Quebec.

As all Members of this House are aware, this sector is particularly vulnerable to the impact of foreign investment. I think the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) explained this very well, and I think it is quite easy to understand. If only the Conservative Members would understand there is a real threat to the housing sector. In addition to the threat to the small- and medium-sized business sector, if the amendments proposed by my hon. colleague are not adopted, this may have very considerable repercussions for the housing industry, an industry that is extremely important and essential to all Canadians because after all, everyone needs accommodation.

Mr. Speaker, we know this Government ... Why are we afraid? Why are we proposing amendments? To protect Canadians. It is our duty to protect the men and women of Canada. It is not our role to protect the Government or the Ministers. It is the duty of every Member of this House to ensure that all Canadians across the country, whatever the province, region, town, city or municipality they happen to live in, have the assurance that their homes are protected.

Let us take a look at what the Government has done in this area. It has cut unilaterally the funding for residential rehabilitation assistance. Mr. Speaker, if we look at Bill C-15 and at what this Government has done in the way of cutbacks in its housing program, the question arises whether it is not opening the door wide to speculators. If the Government no longer helps small landlords renovate their accommodation and maintain rents at reasonably low levels, someone is going to offer to take their property off their hands and that someone is foreign investors, who will have plenty of money to invest. However, as soon as they buy up buildings, streets and whole villages, they will completely change the social and economic climate in a community, Mr. Speaker.

I know of a case in the Laurentians where people were sold condominiums that have yet to be built. They have already paid $7,000 each. There must be some form of protection for that which is most important to every Canadian, namely, his home and property. Is there a Member in the House who does not think his or her home is important? I think it is, Mr. Speaker. And I think it is only reasonable to ensure that information is available. It will be too late, when in our ridings or maybe in the riding of the Minister responsible for small- and medium-sized businesses, one day he will wake up to find that a whole block has been bought up by foreign investors who may decide to convert rental accommodation into condominiums and evict the tenants, thus completely disrupting their lives. Is there a way to make at least one or two Progressive Conservative Members aware of this problem, not to make speeches about it here in the House, Mr. Speaker, but to rise in caucus and say: Listen, some things make sense, it is simple and clear, our duty is to protect the people? With respect to this Bill, everybody agrees that we need foreign investments, but I would much rather see Canadian men and women take the lead and assume that responsibility. I am sure that all Members in the House are in favour of programs to help our young people become entrepreneurs to promote Canadian industry and create the jobs we need. It does not mean we should prevent foreign investors from coming here to buy goods and help us grow, but we have to make sure that any development, any investment and any measure taken here meet the needs and aspirations of all Canadians. Mr. Speaker, we in Canada have long-standing traditions in the fields of labour relations and social development. I have in mind a sector which may be threatened if not enough information is made public. Perhaps we should not roll out the red carpet for some investors who might come here and create the odd job, Mr. Speaker, while at the same time doing a lot more harm than the few jobs they might create in the long run would be worth.

• (1650)

I am referring to the social field. Mr. Speaker, Canadians are blessed with the best health care and social security system in the whole world. We enjoy free and universal health care. But, Mr. Speaker, if we lack information and are without means to control foreign investors, what guarantee do we have that those people in every province and every region of the country might not change the systems which Canadians have built up over the years? Speaking of Conservative Governments, it seems that former Premier Miller is having a hard time tonight. His mandate will have been short-lived, and I know he said that he was in favour of extra billing. Mr. Speaker, this shows the influence of people from other countries who are used to two types of medicine, one for the rich and one for the poor. We have to keep a balance in Canada and the amendments moved by my colleague from Winnipeg-Fort Garry (Mr. Axworthy) and by the members of NDP, therefore by two different parties who agree on this matter, should make the Progressive Conservatives more aware of our views, Mr. Speaker. I feel this is important and I trust that some of the Progressive Conservative Members are thinking about it, because the impact will be felt in all our constituencies.

Mr. Speaker, not only do they refuse to listen to reason, not only do they refuse to listen, not only do they refuse to make amendments, but they have now reached the point of imposing closure. Mr. Speaker, they are taking unfair advantage of the majority they won in the last election, and I warn them to be careful. I remember what happened in Quebec when I was a Liberal Member in the provincial Legislature. At one time, there were 102 Liberals and 6 PQ members, but three years later, the Liberals were gone. I warn the Members opposite not to take unfair advantage of their majority because the voters do not like to be muzzled in this place. The House of Commons is the place where the differences of opinion of the people should be voiced. I am happy to see that the Minister of State for Small Businesses (Mr. Bissonnette) is back.

An Hon. Member: He is the best of the lot.

Mr. Malépart: Mr. Speaker, when someone has to say that he is the best, it is because not too many people will say it about him, which means that he is not that good. Mr. Speaker, what I wanted to tell the Minister and all the Progressive Conservative Members is very serious when we see what their Government with its enormous majority is doing by gagging us and passing motions to prevent people from speaking up in the House of Commons.

Second, Mr. Speaker, there were two persons who expressed the views of a number of Canadians on Parliament Hill, namely the peace camp. This Government, early one morning, shamefully sent policemen armed to the teeth to send these peaceable people away. Those people and the rest of the Canadian population will remember.

Mr. Speaker, three harmless persons were chased away early one morning. This Government sent the police after them as though it wanted to arrest criminals. All that was missing was a tank and an F-18.

Mr. Deputy Speaker: The Minister of State for Small Businesses (Mr. Bissonnette) on a point of order. He will probably say that the comments of the Hon. Member are irrelevant.

Mr. Bissonnette: Exactly, Mr. Speaker. How long will we have to listen to such nonsense?

Mr. Deputy Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) has 30 seconds to conclude his speech.

Mr. Malépart: I think, Mr. Speaker, that the previous Minister is in charge of a chicken coop—

Mr. Deputy Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) does not have to speak to the point of order, because I have already ruled on that. He has the floor again to conclude his speech. He has 30 seconds left to do so.

Mr. Malépart: Mr. Speaker, we were having an intelligent debate until the Minister of State for Small Businesses (Mr. Bissonnette) barged in. He thinks he is still in his chicken coop taking advantage of his employees.

Finally, I would like to remind all those people, all the Conservative Members, that in one or two years' time, if the amendments are not passed and nothing is changed, those same people will be crying out loud, but it will be too late then and you will be responsible.

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, this part of today's proceedings is nearly over. As pointed out by some of my hon. colleagues, I have noticed that no Progressive Conservative Member has spoken today. On one of the most important Bills to come before the House of Commons in this session, virtually no Progressive Conservative Member has spoken, with the exception of the Hon. Member for Western Arctic (Mr. Nickerson).

Mr. Towers: If you had been here five minutes ago, you would have heard one.

Mr. Riis: My comments—

Mr. Deputy Speaker: Order, please.

Mr. Binns: Mr. Speaker, I rise on a point of order. If the Hon. Member would allow me as a government Member to speak before five o'clock, he would not have to worry about the point he has just made.

Mr. Riis: Mr. Speaker, unfortunately I heard what the Hon. Member said. I hope he does have an opportunity to share with us his views on this Bill. However, as he will know, the Government has virtually imposed closure on this Bill. The Government has decided that there will be no more debate on the most important piece of legislation to come before Parliament in this session. I do hope he does have an opportunity to speak.

I find it peculiar that although representatives of the NDP and the Liberal Party have stood in their places for the last number of days to pose questions, with the assumption that Hon. Members opposite would rise to attempt to answer those questions, we have heard virtually no response. One can only assume that government Members are unable to answer the questions that have been posed.

Let us deal with the fundamentals of this Bill. Since we in Canada have more foreign control over our economy than most nations of the world, why is it that Members opposite feel that the solution to our problem is to have even more foreign control over our economy? That is not a rhetorical question. It is a reasonable question to pose. I see that the Hon. Member for Okanagan-Similkameen (Mr. King) is present. I expect to hear from him in response to that question within the next two days as there are only two days left in which to debate this issue.

If a debate on foreign control of the economy were to take place in any other Parliament of the world, the place would be in a total uproar at all times. What other country of the world would tolerate a manufacturing sector that is 40 per cent owned and controlled by a foreign country? What other country of the world would tolerate for a moment having 80 per cent of its petrochemical industry owned and controlled by foreigners? No other country in the world would tolerate this; yet the Government says it wants even more foreign control without monitoring what it has monitored before.

The Government says that it does not want any reviews or notification. If sources from Saudi Arabia came to Canada to purchase huge tracts of land or sectors of rental accommodation, the Government would say that that is quite fine. According to government Members, we do not want to be notified of or to have to review such takeovers. We assume that what any

foreign business does in Canada will be good for the Canadian economy and good for the people of Canada.

● (1700)

I could stand here for days and days and list all sorts of very specific instances in which foreign business has not been in the best interest of the Canadian society. Foreign companies have not always behaved in a positive and productive manner in terms of Canada's interest. A number of foreign subsidiaries were operating in my constituency, but they closed down. They closed down not because they were not profitable, not because they were not performing the proper research and development, and not because they could not expand their operations. They closed down because their parent companies, in the United States or in Germany, decided that in their corporate interests, those businesses should be closed. That is not in the best interest of Canada.

Mr. Deputy Speaker: It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Mr. Deputy Speaker: Is there unanimous consent for the House to proceed to Item No. 174?

Some Hon. Members: Agreed.

* * *

INCOME TAX ACT

SUGGESTED AMENDMENT RESPECTING REGISTRATION OF PROVINCIAL AMATEUR SPORT ORGANIZATIONS

Mr. Leo Duguay (St. Boniface) moved:

That the Standing Committee on Finance, Trade and Economic Affairs be empowered to study and report on the advisability of amending the Income Tax Act to permit the registration of amateur sport bodies created under provincial statutes as amateur athletic associations in order that donations to them be treated in the same manner as donations to registered Canadian amateur athletic associations.

He said: Mr. Speaker, the motion I bring before the House today is very straightforward. It is, however, of great importance to amateur sport bodies created under provincial jurisdiction and, in particular, to the young athletes which those associations support. The purpose of the motion is to enable provincial sport organizations to raise funds within a province in a manner which is consistent with that which is already acceptable under the terms of the Act with respect to federal amateur athletic associations.

I would like to compare the national and provincial organizations, and to do so I will read into the record the objects of a provincial sports organization in Manitoba and compare it with the objects of a national sports oranization. One of the objectives of the provincial organization is:

To foster, through the provisions of funding, the development of national and international calibre athletes in Manitoba for all nationally recognized sports.

I would like to compare that with a national organization which has the objective of selecting and training members—and in this case it is the National Ski Team—to represent Canada in national and international competition.

The objective of the provincial organization is:

To assist in the development of proper coaching programs for Manitoba athletes.

The objective of the national organization is to:

Provide guidance, information and assistance to the divisions and zones of the association in respect of these objects and in the development of programs for competitive and non-competitive skiing.

The objective of the provincial organization is:

To promote sporting and recreational activities for all Manitobans.

The objective of the national organization is to:

Encourage support of its programs by the public generally.

I am trying to point out that provincial sport organizations, provincial amateur athletic organizations and their federal counterparts, try to support the same thing, that is, sports in general and young athletes in particular.

In order for the House to understand why I am suggesting that the Act should be amended, I will deal with the structure of the current Act. The current Act states that for the purpose of computing taxable income, a taxpayer may deduct amounts which are applicable under Paragraph 110.1(a), for example, charitable donations or the aggregate of gifts made by the taxpayer in the year to registered charities or to registered Canadian amateur athletic associations.

[*Translation*]

This Section clearly shows, Mr. Speaker, that registered Canadian amateur athletic associations are charitable organizations. The donations they receive are deductible for income tax purposes. This Section must be amended in order to include as well provincial amateur athletic associations.

[*English*]

Certain questions come to mind. The basic question is: What is a registered Canadian amateur athletic association? The definition in the Act states that a registered Canadian amateur athletic association means an association that was created under any law in force in Canada, that is resident in Canada and that has, as its primary purpose and its primary function the promotion of amateur athletics in Canada on a nation-wide basis. Section 149 of the Act further defines amateur athletic association as non-profit associations.

The current Income Tax Act goes out of its way to define, for tax purposes, a registered Canadian amateur athletic association in order to permit it to issue tax receipts as a non-profit organization. The Act goes out of its way to ensure that

national associations operate on a nation-wide basis. However, as I have previously indicated, the objects of national associations and the objects of provincial associations are almost identical.

If we look at the regulations of the Act, we realize that the Act had to go out of its way to ensure that amateur athletic associations, which are regional in nature or provincial in nature, are excluded from giving tax receipts. To redress that discriminatory provision, the following amendments would have to be made. With these amendments, the Income Tax Act would read as follows:

Section 110(8)(b)

"Registered Canadian amateur athletic association" means an association that was created under any law in force in Canada, or any province of Canada, that is resident in Canada, and that

(i) is a person described in Paragraph 149(1)(L)

(ii) has, as its primary purpose and its primary function, the promotion of amateur athletics in Canada on a nation-wide or province-wide basis—

In those two amendments I have added the words "in Canada or any province in Canada" and "on a nation-wide or province-wide basis". Under paragraph 149(1)(L) non-profit organizations would be amended to read as follows:

—a club, society or association that, in the opinion of the Minister, was not a charity within the meaning assigned by Subsection 149(1)(L) and that was organized and operated exclusively for social welfare, civic improvement, pleasure or recreation or for any other purpose except profit, no part of the income of which was payable to, or was otherwise available for the personal benefit of, any proprietor, member or shareholder thereof unless the proprietor, member or shareholder was a club, society or association the primary purpose and function of which was the promotion of amateur athletics in Canada or in any province or Canada;—

● (1710)

The purpose of the amendments is to redress the discriminatory provisions which currently exist, which are designed exclusively to prohibit amateur athletic associations within a province from raising funds for deserving young athletes in their communities.

In 1983-84, the Government of Canada had a substantial involvement in amateur sport. From the Standing Committee on Public Accounts, I discovered that in 1983-84, fitness and amateur sport programs in Canada received contributions of over $29 million toward the administration and project costs of national sport governing bodies to assist in the promotion and development of amateur sport for Canadians. The total contribution of this Government to fitness and amateur sport was over $50 million.

The purpose of my motion, Mr. Speaker, is to try to suggest that the private sector has a role to play in the support of amateur sports associations in this country. If it were given the opportunity to support young athletes in the various regions, it would do so. Then, perhaps, we could consider over the long run having the Government of Canada withdraw its paternalistic support of sports and have the private sector contribute more on a local basis.

It is significant to note, Mr. Speaker, how much the federal Government is involved in supporting amateur sport. Hon Members should understand very clearly that I want our Government to indicate its support in just as categorical a fashion as have previous Governments. Sports organizations in this country are deserving of our support, and it is essential that we give it to them. However, we have a responsibility to try to place the emphasis back on local direction, control and support of athletic associations. The motion which I am proposing would ask the Standing Committee on Finance, Trade and Economic Affairs to study those provisions and see if they can be included in the Act.

[*Translation*]

Mr. Speaker, I am proposing this motion today so that the Standing Committee on Finance, Trade and Economic Affairs can be empowered to study the advisability of amending the Income Tax Act. These amendments would allow donations to provincial athletic associations to be treated the same way as donations made to registered Canadian amateur athletic associations.

[*English*]

Raising funds for local athletes is a lot easier when one is not trying to get a local company to sponsor an athlete it does not know. It is very difficult for a national association to get local companies across the country to agree to give funds to support a national calibre athlete they do not know. In the Province of Manitoba, we have a large number of private companies which would very much like to contribute to the development of local athletes, but they are prohibited from doing so under current income tax legislation. It is my belief, Mr. Speaker, that if we made this change in the Act, we would encourage the private sector to do what it really wants to do in terms of helping young athletes in Canada.

With the 1988 Winter Olympics in Calgary quickly approaching, I think it is high time that we enabled provincial sports organizations to raise funds for the purpose of developing the national and international calibre athletes whom we would want to represent us in Calgary. We currently allow the Canadian amateur athletic associations to be registered, and it is my belief that we should allow the provincial groups as well to be registered.

On September 4, Canadians told us that they wanted to stand on their own two feet. These changes would give them the opportunity to support their own young athletes in the same way as they support national athletes. I think that provincial associations have indicated that they want to do more. The private sector has indicated that it wants to do more. This change would permit these organizations better to support young athletes in this country.

I think all of us share the view that it is certainly a desirable goal to promote young athletes. Therefore, I urge Hon. Members of this House to support this motion by referring the subject matter to committee for further study. We have asked to refer it to committee for further study because we know that the Income Tax Act is very complex and the implications of the changes I have read into the record are far reaching. However, we think the principle of allowing provincial sports organizations and the private sector to help in the funding of

young athletes is well worth the support of all Hon. Members, and I ask for that support.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I appreciate the opportunity to speak today to the motion put forward by the Hon. Member for St. Boniface (Mr. Duguay). Many provisions in the Income Tax Act should be underlined and examined from time to time. The suggestion contained in the motion under consideration gives us a welcome opportunity to take a closer look at the tax provisions with respect to tax-exempt donations to amateur sport bodies, or even to charitable organizations in general.

In this motion, the House is being asked not to judge on its merits the amendment proposed to the income tax provisions respecting amateur sport bodies established under provincial statutes, but indeed to refer the matter to the Standing Committee on Finance, Trade and Economic Affairs for study and report. We are in no way trying to prevent the matter from being referred to the Standing Committee. We do recognize, however, that it might be somewhat difficult for that Committee to add another subject-matter to an already heavy agenda. But it is always possible to set aside some time to look into the matter, and it will certainly be considered in a more thorough and thoughtful way than would be possible in just an hour's debate in the House.

I would like, however, in these few minutes to make a few considerations which I believe should be taken into account in reviewing that suggestion. I am afraid that the public is not very familiar with the present legal status of those amateur sport bodies, particularly with respect to the Income Tax Act. Although this confusion may be understandable generally speaking in relation to some parts of the Tax legislation, the Income Tax Act is fairly clear, simple and specific on the subject-matter of the motion under consideration by the House.

Under the Act, donations to registered Canadian sport bodies are tax exempt. Such associations are defined under Paragraph 110(8)(*b*). It must be a non-profit body, also a body which, and I quote:

—has as its primary purpose and its primary function, the promotion of amateur athletics in Canada on a nation-wide basis.

Any sport body that meets those requirements may be registered quite easily with the Department of National Revenue, and may thereby receive tax-deductible donations.

As our colleagues will note, that definition in no way specifies that the sport body must have been set up under a provincial or federal statute. This means that a sports organization created under a provincial statute definitely can be registered, provided its purpose is to promote amateur athletics in Canada on a nation-wide basis.

The motion now before the House refers to the registration of amateur sport bodies created under provincial statute. Under the current provisions of the Act, such organizations may in fact be registered and receive tax-exempt donations, provided the amateur sport body so created under provincial statute is active on a nation-wide basis. It does not have to be established under a federal statute.

What about amateur sport bodies created under provincial statutes that are only operating on a provincial or regional basis? Are they excluded outright by the current provisions of the Income Tax Act? Not at all. A registered Canadian amateur athletic association may, at will, use tax-exempt donations it receives to grant financial support to provincial amateur sport bodies. In fact, many of our amateur sport bodies are grouped under national federations, and this allows for such a circulation of funds. In the final analysis, the only general requirement that must be met by the organization receiving tax-exempt donations, is to operate on a national basis, directly or through a federation.

Another provision of the Income Tax Act also applies. Section 168(1)(f) provides that the Minister may revoke the registration of a registered Canadian amateur athletic association that accepts a gift or donation the granting of which was expressly or impliedly conditional upon the association making a gift or donation to another person, club, society or association.

The barring of conditional donations merely reflects the general spirit of the Act. For example, a provincial sport body could not launch a financing campaign under which donations would be made to a registered Canadian amateur athletics body if, mandatorily or because of some underlying agreement, all those donations should end up in the coffers of that provincial body. That kind of apparent loophole could allow getting easily around the obligation for a registered Canadian body to promote sports on a truly national basis.

• (1720)

To sum up, the Act quite explicitly allows a provincial amateur sport body, member of a Canadian sport federation, to receive from that federation funds obtained by way of tax-exempt donations.

After all, it should not be that difficult for our provincial amateur sport bodies to join a national sport federation. Since Canada is a political federation, such a federal approach should not be that unusual when it comes to Canadian sport bodies. That form of organization may require from those bodies that they be willing to make compromises of course to harmonize certain local aspirations with the national general interest, but that aspect is inherent in a federation such as ours, and should not be a problem for us Canadians, whether on the political or athletic level.

This is not the only area where under the Income Tax Act a federal organization which operates at the national level can

take advantage of a tax arrangement which is denied to its provincial counterpart. The tax credit which can be applied to donations made to political parties is another case in point. Our Canadian Parliament has already decided that this credit should be granted when a taxpayer makes a donation to a federal as opposed to a provincial political party. No doubt that one of the main reasons for this decision has been the understandable firm belief that the federal Treasury should only support federal parties and that any financial support given to provincial parties should come out of provincial Treasuries. Similarly, it could be argued that the same principle should apply to provincial organizations dealing with amateur sport. On the other hand, if we decide to exempt from tax donations made to provincial sport organizations, are we prepared to be consistent and to apply the tax credit granted to federal political parties to donations made to provincial political parties, whether or not they believe in federalism?

I would like to deal now with a more general matter which might be implied in the motion of the Hon. Member for St. Boniface (Mr. Duguay) although not clearly stated. This question is as follows: Under the Income Tax Act should direct donations to provincial amateur sport organizations be tax exempted? If so, the National Revenue Minister (Mr. Beatty) should allow these organizations to be registered, even if they only operate at the provincial level.

I would humbly suggest that, looking at it that way, we will soon discover that the questions become more difficult and the answers much less obvious. What factors would have to be considered? The increase in the costs to the federal Treasury is certainly one of them. It is impossible at least for the time being to fix an exact figure on the costs involved. Obviously, there would be a major increase in the number of sport organizations collecting funds from the public thus accepting tax exempt donations. The cost of this tax arrangement would increase significantly. Hon. Members will no doubt wonder if it would be justified to let the federal deficit grow bigger when the cost of our public debt is already too high.

The Hon. Members will also surely want to examine if indeed there are provincial athletic organizations with urgent financial needs that warrant such a measure and should take precedence over other equally justified applications for funds made to the federal treasury. It is not necessary to list those applications here. We hear about them every day. Considering the substantial federal deficit, we have to set priorities since obviously the federal Government cannot hope to respond favorably to all applications for financial assistance however deserving they may be.

In that context, it would perhaps be relevant to consider also to what extent provincial amateur sport organizations take advantage of those large lotteries under the sponsorship of the provincial governments.

I think that the Committee on Finance, Trade and Economic Affairs could also consider in what way the proposed amendment would fit in the comprehensive federal policy on assistance to amateur sport. Such an aspect of the issue goes beyond tax policy considerations since the amendment advocated would unavoidably influence the organization and general financing of sport in Canada. In the context of a review of that extensive issue it could be useful to study the present Income Tax Act and the general direction taken in that regard.

One of the important elements coming out of a study of the relevant clauses of the Income Tax Act is that such a legislation makes a clear distinction between registered Canadian of amateur sport associations and charitable organizations. The gifts made to one or another of those organizations could obviously be tax free, but it is equally obvious that the tax legislation does not consider amateur sport associations as charitable organizations.

The Income Tax Act defines the words "Registered Canadian Amateur Sport Association", but does not indicate what is a charitable organization, a charitable activity or a charitable goal. Generally speaking, the legal position in that regard has been to use the Common Law definition, that is an organization that tries to relieve poverty, to propagate a religion, to promote education or something else for the good of the community. Legislators seem to have tried to apply to charitable organizations criteria allowing them to receive tax-free donations, but they made sure local and provincial sport organizations would not fit in that category. The same distinction is to be found in the Income Tax Act regarding the specific definition of activities for which a registered charitable organization is allowed to spend money. One of these goals is to help "recognized donors" which include registered Canadian amateur sport associations. However, a provincial athletic organization which cannot be registered under the Income Tax Act cannot get any type of financial assistance from a charitable organization. Therefore, the legislation makes a clear distinction between charitable organizations and amateur sport associations dealing only at the local or provincial level.

The most important possible reason for this distinction may be that charitable organizations usually work for other people while most amateur sport organizations take care only of their members.

We know that each year Revenue Canada receives some 3,500 registration requests from organizations wishing that donations given to them be tax-free. Approximately 10 per cent of these requests are turned down and these come mainly from organizations which are not really charitable organizations, but whose goal is rather to promote the direct or indirect interests of their own members. Of course, that does not mean such a goal is unacceptable. I hope however that Hon. Members will want to make sure these organizations have good reasons for claiming the tax status given to charitable organizations.

To conclude, we would like to thank the Hon. Member for St. Boniface for raising this matter in the House and suggesting it should be studied further by the Standing Committee. I hope my remarks helped Hon. Members to understand some financial matters which the Committee could study with the other points raised more directly by the Member for St. Boniface.

• (1730)

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I wish to commend the Hon. Member for St. Boniface for introducing this motion, for considering this most important issue which I feel is all the more important since I heard the Parliamentary Secretary so beautifully read out the well-written speech that was prepared by the people in the Department.

Mr. Speaker, I am shocked whenever I heard someone make a distinction between charitable organizations and sport organizations that look after their members—

Mr. Speaker, it is most outrageous. I have had the experience of a similar case. A baseball organization in my riding was asking for leave to issue receipts for charitable donations for the purpose of helping young people practice their favorite sport not so they would train to play some day for the Expos, but to stop juvenile delinquency and prevent youngsters from hanging around on the streets. The reply I received from the Department read just like the one the Hon. Member mentioned in his speech. Is it not a charitable purpose for an organization to look after its members? I commend the Hon. Member for St. Boniface because Members will have to express in that committee the wishes of the population they represent. The old legislation still applies.

How was charity defined fifty or sixty years ago? Things have changed since that time. We all have in our ridings athletic, recreational and social organizations at the provincial as well as the local level. The Parliamentary Secretary should tear up the speech he has just read and throw all the pieces back at the public servant who wrote it. We do not want any more replies of that kind. No more! Tenants' associations in Montreal and Quebec City were refused a registration number that would have allowed them to issue receipts for charitable donations. The United Appeal in Montreal refuses to grant them money because those associations are not registered as charitable organizations with the federal Government, Mr. Speaker.

Tenants' associations defend those people that are least organized, and then the Minister of Finance comes around and tells us that they are not charitable organizations. But what do you do when you help people? Is that not charity?

I think it is important that this committee . . . And I congratulate the Hon. Member for St. Boniface, but the Hon. Member for LaSalle (Mr. Lanthier) gets no praise for having read his text, for having stuck to what the public servant told him to say. He must be reminded, as every members in this House, that he has been elected to say what must be done, not to read what public servants tell him to say. In that area, it is very important for all the young of this country, and not only for the organizations at the national level, not only for sport organizations, recreational organizations, cultural organizations, community organizations throughout this country, at the local level, in every village, in every city, in every parish, that they be entitled to some benefit when they try to raise funds.

If we did not have in Canada those thousands and thousands of unpaid family men and women to work in all those organizations, what would happen? The government could never pay the cost for all that manpower, all the quality and all the dedication of those people. It would cost a fortune. Compare that with the parliamentary secretary's answer which was prepared by officials in the Department. It is totally unacceptable to tell those people: Sacrifice yourself, spend your money to help the youth, to help senior citizens, to help tenants, to help needy people. Sacrifice yourself, spend money from your own pocket. But don't come to us asking to be entitled to issue tax receipts as a registered charitable organization for your fund raising campaigns. We, the federal government, deal with big concerns. We, the federal government, are above all that; $56 millions to change the colour of soldiers' uniforms, that's our business. That's no way to talk to citizens. The Hon. Member for St. Boniface knows them, he knows the local organizations at home, as evidenced by what he is asking for, Mr. Speaker. And I will have to go around with the Hon. Member for LaSalle to remind him that there are in his constituency organizations which need that help to finance themselves.

Mr. Speaker, the Minister of Finance is going . . . the Parliamentary Secretary or aspiring Minister of Finance is going to try to defend us. Here, we agree; there are hundreds of people who earn $100,000 and who manage not to pay a penny in taxes. No problem. This is money not received by the government. No problem. There are tax havens for the better off people, and it costs $18 billion to Canadian taxpayers. No problem. But the previous speaker was a Conservative member, not a Liberal, not a member of the NDP, an Hon. Member from the same party as the Hon. Member for LaSalle. We should figure out the costs. How much is it going to cost to give a mere $500 for organizations? They are poor. So who cares? The Conservative government is not interested. No. When multinational companies come here they are greeted with open arms, with champagne; the door is wide open. That is what is called class. No, Mr. Speaker, I congratulate the Hon. Member for St. Boniface. I know that in each of our constituencies, and I am convinced that every Hon. Member is going to hear about it when they go back to their constituencies over the weekend because I am going to make sure that all

sport and recreactional organizations remember that their Member of Parliament said: No, we are not going to study that. You do not need financing. Manage on your own. No, Mr. Speaker. Those organizations play a very important role in Canada, and I think it is very important not only that the committee examine that matter in order to give the same privileges to sport organizations at the provincial level but that we also consider sport, recreational, cultural, social organizations at the local level, Mr. Speaker.

When I see this government, the Prime Minister (Mr. Mulroney), the Minister of Finance (Mr. Wilson), the Minister of "social injustice", the Minister of National Health and Welfare (Mr. Epp) in Canada, supported by the Parliamentary Secretary, the Hon. Member for LaSalle (Mr. Lanthier), I ask the question: Do the Canadian people want to go on paying for tax benefits, tax havens which cost billions of dollars and which benefit the rich? That is the question. Can we go on like this, Mr. Speaker?

In conclusion, I wish to congratulate the Hon. Member for St. Boniface (Mr. Duguay). He can count on the support of Liberal Members against people like the Parliamentary Secretary and the Hon. Member for LaSalle who, without stating his opposition, has eloquently read the speech prepared by a public servant. I look forward to hear a speech of his own some time, stating what he really thinks, and to study the matter and to help all these organizations, all these voluntary people, because they play an important role for our youth, for older people, for people in the cultural area. I think it is very important to agree to the motion before us, Mr. Speaker.

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, that is quite an act to follow. I congratulate my hon. colleague, the Member for Montreal-Sainte-Marie (Mr. Malépart). I also want to congratulate the Member for St. Boniface (Mr. Duguay) on bringing forward a motion that is long overdue. Sports and athletic organizations play an important role in the communities, small towns and rural areas of Canada.

There is usually no assistance from the federal Government for these groups. People in the communities should be encouraged to support these very worth-while organizations, whether in amateur hockey, soccer, baseball, fastball, gymnastics or riding schools. These organizations provide a legitimate outlet for people who are genuinely interested in pursuing some form of sports or athletic activity. An incentive could be provided through the tax system by identifying these organizations as legitimate charities to enable donors to receive a tax benefit. There is no one in the House who would say that these organizations do not provide good work in their communities.

I am concerned that once this motion passes through the House and is referred to the Standing Committee on Finance, Trade and Economic Affairs, that will be it. From what I have heard in the few short minutes during which we have debated this motion, I can say that government Members will vote against this Bill because we cannot afford it. They will say that we cannot afford the few millions of dollars that it will cost the federal coffers to assist thousands of small communities of Canada to build up their amateur sports organizations. I can hear them saying it now, Mr. Speaker. If that is not the case, I will eat this paper on my desk when the motion returns to the House in the form of a Bill. That is a promise. I just cannot believe that Members opposite will volunteer to spend additional money.

I phoned the Department of Finance today and asked what they thought of this motion. They said that they have some concerns because of the tax expenditure aspect of it. They said that since we have a big deficit in the country we cannot afford these things, but that they would look at it.

• (1740)

Mr. Comeau: Who did you talk to?

Mr. Riis: I talked to officials in the Department of Finance, to respond to the Hon. Member.

However, there has been no discussion about the fact that the Government falls all over itself trying to raise a few tens of millions of dollars to help out a bank when it gets into trouble. Also, it can find a few million dollars overnight in order to help a trust company.

What about a corporation like Domtar? That is a profitable organization but it wants a few tens of millions of dollars. Yet the Minister of Regional Industrial Expansion (Mr. Stevens) can find that amount of money overnight for a corporation that is not in financial difficulty. I could go on and on with more examples.

Corporate tax expenditures alone cost the taxpayers of Canada in excess of $18 billion. When we talk about corporate tax expenditures in this country, we are not talking about small or medium businesses, because 80 per cent of the $18 billion goes to 1 per cent of the companies in Canada. We know that those companies are ones like the Bank of Montreal and Imperial Oil. My hon. friend, the Member for Montreal-Sainte-Marie, has already indicated that although many banks make hundreds of millions of dollars in some years, they pay no tax. Individuals who earn in the vicinity of $500,000 a year pay no tax. However, Hon. Members opposite say that we cannot afford to provide assistance to the small athletic organizations in our communities. They say that we cannot afford to provide assistance to small business in the country.

However, let us look at the reality of our corporate tax expenditures. The businesses that often support athletic organizations in our communities are almost inevitably the corner stores and small plants in our towns. They are the ones that come up with the $100 donations and sponsor the Little Leaguers with their baseball uniforms. The multi-nationals cannot afford it because they must balance their balance sheets on a quarterly basis. Essentially, the small business sector is being penalized by our corporate tax expenditure system. When these organizations request support, I suspect that the Government says that it cannot afford to provide assistance.

I want to congratulate the Hon. Member for St. Boniface. I believe this particular motion is long overdue because it identifies a critical component of Canadian society—the sporting and athletic component—which provides our young people with an outlet for their energies and creative talents through participating in competitive or non-competitive sports. Competitive and non-competitive sports could include amateur hockey or baseball as opposed to gymnastics.

This motion provides parliamentarians with an opportunity to assist this vital sector of our society. As the representative of the New Democratic Party, I look forward to our discussions in committee as we find a way of enacting this motion into legislative form. I guarantee that the NDP will support this motion at every stage of its evolution.

Mr. Brian White (Dauphin-Swan River): Mr. Speaker, I also take pleasure in rising in the House today to lend my support to Motion No. 174, moved by my friend and colleague from Manitoba, the Hon. Member for St. Boniface (Mr. Duguay).

The purpose of this motion is to enable provincial sports organizations to raise funds for purposes of developing national and international calibre athletes within the province. This could be done in a manner which is consistent with that which is already acceptable under the terms of the Income Tax Act with respect to federal amateur athletic organizations.

As my friend from St. Boniface has mentioned, the portion of the Act in question is Section 110(1)(a) dealing with charitable donations.

At present, sports activities are not deemed to be charitable in nature and thus, a non-profit sports organization cannot register as a Canadian charitable organization for income tax purposes. Any qualifying organization, in accordance with the Act, must have, as its primary purpose and function, the promotion of amateur athletics on a nation-wide basis. According to paragraph (a), an organization which purports to operate for the improvement and development of sport must qualify as a Canadian amateur athletic association in order to be eligible for registration and therefore to be able to issue tax receipts to donors.

A Canadian amateur athletic association by definition includes federal associations but does not include their provincial counterparts.

If the legislation could be amended, as it would be following the recommendation under Motion 174, it would make it such that provincial associations would be eligible to issue tax receipts for donations received. I think everyone would agree that if such provincial amateur sports organizations could issue tax receipts, then funding for them would increase substantially. In other words, even though the amendments recommended today are quite simple and straightforward, the impact on provincial and local sports associations would be tremendously positive.

Amateur sport at the local level has played a very large role in my life as it has in the life of my colleague from St. Boniface. My involvement as a participant as well as the many years that I have spent coaching at various levels have shown me how important sports activities and associations are to young athletes, particularly activities and associations at the provincial and the local level.

The very existence of Section 110(1)(a) of the Income Tax Act shows that the lawmakers of Canada also believe in the development of amateur sport and in its importance to our country's people.

We must begin building a solid base in this country for sport, one that is accessible to all Canadians, not just a select few. In order for an amateur athlete to benefit from the present legislation—and the benefits are quite real—he or she must reside in a major populated area of our country. In other words, a dedicated, talented amateur athlete from my riding of Dauphin-Swan River in west central Manitoba is at a disadvantage right from the start. He or she does not have access to the funding and thus does not have access to the facilities and training that this money can buy. There are athletes who succeed in overcoming the barriers, but they have to be enormously gifted young people. Still, the question remains: How many others, given the opportunity, could have enriched their lives through amateur sport?

I am speaking about a very fundamental principle of Canadian life. I want my children and my neighbour's children to have and to enjoy the same opportunities as does another person who happens to come from a certain part of the country that is more heavily populated. I believe that the development of our young athletes can be quite successful at the provincial and local level as well as at the national level.

The creation of a sound provincial and local sports structure encourages all Canadians to participate and to compete. This infrastructure will not only provide an opportunity for all amateur athletes to partake in healthy sporting activities but will also create a sports pool of athletes from which our future sports stars will rise. This is our Government's interpretation of what a sports pool should be. It is not a gambling sports pool lottery but the creation of a pool of athletes.

The people of Canada must work together at the community level to develop amateur sports. It must be a community resource. It must become a community adventure. The amateur sports enthusiasts want a strong structural base for sports for all the people of Canada.

At present, funds are being spent to develop a select few athletes in the hope that they will become international sports stars. I am holding the 1983-84 annual report of Fitness and Amateur Sport of Canada. Let me illustrate some examples by reading from the summary of contributions in the annual report. In that year, for instance, the Canadian Amateur Basketall Association received over $880,000; the Canadian Amateur Diving Association received just under $400,000; the Canadian Amateur Football Association received close to $225,000; the Canadian Amateur Rowing Association received $653,000; the Canadian Amateur Speedskating Association received $575,000; the Canadian Amateur Swimming Association received over $1,100,000; the Canadian Association of Sports Sciences received $115,000; the Canadian Council for

Children and Youth received $17,000; the Canadian Curling Association, a sport with which I am familiar myself, received close to $75,000; and the Canadian Field Hockey Council received $45,000. These are amounts which associations at the provincial or local level would be more than happy to receive to form that base and pool of athletes of which I spoke. The Canadian Gymnastics Federation received over $750,000; the Canadian Institute of Child Health received $64,000; the Canadian Ladies' Curling Association received $107,000; the Canadian Old Timers' Hockey Association received $65,900; the Canadian Racquetball Association received $140,000; the Canadian Ski Association received $103,000; and the Alpine Skiing Division of the Canadian Ski Association received $1,161,000.

● (1750)

I would like to mention just a few more examples, Mr. Speaker. The Canadian Volleyball Association received $653,000; the Canadian Women's Field Hockey Association received $421,000; Curl Canada received $93,000; Lawn Bowls Canada received $92,000; the National Karate Association received $64,000; the National Sport and Recreation Centre Incorporated received $4,300,000; Participaction received over $1.5 million; and the Royal Canadian Golf Association received $55,000. The list goes on and on.

As you noticed from the list, Mr. Speaker, these are all Canadian federal associations. None of this money is being spent at the local and provincial level to develop our athletes and create that solid base that can make Canada a truly international force in amateur sport.

As I mentioned, virtually nothing is being invested at the local level for our local amateur athletes. If we can work toward establishing a strong and solid sport base in Canada, the huge amounts of money that I mentioned earlier need not be spent only on a select few. A wide national sports base will make it such that the cream will naturally flow to the top.

I have to say also that my hon. friend, the Hon. Member for St. Boniface, has been much too modest in his remarks today. He has played a very strong role himself in the development of amateur sport in our great province of Manitoba. It is because of dedicated people like my hon. friend from St. Boniface and the thousands upon thousands of others who dedicate much of their lives to the service of local sports organizations, both provincially and at the local community level, that the federal Government must support and encourage the development of a better structure. I believe that a better structure would flow from Motion No. 174 brought forward by my colleague and friend from St. Boniface, Manitoba.

In order to develop this structure for sport, Parliament must put in place the machinery which would allow provincial sports organizations to raise the money more easily.

As is presently the case with federal amateur athletic associations, provincial sports organizations should likewise be eligible for registration numbers. It only seems logical to me that they, like their federal counterparts, should be eligible to issue tax receipts with respect to donations received. This is why I urge this House to refer this matter to the Standing Committee on Finance, Trade and Economic Affairs for further study.

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

Some Hon. Members: Agreed.

Motion (Mr. Duguay) agreed to.

Mr. Deputy Speaker: Is there unanimous consent to call it six o'clock?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

YELLOWHEAD HIGHWAY—REQUEST FOR DESIGNATION AS NATIONAL HIGHWAY

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I rise to take part in the adjournment debate this evening on an issue of great importance to many people, not only to the western Canadian Provinces of Manitoba through to British Columbia but to my own town of The Battlefords, Saskatchewan, and many communities that extend across our great western area of Canada.

The issue I would like to address is the status of the Yellowhead Highway. This highway is western Canada's major interprovincial highway. It spans over one-half of continental Canada and is over 3,106 kilometres in length. It begins in Winnipeg, Manitoba, connects with Merritt and Prince Rupert, B.C., and extends to the Queen Charlotte Islands.

As early as the 1870s, Sir Sandford Fleming identified the Yellowhead Pass as "the most accessible route through the Rockies to the Pacific Ocean". Many of us who were raised and grew up along the Yellowhead Highway have seen this highway as one of the most basic forms of communication. Before the emergence of the electronic mass media, even before there were telephones or telegraphs, the most basic form of communication was the roadway. Those of us who have lived along the Yellowhead Highway see this as an integral part of communication. A highway transports people across western Canada and, in areas like my home town, it encourages a high degree of tourist travel and encourages people to stop and to stay awhile to enjoy northwestern Saskatchewan and the rest of western Canada.

There is the concern that I have raised in Question Period of the federal Government's commitment to the Yellowhead

Highway. This highway, although recognized by many travellers as one of the foremost major methods of road transportation in western Canada, is not officially designated for federal assistance. For that reason, there has not been a commitment by the federal Government in the past to provide funding to build twin lanes on this very important highway.

In my community of The Battlefords, which is a major stopping point on the Yellowhead Highway, an average of 5,750 vehicles travelled through it in 1983 when the last statistics were taken. This made our community the second most travelled community behind Saskatoon on the Yellowhead Highway. It gives great credence to the claim by many of us that the Yellowhead Highway for western Canadian travel is now surpassing the Trans-Canada. The Trans-Canada, of course, is recognized presently by federal initiatives and federal funding.

There is an organization called the Yellowhead Highway Association that represents over 100 rural municipalities and counties and towns and cities that lie along the Yellowhead Highway. The Yellowhead Highway Association has been very actively involved in recent years—with the Progressive Conservative Government of 1979, with the Liberal Government thereafter, and now with our new Government—in talking with Members of Parliament and Ministers of Transport about the importance of the Yellowhead Highway to the economy, tourism and growth of western Canada.

• (1800)

I would like to put forth, with the strongest degree of conviction, my belief in why the Government must see to it that the Yellowhead Highway is designated as a national highway and, further, that there is some funding committed for the twin-laning of this highway. I recognize, along with many good and concerned Canadians in the Yellowhead Highway Association, that the degree of federal involvement, given limited financial resources, is something that will not happen tomorrow or the day after. However, I would like to request of the Government that every serious consideration be given to designating the Yellowhead Highway as a national highway and to securing the much needed funding.

When one looks at the Yellowhead Highway and the service it has provided to the people of western Canada, one discovers that the Yellowhead Highway Association goes back to 1921. Over 60 years ago people recognized this highway for the good means of transportation that it was, and it has been for over 60 years that people of the western Canadian towns and villages have asked the federal Government to do something about it. The Yellowhead Highway, among many other gains and benefits which it provides to road travellers in western Canada, also provides a very good means of transportation through the Rocky Mountains. Having travelled this road many times, I can attest for those who have not had the opportunity to travel it that it is indeed one of the most scenic routes through western Canada. The Trans-Canada Highway in the 12 years from 1970 to 1982 was closed for a total of over 2,000 hours because of snowslides and snowfalls, whereas the Yellowhead Highway was closed for 50 hours. Obviously we see the benefit of mountain travel and regular, consistent travel which adds to the movement of goods and services, to tourism and to the basic link of communication, people being able to see one another throughout western Canada and taking advantage of one another's offerings, lifestyles, businesses and communities.

I ask the Government to give very serious consideration to the designation of the Yellowhead Highway as a national highway and to give every consideration to the much needed funding.

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I will answer the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) in the name of the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall).

The Yellowhead Highway is a link of the primary highway network and is becoming increasingly important to economic development in the western provinces. The highway runs from Portage La Prairie, Manitoba, to Prince Rupert, British Columbia. It follows a more northerly route than the Trans-Canada Highway and passes through Saskatoon, Edmonton, Jasper National Park and Prince George. A southern arm branches off the main route near the British Columbia-Alberta border at Tête Jaune Cache and terminates at Kamloops.

For several years the Yellowhead Highway Association, an interest group composed of communities located along the Yellowhead Highway, has made representations to have the highway upgraded under a federal-provincial cost-shared arrangement.

The Hon. Member will remember that the Government undertook discussions in 1979 with the four western provinces which sought agreement in principle for a multi-year Yellowhead Highway improvement program worth $120 million, with costs to be shared on a fifty-fifty federal-provincial basis. The Liberal Government chose not to pursue these discussions.

At the present time there are no federal-provincial highway agreements in place under which federal funding could be provided for the upgrading of this highway. In fact, all existing federal-provincial highway agreements are under review. These, too, are subject to the economic parameters within which we must work.

Indeed we are fortunate to have the present Minister of Transport (Mr. Mazankowski) note this worthy debate as he had a long and positive relationship with the Yellowhead Highway Association, and I am sure we can look forward to further productive discussions on this subject.

• (1805)

[*Translation*]

SOCIAL SECURITY—BENEFITS FOR WIDOWS AND WIDOWERS AGED 60-64—EXCLUSION OF SINGLE, DIVORCED AND SEPARATED PERSONS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, on November 30, I asked a question to the Right

Hon. Prime Minister regarding Bill C-26. I recall that at the time, the legislation had not been tabled. It had been announced in the Throne Speech, and the economic statement that the Canadian Government intended to extend the spouse's allowance to single people but that unfortunately, it would only apply to widows and widowers, which was discriminating against older people who are single, separated or divorced and who have the same needs. I would like to quote the answer given by the Right Hon. Prime Minister:

I can inform the Hon. Member that our objective is to help those people in our society who are most in need, and I think that is the basic purpose of any decent social program in this country.

Mr. Speaker, we believe there is a real need for such measures among people between 60 and 64.

Mr. Speaker, at that time, the Prime Minister agreed to my request that the spouse's allowance should be extended to single people who are in need and whom he mentioned in his answer. He made no distinction between widows, widowers, single, divorced and separated persons. At that time, the Prime Minister agreed to the statement of the Canadian Welfare Council in its report of March 1985, where it said about the poverty level:

Single older people, those who are living alone or in a household where they have no relatives, have a greater chance of being poor. Recent data indicate that about 56 per cent of them, or 434,000, are poor. Almost half of women who are heads of single parent families live at poverty level.

Mr. Speaker, the Prime Minister had indicated at the time that the aim of his Government was to provide help to all Canadian men and women between 60 and 64 years of age who needed it the most, without differentiating between widows and widowers. What has happened, Mr. Speaker? Something entirely different. The Minister of National Health and Welfare has introduced a Bill which unfortunately restricted to widows and widowers the spouse allowance program which made it possible for these people who, year after year, had worked, paid income taxes, raised children and contributed to society, to get off welfare. This Conservative Government penalizes a great many Canadians, the vast majority of them women, simply because they have remained single or have been forced to separate. There is no more pitiful case than that of the poor woman abandoned by her husband and who must raise alone five or six children, provide them with a good education, and who is told, at 60, that she is not eligible to the spouse allowance because she could no longer stand her husband. I feel sorry for the Hon. Member who will have to deliver such a message in his office should this legislation not be amended, Mr. Speaker.

Last week, I talked about 80,000 people in need, according to the Department's own estimate, but the Minister of National Health and Welfare (Mr. Epp) questioned those figures at that time. I have them here, Mr. Speaker, and I say again that 80,000 needy persons between the ages of 60 and 64 are not being taken care of. Of this number, 37,000 separated persons will not be looked after and 45,000 single persons will be penalized if the Government maintains its position and does not revert to its former response as given to me on November last by the Prime Minister.

Government Members often stated that it is a matter of money, that they have no choice because of the deficit. But no Conservative Member ever rose to question the Government's financial capabilities when it became known that the Western Accord would cost $2.5 billion. Even they did not know what that accord was all about but they did applaud it all the same. Not one of them suggested that our deficit was too high. No one stood against changing the colour of the armed forces' uniforms because it would cost $56 million. I repeat that no Conservative Member opposed such actions or mentioned the deficit for that matter.

• (1810)

But when it comes to helping people in need, those who live on $430 a month, Mr. Speaker, they say that the cupboard is bare. Those are not wealthy people, Mr. Speaker, and the proposed increase would only provide them with $536 monthly. Such an increase is not likely to make them millionaires but the Conservative government is opposed to it. As far as they are concerned, they are only prepared to help one group of the population.

I did mention earlier that this government, the Minister of Finance (Mr. Wilson), the Prime Minister (Mr. Mulroney) and the Minister of National Health and Welfare (Mr. Epp) were indeed considering the costs of our social programs. The Conseil du patronat and spokesmen for the multinationals have been talking about the deficit, claiming that social programs must be watered down because they cost too much money, Mr. Speaker, but nobody talks about tax shelters.

There are tax benefits for people who contribute to Registered Retirement Savings Plans. But the head of a family or a mother who earns $35,000—or even if both work every week and earn about $40,000—cannot set aside 10 or 20 per cent of their income to contribute to an RRSP and reduce the tax load. Poor people cannot afford to do that. It is always the same class of citizens who can take advantage of it.

Mr. Speaker, I am anxious to hear the reply of the Parliamentary Secretary. Perhaps she will tell me that, as we are speaking, the Prime Minister has reconsidered the decision he mentioned in his first answer. He told me that elderly people between ages 60 and 64 are most in need, that those are the people he wanted to help without discriminating against people living alone and those who are separated.

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the proposal to extend spouse's allowance to all widowed individu-

als aged 60 to 64 was a definite commitment made during the election campaign.

Nobody denies the fact that this group has been identified as one of the most vulnerable groups amongst all the 60 to 64 year olds who are not yet entitled to pension and need help. What surprises me is that a parliamentary task force on pensions, set up in previous years, has produced a report which recommended the measure we just passed. The Hon. member for Montreal-Sainte-Marie (Mr. Malépart) is so interested in social affairs that I suppose he was a member of that task force.

Mr. Malépart: No.

Mrs. Bertrand: That surprises me. I thought he would have been.

Then, I inform you that your committee, this task force set up by your party, proposed that very same idea. There is a real and urgent need to help that group, given the fact that more than 60 per cent of widows and widowers aged 60 to 64 would be eligible to the spouse's allowance program whose benefits are income tested.

The proposed measure will do away with the discrimination against widows and widowers aged 60 to 64 which exists in the present Old Age Security Act. As you know, at the present time, spouse's allowance is only paid to widows and widowers aged 60 to 64 who were in receipt of that allowance before their spouse died.

In brief, this appears to me as a logical means of helping further some people in need, before they are entitled to a pension. About 85,000 people, mostly women, will benefit from that measure as of September 1985, when it becomes effective.

However, I admit that other groups in that same age bracket have financial difficulties. But, we have such fiscal constraints that we must set priorities. I hope the Hon. Member for Montreal-Sainte-Marie is not suggesting that we refrain from helping widows and widowers in need as long as the government cannot give the same help to all people in need who have not yet reached retirement age. And as I said before, the government does not have the means to do so.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 2(1).

The House adjourned at 6.15 p.m.

HOUSE OF COMMONS

Friday, May 3, 1985

The House met at 11 a.m.

● (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PROVINCIAL AFFAIRS

ONTARIO ELECTION RESULTS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the Liberal Party is alive and well and proving in Ontario that the path of moderation is the new direction Canadians want from government. The Liberal victory in Ontario—and it is a victory as more people voted Liberal than Tory—is a victory of the common person over the big machine. It is a victory of every-day people over a regime that thrives on patronage and polls. The people of Ontario refuse to turn back the clock to allow right-wing Conservatism to undo the progress of people politics and social responsibility.

The people of Ontario made it clear that they want a Government that will look after their needs and interests rather than be a bit player in orchestrated love-ins manipulated by the boss of all Tory bosses, in Ottawa. Tory platitudes will not be accepted as a disguise for boardroom policies or no policies at all. Only one Party offers the dynamic leadership and meaningful programs which can seriously address unemployment and economic development in a manner that is fair and equitable to all. That Party, of course, is the Liberal Party of Ontario.

The days of Tory Government composed of yes men with vested interests are over in Ontario. At the same time, the sands of time are beginning to run out on the Tory Government in Ottawa.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

FUNDING OF CO-OPERATIVE HOUSING

Mr. Dan Heap (Spadina): Mr. Speaker, Canada's co-operative housing movement is being undermined by the combined actions of the Minister of Labour (Mr. McKnight), who is responsible for housing, and of some private-profit builders. Last year the Prime Minister (Mr. Mulroney), who was then Leader of the Official Opposition, blasted the Liberal Government for cutting co-op housing allocations by 40 per cent. At that time he said:

> The Progressive Conservative Party finds it inexcusable that the Liberal Government should cut back funds for the co-operative housing program . . . Co-operative housing will continue to have a high priority in Progressive Conservative policy for housing.

What a phoney. The Minister of Labour has already cut co-op housing funding. In Nova Scotia, Newfoundland, Ontario, Saskatchewan, and British Columbia, CMHC is cancelling co-op projects. These projects are mostly sound ones begun by well established co-op groups with a good record of producing housing within CMHC budgets. Yet, after encouraging these groups to spend their volunteer time and in some cases enter into contracts to buy land or to build, CMHC has suddenly cancelled approval for the projects.

After CMHC approval is cancelled, housing allocations seem to be handed over to fly-by-night, so-called non-profit groups which have cosy relationships with private-profit builders. Shame on the Prime Minister for flagrantly breaking his election promise and for helping to destroy the co-op housing movement in Canada.

* * *

CANADIAN ARMED FORCES

NAVAL SERVICE'S SEVENTY-FIFTH ANNIVERSARY

Mr. Patrick Crofton (Esquimalt-Saanich): Mr. Speaker, I rise to bring to the attention of the House the fact that tomorrow will mark a very important anniversary in Canada's history. On May 4, 1910, fully 75 years ago, this House, speaking for the people of Canada, gave assent to the Naval Service Act which brought the Naval Service of Canada into existence. Only four years later this fledgling service was called upon to defend Canada in ships that, although past their prime, were manned with great skill and courage.

In World War II Canada's navy reached its peak, with over 400 ships and 100,000 men and women in its ranks. It was the world's third largest navy and was unsurpassed in bravery and courage. During the five and a half long years of that struggle which is known as the Battle of Atlantic, Canada's navy helped keep open the vital North Atlantic sea lanes, frequently in terrible weather, against a determined enemy. To this battle Canada gave 1,800 gallant sailors and 24 proud ships.

Then came Korea, and once again Canadian sailors served their country with great courage. In the ensuing years our navy continues to play an important role in the North Atlantic alliance.

S.O. 21

As the Member for Esquimalt-Saanich, and as a former member of this illustrious service, I call on the House to recognize officially the 75th anniversary of the Naval Service of Canada, and to express unanimously its gratitude to the men and women of our navy, both past and present, for their contribution to our country.

* * *

CURRENCY

COINAGE—SIZE OF NICKELS AND DIMES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in order to divert the attention of the House from some rather disappointing, if temporary, setbacks in the Province of Ontario, I have a burning question that I wish to bring to its attention. The question, Sir, is why are nickels bigger than dimes? When nickels were made of nickel and dimes were made of silver, this made sense. But today both coins are made from baser metals.

The subcommittee looking into the possible issuance of a dollar coin, a move which I strongly favour, has demonstrated its prowess in coinage matters. Perhaps after finishing its appointed task its talents could be applied to examining other coinage issues such as the one just mentioned. Another might be the future of the copper penny. Do we really need pennies? If so, should they continue to be made of expensive copper, an increase in price of which might lead to the hoarding and melting down of these coins?

The opportunity exists for a thorough revision of our coinage and the development of a logical and distinctively Canadian coinage system.

* * *

• (1110)

[*Translation*]

SOCIAL SECURITY

RECOMMENDATION THAT SPOUSE'S ALLOWANCE BE EXTENDED TO SINGLE ELDERLY PERSONS IN NEED

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, for many months I have been asking the Prime Minister (Mr. Mulroney) and the Minister of National Health and Welfare (Mr. Epp) to stop their unjust treatment of needy Canadians between the ages of 60 and 64 who are being denied the spouse's allowance just because they are single, separated or divorced.

Mr. Speaker, the Minister of National Revenue (Mr. Beatty) informed the House last week that more than 1,000 people earning $100,000 or more do not pay a cent of income tax in Canada, which means an increase of 33 per cent over 1982. In addition, 6,000 people with an income of between $50,000 and $99,000 do not pay a cent of income tax in Canada, which is 4,000 more than in 1982. And 6,700 people earning between $40,000 and $49,000 do not pay a cent of tax in Canada either, and this is 5,201 more than in 1982.

Mr. Speaker, I would urge all the Members of the House to ask the Prime Minister, the Minister of Finance (Mr. Wilson) and the Minister of social injustice in Canada to impose a minimum tax on people in the wealthiest groups, so that we can then extend the spouse's allowance to all elderly Canadians who are single and in need. The anti-social measures the Federal Conservatives want to take are similar to the ones that helped the Liberals win the popular vote in Ontario yesterday.

* * *

SOCIAL SECURITY

ADMINISTRATIVE DIFFICULTIES ENCOUNTERED BY THE ELDERLY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, roughly 28,000 Quebec senior citizens had their old age security cheques reduced to the minimum this month and did not get any income supplement because they did not return the required application form before March 31.

Although they will get their supplement retroactively once the application has been received, many of these elderly people will have a hard time finding enough money to buy food or pay rent. The Government must see to it that administrative delays resulting from applications being received after the deadlines are reduced to a minimum. Instead of withholding the supplement in future, the Government would be better advised to send a cheque reduction notice to people who fail to return the application form one month before the deadline. The elderly would then be spared the unpleasant surprise of a sudden income drop.

In the case of a person living alone, Mr. Speaker, the supplement can amount to $328 a month, or half the monthly income of the needy. Obviously, such a loss of income takes its toll on the elderly. We ought to realize that such administrative procedures are not always readily understood by older people. Mr. Speaker, it is better to tailor bureaucratic requisites to the special needs of older Canadians than to make them put up with Government red tape.

* * *

[*English*]

DISARMAMENT

WORLD-WIDE NEED OF PEOPLES

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, my wife and I have three beautiful children, and I said during the election campaign that if I do nothing more during my term as a public person than to keep our world free of a nuclear

holocaust so that our children can fulfil their lives, then I will have succeeded.

I have seen the Sowetos of South Africa, the poverty of Bombay, the dying of Ethiopia. I have seen the discipline of Japan, the down underness of New Zealand, the confidence of the U.S.A., and I can assure you, this House, and this country, that people are the same all over the world. Food and water, shelter and warmth, education and medical care, security and love, whether a housewife in the Soviet Union or a nursing mother in Same, Tanzania; whether black, yellow, white or mixed origins, the needs of these people are fundamentally exactly the same as ours.

I have lived their needs and I have been a daily part of their personal priorities. As a civilized, educated, and learned people, we can only come to one conclusion, one conclusion that easterners, westerners, northerners, and southerners, developed and developing, must all share; one conclusion that will put us on a track to sanity, peace, and world security; one conclusion that should, must, and will be unanimous, the conclusion that continued nuclear armament is total madness.

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PARLIAMENT HILL

ERECTION OF DIEFENBAKER STATUE ADVOCATED

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, politicians love statues and pigeons love statues, but it appears that the former Government had little love for certain statues. Last week it was revealed in the press that the Right Hon. Lester Pearson had commissioned four statues as part of Canada's centennial celebration in 1967. Two Liberal Prime Ministers were to be honoured, Mackenzie King and St. Laurent, and two Conservative Prime Ministers, Bennett and Meighen. Oddly enough, only the Liberal statues made it to Parliament Hill; the others were either rejected in model form or stored away upon completion.

The old saying goes that "nobody ever raised a statue to a critic", so I do not want to appear too critical today. Nor would I want to see Parliament Hill overrun with too many monuments. However, I think it is important to support the proposal of my colleague from Scarborough Centre that a memorial be erected in honour of one of the country's greatest Prime Ministers, the Right Hon. John Diefenbaker.

● (1115)

Perhaps it might also be timely to raise a memorial to that other, more recent Prime Minister, the one who goes for long walks in the snow. I strongly suggest that such a statue, with all the fingers in the right place, be erected in Salmon Arm, British Columbia.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ECONOMIC SUMMIT

PRIME MINISTER'S ATTENDANCE—INVITATION TO MEET JAPANESE PRIME MINISTER

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, in the aftermath of yesterday's election in Ontario I can understand why the Deputy Prime Minister is not radiating his usual good humour and benevolence. In fact there is a rumour around to the effect that he lost a substantial bet to his very Liberal brother, Leslie.

To turn to the matters before us today, the Prime Minister's office has been promoting the absurd fiction that the Prime Minister has more credibility in the international arena than Pierre Elliott Trudeau. I suggest to the Deputy Prime Minister that that is much like comparing a college freshman to a learned and wise professor or, in a hockey analogy, a Johnston to a Gretsky.

The Prime Minister's actions during his current trip have left Canadians concerned and dumbfounded. Would the Deputy Prime Minister explain to the House what possible reason Canada's Prime Minister could have for rudely rejecting an invitation to meet with Prime Minister Nakasone of Japan to discuss economic issues of mutual concern? What on earth are these economic summits for? Can the Deputy Prime Minister explain the inexplicable to Canadians?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that was quite a bundle to roll into one question. It is quite unfair of the Hon. Member to twist, warp, and distort as he has done. He mentions the efforts of Mr. Trudeau. I just happen to have *The Toronto Star* article of yesterday here in which our Prime Minister is quoted as saying:

> Like all of us, he (Trudeau) had his successes and his failures. That's the lot of a politician. He played his role as he saw it on the international scene and I have in the past indicated my admiration for the objectives he sought.

I think it is unkind and untrue for the Hon. Member to make that kind of snide reference.

With respect to his use of the terminology "rejected" in relation to a visit with Mr. Nakasone, that also is not true. The report in *The Globe and Mail* today, which the Hon. Member is repeating, is pure speculation with respect to the Prime Minister's itinerary which was designed well in advance of his visit. The explanation that he has given for having to defer that visit with Mr. Nakasone is quite understandable and should be accepted by Members of the House.

Mr. Johnston: Mr. Speaker, I have grown used to the public explanations in this Chamber. I am sure that privately the Deputy Prime Minister must feel concerned and somewhat dumbfounded, as we all do.

ROLE OF CANADIAN MINISTERS

Hon. Donald J. Johnston (Saint-Henri-Westmount): This seems to be a trip of photos as usual, rather than business as usual, for the Prime Minister. Let us hope that the Minister of Finance and the Secretary of State for External Affairs are carrying on serious discussions on behalf of the interests of Canadians. How will we know? Will the Deputy Prime Minister confirm that the office of the Prime Minister has in fact muzzled these two Ministers by refusing to permit them to take their press spokesmen, their press assistants, to Bonn?

• (1120)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, at times when I was sitting over there and the Hon. Member, as a former Minister, was sitting over here, I reflected on his contributions during Question Period and in debate, and thought that there was an honourable guy who should really be in the Tory Party, but I am now beginning to have doubts about that when he makes that sort of unkind and untrue representation.

The Prime Minister is in Europe admirably discharging his responsibilities at the Bonn Economic Summit, as are the Secretary of State for External Affairs and the Minister of Finance. Rather than the critical attitude being adopted by the Hon. Member, I think he should be acting in the best interests of Canada and urging on the Prime Minister and his two Ministers in their very laudable task.

OVERFISHING BY WEST GERMAN FLEET

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I can reciprocate and say that I have great respect for the Hon. Member, and always had.

Mr. Axworthy: But we do not want him over here; don't go too far.

Mr. Johnston: That is why I suggest that deep in his heart he really does not believe what he is saying to us today but feels constrained by this place to do so.

Let me point out to the Deputy Prime Minister that the Prime Minister himself is steering clear, or his handlers are steering him clear, of all controversial issues during this trip.

Yesterday the Minister of Fisheries and Oceans, whom I see in his place today, characterized the problem of overfishing off the East Coast of Canada by West German vessels as, and I quote, "a shocking and serious situation". I am sure the Deputy Prime Minister agrees, but why doesn't the Prime Minister of Canada seize this unique opportunity to raise this issue with Chancellor Kohl at the Economic Summit? Or is this issue, something that affects the livelihoods of tens of thousands of Canadians, too controversial to raise in the forum of an economic summit?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, again speculation. How in the world does the Hon. Member know what the Prime Minister is raising with Chancellor Kohl?

Some Hon. Members: Tell us.

Mr. Nielsen: How does he know that it is not being raised by the Prime Minister? How does the Hon. Member expect me to tell him, instant by instant, what is being discussed over there?

I am certain that he will be discussing, as will the Minister of Finance and the Secretary of State for External Affairs, all those matters which are important and in the Canadian interest. They will take every opportunity in Bonn to affect those bilateral discussions. It behooves the Hon. Member ill, and it is certainly not in the country's interest, for him to be making the suggestions which he is making. Instead of doing that he should be applauding the efforts which are being made by the Prime Minister and others in that group.

Anyone who knows the Prime Minister knows very well that he is not handled like one of his predecessors in office was handled and muzzled in 1980.

INTERESTS OF NEWFOUNDLAND FISHERMEN

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I want to follow on the line of questioning begun by the Hon. Member for Saint-Henri—Westmount, by saying to the Deputy Prime Minister that the Prime Minister is now in the very country which is raping the resource most important to Newfoundland. It is simply not good enough to say that they do not know what the Prime Minister is doing in West Germany. We want more than smiles. Newfoundlanders want to know that the Prime Minister is over there fighting for them. I want an assurance that while the Prime Minister is in West Germany he will make sure that he raises this issue, fights on behalf of us, and stops the draining of the lifeblood of our economy.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I assure the Hon. Member that he can remove all doubts instantly with respect to the ability and the determination of the Prime Minister of Canada to fight for Canada's interest wherever he goes in the world, and not just as the Bonn Economic Summit.

Some Hon. Members: Hear, hear!

• (1125)

REQUEST FOR MINISTERIAL ASSURANCE

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, can the Deputy Prime Minister tell us and the people of Newfoundland today that the Prime Minister of Canada, of all Canada, including the fishermen on the East Coast, while in West Germany will raise this matter, will fight for our interests and see to it that this draining of fishing resources on the East Coast, which are the only thing we have left, is going to stop?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member can be assured that the Prime Minister will raise all significant and important issues of interest to Canada, including the fishery. The Hon. Member should be the last to be criticizing anything that our Prime Minister is doing on that score, in the wake of reaching an agreement, which he and his colleagues failed to reach over so many years, on the Atlantic Accord.

Some Hon. Members: Hear, hear!

* * *

TRADE

UNITED STATES EMBARGO ON NICARAGUA—EFFECT ON CANADIAN EXPORTS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The Minister will know that earlier this week when the Prime Minister was informed of the American embargo on Nicaragua, he said that Canada would not participate in that embargo. That was certainly the right position to take. The Minister is now aware that as a result of United States subsidiaries in Canada being influenced by that decision, Canadian companies and Canadians will be influenced. Is the Minister simply going to stand by and allow Ronald Reagan to dictate to Canadians which countries we can trade with, and the commodities we can trade with those countries? Is he simply going to stand by and allow Ronald Reagan to dictate our export policy?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as you will recall, this type of questioning came up yesterday. We have now learned that the regulations that the Hon. Member and one of his colleagues referred to yesterday are not in place. It is simply coming from a story out of Washington that there might be such a regulation. As I indicated yesterday, surely getting into this hypothetical thing is totally unnecessary at the present time.

FORTHCOMING UNITED STATES REGULATIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, there is nothing hypothetical about this. The officials in the Treasury Department have indicated that the regulations will be completed by Tuesday. They will be in force by Tuesday and they will be affecting Canadian firms. The Minister says he plans to do absolutely nothing about it, that the firms operating in Canada will be prohibited from carrying on trade with that country and that his Government will stand passively by. Is that the case?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, again in response to the Hon. Member, he is missing the entire point. The regulations that he is referring to have simply been referred to by an official in Washington, if you can believe the news accounts. Our position is that we will endeavour to find out what exactly is the nature of those regulations and see if they have any direct or indirect bearing on Canadian companies, and we will act accordingly.

CANADIAN POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, what the Minister is saying is that at the moment his officials are doing nothing. The Government is doing nothing to attempt to assist Nicaragua at this very difficult hour. Is the Minister prepared to say that, because of his Government's inaction, what it really means is that since the Americans have placed an embargo on Nicaragua the Canadian Government will be an accomplice of Ronald Reagan, forcing Nicaragua into the Soviet Bloc? Is that what he is saying?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, in answer to the statements my hon. colleague just made in the House, I can reiterate my assurance that the Reagan order would not apply. Our Ministers, who are in Bonn at the present time, have held consultations, and we have the assurance that branches of American companies will not be affected by the embargo.

* * *

[*English*]

EXTERNAL AID

ETHIOPIA—CLOSURE OF FAMINE RELIEF CAMP

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a question for the Deputy Prime Minister. Reports we are receiving show that the tragic situation in Ethiopia is deteriorating and is even worse than most people believe possible. The Ethiopian Government has forcibly closed the major feeding camp in that country, forcing some 60,000 people into a march which many will not survive.

● (1130)

My question is for the Deputy Prime Minister. Yesterday officials of the External Affairs Department informed Members of this House that they have no information whatever other than what they had received through the media, about what was taking place in Ethopia, and therefore the Government had taken no action. On behalf of the Government will the Minister immediately contact the Ethiopian Government and express on behalf of the people of this country the very deep and great concern we have about the forced closure of that camp and the tragedy that is being inflicted on those people who are being forced into that march?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, yesterday, or perhaps the day before, I announced in the House that the United Nations Co-ordinator

was visiting Ethiopia, and that we were in touch with our ambassador who was also monitoring the situation. It is correct that the camp had to be evacuated because of the rainfall, which was making it difficult for the people to stay there.

I have been informed that the refugees received several pounds of food as well as seeds and farm implements before leaving, that the infrastructure is still intact, and that our ambassador is supposed to meet the senior UN official at the end of his visit in order to discuss the situation, and I can give the House the assurance that we shall be monitoring the situation very closely because we too have a sense of responsibility.

[*English*]

REQUEST FOR INSPECTION OF SITUATION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, with all due respect to the Minister, that is simply not good enough.

Some Hon. Members: Oh, oh!

Mr. Axworthy: I find it incredible that the President of the Treasury Board would be laughing about a matter as serious as this. If he finds humour in the Ethiopian situation, then there is something very sick and wrong with him.

My supplementary question is for the Minister of External Relations. Would she ask our officials in Ethiopia to undertake a personal visit to the area and not rely upon second or third hand reports, and from that direct visit ascertain what direct action this country might take to alleviate suffering which other international observers and observers from non-government organizations have said will result in the extinction and death of thousands of people if that march continues?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I think there is a very positive element in the present situation and that is the fact that after waiting for rain for months, it is now raining in Ethiopia. We intend to pursue our commitment to the famine victims in Ethiopia, and we shall continue to send help. Our non-governmental organizations will be monitoring the situation and taking care of distributing the aid we shall be sending, and our ambassador, as I said before, is very carefully monitoring the present situation on our behalf.

* * *

[*English*]

PROSTITUTION

CHILD PROSTITUTES—COMMISSIONS' RECOMMENDATIONS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Minister of Justice. The Badgley Commission last August submittred a comprehensive report which very clearly documented the shocking incidence of sexual abuse of young people, which often leads them into a life of juvenile prostitution.

Why did the Government refuse to accept the unanimous recommendation of the Justice Committee, the Badgley Commission, and the Fraser Commission, all of which urge the Government to undertake social and economic measures to deal with juvenile prostitution? In particular, why did he not toughen sanctions against customers of child prostitutes, instead of doing as the Minister did yesterday in his Bill, driving them further into a life of crime, violence, and dependence on pimps?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Government has not rejected any recommendations of the Badgley report nor of the Fraser report as yet. The Government is dealing interdepartmentally with these many and complicated recommendations and with the provinces which are involved in almost all phases of these serious social problems. I am expecting that we will have a range of legislative suggestions in this area that will be put before the House next fall. We are acting.

We acted yesterday to carry out one of the main recommendations of the Fraser committee report. It said that with respect to street prostitution citizens are entitled both to consideration by the law, and more than that, to forms of legal protection which can be effectively enforced. We have put before the House legislation dealing with street solicitation which can be effectively enforced so that the public streets of Canada can be recaptured for the use of ordinary citizens and controlled by the police as they should be.

BADGLEY COMMISSION RECOMMENDATIONS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, obviously on this question, as on so many others, the Minister is basically trying to work both sides of the street.

Some Hon. Members: Oh, oh!

Mr. Robinson: There is nothing there at all on juvenile prostitution.

In view of the fact that the Government has been studying the Badgley Commission recommendations for over eight months without taking action on a single recommendation, how much longer will we have to wait before the Government does respond to the recommendations of the Badgley Commission? Will the Minister assure this House and, through this House, Canadians, that he will respond on behalf of the Government to those recommendations at least before the House rises for the summer recess?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman is soliciting an answer.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I can assure him, yes, I am working both sides of the street. I am working the whole street. We are going to reclaim the public streets of Canada, in Toronto, in Calgary, in Vancouver, in Halifax, in St. John's they are already all right—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —in Burnaby—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —without discrimination against both men or women, or gender discrimination. There will be no discrimination. We are going to stop street soliciting both on behalf of those who sell sex and those who wish to purchase sex. That is the objective of our legislation, and that is what it will do.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

TRANSPORT

RECOMMENDATIONS OF MR. JUSTICE HALL—GOVERNMENT POLICY

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Transport.

We know how important the grain transportation policy is to Quebec farmers and to producers in Western Canada. This morning the papers reported that the Government was going to wait at least a year before implementing the recommendations of the Hall Report. Could the Minister inform the House whether this is indeed the Government's policy?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I said in the House earlier, the report of the Hall inquiry into the method of payment is being considered and will be debated hopefully in a comprehensive fashion. Also under the provisions of the Act, it is mandated to conduct a review during the crop year 1985-86. Of course the subject matter of the Hall inquiry and its recommendations will be included in the course of that review.

[*Translation*]

REQUEST FOR CLARIFICATION OF RECOMMENDATIONS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, considering the Minister's answer and the importance these decisions will have for producers in Quebec, Alberta, Saskatchewan and Manitoba, does this mean that the Hall recommendations will not affect Canadian producers, either in Eastern or Western Canada, before the 1987-88 season?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the recommendations that have been advanced have been advanced under a set of criteria with the one important criterion being the method of payment that will be the most conducive to agricultural development in Canada and, second, a method of payment that will not be unfair or disproportionate to sectors of western agriculture relative to other regions of the country.

The recommendations that have been brought forth, I think, are very interesting ones. They should be considered in a very thoughtful and comprehensive fashion.

* * *

PUBLIC SERVICE

INDEXATION OF PENSIONS—MINISTER'S POWERS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the President of the Treasury Board. It concerns the grave misgivings that members of the Public Service, the unions, and also superannuated members of the Public Service are expressing over the announcement that the Government is proposing to deindex public service pensions. The agreement with the alliance states that pension adjustments for inflation, and I quote: "will be determined by the President of the Treasury Board on the basis of the recommendations of the management board", that is the union-employer management board that is being proposed.

Is the Government proposing that the Minister will be able to veto or to change recommendations of that management board on inflation adjustment? If so, why should the public service unions give up the statutory indexing they now have, for a grace and favour system which gives the power to the Minister?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, let me say that first it is an agreement in principle. It is a basis for negotiating the final agreement that we can reach with both parties on the issues of pensions.

• (1140)

The reference to the power of the Minister is really with regard to the financial soundness of the plan. The management board will be set up, and as far as the management board making recommendations that are consistent with the financial soundness of the plan is concerned, there is no problem. It is not a veto power of any kind.

REQUEST THAT MINISTER APPEAR BEFORE COMMITTEE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, in view of the grave concern about this and the fact that there may be some other verbal understandings not contained within the agreement, is the Minister prepared to appear before the Standing Committee on Miscellaneous Estimates, or another

committee of the House, in order to explain and be questioned about the agreement with the public service unions? Would he use his good offices to make sure that such a meeting can take place at the earliest opportunity?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the answer is no. We have to negotiate this deal and it is very complex. We need actuarial reports and a number of technical details.

These are questions of principle and negotiating items that we have set forth to help both sides understand where we are going. It is not explaining in detail, as the Hon. Member asks, what we are going to do. This is a document that states that both parties will pursue discussions along these lines.

As soon as we reach any kind of specific agreement I will be more than happy to talk to any parliamentary committee and to the House in general, if need be, on the how, why, and when of the whole agreement.

* * *

FEDERAL-PROVINCIAL AFFAIRS

NEGOTIATION OF ERDA AGREEMENT WITH BRITISH COLUMBIA

Mr. Patrick Crofton (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The pending ERDA agreement with the Province of British Columbia is of great importance to the people of my home province. Will the Minister advise the House of the status of this proposed agreement?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I know that the Hon. Member will be pleased to learn that discussions are continuing. We have had discussions with the Minister of Industry and Small Business in British Columbia, Mr. McClelland, and he has indicated that he feels a basic agreement on the over-all ERDA can be worked out with respect to the subsidiary funding agreement.

I am very pleased to note that he stated in a major speech on April 29 that there is a new and important spirit of co-operation between Ottawa and the provinces which bodes well for us all. I agree.

* * *

GOVERNMENT EXPENDITURES

MINISTER'S MIDDLE EAST VISIT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns junkets on board the sacred instruments of travel of the Government.

In the face of massive cut-backs in the arts, the CBC, and other valuable areas of government activities, could the Deputy Prime Minister tell the House what could have possibly possessed his colleague, the Minister of Communications, to fill a government jet with family and personal staff members to fly off to Algeria, Greece, and other exotic places, at a cost of $57,000 to the Canadian taxpayers, at a time when he and his colleagues are preaching restraint and telling us how to tighten our belts? How does he intend to stop this kind of activity in the future?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as I recall it the specific journey that the Hon. Member talks about was one which was made in the vital interests of Canada's international trade in one of the leading areas of our technology, namely, telecommunications. The Minister visited several countries in the Middle East on missions to improve markets and establish markets for the sale of Canadian manufactured products and goods.

When I saw the article to which the Hon. Member refers, I, who have that responsibility now, looked very carefully at that trip. I see every justification for the use of government aircraft in that instance. It has nothing but benefit. Certainly it is a far greater advantage to Canada than the example that was portrayed by his Party when it was the Government a couple of years ago, when three government aircraft, with three separate Cabinet Ministers, arrived at roughly the same time in the City of Winnipeg, unbeknownst to each other. All of them could have taken commercial aircraft.

[*Translation*]

INQUIRY WHETHER TRAVEL EXPENSES WILL BE MADE PUBLIC

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, we know that when he was a Member of the Quebec Cabinet, the Minister of Communications had a reputation for nationalistic flights of fancy. Could the Deputy Prime Minister inform the House today whether he intends to allow Government travel documents to be made public as the previous Government did, so that Canadians can check up on unnecessary trips and spending by this government?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, not only are we doing it in public, if the Hon. Member were up to scratch he would know that he or any other Member can walk into National Defence Headquarters where these records are kept, on any day of the week within normal office hours, and have that information fully accessible to him on a daily basis. Certainly the journalists have discovered the accessibility.

It is not like the previous administration which kept them under wraps for three months, and would have liked to have kept them under wraps forever. This Government is open and fully accountable to the people, and any time that anyone wishes to see manifests or whatever other information with respect to the use of administrative flights, they can do so on a daily basis.

INDUSTRY

WHITE FARM EQUIPMENT COMPANY—SALE OF UNITED STATES ASSETS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, on Tuesday the Minister of Regional Industrial Expansion said that the sale of White Farm's U.S. assets involves "no direct connection whatsoever with the Canadian company". Yesterday news reports revealed that amongst those items that are being sold in the United States is the tooling for parts used in Brantford, and that these will have to be bought, or replaced, to keep the Canadian company in production. Will the Minister admit that he misled the House? Will he also admit that the sale that I talked about on Tuesday is a serious threat to the future jobs of those people in Brantford?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am not sure to what news account the Hon. Member is referring. We are in touch with the Royal Bank and the receiver in this case, as well as the person who has been attempting to put together a financing package possibly to take over the White Farm Equipment concern. We have been assured that the activity in the United States has no effect as far as the ongoing operation or potential operation of White Farm in Canada is concerned. There was certainly no misleading of the House when I answered the Hon. Member's question earlier in the week.

Mr. Langdon: In fact it was *The Globe and Mail* of yesterday, Christopher Waddell, who pointed out that this is a key problem for the survival of this company.

REQUEST FOR ACTION TO HELP COMPANY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I ask the Minister again if he is prepared finally—having talked about socialist extraterritoriality, and trying to bring red herrings into this question—to act and get some urgency behind the survival of this company which is important not just for its own employees but for farm dealers across the country, and for the tool manufacturers, 13 of whom sent a telegram to him this week? Will he stop fiddling around and finally act?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member has shed a lot of light on the source of his information when he refers to *The Globe and Mail*, and Mr. Waddell in particular.

We are acting with respect to his concern about White Farm, and we are in daily contact with various people who expressed an interest in reactivating the concern, including Mr. Sinclair, with whom we met and also discussed this matter on more than one occasion.

ROYAL CANADIAN MOUNTED POLICE

PREMIER'S TRIAL—INTERNAL INVESTIGATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Solicitor General. After months of waiting the Solicitor General revealed this week that he has received only an interim report from the RCMP on the Hatfield affair. I would like to ask him, after all these months, what possible additional work needs to be done on the report. I would also like to ask for his assurance that the interim report will not be watered down or sanitized to delete its findings from the final version which will be made public.

• (1150)

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I can tell my hon. colleague, as he perhaps will appreciate, that this internal review was one which took a considerable amount of time, and it was interrupted from time to time by the Commissioner's other duties. It was prepared in segments. I want to assure him that, just as there were no attempts to influence or water down the investigation which prompted the internal review, neither will there be any attempt to do anything like that with the comprehensive report which the Commissioner of the RCMP has just about completed.

INQUIRY WHETHER MINISTER WAS INTERVIEWED

Hon. Bob Kaplan (York Centre): Mr. Speaker, regarding the comprehensive report I would like to ask the Minister whether he was interviewed, or whether the RCMP asked to interview him as they did my colleague, the Hon. Member for York South-Weston.

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, the Member surely ought to know, if he would reflect upon the subject, that I speak with the Commissioner of the RCMP on many occasions, as he did when he was Minister. I can assure him, insofar as the request which was made to interview the Hon. Member for York South-Weston was concerned, that instead of co-operating with the force, as I am sure the former Minister would have done, he sought to make a media event out of it. Because of the circumstances, he never made a contribution to the review.

* * *

CULTURAL AFFAIRS

REQUEST FOR TAX MEASURES TO ASSIST ARTISTS AND WRITERS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, in the absence of the Minister of Finance I would like to direct my question to the Minister of State for Finance. The question concerns the poverty of artists and the number of measures which have been proposed to relieve artists in dire straits which were made by the Subcommittee on the Taxation of Visual and Performing Artists and Writers. So far, only the easy recommendations have been implemented.

Could the Minister tell us if the Government is prepared, or when it will be prepared, to introduce measures on the more difficult matters and, in particular, to permit the deduction of losses from professional artistic activities and writing, and the function of self-employment for all performing artists for the purposes of expense deductions? Those are two of the key recommendations which concern practical artists in Canada right now.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am sure the Hon. Member would not expect me to comment on matters which relate to the Budget at this time. The Minister of Communications, the Minister of Finance, myself, and this Government are very committed to Canadian culture. We are aware of the issues which have been raised. I am sure she will get her answer in due course.

UNEMPLOYMENT INSURANCE INQUIRY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, that is not much of an answer. We would be happy to see action before the Budget. It does not have to wait for the Budget.

I would like to deal with another very specific measure. With the arts cut-backs, more and more artists are experiencing long periods of unemployment, yet they do not collect unemployment insurance because of their tax status. Recommendations were made as far back as 10 years ago, which have been studied by her Department, to incorporate artists into the unemployment insurance system. Can we expect action on that point in the near future as the situation for artists continues to get worse, and the periods of unemployment continue to affect more of them for longer periods?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we are considering a number of policies with regard to the cultural community. I am very happy to report, in light of the fact that we are seeing some economic recovery, that we expect the artistic community to share in that as well. Certainly in my riding we are very aware of the issues which she has raised, and we are very sensitive to them.

* * *

NATIONAL DEFENCE

NORTH WARNING SYSTEM—PARTICIPATION OF NORTHERN CONTRACTORS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I would like to direct a question to the Minister of National Defence. What is the Government doing to ensure that Canadians, in particular those contractors and workers living in the Northwest Territories and Yukon, will be able to get maximum benefit from the proposed North Warning System?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as the Hon. Member knows, immediatley after the announcement of the modernization program I caused the project manager from the Department to pay a visit to both the Governments of the Yukon and Northwest Territories, in order to acquaint them fully with the progress thus far and, as far as possible, to anticipate future needs. The problems he raises will be addressed to ensure the largest possible participation of Northerners in all of the projects, wherever they may be undertaken in Canada.

* * *

[*Translation*]

HOUSING

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM—QUEBEC—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, in the absence of several Ministers, and especially the Minister of Labour who is responsible for the Canada Mortgage and Housing Corporation, I would like to direct my question to the Acting Minister or to the Deputy Prime Minister.

Mr. Speaker, a number of mayors of Quebec municipalities have written to the Minister responsible for CMHC to complain about the cutbacks made in the Residential Rehabilitation Assistance Program. They have also asked for additional funding. I would like to know whether the Minister could inform the House if he is willing to grant additional funding to the Regional Municipality of Arthabaska, the Town of Bécancour, the Regional Municipality of Bellechasse, and the cities of Rouyn-Noranda, Sherbrooke and Rimouski?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the answer to that question would require the kind of detail which I am sure no reasonable Hon. Member would expect me to have at my fingertips. However, to avoid the necessity of the Member putting it on the Order Paper—where, perhaps, it should probably be—I will draw the matter to the attention of the Minister responsible and see to it that he communicates with the Hon. Member.

[*Translation*]

Mr. Malépart: I have a supplementary, Mr. Speaker. Since the Deputy Prime Minister has promised to speak to the Minister responsible for CMHC—now that the elections in Ontario are over, we can say that thanks to the Minister responsible for CMHC, who cut $17 million from Quebec's budget and only $2 million from Ontario's, that the Ontario election cost Quebecers $17 million—is the Minister going to ask the Minister responsible for CMHC to rectify a decision that was unfair to Quebecers and grant additional funding so that the RRAP program will get at least $10 million more?

[*English*]

Mr. Nielsen: Mr. Speaker, I do not accept those premises as outlined by the Hon. Member. What he should be doing is complimenting this Government and the Minister of DRIE, who is sitting in his place, for reaching an agreement which eluded the Party which formed the previous Government—the Party of which he has been a member for so many years—for reaching a $1 billion agreement under ERDA with the Province of Quebec. It eluded those fellows over there, Mr. Speaker, for more than a decade.

* * *

AIR TRANSPORT

CP AIR—REPORTED EFFORT TO ATTRACT WORKERS FROM UNITED STATES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Acting Prime Minister. I am informed by one of my constituents in Vancouver that CP Air has been advertising in Seattle, Washington, by radio, for airline personnel, saying that there is no problem with a 90-day work permit. Has the Government agreed to issue immigration permits to permit strike breaking?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am not aware of the incident to which the Hon. Member has referred. Certainly I will check it out. I do know that labour problems have developed between the airline, the IAM, and other unions. I will check it out and get back to the Hon. Member.

POSSIBILITY OF WORK STOPPAGE

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, with reference to the labour problems, it will be a rough summer for airline travellers if another airline is on strike or locked out. What steps has the Government taken to try to resolve the situation at CP Air before either a strike or a lock-out happens?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, my colleague, the Minister of Labour, is actively involved and is monitoring the situation very closely. He has been in touch with both parties and I am sure that he will be in a better position to report on the developments when he returns to the House next week.

* * *

CANADA DEPOSIT INSURANCE CORPORATION

COMMITTEE STUDY

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. It relates to her announcement this week that she will introduce legislation to compensate Pioneer Trust depositors who are not fully protected by the Canada Deposit Insurance Corporation.

Since January a private sector committee, which was appointed by the Minister, has been studying CDIC. Lest we risk being further overtaken by events, would the Minister tell the House what her timetable is, when she expects to have the committee's report, and when it will be tabled in the House?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have the draft report in my hands now. I will be reviewing it and tabling it as soon as possible in the House.

CEILING FOR INSURABLE DEPOSITS

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Consumers Association of Canada has recommended raising the ceiling for insurable deposits to $100,000 from the present $60,000 and, further, that institutions covered by CDIC be required to inform customers whether their deposits are covered. In fact the customers would be required to sign a form which says that they have received that advice. Does the Government intend to introduce those particular proposals or recommendations?

● (1200)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have already instructed the CDIC that it is to ensure that customers are adequately informed of the benefits and limits of deposit insurance. As far as raising the level of insurance is concerned, I do not want to prejudge what will come out of the report. We will have a full discussion of all the issues relating to deposit insurance when the report is tabled.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, May 2, 1985, meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

Mr. Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader what business he proposes for the coming week. When the Parliamentary Secretary was asked that question yesterday by the Deputy House Leader for the Opposition, he was told that the information would be provided today. I trust it will be.

Mr. Hnatyshyn: Mr. Speaker, the Hon. Member is quite right. That was indicated yesterday by my Parliamentary Secretary, the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick).

The Hon. Member will know that we are currently involved in discussions with Opposition Parties respecting the facilitating of the passage of several of the items of legislation which are on the Order Paper. At the moment, I would therefore like to indicate the business of the House for Monday and Tuesday of next week.

The first item of business on Monday will be a Bill entitled Pioneer Trust Payment Continuation Act, a Bill which will be introduced later today by the Minister of State for Finance (Mrs. McDougall). As I indicated to the Hon. House Leaders in our discussion of last Wednesday, I am hoping we can have this important initiative on the part of the Government passed through all stages on Monday. The item is important to the people of Saskatchewan and I know that Hon. Members will be interested in giving serious consideration to moving that Bill through.

The second item of business that I would propose to call would be Bill C-30, the Bretton Woods Bill, which is at report stage. Hopefully we can make progress with that Bill and have the matter disposed of so that it can be referred to the Senate.

Mr. Gauthier: Does the Senate exist?

Mr. Hnatyshyn: The Senate as it now exists. If Bill C-30 is passed, the next item of business will be Bill C-33, the meat inspection Bill. I understand there is a disposition to deal with that matter rather quickly. I do not think there is any particular dispute regarding that legislation.

Finally, if Bill C-33 is passed, the House will move on to a debate at second reading stage on Bill C-45, the parliamentary staff relations Bill.

The business for Tuesday will be the same as the business I have just outlined for Monday.

ROUTINE PROCEEDINGS

[*English*]

PIONEER TRUST PAYMENT CONTINUATION ACT

MEASURE TO ENACT

Hon. Barbara McDougall (Minister of State (Finance)) moved for leave to introduce Bill C-50, an Act to provide for the continuance of payments under certain guaranteed income averaging certificates issued by the Pioneer Trust Company.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, Questions Nos. 109 and 315 will be answered today.

[*Text*]

COMPENSATION FOR EMPLOYEES

Question No. 109—**Mr. Angus:**

Were any salaries, expenses or remunerations paid to or negotiated with the Hon. Bryce Mackasey, the Hon. Eugene Whelan and Mr. Maurice Dupras between July 9, 1984 and the date their appointments were rescinded, or between that date and November 30, 1984 and, if so (a) what was the amount (b) what was the purpose and the date of each payment (c) were any of these payments taxable?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Departments of External Affairs and Agriculture as follows:

The Hon. Eugene Whelan, the Hon. Bryce Mackasey and Mr. Maurice Dupras received salaries from the Department of External Affairs from July 9, 1984, the date on which they were appointed, to October 11, 1984, the date their appointments were terminated: Messrs. Whelan and Mackasey were paid at the GIC-08 level ($75,560 to $88,930 per year) and Mr. Dupras was paid at the GIC-06 level ($63,230 to $74,410 per year). Income tax deductions on salary payments were made at the appropriate rate.

The only other payments to them by the Department of External Affairs were those related directly to their postings and specified in the Foreign Service Directives: Mr. Whelan received reimbursement for expenses incurred in removal of personal effects and their storage pending shipment to Rome and Mr. Dupras received a posting loan that is now being recovered.

In so far as Agriculture Canada is concerned: Under the terms of a service contract, the Hon. Eugene Whelan was paid a taxable fee of $11,810 to serve as Canadian Representative to the World Food Council for the period October 11, 1984 to November 30, 1984.

CANADA-GASPÉ-LOWER ST. LAWRENCE ECONOMIC DEVELOPMENT PLAN

Question No. 315—**Mrs. Killens:**

Did the Government implement the Canada—Gaspé—Lower St. Lawrence economic development plan and, if so, what was the total amount invested in all areas of the plan since the work began?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Since the launching of the plan in May, 1983, until December 31, 1984, the total amounts spent or committed in all areas are as follows:

Agriculture	$ 3,474,000
Forestry	$ 3,166,000
Transport	$ 9,386,000
Fisheries	$60,133,000
Industry	$ 8,198,000
Tourism	$ 1,592,000
Mining	$ 1,310,000
Reserve and Administration	$ 195,000

[*Translation*]

Mr. Scott (Hamilton-Wentworth): I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—ATLANTIC CANADA

Mr. George Baker (Gander-Twillingate) moved:

That this House condemns the Government for its indifference and negligence toward Atlantic Canada, especially with regard to regional industrial development, fisheries and transportation.

He said: Mr. Speaker, in debating this motion which speaks of the neglect and indifference of this Government toward Atlantic Canada, its transportation problems, its fishery and its regional development, I am reminded of a suggestion made to me by a fisherman to whom I spoke on the telephone the other day. He suggested a way to solve two major problems facing the fishery in eastern Canada. He made the suggestion because the Government of Canada was not taking any action. He said to me, "I suppose it would be a good idea for the Prime Minister of the country, while he is attending meetings in Bonn, to turn to the President of the United States on his right and whisper into his ear, 'Ron, will you lift those tariffs you imposed on our saltfish that is going to the United States?' He should then lean to his left to say to Mr. Kohl, 'Will you please stop overfishing our resources on the East Coast of Canada?' ".

The reason the fisherman said that is quite logical and simple. Since the Government came to power, the most serious action ever taken by another country against our country involving the export of saltfish from Canada was the tariff imposed by the United States Trade Department on the importation of Canadian saltfish. Why was that tariff imposed? It was imposed because a fish company in Puerto Rico figured

that it was the one and only fish company that actually salted fish within U.S. legal jurisdiction.

Because of the action taken by that small fish company in Puerto Rico, the U.S. Trade Department had to impose a tariff. This tariff ranges from 15 per cent up to 26 per cent, averaging out at 22 per cent. Every time producers from eastern Canada and from the Prime Minister's own riding—and the Prime Minister's riding is even more affected by this tariff imposed by the United States Government than any other riding—export saltfish to the United States, they have to post a bond of 22 per cent on average. That practice began two months after the Government was elected and is still going on today. Surely there is some diplomatic way for this Government to get the U.S. Government to lift that tariff that was imposed for the first time on Canadian exports of saltfish into the United States. However, nothing yet has been done about that.

We have now learned that for the last three months West Germany has been fishing on the Grand Banks of Newfoundland using nine factory freezer trawlers of over 300 feet in length with feeder boats. These trawlers take in incredible amounts of codfish. For the past three months they have been violating an agreement signed by the EEC and Canada in 1983 that was to extend until 1987. They have overfished to the extent of, as the Department of Fisheries shows in its records from boat inspections made on the high seas as of three weeks ago, 30 times their assigned quota. However, I have learned that not all of the boats were visited by inspectors. They do not really know right now how much fish the West German fleet has caught.

● (1210)

Those fish, Mr. Speaker, are the offshore and inshore stock. They migrate to what is called the Nose of the Grand Banks and then inshore. In other words, they are the stock that Canadian fishermen in Atlantic Canada have to use to make a living. That stock creates employment in eastern Canada.

What is wrong with our system, our Government, which allows this to go on? The Minister of Fisheries and Oceans (Mr. Fraser) admitted today that he sent his first note back in March to the EEC saying that they were violating the long-term Canada-EEC fishing agreement. But then I discover that the EEC had replied to the Canadian Government on April 17 saying categorically and bluntly that they do not recognize that as being Canadian jurisdiction. It always was and always has been recognized internationally as being Canadian jurisdiction and the fish as being Canadian stock. But the West German fleet is blatantly violating its quota and the EEC is backing them up and saying they do not recognize that as Canadian jurisdiction.

What, then, is the normal procedure for this Government to follow when that kind of action occurs? What do you do when you have a blatant violation of a written agreement and a foreign country is fishing beyond its quota to such a degree as to probably destroy the stock? The options open to the Minister of Fisheries and Oceans, the Secretary of State for Exter-

nal Affairs (Mr. Clark) and the federal Government are quite simple. The Government of Canada, as it has done in the past, can close its ports to the country which violated the agreement. In other words, that country's vessels cannot come into a Canadian port for supplies. We have done that to the Soviet Union, we have done it to several other countries.

A second option open to the Minister and the Government is that we can impose sanctions. What does that mean? It means that next year that country will not be assigned a quota.

Then there is a third and obvious option which the Government can take, an option which I am sure every single fisherman and fish plant worker, every single person in the Department of Fisheries, would want to recommend, and that is cancellation of the entire agreement with the EEC. Why? Because it is the EEC which has the problem. They are the ones who have to get their house in order. They are the ones who have to deal with the West German Government. They have to say to that Government that its fleet has overfished its quota by 300, 400 or 500 times.

Actually, to face facts here, the entire EEC quota has been exceeded three times by the West Germans alone as of today. So the Canadian Government should cancel the agreement and the EEC would then turn around and say to the West German Government that it has overfished its quota and that means that the U.K., with a quota of 850 metric tonnes, will not be able to get its quota; the French Government, with a quota of about 1,500 metric tonnes, will not be allowed to take its quota. Let the EEC straighten out their own internal affairs; let them get their house in order. Have the Canadian Government cancel the agreement and that would force the West German fleet off the Grand Banks of Newfoundland and stop them from raping our resource, as the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) said this morning in Question Period.

This is a very, very serious matter. Here we have two countries, the United States and West Germany, as well as the EEC as a whole, involved in discrimination against Canadian fishermen. They see the Canadian federal Government, as this motion says, exercising indifference and negligence in not taking any action. There has never been in Canada, in the past 20 years at least, such a violation of an international agreement in the fishery and it has gone on and on and on. The Minister says "since March"; it has gone on until this very day.

The nine factory freezer trawlers that were out there with their feeder ships, these boats of more than 300 feet in length, have now been reduced to five. Why? Because the other four are all filled up and heading home; but the rest are this very morning still overfishing. And the Minister turns around and says, "Oh, we are going to have more negotiations". Well, as was made clear in this Chamber, the EEC has made its position clear: "We do not respect your jurisdiction". In all honesty I believe the EEC member countries are expecting this Government to cancel the agreement and that is what the Government has to do.

Those are just two matters in which this Government has been negligent in dealing with eastern Canada. I refer to what this new federal Government says is the answer to the fishing problems. I refer to this document called *A New Direction for Canada: An Agenda for Economic Renewal*, presented by the Hon. Michael H. Wilson, Minister of Finance, on November 8, 1984. The Government says new approaches are required. Well, everyone would agree with that.

Mr. Stevens: What page?

Mr. Baker: Page 59. The Minister of Regional Industrial Expansion (Mr. Stevens) wants to follow along to make sure I am quoting correctly. This publication says:

> Government financial resources are not the solution.

The Minister would certainly agree with that. Then we get down to the second last paragraph which says:

> Consolidation of employment in the sector would have to be complemented by public and private initiatives to promote job opportunities in other sectors of the economy, as well as fair and generous adjustment programs for workers in the sector.

When you go through that entire section on fisheries, Mr. Speaker, there you see the policy, the solution proposed by this Government to the problems of the Atlantic fishery: "Consolidation of employment", and "promote job opportunities in other sectors of the economy". Can you imagine a government saying to people who work in this industry, the fishermen who feed that industry, the fish plant workers, that it is examining job opportunities elsewhere to see if it cannot work out with private enterprise a fair and generous adjustment program for workers in this sector? That is the policy direction of this Government! Even worse, if we go down to the last line, and I know the Minister is going to follow along, it says:

> Fisheries decision-making needs to be more open—

Yes!

> —with greater involvement by commercial fishermen—

That is quite a statement and no one would disagree with that. But where was that policy statement when the Government of Canada decided it was going to cancel the entire insurance program for fishermen's boats and then turned around and discovered it could not do that? We in the Liberal Party said that they could not do it because it would cause thousands of fishermen to lose their boats. Sure enough, the Minister of Fisheries and Oceans discovered that it could not be done. He then issued a press release saying that they were going to keep up the Government insurance program but triple the rates. They were going to ensure that the plan would survive and be profitable. Mr. Speaker, every fisherman, every fisherman's organization, and every union knows that since its inception that program has had a net benefit of about $5 million. The Minister is now changing his policy.

• (1220)

Where was the consultation when the Minister of the Environment (Mrs. Blais-Grenier) announced in the House that the Government of Canada was going to charge people for phoning the weather office? She has still not changed that

policy although she knows full well that she cannot implement it. She then waffled. She said that fishermen, farmers and other people whose livelihoods depend upon weather information will be excluded. Opposition Members asked how they could be excluded. Were they going to get their social insurance numbers over the phone? How can they find out whether they are full-time fishermen? The Minister then waffled again saying that they were going to charge everybody.

That is a very dangerous policy, Mr. Speaker. Imagine a man about to go out in his boat at five o'clock in the morning. He wants a weather update because of fast-changing weather patterns. He is involving his own life and the lives of his crew. When there is a charge for making the phone call, no matter how low the charge is, the man will know that he is being charged extra for it and he will hesitate. He will not make as many calls as he made before. In fact, Mr. Speaker, our policy should be to encourage him to make more calls than he has normally made. Where was the consultation when that policy was introduced?

Where was the consultation when the Government unilaterally increased charges on fishermen's charts and cut back on the hydrographic service charting the coastline of Atlantic Canada? The charting of the waters of eastern Canada is absolutely necessary. Most of the charts for a certain section of the coastline of eastern Canada are Captain Cook's charts. They date back to the days of the old lead line. Five years ago the Government of Canada tried to institute a policy to update those charts. It wanted to spend more money on that service. However, without consultation, the new Government has increased the charges to fishermen and started to chop from that service.

Where was the consultation when the Minister of Fisheries and Oceans announced a herring quota for this spring starting April 15 when every single harbour was frozen over? Where was the consultation when the Government announced it was going to cut back on UIC because it was examining the unemployment insurance scheme? That scheme provides a guaranteed income for the fishermen of eastern Canada and now the Government is tinkering with it with no consultation.

As this motion says, Mr. Speaker, the Government has been totally negligent and totally indifferent to the needs of fishermen in eastern Canada. The Government must start changing its policies or it will face the same fate as a lot of provincial Tory Governments will face when they are defeated in their next elections.

The Acting Speaker (Mr. Charest): Are there any questions or comments? Resuming debate, the Hon. Minister of Regional Industrial Expansion (Mr. Stevens).

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in joining in this debate I would point out that the Hon. Member for Gander-Twillingate (Mr. Baker) has addressed his remarks to only one aspect of the motion. The motion deals with regional industrial development, fisheries and transportation. If I were to rely on the remarks of the Hon. Member, I could only presume that he is reasonably happy with regard to regional industrial development in Atlantic Canada because he did not single out anything for criticism in that field.

Mr. Baker: That's not true, Mr. Speaker. That's not fair.

Mr. Stevens: He must be reasonably happy with regard to transportation as well. I am pleased to hear that because we feel that we can indicate some optimism with respect to Atlantic Canada. We can indicate that matters have improved greatly.

However, we must approach this debate with a word of caution, Mr. Speaker. When I read the wording of this motion I was rather startled to find that a representative of the Official Opposition would be so bold as to suggest that he would like to have a debate on the issues of regional industrial development, fisheries and transportation in Atlantic Canada when their record as a government over the previous 10 years was such an utter disaster. Others joining in this debate must remember what we inherited from the previous Government.

The Atlantic Provinces Economic Council did a recent study of which I was given a copy. The study included a contrast between Atlantic Canada and the states which make up the New England states. I invite all Members who are interested in the debate today to get a copy of that study. It shows that in 1975, when the Hon. Member's Party was in power, unemployment in the New England states was higher, on average, than unemployment in Atlantic Canada. By 1984 unemployment in Atlantic Canada had gone up by about 50 per cent from 1975. In the six New England states unemployment had been cut in half. During that 10-year period the average incomes of residents of Atlantic Canada were a constant 75 per cent of the national average income. I find that unfortunate. We in this Party believe that average incomes in Atlantic Canada can be much closer to the national average than has been the case over the previous years.

What happened in the New England states? We find that during the same period they had a net increase of about 10 per cent in their state products as related to the national average. This is a second barometer which indicates how unfortunate the previous Government's policies directed towards Atlantic Canada have been. I say that notwithstanding the fact that there have been literally hundreds of millions of dollars poured into Atlantic Canada in the form of subsidies, grants and other approaches.

• (1230)

Don't get me wrong, Mr. Speaker. We are acknowledging and will continue to acknowledge that in an area such as Atlantic Canada there is room for Government assistance, whether it is a grant, an incentive or a subsidy. What we are saying, however, is that the Official Opposition in the House today has absolutely nothing to teach the people of Canada about solving the problems of Atlantic Canada. Whatever they felt were the solutions for Atlantic Canada in their term of office, we know that their solutions did not work. The people

who are out of work in Atlantic Canada today are out of work because of previous policies that did not take hold.

I am a little surprised to hear the tone of the remarks of the Hon. Member for Gander-Twillingate (Mr. Baker). It is that old Liberal ploy of always assuming that it is a "foreigner", as they like to call them, who is causing the problems. If there has been any overfishing or any misuse of quotas, we are the first Government to champion the Canadian right to resist whatever that wrong has been. I suggest that it is totally wrong for a Liberal spokesperson to stand up in the House and pretend that the problems all come from some foreigner, as they suggest, as opposed to some of the misdirected policies that their colleagues put in place when they had an opportunity to govern.

It was interesting to note how the Hon. Member's speech dealt mainly with the fisheries question, which is of great concern to all of Atlantic Canada. In particular, he seemed to dwell more on the Newfoundland situation than on the four provinces generally. However, I notice that he never once mentioned Fishery Products International. That company is a main employer in the fishing industry in Newfoundland. He did not refer to it and surely Hon. Members must have wondered why.

If the Hon. Member really has the concern of fishermen in Newfoundland at heart, as he professes, why did he not make some reference to the main employer? I can suggest why, Mr. Speaker. It is because that company, when the Government left power, was in an utter disaster. The workers were on strike, the fishermen were not fishing and the processors were not employed. It did not have a chief executive officer and virtually no board of directors. In short, it was the worst example of what the Hon. Member refers to as indifference and negligence in a corporate activity that I have ever witnessed.

I am pleased to say that one of the first challenges that we accepted was to sit down with the Government of Newfoundland in an attempt to put this company into a viable position. We agreed that not only did we have to put up an equity of approximately $25 million to overcome some immediate problems, but we had to find a suitable chief executive officer and a good board of directors for him to work with. Their job was to try to make peace with the labour unions and get people back to work and hopefully get Fishery Products International back into business on a viable basis. I am pleased to inform Hon. Members of the House that we have done that.

Vic Young is an excellent chief executive officer. We intend to support him. He is backed up by one of the best corporate boards in the entire nation. I am pleased to say that settlements were reached with onshore workers and the fishermen themselves. The company is back to work.

I say this in order to put this debate into perspective. It is not only a question of our being able to get Fishery Products International working again because there are many similar situations in the Atlantic area which we inherited and which needed very immediate attention. Devco is another example which I will refer to later. As a result of some of the actions we have taken there is new hope for that company today. Yet the previous Government had absolutely no hope for those people. Our Government has begun to restore Devco and I will give good news about Devco later on. I know that Hon. Members will be very interested to hear it.

Again, we have an example of a Crown Corporation that was left with virtually no board and no senior executive officer by a previous Government. This company, with the mining of coal as one of its principal activities, had a senior executive officer who knew nothing about coal mining. The Opposition has the audacity to walk into the House and propose a motion dealing with indifference and negligence with respect to Atlantic Canada. I notice that the Hon. Member is even giggling now, as he looks into the House. As far as I am concerned, that record will hopefully set the facts straight. Those are the hard facts and the business facts.

Let us talk about specifics. I have referred to Fishery Products International and I have referred to the Liberal inability to oversee this enterprise which is so important to Atlantic Canada. Last year it meant a disastrous strike that lasted 180 days. People were out of work not only in the plants but in the fishery itself. It is no wonder that there was no permanent chief executive officer for over 12 months. In short, the prior Government offered no support to the company.

Since we have taken office we have put in a strong chief executive officer and the board to which I have referred. That board is made up of people such as Anthony Wright, President and Chief Executive Officer of Newfoundland Power Company; Paul Desmarais, Chief Executive Officer of Power Corporation; Bill James, Chief Executive Officer of Falconbridge Nickel Mines Ltd.; Howard Hawkes of Bache Securities and Frank Stronach of Magna Corp. With the work of Vic Young and a board of that calibre, I know that we will be pleased with the result.

Let me deal with the situation of National Sea Products. As Hon. Members probably know, the Government of Canada owns about 20 per cent of that company. Perhaps it has been noted in today's paper that the net profit in the last quarter ended March 1, 1985, was 40 cents a share in that company as compared with a loss of 25 cents in the same quarter last year. That is good business. That is getting that company back to a viable level. That is what we intend to do.

For all the talk coming from the Opposition benches about grants, subsidies and all the rest, let us never forget that the real bottom line is getting people back to work in this country, especially in Atlantic Canada. When we talk about doing more in the private sector, creating the atmosphere and essentially creating jobs, that is our objective. I know that all our Members, as far as the coming Budget is concerned, are going to take new hope when they hear some of the measures that will be proposed to get Canadians back to work once again.

● (1240)

This is not a time, as the Opposition benches seem to love to foster and dwell on, for doom and gloom. This is essentially a time for new hope, to be taking a look at opportunities and not

problems. I can tell Hon. Members that since we took office last September we have signed seven economic and regional development agreements with the four Atlantic provinces; two each with Newfoundland, Prince Edward Island and Nova Scotia and one with New Brunswick. For these the federal Government has allotted almost $230 million. Does that sound like indifference, Mr. Speaker? Does that sound like negligence, as the Hon. Member from the Official Opposition would have us believe? The people in Atlantic Canada know this is a Government that is attentive to their problems.

In addition to the $230 million to which I have referred, let us not forget the Atlantic Accord with Newfoundland which calls for a further $225 million in federal funds. Isn't it odd that a Member from Newfoundland would stand up and speak on this subject and not say how pleased he was that the offshore oil situation has been settled in a way satisfactory to the Government of Newfoundland?

An Hon. Member: He forgot.

Mr. Stevens: Somebody just suggested that maybe he forgot. Opposition Members do have very convenient memories.

I could go on and relate the multitude of programs that we are enhancing and developing as far as Atlantic Canada is concerned. For the last fiscal year, right up to the end of March, let me mention that ongoing programs pumped $128,-751,000 in federal funds into the Atlantic economy.

I mentioned earlier that I felt the record I related to was unsatisfactory and could be improved. I can also tell you that one of the most encouraging things, Mr. Speaker, in my capacity as development Minister, has been to meet with my provincial counterparts. That first occurred here in Ottawa in January. Incidentally that was the first time in Canadian history that development Ministers at the provincial and federal level have ever had a joint meeting. We did that. We met in Quebec City and further advanced co-operation and identified goals that we wanted to attain to get people back to work.

Later this month we will be going to Vancouver. Once again we will be having meetings. Later we are to go to St. John's, Newfoundland for a meeting in the summer. We have been meeting every two months. We believe there is an urgency in getting Canada's regions back to work to enjoy the prosperity that they rightly deserve as far as the federal Government is concerned.

I mentioned that I would love to come back to Devco. I am very pleased to be able to tell Hon. Members that here is a company that over the years has had hundreds of millions of dollars pumped into it. As I mentioned, the previous Government abandoned it. In fact, the company never did have a chief executive officer who had any experience in the mining business. We named Derek Rance as the chief executive officer. I met with him yesterday. He is taking some excellent steps to ensure the viability of Devco. But here is the good news. That company for the first time in a decade is going to show a profit for the past year.

Some Hon. Members: Hear, hear!

Mr. Stevens: That profit has come from the fact that we have been able to get a 31 per cent increase in output per man-shift, a 25 per cent reduction in absenteeism and a 17 per cent reduction in accident frequency.

Some Hon. Members: Hear, hear!

Mr. Stevens: We think we are on the right track. I can tell you, sir, that the more we clear away the underbrush, the indecision and the confusion which the last Government left us, the more we know we are on the right track as far as Devco is concerned. Because of the excellent results, we have agreed that there should be a profit-sharing plan for the employees of Devco, and the profit to which I have referred, the first profit that corporation has had for 10 years, will be shared 10 per cent by the employees and management of Devco, the people who have produced those results.

Some Hon. Members: Hear, hear!

Mr. Stevens: That is the Brian Mulroney Government in action. We feel that Atlantic Canada can once again be one of the most viable, economically prosperous areas of this country, and if the Official Opposition would just back off a little, it will be surprised how quickly this turnaround is going to occur.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Questions or comments?

Mr. Baker: I was smilling at the Minister from behind the curtains because I could see what a bind the Minister was in in trying to participate in this debate.

Some Hon. Members: Oh, oh!

Mr. Baker: He did not seem to have much flow or logic in what he was saying. On the one hand he was saying, "Well, any unemployment and bad performance is due to the last Liberal Government".

An Hon. Member: That is right.

Mr. Baker: Then all of a sudden he said, "Well, for last year Devco is making a profit, but that is due to our Government." Last year was 1984, Mr. Speaker.

It is very interesting to hear what the Minister said. He accused me at the beginning of not mentioning transportation or regional development. The reason I did not is that I never got around to it. I got so caught up talking about the bad performance of this Government in the fisheries that I did not have the time to get to what the Government has done in transportation and regional development and what this Minister has done by cutting out $200 million. From where did the Minister cut this money? He cut it from the industrial incentives program. In the document tabled by the President of the Treasury Board (Mr. de Cotret), he should explain what lay behind that move of his Government. The Minister does not realize certain things. He should examine the new ferry rates on the East Coast of Canada. He should examine all the

cut-backs. What about all the boat services that have been cancelled on the south coast of Newfoundland? The Minister should look at how much it will cost him and his family to get over to one of the provinces in eastern Canada since this Government has taken over.

Let me ask the Minister a question. The Minister talked about Fisheries Products International. He said it is now on an even keel. He really took credit for Fisheries Products International. Did the Minister agree with the action taken by the former Government in setting up Fisheries Products International? Did he agree with the amount of money that went into the setting up of that company?

Second, the minister now says everything is fine and dandy. Everything is on an even keel. Is the Minister saying that there will not be any closures of fish plants under Fisheries Products International? That is an interesting question, Mr. Speaker, with the advent of this Government's policy of consolidation in the fishing industry. Will the Minister answer yes or no in this House under this great Fisheries Products International that he claims he has reorganized? Is he saying that all fish plants will remain open, or is he going to relocate the workers?

• (1250)

Mr. Stevens: Mr. Speaker, I hope we can keep the record straight, notwithstanding the interventions of the Hon. Member. When I referred to the Cape Breton Development Corporation for the first time in the past decade swinging into a profitable position, I was referring to the fiscal year ended March 31, 1985. The fact is that when we took over in September last year, the company was still operating at a loss. In the last six months to seven months we were able to swing it around, so that we can now say that it is into the black as far as operating figures are concerned. The profit to which I am referring contrasts to a loss the year before, March 31, 1984, of $49 million. That is the way the previous Government was running this company.

The Hon. Member asked me whether I agreed with their financing plan for FPI. Let there be no doubt what the financing plan was. It was a bail-out for the banks. It was essentially an arrangement to allow the banks to recover moneys which they had advanced. There was very little put up to ensure that the company would be viable and could operate for the benefit of the employees who needed the assistance of FPI to get on with their fishing occupations. That is the truth, and I hope there will be no doubt as far as the House is concerned.

Mr. Baker: I would like the Minister to answer the question. Did he agree with the policy of the former Government and the input of some $100 million in total into that reorganized structure? Did he agree with the actions of the former Liberal Government which the Premier of Newfoundland called the greatest thing since Confederation? Did he agree with the Premier of Newfoundland? When he talks about how great Fisheries Products International now is, is he saying that there will be no closures of plants and no consolidations into other sectors, as the policy statement of this Government indicates?

Mr. Stevens: The Hon. Member has raised the question of financing. He mentioned about $100 million, but he only told half the story. Money went in but it also went out to pay off the banks substantially, as far as their ongoing credits were concerned. In that respect I feel the previous Government was rather naive in what it put together as a refinancing package.

Here again I find the Hon. Member's approach very fascinating. He reflects the interventionist tendency of the previous Government. He wants me to comment on what the present executive or board may or may not be doing with respect to the operation of the company. In due course, because it is more than 50 per cent owned by the people of Canada, we naturally will be reporting back to the House. However, let me assure all Hon. Members that I do not think anything is gained by running commentaries by some politicians as to what they think in a day to day sense should or should not be done in Fisheries Products International. I am pleased that they are back to work, that productivity has risen, and that fishermen once again are able to ply their occupations in the fishery, not listen to a lot of pompous political speeches about what might or might not be possible.

Mr. Langdon: Mr. Speaker, I am pleased the Minister has not made such a pompous speech this morning, in that case. Also I am pleased with the conversion to recognizing the virtues of public enterprise. I suspect some other earth-shaking things to happen in the near future, such as foxes endorsing the virtues of hounds chasing them in the hunt and alligators favouring purse manufacturers. This is a kind of conversion which is so magnificent that I cannot help but congratulate the Minister on it.

However, I want to ask the Minister whether he is now prepared to answer some questions which were raised in the previous debate on Atlantic Canada. These were questions which we posed at the time, coming out of our action group visit to Atlantic Canada. Three of those questions remain particularly relevant. I am talking about the debate on January 25. I might have hoped that the Minister, if he were not indifferent or negligent, would have answered these questions by now.

First, could the Minister tell us whether he is yet prepared to meet the request of workers at Sysco to assist with federal funding to improve productivity and the future export capacity of that company?

Second, is the Minister able to tell me whether an arrangement has finally been worked out with the Woodlot Owners Federation in New Brunswick with respect to reforestation plans there? I talked with the president of that association just two weeks ago, and the Minister had not yet been able to sort out that arrangement.

Third, has the Minister been able to see to it that the Minister of Employment and Immigration (Miss MacDonald) has reached an agreement with the Canada Works Program in Newfoundland that we stressed, on the basis of groups which talked to us, was not representing employment equity in its

allocation of jobs as between men and women in that province?

Would the Minister be prepared to provide answers to these quite important questions which frankly have been hanging about for some time and which I expected him to answer before now?

Mr. Stevens: Mr. Speaker, in reply to the Hon. Member for Essex-Windsor (Mr. Langdon), I can only in passing comment upon the fact that only yesterday the Hon. Member somehow or other got out of Canada and started to raise a question which would have been more relevant in Washington, D.C. Today he has taken us down to alligator country while we talk about Atlantic Canada, and then he got into the question of foxes. I must admit that perhaps there is no better Member of this House to speak about foxes than the Hon. Member for Essex-Windsor. Then he dealt with the question of Sysco. As he undoubtedly knows, Sysco has been mainly the responsibility of the Government of Nova Scotia. There are discussions at the present time concerning its future activities. Of course, we are participating in those discussions with a view to trying to do what we believe will be right for the people involved with that company.

The Hon. Member also referred to forestry in New Brunswick. I know he will be very pleased with an announcement, which will be made probably within the week, concerning some activity in New Brunswick that most Members of the House would heartily endorse. As well, he referred to the Minister of Employment and Immigration (Miss MacDonald) with respect to certain ongoing discussions with Newfoundland. I can only say that I think it would be more appropriate for my employment colleague to comment on that aspect of the question.

Mr. Rompkey: Mr. Speaker, I have a question to ask.

Mr. Deputy Speaker: Unfortunately the time for questions and comments has expired. Resuming debate with the Hon. Member for Essex-Windsor (Mr. Langdon). Is there unanimous consent to call it one o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The Hon. Member will start his speech at two o'clock.

It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Rompkey: Mr. Speaker, I rise on a point of order. I had hoped to raise this point of order before the Minister of Regional Industrial Expansion (Mr. Stevens) left. Now that the Minister of Justice (Mr. Crosbie) is in the Chamber, perhaps he could clarify the point.

The Minister of Regional Industrial Expansion said in his remarks this morning that there were two new agreements signed with the Province of Newfoundland since his side of the House became the Government of Canada. To my knowledge, that is not the case. There have been announcements of intentions, but to my knowledge there have not been two new agreements signed that were not originated by this side of the House when we were the Government of Canada previously. I know the Minister of Regional Industrial Expansion did not intend to mislead the House. Maybe he was right, but I do not think he was. Possibly somebody could clarify that for me.

Mr. Deputy Speaker: I regret to inform the Hon. Member that in my opinion this unfortunately is not a point of order.

Mr. Crosbie: Mr. Speaker, I rise on a point of order. There are large gaps in the knowledge of the hon. gentleman. When I speak later this afternoon I will address myself to his inadvertent lapses of memory. I will describe all that has been done for Newfoundland and Labrador in the last seven months, more than in the last 10 years.

Some Hon. Members: Hear, hear!

Mr. Rompkey: That doesn't answer the question.

Mr. Deputy Speaker: When the House rose at one o'clock, the Hon. Member for Essex-Windsor (Mr. Langdon) had the floor.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I must say, since I am going to make a speech, that I feel I should rise on a point of order.

Mr. Crosbie: You have not done a thing for the Atlantic provinces.

Mr. Langdon: Give us a chance.

Mr. Crosbie: You will never have the chance.

Mr. Langdon: I first want to express my pleasure at having the opportunity to speak today. This is a fine morning in Ontario after a demonstration last night of what indifference and negligence can result in for Governments that are guilty of that. I suspect there are few Conservatives today in the House of Commons who are not sitting slightly less comfortably in their seats. For me, that is a pleasure.

I have to remind people, as the voters of Ontario reminded the Government last night, that a tough jury is out on all of us, a tough jury that has to be satisfied that we are dealing with all the crucial issues in front of this country. I give congratulations to the Liberal Party in this House of Commons on the gains it made in Ontario. I give hearty congratulations to my colleagues in my Party, particularly in Windsor where we managed to take a seat away from the Liberal Party.

I also have to say that it is a pleasure to be part of the same debate as the "Minister for closure". The Minister for closure

is not very happy with debate and discussion within the House, so I am pleased to actually see him today. It is not often that he is prepared to participate in such important debates, I fear, in view of his predilection for getting controversial legislation passed fast.

This is a motion on Atlantic Canada. Atlantic Canada is a part of this country where our action group spent a good deal of time and learned a good deal. It is a part of the country where we found the tragedy of unemployment to be particularly severe and particularly sad. I want to begin my contribution today with a quotation from a report by the Social Justice Network of Sydney, Nova Scotia. It talks about one of the underemphasized sides of the unemployment crisis, about the fact that it is not just parents who bear the brunt of the unemployment crisis but children as well. I quote:

● (1410)

We have noticed that children's reactions to unemployment are similar to those of adults, these being apathy, boredom, depression, a sense of loss, worry, anxiety, defeat and resignation. We feel that like their parents, children who are exposed for long periods of time to unemployment are at risk of becoming emotionally unstable.

Those are the human costs that face us as we talk today about the problems of Atlantic Canada.

In his contribution the Minister suggested that the bottom line is jobs and job performance. I agree with him. Obviously Conservative Members who applauded his words so vigorously also agree. We must look first at that bottom line. What that bottom line tells us is that for all four Atlantic provinces, the unemployment rate has gone up dramatically since this Government took office.

In the case of Newfoundland, the unemployment rate is as high as 24.6 per cent as compared with 23.3 per cent a year ago. In Prince Edward Island, the unemployment rate is now 17.6 per cent as compared with 15.9 per cent a year ago. In Nova Scotia, it is now 17.3 per cent as compared with 15 per cent a year ago. In New Brunswick, it is now 19.9 per cent as compared with 17.6 per cent a year ago. Some bottom line! In social accounting terms and in terms of human costs and benefits, that is a sad story indeed.

I do not want to deal only with the gloomy facts although those facts themselves are gloomy enough. I would like to suggest to Hon. Members here today that there is a positive direction in which we as a Parliament can proceed. This direction will give the people of Atlantic Canada and indeed the people of the entire country a sense of hope and confidence for the future.

In the action group report released by our Party early in April, we laid out a series of commitments to community self-direction, to building on our resources, to corporate accountability and to equity in the workforce which would provide a direction for this country and a hope for Atlantic Canada. I recommend these commitments to government Members as they look to their own Budget later this month.

The direction we laid out in that report speaks directly to the potential of Atlantic Canada, a potential that we ourselves saw in Newfoundland when we heard the ideas and plans for fishing co-operatives expressed to us by the fishermen's union in Newfoundland. We have seen these ideas transformed into direct concrete action in the case of New Dawn Enterprises of Cape Breton Island, a co-operative which has provided jobs and hope to that community. This potential was expressed to us by members of the Federation of Woodlot Owners of New Brunswick who told us in detail how switching funds to them for reforestation could get the trees we need for our future industries and could give us more jobs.

We saw that potential in the messages that came to us about the accountability of a company like Noranda, a company which has taken so much out of the Province of New Brunswick but, when asked to pay it back by making one commitment, a commitment to provide a zinc refinery in that province, played political games for years and finally turned down the request. We see that potential in the Indian communities of New Brunswick with which we spoke just last month after our action group report was released. People in those communities told us that this report did provide a focus on their needs which they had not seen from previous Governments. It is possible to take a positive direction. This positive direction is one which must reverse the kinds of policies which were followed by the previous Government.

We in this country have had ten years of trickle-down economics. It has not worked. We have had ten years of attempts to get the economy moving by giving extra breaks to those who are well off. It is time to take a trickle-up approach. For ten years we have been putting our trust as a country in the hands of Ottawa bureaucrats and the large corporate sector. That has not worked either. It is time to trust people and their communities across this country. For ten years we have been cutting our trade barriers, supposedly to help our economy. That has backfired. It is time to use our trade barriers as levers to help us win a position in the tough international economy.

We in this Party have looked for practical and positive ways to use a trickle-up approach and to put trust into our communities. We see a way that this can be accomplished in the very Budget that will come down this month. We could give to the people of Canada the tax breaks they deserve. We have suggested that $2.7 billion in tax help be given to middle and lower income earners rather than to the corporate sector and the wealthy of the country. We have suggested that there be a clear set of expenditures for community initiatives which would give communities across the country the capacity to put into reality their dreams. These are dreams of new small business ventures, of new co-operative ventures, of municipal ventures and of improving resources within communities. Our young people have dreams of making jobs for themselves. However, this is not going to just happen; it takes leadership and a Government that provides that leadership.

As well, we have suggested that $1.1 billion be spent on resource upgrading, that $200 million be spent on the forestry sector and that $150 million be spent on the fishery sector. This is the kind of positive commitment which the previous

Government lacked and which this Government, despite its rhetoric, has not been prepared to provide. We have as well suggested support for agriculture and for energy alternatives.

The right direction is there. It is possible to take the new approach of trusting our communities in this Budget. It is possible to take a bottom-up approach that would give us the jobs that are so desperately required. It is possible to affect the economy positively. Instead, what do we see? Why are we rising today to support this motion of non-confidence in the Government with respect to its neglect of Atlantic Canada?

When looking at the actual performance of the Government as opposed to the honeyed phrases and bombastic commentaries, we see that there has been a lack of action. We see negligence and neglect. The Minister spoke of meetings and I applaud that. However, there is a point at which meetings must translate into action. Attending meeting after meeting as described by the Minister of Regional Industrial Expansion does not help an unemployed woodworker in Newfoundland. It does not help the fishermen in Cape Breton or the 55 per cent of the workforce out of work in Newcastle, New Brunswick. It takes action and that is what we have not had.

• (1420)

We have not even had a Budget from this Government as yet. But we have had cuts; in social housing and the residential rehabilitation program. This Minister of closure who got up to talk about what a magnificent job he is doing did not bother to mention the cuts in IRDP which has left Halifax, as one example, ineligible to receive grants for modernization and expansion. How can the Conservative members who represent that part of Canada feel happy and confident with that direction?

There has been no action on Sysco despite the request from the Conservative Government of Nova Scotia for federal help to put that enterprise back on its feet. Then we have the woodlots. The Federation of Woodlot Owners in New Brunswick made a simple request, five months ago by my count, for more funding to help local, small woodlot producers reforest their lots. Five months and no action yet. How can this Government justify that? Atlantic Canada put its confidence in those Members and they are not coming through. Co-operatives are very important in Atlantic Canada, but has this Government done anything to help them? Not a thing.

This Government believes that the answer to all our problems lies outside our boundaries. This Government truly believes that the foreign investment community, thanks to the magnificent honeyed tones of our Prime Minister (Mr. Mulroney), will flock in and solve our problems. The people of the Maritimes have had far too much experience with the Doscos and Hawker Siddeleys of the world to expect that foreign investment is going to be some kind of magic cure. Then we have free-trade zones. This is the new pot at the end of the rainbow. We can somehow turn Cape Breton into a free-trade zone, get rid of minimum wages, get back to the free market where we can compete with Korea. Fantastic stuff. What a vision! What a sense of commitment to and confidence in the Canadian people. This Government believes that competing with Taiwan and Korea is the answer to our problems. Free trade with the United States is the other magic solution.

What all of these ideas have in common is that they have not been thought through, they will not come to pass, and even if they did they would not solve the job problems of the hundreds of thousands of people in Atlantic Canada who are looking for a future. Where is the faith in Canadians? Where is the faith in small business people? Where is the faith in the co-operative tradition in Atlantic Canada? Where is the faith in the men and women of that part of the country, people who told us again and again and again of positive, exciting ideas they had to build their communities and create the jobs we need? Yet this Government is not responding to that sense of hope and potential. It puts its faith in magic solutions from the outside instead of real answers based on Canadian communities.

What we heard from Atlantic Canada was that they are tired of hand-outs; they are tired of short-term, make-work projects. They want a long-term future. They want jobs based in and on their communities, but this Government has not as yet shown it has heard that message. Perhaps it will, I hope it will, but on the basis of its record since September 4 I have to say: neglect, negligence; the evidence is there. I hope the evidence will be changed in this coming Budget, but for the moment it is clear this Government has failed Atlantic Canada and it deserves to hang its head in shame for that failure.

Mr. Deputy Speaker: Questions or comments?

Mr. Warner: Mr. Speaker, the Hon. Member for Essex-Windsor (Mr. Langdon), in his introductory remarks, congratulated certain members of his Party and certain members of the Liberal Party. In the Ontario riding of Cornwall the Conservative candidate, Luc Guindon, was successful in winning a seat which had been held by the NDP. I was wondering if inadvertently the Hon. Member had forgotten to congratulate the Conservatives.

Mr. Langdon: Mr. Speaker, I appreciate that question. I had thought, to be fair, that I should not comment too much on the Conservative performance in yesterday's election. As I look through the detailed results I thought it might be best, out of a sense of charity and friendliness, not to mention what had happened to my poor Conservative friends in Ontario. However, since the question has been raised I feel honour bound to talk with concern about what has happened to Mr. Miller and his regime.

Mr. Nickerson: Tell us who came in last.

Mr. Langdon: I see, for instance, there has been a tremendous loss in Toronto. Here in Ottawa there have been losses. I see that in London, even Ministers were defeated. I see that the poor Minister of Labour in Sault Ste. Marie, and I can understand my hon. friend from Sault Ste. Marie—

Mr. Deputy Speaker: Order, please. I think we are way off the motion. Resuming debate.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I am very pleased to be able to debate this motion before the House today. This matter needs attention and has been ignored for far too long. In dealing with the motion I would ike to deal with the three areas mentioned. With respect to the first and the problems with the fisheries, that question has been dealt with very ably this morning by the Hon. Member for Gander-Twillingate (Mr. Baker), and will be discussed this afternoon by my colleague, the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey).

With respect to the question of transportation, there are quite a few problems which I think have to be discussed in that area and it relates directly to the future of Atlantic Canada. I have spoken to the Minister of Transport (Mr. Mazankowski) about these questions and I must say in his defence that he heard me out and gave me the time to discuss them. I can only hope that he and his Government will be sympathetic, will study the question and realize the seriousness of these transportation issues in relation to Atlantic Canada. I would like to mention a few this afternoon.

● (1430)

One issue relates to the problem of Terra Transport. That company was forced to increase its fees, which put it in a bad position in relation to its competitors. When the CTC requested that they make that fee increase, they put the railroad in Newfoundland in jeopardy. That can have a very serious effect on the Province of Newfoundland.

The question of whether this increase can be enforced or rolled over and negated is now before the courts. In the meantime, the Minister of Transport has agreed to roll back the fees to their level before the increase took place. If these increased fees are allowed to stand, there will be a tremendous negative effect on CN Martine. CN Marine is the Crown corporation which provides ferry service between the Atlantic provinces and Maine. It is an integral part of the transportation network.

CN Marine is having tremendous difficulties at the present time in relation to the number of people it is laying off in Atlantic Canada. The employees who are being laid off are not junior employees who just got a job, got married and bought a house. These are men with 15 to 20 years seniority who have bought houses and have children who are going to university. These men are being laid off at the time in their lives when their expenses are the highest. The people in Atlantic Canada feel that if there are to be decreases in the number of employees at CN Marine, that should take place through a moratorium on hiring rather than through lay-offs. These men have worked for the Government of Canada through a Crown corporation. They have given the best part of their lives to their communities. How are they going to find alternate employment now? It is very important that the Government of Canada realizes its obligations to these men and women.

Last October Canadian National divided CN Express from CN Rail, making them two separate Crown corporations with two separate bargaining units. Previously in Atlantic Canada men who were laid off in either arm of CN could bump someone in another area. This can no longer happen. The men working for CN Rail were frozen there and those working for CN Route, as it became known, were frozen there. They could not move from one to the other. Therefore, if they are laid off, that is the end of it. They cannot take on another position. That is very serious. The reason for this is that CN wanted to be able to do away with permanent employees and retain the services of temporary employees. They would then not have to give the benefits and would have greater control over whether or not they needed the services of people. That is a very serious situation and a serious point of view for a Crown corporation to take.

The situation at CN Marine is in jeopardy partly because of the subsidy which the federal Government must pay to CN Marine. On the other hand, the federal Government is paying a multi-million dollar subsidy to Atlantic Container Express to ship directly from Montreal to St. John's, Newfoundland. This reduces the business of CN Marine between North Sydney, Nova Scotia and Port-aux-Basques, Newfoundland.

The federal Government is saying that it is going to give a subsidy to CN Marine and a subsidy to Atlantic Container Express. The subsidy to Atlantic Container Express allows them to provide the competition to CN Marine, thereby reducing the income of CN Marine, again increasing its subsidy. Therefore, the subsidy to Atlantic Container Express is in turn creating a larger subsidy to CN Marine. We must get our act together. Mr. Speaker. The Government must become aware of the transportation concerns in Atlantic Canada.

This morning in the House I saw a Minister sink to the lowest level to which I have ever seen a Minister of the government sink. This morning the Minister of Regional Industrial Expansion (Mr. Stevens) gave a speech in the House which was an insult to the problems and needs of Atlantic Canada. He took the credit for the improved position of National Sea Products. He did nothing for National Sea Products. He did not even mention the workers or management of National Sea Products and their contribution to the improved position of that corporation. Then he said he had good news about the Cape Breton Development Corporation which has as its jurisdiction the island of Cape Breton.

Industrial Cape Breton at the present time has an unemployment rate acknowledged by Employment Canada of 29.5 per cent. The level admitted privately by Employment Canada is over 40 per cent. The people of industrial Cape Breton have been waiting for months for good news from the Minister of Regional Industrial Expansion, the man who holds the purse strings for regional development and investment which will help the economic base of industrial Cape Breton.

The Minister's news was that this year Devco is going to show a profit and that he was going to introduce 10 per cent profit sharing with the workers of the Cape Breton Development Corporation. Wasn't it wonderful what his Government had done? He did not mention that the management policy which created this profit was brought forward by the chair-

man, Joe Shannon, who was appointed by the former Liberal Government. However, that is not the major feature. This profit was made possible by the work, sweat, problems and difficulties of the miners on Cape Breton Island rather than through any action of this pompous Minister of the Government. For him to take any credit for what happened in the Cape Breton Development Corporation is completely and utterly insulting to the people of Cape Breton.

Not only is he taking credit for something that the people managed to do for themselves despite the adversities of industrial Cape Breton, but his good news did not relate to that which he had promised the people of industrial Cape Breton. On January 25, 1985, an Opposition day sponsored by the Member for Essex-Windsor (Mr. Langdon), he said that positive announcements would be coming very soon with respect to that company, referring to the Cape Breton Development Corporation. At that time he did not know that there would be a profit for the Cape Breton Development Corporation, as minimal as that good news would be for the people who are unemployed in Cape Breton. In that respect he has not brought forward any good news. He has not kept his promise to the people of Cape Breton to do something about the plight of that area of our country.

What is happening? We must be concerned, Mr. Speaker, because as I have said, the unemployment rate is officially 29.5 per cent and unofficially over 40 per cent. The people of Glace Bay would be so pleased to hear that he did so much for them by creating this profit. They have an unemployment rate of 50 per cent in that town. The two industries, No. 26 Colliery and the Highland Fishery in Glace Bay, were destroyed by fire in the last 14 months. They would be pleased to hear the good news. They have been hanging on to the hope there will be something forthcoming to salvage not only the economy of Glace Bay but the whole industrial area of Cape Breton. They will be very impressed by the news of the Minister and the hypocrisy of what has been said in the House by the Government.

● (1440)

Glace Bay, Nova Scotia, recently had a special benefit concert on the CBC. A recent article in a periodical told of the hope and good spirits of the people of Glace Bay and their generosity in donating to charitable campaigns, such as to the people of Ethiopia. They have been doublecrossed by the Minister of Regional Industrial Expansion (Mr. Stevens).

The people of Sydney Mines are also without an industry. That city of 10,000 people has no industry and nothing is being planned by the Government. It is a disgrace that the Government would treat the problems of Canadians in such a cavalier and pompous fashion.

The Minister has talked about Devco and that it will turn it around. Devco did not turn it around this morning when Haak Engineering, a company that was formed by the industrial development division of Devco, lost their contract with the Cape Breton Development Corporation to a company in the United Kingdom. It had to lay off all but two of its employees in Cape Breton Island. It is only more bad news for the industrial area of Cape Breton.

The Minister talks about meetings. It is time to stop meeting and start to take action. All that the Minister has done is set up two studies, but what will this do for those peole who come to see me? For example, there is a young couple who have lost their home because it does not have any heat or water. They have two children and are living with the wife's parents. Her father is bedridden and the six members of that family must live on the grandfather's pension. While this takes place, the Minister of Regional Industrial Expansion holds meetings and sets up committees to conduct studies. He does not even trust his own bureaucrats.

There are professionals in his Department who have studied industrial Cape Breton. He has officials in the directorate under the Director General but nothing is being done. He does not trust them. The Minister operates in a vacuum and the problems of regional development in Atlantic Canada are going unanswered. The Government will have to correct that situation and the Minister will have to be held accountable.

The Minister says that this is not the time for doom and gloom. What does he expect from people in Atlantic Canada when the unemployment rate has gone up to 29.5 per cent? The Minister has compared the unemployment rate in Atlantic Canada to that in New England. He said that the unemployment rate in Atlantic Canada has gone down and it has gone up in New England by 50 per cent. When the Tory Government was elected on September 4, the official unemployment rate in industrial Cape Breton was 19 per cent. As of the end of March it was 29.5 per cent. That is an increase of over 50 per cent since the Government has been in power. The Government cannot tell Canadians that it is doing something for Atlantic Canada and for the unemployed in this country and that it is acting on the concept of regional development.

The Government has done nothing positive in industrial Cape Breton. What has it done? It cancelled the building of a decentralized office which would have created 100 construction jobs. It has taken away an income security office which was to be decentralized from Halifax. That would have created 85 jobs in downtown Sydney. Not only would it help in job creation, it would have had a spin-off effect that would have enhanced the downtown area of Sydney. The Minister and his friend, Premier Buchanan of Nova Scotia, have managed to sabotage a $12 million subsidiary agreement for downtown Sydney.

The former Liberal Government approved $8 million not only at Cabinet but through Treasury Board. Where is that money at a time when people in industrial Cape Breton are unemployed and going without hope because of the broken promises of the Minister?

The North Sydney wharf has been cancelled. Half of phase three and phase four of the expansion of the coast guard college have been cancelled. The wash plant at the Prince Mine at Point Aconi has been cancelled. That is what the Government has done for industrial Cape Breton. Everything the Government has done is negative. The Government will

have to explain itself properly to the people of industrial Cape Breton.

This neglect is a result of an elitist policy by a Government that has no feeling for people. It has only been following elitist principles and has displayed no co-ordination in its policies. It is cancelling transportation programs and regional development programs when those programs would be in lock step with attracting industrial possibilities for Cape Breton and other areas of Atlantic Canada. These setbacks to industrial Cape Breton apply as well to the whole of Atlantic Canada. This will not go unnoticed by the people of Atlantic Canada, I can assure the House.

There was reference to the Sydney Steel Corporation. The Hon. Member for Essex-Windsor (Mr. Langdon) put forward an important point. However, the problem is with both the federal and provincial Governments because not only is the provincial Government refusing to put in a request for funding for Sysco, but the federal Government will not take action as a result of that refusal. Both Governments are doing a jig at the expense of the Sydney Steel Corporation.

The federal Government is an elitist Government that has no concept of regional development. The Minister did not mention the concept of regional development during his speech this morning. He thinks that regional development is strengthening the muscles in his posterior.

The Government must reverse its attitude about eliminating regional development because an entire area of this country is dependent upon the support of the Government. The Government is creating unemployment and taking away hope in this country. The Government is doing this to the unemployed all across Canada as well as to low-income Canadians and those on fixed incomes. It is creating a society within a society. It is supporting the upwardly mobile people who can take care of themselves and forgetting about those who need training and help. It is forgetting about the young who need help to get their first job. The Government is failing those people and therefore the country.

Mr. McCain: Mr. Speaker, I see that the matrimonial bliss that has existed so long between the NDP and the Liberal Party is still in place. They will have no need whatsoever for that new divorce capability which was introduced by the Minister of Justice (Mr. Crosbie). I would think that after the election in the Province of Ontario the NDP might have learned that if they want to go on their own course they should perhaps criticize the Grits somewhat as well as the Tories. Their future might be enhanced. As long as that matrimonial bliss is maintained, no divorce is required. They will stay where they are and maybe slip back.

I have a question for the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan). There were three former Maritime Premiers in the Senate or the House of Commons. Why were these questions not addressed to them when the Hon. Member sat on this side of the House? Would he also explain why, in this motion, he has settled his entire debate on a single issue, namely his own constituency? While I am interested in my constituency, I have to be a Canadian as well and my interests must be of a national nature.

Why is there a deficiency in the refrigeration and freezing capability of our fishing fleet? How does it happen that we have inherited the difficulties in the fishing industry of overfishing, over-licensing and expenditure of resources by bad management? Why was that not addressed since this is partly a fisheries question? It is not just the harbour in Cape Breton.

• (1450)

How does it happen that the Hon. Member, in his sincere interest for Atlantic Canada, has not realized that all ports of Canada under the new ports legislation would go into the new independent ports structure with an equal debt? The Hon. Member has not addressed the fact that Saint John is the only former National Harbours Board port which has a burden of debt which it cannot carry and operate in competition.

Why did the Hon. Member not address the matter of the very minimal attention that has been devoted to quality in world markets? Why has the Hon. Member not devoted some attention to the fact that in the fishery we might not have had to socialize the whole structure if we had not had a complex which utterly and totally refused to accept the idea that perhaps somebody from outside this land might be able to assist in marketing and processing and in improving the fish markets of Canada as a whole?

Why has the Hon. Member exercised all the prejudices that he has expressed today, when he was on the Government side of the House long enough to have corrected them all? They should not have been inherited. Why has he not addressed the fact that in those years when the Liberal Government was in power that Government did not address the maritime feed freight assistance program? How does it happen that you could on September 4, and still can, have five cents more profit on a pig produced in Edmonton and marketed in Halifax than on the pig produced in the Annapolis Valley and marketed in Halifax, a situation caused by a deterioration in national policy which was intended to recognize all of Canada?

These are the questions I think the Hon. Member might have addressed. I compliment him for addressing his own constituency but this is a broad-based motion. It certainly should have addressed the whole structure of Atlantic Canada and its needs.

Mr. MacLellan: Mr. Speaker, I would like to address with a great deal of pleasure the question put by my hon. friend on the other side. I would like to say I certainly have not agreed with everything that was done by the former Government. As I said in the House today, there were a lot of things that Government did that were cancelled after the election as a result of the present Government's policy of attrition. That is taking into consideration only politics and not taking people into consideration. There are people relying on those politics. It was a shameful practice. It should be abhorrent to all Members of this House. I wish I had had more time to discuss the things the Hon. Member mentioned.

He mentioned the marketing of fisheries products. That was an area in which a very severe cut was imposed by this Government. I have notes here on energy that, I would have loved to use but I did not have the time. I say to the Hon. Member that I realize the point he is making, that there are problems in all of Atlantic Canada and this Government better realize that. But I am the Member for Cape Breton-The Sydneys.

Mr. McCain: We inherited them.

Mr. MacLellan: These are the people who elected me. Had I had a whole afternoon, I would have got around to the things he mentioned.

Mr. Nickerson: Mr. Speaker, I would like to congratulate the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) on probably one of the best speeches he has given to the House of Commons. I am fully aware that he has a great deal of concern for the people he represents. I do not want my comments to be interpreted as taking away from that at all. I was sadly disappointed, however, that the Hon. Member did not propose anything positive that might put things right in industrial Cape Breton. He had that doom and gloom sense which Liberals very often have about them. This was mentioned by the Hon. Member for Carleton-Charlotte (Mr. McCain), who asked what the Member had been doing for so long when the Party he supports was in office. What the Hon. Member was giving us was a kind of farewell to Nova Scotia speech.

I had an opportunity to visit the Hon. Member's riding not too long ago and to spend some time with Devco in Cape Breton. I returned with something of a different attitude. I know there are serious problems of unemployment and that things must be done to improve the industrial situation, but I returned with the attitude that there are great things possible in the coal industry there. Coal is expensive to mine in Cape Breton but once you have it, you have it in tide water. Transportation costs to market virtually anywhere in the world are far less than they might be with, say, western coal. Nova Scotian coal enjoys an advantage. With the closure, unfortunate in a way, of No. 26 Colliery, beneficial things did occur because it was the least efficient of the mines. Now with the new Lingan Phalen mine coming into production and the possibilities of Donkin coming in, I see a great future for the Nova Scotia coal industry.

I noticed both in the management and in the workforce there a great *esprit de corps*. People obviously know what they are doing and they have confidence in themselves and in the future of the coal industry. I wanted to inject into the debate something of that spirit of optimism. We cannot write off, nor should we write off, Cape Breton. I think it has a long way to go and a great part to play in the future of Canada.

Some Hon. Members: Hear, hear!

Mr. MacLellan: Mr. Speaker, I would like to thank the Hon. Member for his important and positive question. I certainly do not take any offence to it whatever. The question helps me if the Chair will give me time to answer it.

I see possibilities for industrial Cape Breton, and indeed for the whole of Atlantic Canada, but that has to be done with the help of both provincial and federal Governments. Referring to doom and gloom, the doom and gloom represents what we see Governments doing on behalf of Atlantic Canada. If we see there is hope and Governments are sincere about helping us, then there will not be the feeling of doom and gloom. Goodness knows, people in Atlantic Canada and industrial Cape Breton could not have carried on without that hope and without feeling there would be a better time. The problem is that industrial development is competitive.

Recently Pratt & Whitney announced that it was going to Halifax. If someone had said to Pratt & Whitney, "You have to go to industrial Cape Breton," that company would have said no. What should be done? Would that mean you would give them all the money they needed to go to industrial Cape Breton? The answer is no. One has to look at the situation as one aspect. We have to encourage industry. We have to tell industry that industry will be successful there and that there is a good industrial framework. As part of that framework one must co-ordinate all departments, both provincially and federally, so that one hand is not doing something contrary to what the other hand wants done. One must not reduce transportation facilities that will be needed for the industrial possibilities which the Department of Regional Economic Expansion and the Department of Development in Nova Scotia feel will be necessary to entice development. They have to work together and co-ordinate. You have to have the infrastructure in a community that people need. You have to have schools and hospitals that meet what the people want. That is part of regional development. You have to have downtown facilities that are not elaborate but a conceptual idea of what you are going to develop in that community. Then the people who locate and live there will see this as a community that is being planned for a positive future.

• (1500)

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am glad that this motion has been moved so that we can produce some facts to show what has been done for Atlantic Canada. However, I have had the unfortunate experience of listening to two discourses which really make one despair.

When I listened to the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan), I thought to myself of an old song. To paraphrase that old song, it goes, "Oh, Russell, I hardly knew you". Where was all this passion, emotion and disgust a year ago? After all, it was the Liberal Party, which that hon. gentleman represents, that was in power for the last 20 years while these conditions that he described were allowed to arise in Cape Breton. The Hon. Member himself has been here for the last four or five years. Everything he said today about Cape Breton was just as true a year ago, and nothing was done about it. The situation was allowed to worsen and to worsen by

that Government and that Hon. Member. Yet we heard him today, and all we could think was: What a fine actor. They are marvels at spurious indignation. Where was that indignation last year? They are marvels at hypocritical alarm, carefully constructed crocodile tears, yowling, howling, bawling and mewling; not policy, puling, drooling, hoping to fool them. We did not hear one suggestion from the hon. gentleman about what should be done to help Cape Breton or the unemployed, or what this Government should have done over the last 20 years. It was like the wind whistling through a whale's spout and just as useful. The hon. gentleman was not even as useful and did not make as much sense as a blow-hole of a whale would have made. I have heard many whales through their blow-holes. They were all more interesting, made more sense, had more logic and wasted less time than did the hon. gentleman in his speech in the House, and they would have been a lot more effective.

Patriotism used to be described as the last refuge of the scoundrel, but it is not patriotism any longer. It is spurious indignation, hypocritical alarm, and the kind of unctuous bunkum and mind-boggling blarney we have heard for the last 40 minutes from the Hon. Member for Cape Breton-The Sydneys and the Hon. Member for Essex-Windsor (Mr. Langdon).

I have more sympathy for the Hon. Member for Essex-Windsor. He was never in power, so he cannot be held responsible. Of course the NDP is completely irresponsible. Its members have never been in power. They are never going to be in power. They can whistle and blow through their blow-holes until kingdom come; they will never be asked to account for the nonsense they get on with or for the promises they make.

The people of Ontario, sophisticated as they are, know that. That is why they only gained two members in that deluge yesterday. They only swelled their ranks by two. The Liberals are much better at fooling the people of Ontario than is the NDP. The NDP, having no responsibility and never having to be accountable for anything, could only increase its number of members in Ontario by two. That says a great deal for the educational system of Ontario. But the educational system in Newfoundland, Nova Scotia, New Brunswick and Prince Edward Island is much better because we only have, I think it is, two provincial Members for the Atlantic provinces who represent the NDP. Of course it was a magnificent victory! I remember they had one Member in the Newfoundland House. The election was called last March and they have one Member now, and they declared a great victory. Isn't it marvellous? Last year we had the federal election and they came back with fewer Members than they had before, and that was announced as a great victory. The only Party in history that cheers loudly when it loses Members is the NDP. It is the NDP nirvana, pedal power, the never-never pills which the NDP offers to the people of Cape Breton. The people of Cape Breton are not interested. They are not interersted in never-never solutions from never-never people who will never, never be in power. The NDP is the only group in this House which does not need drugs to suffer from fantasies.

Let us get down to business here. Let us forget the socialist slops and their Marxist mythology, their pseudo solutions, the detritus of dismal ditties from dotty dodos, and get on to some facts here. I will only deal with my own Province of Newfoundland and Labrador. I will not deal with the whole Atlantic area, and I will not deal with just my own district because there is very little done in my district. I am always sacrificing for the other districts down in Newfoundland and Labrador. That is what happens in St. John's West. However, in this little list I have here, there are one or two things which are being done, even in St. John's West.

Let us look at this resolution. What a joke! Thank heavens the person who moved it, the Hon. Member for Gander-Twillingate (Mr. Baker), is now coming back into the House to take his medicine. The resolution reads:

> That this House condemns the Government for its indifference and negligence toward Atlantic Canada, especially with regard to regional industrial developments, fisheries and transportation.

It is a motion moved by a Member of the last administration—he had the gall to move this—an administration which declared war on the Atlantic provinces, which savagely attacked and savaged its own provincial administration in Newfoundland for the last 8 or 10 years, which refused to sign an offshore oil and gas agreement, which tried to grind them down, which went down to Newfoundland and refused to sign agreements in the Confederation Building, the headquarters of the Newfoundland Government. The Liberals said: "You come down and sign them here in the Hotel Newfoundland where we the great, mighty federal Government are". That is the way the Liberals treated Newfoundland, and now they condemn this Government for indifference and negligence toward Atlantic Canada.

Why do they think they are out on their what-nots? It is because of their indifference and their neglect toward Atlantic Canada and toward the rest of Canada that they are out on their what-nots. I could spell what-not, but it would probably be unparliamentary. It is the only three-letter word which I know that might be unparliamentary.

Let me give a little list. The Atlantic Accord—if nothing else was ever done by the administration of the Prime Minister (Mr. Mulroney) in Atlantic Canada or in Newfoundland or Labrador, the Atlantic Accord would make up for everything else, everything else.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Let us turn to February 11, 1985, after six or seven years of being bullied by the Government of Canada through the then Minister of Energy Lalonde and the then Minister of Justice who became Minister of Energy, the Hon. Member for Saint-Maurice (Mr. Chrétien), the Hon. Member for Shawinigan or Bay Street, which I think is his latest address. He only pitches in here now occasionally on the way to his luxurious law offices on Bay Street in Toronto, because as Minister of Justice he became a member of the Bar of Ontario, and I have become a member of the Bar of Ontario.

An Hon. Member: Shame.

Mr. Crosbie: I agree. It could be useful later on if I am in the perilous plight of the former Minister of Justice. These are the people who treated Newfoundland so shamefully. There was no agreement under them. It was their way or no way. All of it was to be controlled and dominated by the Government of Canada. Now there is an agreement on joint management of offshore oil and gas. There is a Canada-Newfoundland Offshore Petroleum Board appointed by both, with a chairman selected by both. There is a $300 million Canada-Newfoundland development fund. Does that sound to Hon. Members as if they are being treated with indifference and negligence—a $300 million Canada-Newfoundland development fund to help put in the infrastructure which is needed for petroleum development in Newfoundland? I believe the contribution of the federal Government is $200 million or $250 million.

Mr. Rompkey: It is $225 million.

Mr. Crosbie: It is $225 million of the $300 million fund. It is not a loan, it is a grant. Is this indifference and neglect? Is establishing the principle that revenue sharing shall be on the same basis as it is between Canada and other provinces indifference or neglect toward Atlantic Canada? How can the Hon. Member for Gander-Twillingate move such a resolution with that background? This one agreement alone means that Newfoundland will be able to establish and collect revenues from offshore oil and gas as though it was under the land in Alberta. Is that indifference and neglect? No, that is being saved from the indifference and neglect of the last seven or eight years.

I would not mind if this resolution had been moved by the NDP. I cannot blame its members for anything. In fact, some of them are perfectly likable. It is just like members of your family—you think they are useless but they are very likable because they are related to you and, after all, you can choose your friends but you cannot choose all the members of your family. That is the way I look upon NDP Members. They are perfectly likable, even though some of them are not all that useful, but we cannot hold them responsible. They have never been in power. They did not grind Newfoundland down. They did not say no to regional development. They did not take away the self-respect of Newfoundlanders. They did not tell Newfoundlanders that they were not as good as other people across the country and, therefore, could not be trusted to look after their own resources.

● (1510)

The NDP has never done that, but the Liberal Party has. The Party which the Hon. Member for Gander-Twillingate represents has done that. He stood by in this House year after year and let them do it. Now he has the gall, the crass hypocrisy, to move this silly jejune—you see I am bilingual—resolution about indifference and negligence towards Atlantic Canada.

I have to watch the clock. I will have to skip quickly. I cannot go into detail. The Canada-Newfoundland roads agreement to the tune of $180 million was agreed to in March. That is to be spent by the federal Government and the Newfoundland Government jointly on the Trans-Canada Highway on roads in Labrador and on the Avalon Peninsula over the next five to six years. That is the biggest roads agreement ever entered into between the two Governments. Is that indifference and neglect, especially with regard to transportation? Is this Member in the real world? Does he not know what is going on around him? When he gets in his car in the Town of Gander, he is right on the Trans-Canada Highway where $180 million will be spent, and he says there is indifference and neglect. What does he want? Is $180 million not enough?

Let me just list a few of the other things that have been done with respect to Newfoundland in seven months.

Mr. Rompkey: Mr. Speaker, I rise on a point of order. I wonder if the Minister would care to clarify something. Is he telling us now that Cabinet and Treasury Board have approved $180 million for Newfoundland? I know he announced that during the campaign. Little good it did him, but he announced it during the campaign. Is he telling us that he has Cabinet and Treasury Board approval and a signed agreement to spend $180 million? I just want the record to be straight. I think the record should be set straight.

Mr. Deputy Speaker: I regret to inform the Hon. Member that that is not a point of order. That is debate.

Mr. Crosbie: Mr. Speaker, let me set the Hon. Member's mind at ease. I have done what he could not do in four or five years. Yes, Treasury Board has approved it. Yes, the Cabinet has approved it. The agreement will be signed in the next couple of weeks. The work will go forward this year. Nothing to it. You just need to have a Government that is interested in helping the province.

I did not want to embarrass the Hon. Member, but now that he has annoyed me, I will. In the pulp and paper agreement, signed December 20, 1984, the federal share will be $38.5 million and the total will be $46.3 million. Of the $180 million highways' agreement, $12 million will come from the federal Government of Canada. That will be the federal contribution. We are only getting started.

Earlier in 1984, as the election date came closer, the federal Government at last signed some agreements—planning, mineral development, Burin Peninsula, rural development, ocean industries, and tourism. Those agreements were signed by the federal Liberal Government after holding off for a year and a half, bullying and punishing and trying to do all it could to damage the Newfoundland Government. They were signed as the election came on in the futile hope they could save some of their seats.

Mr. Rompkey: And we did.

Mr. Crosbie: They saved the hon. gentleman, but he is on a hair's breadth, he is gone the next time. That totals $77.85 million which the federal Government will contribute under those agreements. What about the two agreements that we agreed to in the last seven months? The federal contributions

will total $151 million, double the efforts of that hon. gentleman over the period of his tenure in office.

Mr. Rompkey: You have not signed two agreements in the last seven months.

Mr. Crosbie: I just told the Hon. Member it was approved by Treasury Board and approved by the Cabinet. All we have to do is to list it now and scratch our names on it. We will probably go to Newfoundland to do that so that we can be sure that the hon. gentleman and everybody else will know that it has been done. Is that negligence, neglect or indifference?

I am not sure how much time I have left. I will have to go very rapidly to put the nails into the coffin of this silly resolution, this jejune resolution, this careless resolution, this negligent resolution, this grossly negligent resolution, this conscienceless resolution, this resolution of which the hon. gentleman should be ever ashamed. It is in the same league as the resolution that was moved by Mr. Pearson years ago when the PCs got in for the first time in years and he moved that they get out and turn the Government over to the Liberals. This is the kind of resolution that this is.

Modernization of the Corner Brook mill, the Grand Falls pulp and paper mills, is a $37 million modernization program, with $5.6 million coming from the federal Government. The Marystown offshore service facility, an $11 million agreement, was signed on September 28, 1984. The Cow Head facility near Marystown involves a $7.7 million grant from DRIE. I could go on and on, Mr. Speaker. There is the freezing of container rates. This motion speaks of indifference and negligence.

Mr. Rompkey: Mr. Speaker, I rise on a point of order. Let the record show that the Marystown funds came out of the Burin Penninsula fund, which was signed when we were the Government of Canada. Let the record be straight.

Mr. Deputy Speaker: That is not a point of order, unfortunately.

Mr. Crosbie: Mr. Speaker, I know that the Hon. Member does not know the rules. They were never in the House when they were in Government, so he is not familiar with the rules. It is not a point of order. There is the freezing of container rates on Terra Transport where we took action a couple of months ago to see that the container rates were not increased as the CTC directed. We are continuing assistance to the Ace Shipping Company while that proceeds. Is that indifference or neglect? Then there is the St. John's Convention Centre. I know the Hon. Member hates to have anything go near St. John's. We know the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) was an enemy of St. John's and anything that came near St. John's. He did everything he could to keep everything away from St. John's. There was the agreement on the St. John's Convention Centre. The cost will be $7 million, of which DRIE is putting in $1.7 million.

There are the Town of Channel-Port aux Basques water supply facilities. The Hon. Member tried to cod the people of Port aux Basques that they were going to pay for a water supply system, but he did nothing about it. At last, after months of effort, I have $6.5 million from the Government to construct the new water system at Channel-Port aux Basques. Is that indiffernece? Is that neglect? My God, it's a miracle. There was also the combined services building at St. John's airport.

With regard to search and rescue, for years hon. gentlemen opposite were satisfied with inadequate search and rescue facilities on the east coast of Newfoundland. They did nothing. It did not matter what happened, what disaster struck or occurred. They sat on their big red what-nots and did nothing. They think they can pass a resolution here saying that we are showing indifference and negligence toward Atlantic Canada when we have improved immensely the search and rescue capability in St. John's and for the offshore with a second fixed-wing tracker aircraft, with two long-range DND aircraft and an additional helicopter based in St. John's. I do not have the time to go into all of the capability that has been assembled for offshore search and rescue work in connection with the offshore development. They want us to pass a resolution saying that we showed indifference and negligence. Why should we pass a resolution in the face of one or all the things I have mentioned, much less all of them?

There is the new Challenge '85 program. Yes, there is an unemployment problem in Newfoundland, but the people of Newfoundland know that the NDP is never going to resolve it. NDP Members can go down and look sympathetic and concerned, and I hope they are sympathetic and concerned, but Newfoundlanders know the NDP will never never be doing anything about it. We are attempting to do something about it. We have a Challenge '85 program, not only to give young people jobs in the summer, but to give them experience so that they can have jobs for the rest of their lives, so that they can develop their skills and receive training. We are taking a long-range view, not the short-range political, putrid view that the hon. gentlemen opposite had over their 20 years in office. That is not indifference and negligence, but concern for people, concern for young people. We are starting to take action that will do something about it, not as the jackanapes opposite who did nothing about it.

In Goose Bay, in the hon. gentleman's district, we are going to do something. We are going to save Goose Bay. We are going to revitalize it. The North Warning System is going to help Goose Bay and help the whole of Labrador. There will be a magnificent increase in defence spending in Labrador. The hon. gentleman's Party objects to it, fights against it and quarrels. With regard to the star wars' Member in the first row, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), I say that star wars for him is a knock between the eyes. That will give him star wars. The Hon. Member is objecting to all of this that will help build up Labrador and the Goose Bay air base. He just sits there and lets his colleagues object to that. They object to the three long-range radar stations for the Labrador coast, the Baffin Peninsula area and the other area that will be part of that system. In the next few

years, $395 million will be spent in Labrador and along the Baffin Peninsula area. I do not have time to go into the details of it all but there are other plans for the Goose Bay area.

• (1520)

The Hon. Member should come over here to join us. I will make him welcome. He is a decent enough chap. However, his views have been obscured by his years in the Liberal Party. We will make him welcome and I think we can help him along.

There is a Canada Works special allocation of $6 million in connection with needs related to the fisheries. The Placentia Nursing Home will be built in my own district. There will be $18 million spent on a Winter Canada Works Program. At the Memorial University, there will be a grant for work-term students that will help 72 students. In my own district, just over $1 million will be spent to help put up a fine new tourist facility, Governor's Park, in the Salmonier Line. This is the only decent IRDP grant Newfoundland has had since the program started. Is that neglect and indifference?

An Hon. Member: It's enough.

Mr. Crosbie: Do you want any more punishment, boys?

An Hon. Member: No, too much.

Mr. Crosbie: I could go on and on but I am delighted to be here today to speak again about the incipient hypocrisy of the motion moved by the Hon. Member for Gander-Twillingate. He should be ashamed of himself and he should, before the end of the afternoon, withdraw this cretinous motion from the House.

Mr. Baker: Mr. Speaker, after that I do not know whether I should ask a question or simply make a comment. I was wondering if I did all that the Hon. Minister claims I did.

The Hon. Minister mentioned bullying. I suppose the biggest bully in this Chamber, when it comes to making sure that projects go to his riding, is the Hon. Member for St. John's West (Mr. Crosbie). Most people who observe the actions of this Government would believe that Newfoundland stops at the St. John's overpass.

The other day I heard the Minister say that there would be international flights into the City of St. John's. How can the Minister of Justice say that when there is a procedure that must be followed? Having international flights into St. John's must be approved by the CTC, the Customs Department, Transport Canada and ICAO. The Minister knows that, but he publicly states that those international flights that are passing through Gander will pass through the City of St. John's. How can he state publicly to the people of Newfoundland that flights will be taken from the Town of Gander and given to the City of St. John's?

While the Minister is answering that question, perhaps he could tell us how the Atlantic Accord can be such a magnificent document when a section of that Accord indicates that no industrial use will be made of offshore oil in Newfoundland until the industrial capacity of eastern Canada is satisfied? This is fine for Petromont in the Speaker's riding. It is certainly fine for the ridings of some other Hon. Members of the House. Perhaps that was the intent of the Accord. However, how does the Minister justify that? It is a good thing that Accord was called the Atlantic Accord because it could not have been called the Newfoundland Accord. Perhaps the Minister could make reference to that.

The Minister spoke of search and rescue helicopters. Do you know where those search and rescue helicopters came from, Mr. Speaker? They came from Gander and are going to the riding of the Hon. Minister. Those helicopters came from the search and rescue facilities based in the Town of Gander in order to serve all of the province. Those facilities were placed there by the former Liberal administration. It is not unusual for this Minister to take those helicopters into his own riding. Now, in order to satisfy his own riding, he is taking the international flights away from Gander without going through the necessary procedures. As far as the hon. gentleman is concerned, Newfoundland stops at the St. John's overpass.

Mr. Crosbie: Mr. Speaker, I am glad the Hon. Member rose to ask those fuddling questions. He has given me a chance to deal with them.

Let us first deal with the overpass. The Hon. Member is talking in local terms. By that, he means that everything is done in St. John's and nothing happens outside of St. John's. Let us just look at what is taking place. There will be a $180 million Canada-Newfoundland roads agreement. Not one cent of that will be spent in the City of St. John's. It will all be spent on roads in Labrador and the southern Avalon Peninsula. Then there is the modernization of the Corner Brook mill. Is Corner Brook in St. John's? Of course not; it is on the west coast of Newfoundland. The Grand Falls pulp and paper mill will be receiving $33 million. That is in Grand Falls. Marystown will be getting $11 million. Not one cent, one nickel or one dime of that will be going to St. John's. I am the most unselfish son of a gun I have ever come across when it comes to my own district.

The only thing here that is designed specifically for St. John's is the St. John's Convention Centre. That is in St. John's but one cannot have a St. John's Convention Centre if it is not in St. John's. We had to put that in St. John's. After all, it is the capital of Newfoundland and it is the biggest city in Newfoundland. It is called the St. John's Convention Centre so we had to put it in St. John's. It is too bad we could not put it in Gander. However, if it is to be called the St. John's Convention Centre, it has to be put in St. John's. The Newfoundland Government has helped Gander with its convention facilities and has recently given the hotel there help.

The money that would be provided for the Town of Channel-Port aux Basques water supply facilities will not be provided to St. John's. It is going to Channel-Port aux Basques. Where was the Hon. Member when I read this list?

Regarding search and rescue, there was a helicopter moved from Gander to St. John's because the offshore industry is off St. John's, not off Gander. When there is an emergency in the

offshore, the helicopter will be 160 miles closer to the disaster and will be able to get there considerably earlier. That helicopter should have been moved years ago, but the hon. gentleman selfishly kept it in Gander despite the fact that it should have been close to the offshore area. That kind of political willfulness and disregard of the health and safety of people in the offshore has now been stopped.

The North Warning System that will be updated in Goose Bay is not in St. John's. A few of the Canada Works programs will be in St. John's, but the Placentia Nursing Home is not in St. John's. I could go on and on. That deals with that part of the question.

Regarding international flights into Gander, only two or three trans-Atlantic flights that go from Newfoundland to the United Kingdom are being moved. Air Canada now uses Gander despite the fact that the traffic originates in St. John's, the Avalon Peninsula and the Burin Peninsula. The rights of the travelling public have been forgotten. The extra expenses incurred by the 60 per cent or 70 per cent of the travelling public who come from those areas are ignored because of the political willfulness and selfishness of the hon. gentleman. Moving these flights will not harm Gander in the least. The airport in Gander will remain an international airport. No other flights will be moved.

Air Canada wants to operate flights from the St. John's airport because the travelling public originates there. Air Canada wants to save the travelling public many dollars and wants to save them the aggravation of trying to get to Gander where they wait hour after hour to get an international flight to the United Kingdom. Gander will not suffer but, for a change, the travelling public will be taken into consideration. The hon. gentleman's selfish willfulness will no longer prevent us from doing what should have been done, 8, 10 or 12 years ago.

Have I dealt with it all? Is there anything else I can deal with that might be on the hon. gentleman's mind? Much will remain where it is. No one in St. John's wants to take anything away from Gander. However, where there is an obvious need for the travelling public to be served so that they can be saved money, time and inconvenience, then surely something should be done. Narrow political parochialism and selfishness should not stop that from being done. I can assure the hon gentleman that Gander is not going to suffer as a result of that action, and as long as I am in the Government of Canada, Gander will not suffer at all.

• (1530)

Mr. Langdon: Mr. Speaker, as a new Member I have to say it is a magnificent experience to listen to the Hon. Minister.

Some Hon. Members: Hear, hear!

Mr. Langdon: It indicates to us how sadly confined he is in the Ministry of Justice. However, I did want to indicate that although I am impressed with the impact of the Newfoundland education system in teaching people how to speak, I am not so impressed with how they teach them to count. At last count there were six provincial New Democrat Members in Atlantic Canada and growing fast.

I am struck as well by the comment about the New Democrats as a never-never Party. I suppose it is preferable to be accused of never doing anything because you are not in power rather than being accused of never doing anything when you are in power. The Minister should, now that it is eight months since the Cabinet was formed, start to deal with the reality that his Government is in power. It is no longer enough to blame on the past what is happening today in Atlantic Canada. It is important for this Minister to recognize that he is in power, the Government is in power, and it has the potential to act. If it is a choice between being perfectly likable or jejune, or magnificently preposterous, perhaps being perfectly likable is preferable.

The Minister has talked about things increasing in Atlantic Canada. The main thing that has increased in Atlantic Canada since this Government came to power is the unemployment rate, and I think it is time this Government recognized that and did something about it.

Mr. Crosbie: Mr. Speaker, it is hard to get a question out of what the hon. gentleman said, but we know we are in power. We know that is the reality. Did I not just give a list of the results of our being in power for just one province of Canada, and a small one at that? Yes, we are in power and we are doing something. We are taking a long-term approach. The Challenge '85 program, for which the provinces have been looking for years, will not only give people short-term jobs but will help them in their future careers. That is being in power. We knew the reality of being in power when the Minister of Transport (Mr. Mazankowski) restored VIA Rail services. The people of Canada know the reality that we are in power. The people of Newfoundland know it because they are treated like decent human beings for a change. They get some respect, they are not treated as they were in the old days. They know, because of the Atlantic Accord, that we are in power. We know the reality because we put forward the Atlantic Accord and the Western Accord. The Hon. Member from Alberta knows we are in power and what the reality is because we got the energy problems settled in western Canada. The people in Quebec know we are in power because of the things we have been doing in Quebec.

We know the reality that we are in power, and we are going to take a long-term approach. We know how bad unemployment is. I live in Newfoundland, I have lived there all my life and I intend to continue living there all my life and I know what unemployment is like in Cape Breton. We know it is not easy to beat that. We do not even know if we are going to be able to beat it, but we are going to take a better crack at it than has been taken before because we are going to go at it in a long-term way, not just for the immediate quick fix. That is the kind of approach that we and the Minister of Employment and Immigration (Miss MacDonald) are taking.

Yes, the reality is that we are in power. We know it, the people of Canada know it, and we are not going to forget it. The Member is not going to forget it either because with the

kind of caterwauling performance we have had today we can see that they are on the road to ruin and perdition. They are going nowhere if they continue this way over the next four years, so keep it up.

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, the Hon. Member for Essex-Windsor (Mr. Langdon) said that the Hon. Member for St. John's West (Mr. Crosbie) was a man of humour. He may very well be, but he is not accurate and he does not enjoy stating the facts as they should be. The fact is that what he has said here today is completely inaccurate, not factual, not the truth. I had intended to talk about issues which I thought were of serious concern in Atlantic Canada, but of necessity I have to deal with the points made by the Hon. Member for St. John's West.

First he says that the Atlantic Accord, if nothing else is done by his Government—and so far nothing else has been done by his Government—would make up for everything else. Well, we may get $200 million a year in a few years' time if the Hibernia project goes ahead. I hope it does. But after all the profits and all the taxes all we may get is $200 million a year. Our deficit now is $300 million. The Hon. Member says the Atlantic Accord is going to make up for everything, and that is the first inaccuracy.

He then went on to name all the agreements which his Government has signed. There has been one agreement signed by that Party since they became the Government of Canada, and that is money we put aside for the Port aux Basques water system. They get Cable TV down in Port aux Basques and Corner Brook, and they know the accuracy of what I am saying now. We met with the Port aux Basques Town Council and the Development Association and agreed to set aside $6.5 million for their water system when we were the Government of Canada. That is the agreement and the only agreement that Party has signed since they became the Government of Canada. Apart from the announcement, not a signed agreement, the $180 million for roads, which we will not see this year because it is too late for the construction season anyway, all other agreements were signed when we were the Government of Canada.

He talked about nothing going into St. John's. The Music School, which agreement we signed when we were the Government, is in St. John's in the Hon. Member's riding. The Fisheries College, $47 million, is in St. John's, in the Hon. Member's riding, and the agreement was signed and it was put there when we were the Government of Canada. There is a convention centre in St. John's. The Minister of Development for Newfoundland cannot deny this because it is a matter of record; we had agreed to that when we were the Government of Canada. So those three projects in St. John's were agreed to and most of the money provided when we were the Government of Canada.

The Hon. Member went through a lot of other agreements such as the Ocean Industries agreement. That was signed when we were the Government of Canada, between January and June of 1984, involving a total of $28 million. There was an agreement on tourism, a total of $14.7 million, signed when we were the Government of Canada. A planning agreement worth $4 million was signed when we were the Government. The minerals agreement is worth $21.95 million. We had the Burin Peninsula development agreement—and this is where he plays fast and loose with the fact—and that was signed when we were the Government of Canada, for a total of $28 million. The new mine at St. Lawrence came out of that same fund. This is a matter of record so let us set the record straight and not play fast and loose with the facts.

There was a rural development agreement involving a total of $18.2 million, signed with Newfoundland when we were the Government of Canada. He talked about the pulp and paper agreement, and that also was signed when we were the Government. He may have enlarged it, he may have put some more money into that agreement, but it was signed when we were the Government of Canada.

These are the facts and I do not think the Minister of Justice should be allowed to get away with that nonsense in this House, to get away with trying to fool people and mislead the House and the people of Newfoundland into thinking that his Government has suddenly, out of the blue, done something for our province which had not been done before. That is not the case. I think the people of Newfoundland have shown that they know that was not the case.

● (1540)

This morning the Minister of Regional Industrial Expansion (Mr. Stevens) talked about the people's knowledge of the Liberal record. In the federal election the people of Newfoundland gave the Liberal Party popular support equivalent to that given to the Liberal Party in the Province of Ontario last night. Three of us sit in this chamber now as living proof that the people of Newfoundland know what the Liberal Government did for them. They returned us here because of that.

The Minister speaks of Goose Bay. They spent $2 million to improve a communication system in Goose Bay that is not going to create one single job there. I wish he had risen today in the House and said that his Government was going to create the NATO training base that we have been asking for. That would create jobs. So far the Government has not created one single job in Goose Bay. It must be done, but it has not done it so far. Do not allow them to mislead the House on that as well.

The Minister talked about search and rescue. He talked about taking a helicopter from Gander and putting it where the need was greatest. Seventy per cent of all the marine accidents along the northeast coast of Newfoundland occur within the range of Gander. The Hon. Member has oil on his mind. He is like Premier Peckford who, during the election campaign, bragged about the agreements that we had signed. The Premier of Newfoundland, who almost lost that election, never mentioned the Atlantic Accord during that election campaign, but he did mention those agreements which were signed. That is a case on which the record must be set straight.

The Hon. Member said the helicopter was taken from Gander and put in St. John's because that is where the traffic is. That is not the case. The traffic is off the northeast coast of

Newfoundland. The Hon. Member is going to rue the day when a tragedy happens in that area and the aircraft is not there to take care of it. I agree that there must be increased capability in St. John's for the oil rigs, but the companies must take their responsibility too. The Government of Canada has a responsibility for the fishing craft as well as for the oil rigs. That is why it should have maintained the helicopter in Gander to do the job that was necessary. It has not put anything new there. It has only re-allocated resources. That is not a step in the right direction.

The Minister spoke about Challenge '85. Nineteen hundred applications have been received in Newfoundland under Challenge '85. Twenty per cent of those are career related. They talk about the great use which the public sector is going to make of this. The public sector is not making use of it and neither are the municipalities. The municipalities are being forced to put money which they do not have into Challenge '85. The municipalities of Newfoundland find themselves very hard pressed indeed.

Under Summer Canada the municipalities were given funds free and clear. Federal funds created jobs for young people. This year the municipalities are being forced to contribute 25 per cent of the cost of creating those summer jobs. As a consequence, there will not be as many jobs as there were last year. I do not believe there will be that many created by the private sector either because small companies in Newfoundland do not have the 50 per cent which is needed under Challenge '85. I do not think that Challenge '85 will work out as well as the Hon. Member thinks it will. My main concern is the way in which the Hon. Member has misled the House. I believe that the record must be put straight.

I would like to go on to other things which I think must be done. The Minister did not really address the problem of regional development this morning. We talked about this in relation to the Investment Canada Bill. I have seen nothing so far to tell us that the Government in power has any policy for directing funds or employment to the regions of Canada which are in most need, such as the Atlantic region. I could point to the things which have been done away with. The Atlantic provinces have been seriously affected by that. I would like to read from an editorial in the January 3 *Telegraph Journal*. It reads:

> Prime Minister Brian Mulroney and his deficit-slashing Finance Minister, Michael Wilson, would be well advised to take a second look at any schemes that would scale down Ottawa's involvement in regional economic development in Canada.
>
> In setting out to cut spending, the new Government evidently sees a scenario in which the federal Government would reduce its role in direct stimulation of economic growth in various regions and look to the private sector to help fill the gap.
>
> But the problem in regions such as the Atlantic Provinces is the private sector's limited ability to generate more growth under present conditions.
>
> Thomas Maxwell, chief economist for the Conference Board of Canada, points out quite correctly that Atlantic Canada is a region in which the private sector lacks the resources to fill the inevitable void that would be created if Ottawa were to cut back on its support and assistance.

That is an accurate description of what is happening. While it may be true that there are parts of the country where the private sector can carry the load, the Atlantic region is not one of them. The Government has not realized that by indiscriminately cutting programs across Canada it has hurt underdeveloped regions where the private sector is not strong enough to stand on its own feet and will not be strong enough unless something is done, and it will not be done quickly. It has not realized that through indiscriminate cutting it has hurt the Atlantic area.

There is a whole list of examples of the kind of thing the *Telegraph Journal* is talking about in its editorial. For example, there has been a $250 million reduction in PIP grants for the offshore. We have not yet been told what will be put in its place. There has been a $11.7 million reduction in capital expenditures in the fisheries development program. Marketing and the small craft harbours program was cut. There was a reduction in non-profit and co-op housing. That is not simply a matter of housing for people. That means that a lot of small businesses such as construction firms and lumber yards in the Atlantic Provinces will be very severely hurt as a result of that cut-back in housing.

This morning the Minister talked about what he was doing for the Atlantic Provinces. One thing he did was to cut tourism out of the IRDP program altogether. I think that tourism is going to be a sunrise industry in the Atlantic Provinces and it cannot now qualify for any grants under the Industrial Regional Development Program. There is a water slide in a town in my constituency which is attracting a great many tourists. It is a good, imaginative idea of a small businessman that is working well. It is making money and attracting people to that area. That kind of thing can no longer be done because tourism is no longer eligible under the IRDP.

Another thing which has been cut is ferry service. There are ferries along the northeast coast of Newfoundland, the coast of Labrador, and the south coast that have been cut. All of these things will have a very severe impact in Atlantic Canada and Newfoundland. We do not have a healthy private sector which can take up the slack. Perhaps Toronto, parts of Alberta and parts of British Columbia can do that, but that type of indiscriminate cutting will hurt people in the Atlantic provinces where the economy is not strong enough to stand on its own two feet. That is starting to happen now. The Atlantic Accord will not take up the slack.

What will we do in Newfoundland for the next five or ten years until all the money rolls in from the oil? How do we feed our people and get jobs in the meantime? What is the Government going to do in regional economic policy? That is a serious question which deserves to be answered but has not yet been answered. I hope there are some answers in the Budget when it comes down.

I have some questions for the Minister of Finance (Mr. Wilson). I have some positive suggestions of things that could be done. Let me tell the Minister of Justice (Mr. Crosbie) what can be done in Goose Bay. I hope he will take it up with the Minister of National Defence (Mr. Nielsen). Let us not talk about star wars because that will not create jobs. Let us talk about a NATO training base where the Government could

make money and attract foreign companies to Goose Bay, as it is doing now, so the Government of Canada would make money. They would be paying guests in our country. I suggest that a proposal for a NATO training base in Goose Bay would not only keep our NATO commitment—

• (1550)

Mr. Crosbie: Why didn't you do it?

Mr. Rompkey: We did it. We signed an agreement with the West Germans and with the British. We have the Americans there. We started it, you go farther and create a NATO training base in Goose Bay. If we had stayed long enough, we would have done more.

Mr. Crosbie: We have the Norwegians.

Mr. Rompkey: That is one positive suggestion I can give the Government of Canada. They would help that region and bring new foreign dollars into the country.

The second thing the Government of Canada could do is to set up in northern Newfoundland and Labrador a northern fishery development corporation. The Minister of Justice very blithely says, "If nothing else is done, the Atlantic Accord will make up for everything". I suggest he tell that to people along the Labrador coast. That is absolute, utter nonsense. There will be no immediate pay-off to the people in that area.

What should happen is an improvement to fisheries conditions in that area. A northern fishery development corporation should be set up.

However, let me say what the Government did. We had set aside $15 million for the northern fisheries development corporation.

Mr. Crosbie: Where was it when we needed it?

Mr. Rompkey: The Minister of Fisheries answered—

Mr. Crosbie: That is poppycock.

Mr. Rompkey: It is on the record. It is in *Hansard*.

Mr. Crosbie: It is not on the record.

Mr. Rompkey: He answered a question in the House and admitted that the $15 million that we had put aside—

Mr. Crosbie: You left a $34 billion deficit. That is what you left.

Mr. Rompkey: You read *Hansard*.

Mr. Crosbie: Where is this $15 million?

Mr. Rompkey: It is all there, Mr. Speaker.

Mr. Crosbie: A $34 billion deficit. You left nothing but IOUs and a $200 billion debt.

Mr. Rompkey: Mr. Speaker, the Minister of Justice had his chance—pitiful as it was—but he had it. However, those are the facts.

If the Government really wants to do something for the people in that area, it should put the money back and set up that northern fishery development corporation and give those people a chance. Oil will not be the saviour of the people along the Labrador coast.

Although we have heard that nonsense, I have explained some of the needs that we have. This is a serious motion because the main thrust of the Government so far has been to emphasize the private sector. In emphasizing the private sector and trying to deal with the financial situation in this country, the Government has made certain cuts in programs. I submit that while cuts in certain parts of the country may be realistic, that approach in other parts of the country where the infrastructure and economy are not healthy and the private sector is not strong can be disastrous. It will not create jobs but will lose jobs.

I am looking forward to seeing a realistic and positive approach to the Atlantic area in the upcoming Budget because we have not seen it so far.

Mr. Deputy Speaker: Questions or comments? If not, we will resume debate.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, it is rather unusual for any Member to be sandwiched between two prominent Newfoundlanders, especially in an important debate such as this. I am not sure precisely how I will fare.

However, at the outset, having listened to the Hon. Member and others, I suggest that between the Minister of Regional Industrial Expansion (Mr. Stevens) and the Minister of Justice (Mr. Crosbie), they have pretty well discredited this motion. This motion is also discredited by the fact that for most of the time this afternoon members of the Opposition who sponsored it have only had one Member in the House, sometimes two. That is almost as bad as the nine whom they mustered for the very good vote on that famous motion last Friday.

Mr. Crosbie: Let's have a vote.

Mr. Mazankowski: This is a very important motion, notwithstanding the fact that it is inaccurate. I think it provides an opportunity to discuss some very important issues as they relate to the Atlantic Provinces.

I came to this place in 1968. At that time, one of the most important issues affecting Canada was the issue of regional disparity. As a matter of fact, I think it was perhaps one of the more important issues in the election campaign of 1968. I point that out only because it is still an issue in Canada today. The fact that the Liberal Party has sponsored this motion today really reflects on 16 years of absolute failure and economic stupidity. There has been no change. In fact, things have deteriorated.

In the seven or eight months that we have been in office, the Liberals have suddenly discovered the problems in Atlantic Canada and want to correct them overnight. It will not be done that easily, Mr. Speaker. It is a difficult task because first we must clean up the mess. We took over Government under the burden of crippling interest rates, a burdensome debt, a lack of business and investor confidence and a dollar that was under attack. There was a continuation of the regional disparities that were the highlight of the election campaign of 1968.

In 1968, when the Liberals were elected to office, the unemployment rate was 4.5 per cent, or 350,000 people. After 16 years it was 11.5 per cent, or 1.5 million unemployed Canadians. That cannot be blamed on this Conservative Government. We were paying out in unemployment insurance benefits in the order of $400 million in 1968. It is probably in the vicinity of $11 billion today. The blame for that cannot be laid at the doorstep of the Conservative Government.

The Liberal Government had pork-barrel policies rather than long-term policies that would provide long-term growth, stability and the production of wealth. The Liberals' policy was to throw money and hope for the best. They failed to recognize that there are some very basic regional strengths in all parts of the country.

The Atlantic region is no exception. Rather than developing those regional strengths and turning them into economic opportunities in order to create growth and jobs, rather than stimulating the entrepreneurial spirit and encouraging private enterprise and the creative spirit within the people of Atlantic Canada, the Liberals killed it.

What we are dealing with here is a legacy of failure on the part of the administration of the Party that is sponsoring this motion. They failed to provide a climate that was conducive to economic growth and job creation.

They failed to provide a climate conducive to taking advantage of that region's natural strength. Just look at the mess that the fishery industry is in. Can the Liberals blame Conservative Government for that? There is failure in forestry, there is failure in agriculture and there is failure in tourism. The potential for tourism in Atlantic Canada is enormous. I am sure that that great region could have contributed enormously to reducing the $2 billion tourism trade deficit with which we are now burdened.

The Minister of Regional Industrial Expansion outlined a number of programs and initiatives that we are taking. The new direction that has been proposed in the economic statement in November is a very important signal not only to Atlantic Canada but to all of Canada. Clearly, if we are realistic about our situation today, I believe that as an exporting nation we will be judged by our ability to compete in the global market-place in the 1980s and 1990s. That is the reality we must face.

This country must export to survive. It cannot continue to support our life-style and standard of living without exporting our products to the extent we have in the past and without regaining our fair share of the market-place which we have lost over the last 15 years.

• (1600)

A key component to achieving that performance is our ability to maintain an efficient, responsive and productive transportation system. I as Minister of Transport and on behalf of my Government, of which I am proud to be a member, view transportation as an essential and vital tool for economic development, particularly in the Atlantic region. In the short time we have been in office we can point to a number of initiatives we have embarked upon which illustrate that we are serious about that. The most obvious one is the reinstatement of the Atlantic rail passenger service, which will begin on June 1. This Government recognizes the importance of rail passenger service not only in terms of enhancing the economic potential of the region, but also as a unifying force across this country. Restoring the Atlantic Service really represents a fulfilment of a major commitment to Atlantic Canada, not to mention the jobs that will be created directly and indirectly, something in the order of 1,400 to 2,000.

The people of the Maritimes and the people of Canada have made it very clear they want an efficient, reliable rail passenger service. We are going to do whatever we can to satisfy that desire. We are confident that the people of Canada will respond.

We have also established the CN Marine Corporation as a separate Crown corporation. We now have a separate Crown corporation headquartered in Moncton, with corporate offices both in Charlottetown and in St. John's, that will ensure he maximum responsiveness to the region it serves. I know the service which CN Marine provides. It is very important. I know there has been some criticism about the rationalization that is taking place. Here again we must face the reality that we have to keep our unit costs down. We must acquire new vessels, a little larger, more modern, and the latest technology that will provide faster service and improve productivity. There may very well be some reductions in service in terms of frequency because we cannot have it both ways. There is a certain optimum that must be achieved. We are trying to do that. We hope that having CN Marine headquartered and managed out of the Atlantic region will enable it to respond to the realities and the needs of the people in the region.

The subsidization of freight costs to allow Atlantic producers better access to the important markets is really a channel of assistance that is available to the federal Government. In Atlantic Canada there are two Acts which are very important. These are the Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act. Prior to our coming into office the usefulness of these two Acts was seriously questioned and undermined as those two very important proposals were reviewed.

I submit to you, Mr. Speaker, that during the course of that period of time there was a fair amount of uncertainty created in the minds of the people in the Atlantic region. This serves to destabilize the economy and create doubt in the minds of the

entrepreneurs who may want to invest. During that period of time uncertainty existed and I think it was unfortunate. We made it very clear during the course of the election campaign that we would continue, maintain and, if necessary, enhance the Maritime Freight Rate Subsidy Assistance Program, and we would work together in co-operation with all interested parties and the provinces to ensure that the money being spent would provide the maximum benefit to all concerned. In other words, if there are more effective ways of administering and applying the programs, we would be prepared and willing to adopt those changes.

My Parliamentary Secretary announced on December 11 that some 10 new commodities were added to the list of eligible products to be allocated under a selective transportation subsidy. That does not suggest that we are being indifferent or negligent toward the Atlantic region.

Federal transportation expenditures in Atlantic Canada for fiscal 1984-85 are forecast at some $755 million. This compares with a national outlay of some $4.4 billion. Expressed in per capita dollars, this represents $329 for every person in Atlantic Canada as compared to a Canadian average of $176. That hardly suggests that this Government is being indifferent or negligent toward the Atlantic region. These figures illustrate a very significant federal contribution to the transportation requirements of the Atlantic provinces.

I am sure there are those who would say there should be more. Yes, in some areas perhaps there should be more, but we are limited by the legacy of debt we have inherited. We must be very careful and prudent in the way in which we handle our resources. That does not mean to say we will ignore the Atlantic region. As a matter of fact, the kind of new transportation policy initiatives upon which we are embarking will provide greater competition, lower freight rates, better service, new types of innovative services and I think will auger very well for the development of the tremendous potential and opportunities that exist in Atlantic Canada.

Clearly the issue of freight rates and the enormous cost that transportation loads on to the delivered product is something we have to take into consideration. The transportation cost component of the products we export is major. We have to try to reduce the unit costs of transportation in every way possible. We are looking at ways and means of injecting more competition both in the inter and the intra-modal systems to ensure that we can reduce that unit cost of transportation, encourage better utilization of the system, and encourage greater flexibility and greater innovation, thereby bringing about lower prices.

Ports are clearly part and parcel of this whole concept of inter-modal transportation. They cannot be treated in isolation. Rather, the emphasis must be on increased flexibility and efficiency through inter-modal relationships which have to be expressed through a state of the art technology.

Recently we announced the extension of the $1.5 million regional air carrier subsidy to December 31 to support route services including Halifax, Charlottetown, Îles-de-la-Madeleine and services to Goose Bay and Labrador from Halifax. These are important and necessary support programs to provide services to the people in those areas. The thrust of our efforts will be further to develop affordable air service through the promotion of regulatory reform. Our goal is to establish a framework within which a strong, healthy and competitive industry can provide expanded and affordable air services for all Canadians, particularly Canadians in the Atlantic region.

The national air carriers, Canadian Pacific and Air Canada, are responding to our initiatives by looking at ways and means to improve international service and domestic service through co-operation with local regional carriers and the commuter type services. I must say that in Atlantic Canada, contrary to what the Member who preceded me stated, there is a great deal of interest emanating from the private sector, the Canadian entrepreneur, in starting local regional air carriers.

Major airport development has been initiated at St. John's, Newfoundland in the amount of $3.3 million; Charlottetown, Prince Edward Island in the amount of $4.7 million; and Yarmouth, Nova Scotia in the amount of $6 million. I could go on. Much work has gone into preparing St. Stephen, New Brunswick for the Canadian Owner and Pilot's Association convention at which pilots from across Canada and the United States will fly into St. Stephen. In addition, some $13 million for the Labrador air strip program has been allocated for this year. The Hon. Member for Gander-Twillingate (Mr. Baker) will know that the federal Government is providing $3 million for the construction and upgrading of air service in Fogo Island in his riding.

There are other things, and I could go on and on but I see that my time has almost expired. I have some press releases here. Let us look at coast guard shipbuilding. There is one type, 1100, navaids light icebreaker in the amount of $54 million; 1 type, 1050, offshore supply vessel in the amount of $25 million; and 2 type 800 coastal navaids vessels in the amount of $3.3 million. I could go on and on. CN Marine has advised that a refit budget of some $6 million will be spent on Atlantic region dockyards in the course of this year. In a short period of time there will be new orders for 38,000 tons of rail submitted to SYSCO, which will again assist in that region.

• (1610)

This motion is a lie. It is full of bunk. I personally take exception to it because I have a very intense and profound interest in Atlantic Canada. Of all the regions I have visited since becoming Minister, I have been in the Atlantic region more often than in any other region, with the exception of my home region, Alberta.

I want to continue to work with the good people of Atlantic Canada and with Hon. Members opposite. I know that behind the rhetoric and the flimflam there is a genuine interest in what they are saying. However, I assure them that we are not ignoring the Atlantic region or overlooking its concerns. I think together we can provide services, particularly in the transportation sector, which will be affordable, efficient, reliable, and will help in boosting the economic fortunes and in

building the economic infrastructure which is so important not only to Atlantic Canada but indeed to the entire country.

Mr. Baker: Mr. Speaker, I think it is important, for the record, to observe that we have now listened to speakers on the government side of the House talk about what is in the present budgets or what the present Government is doing. Unfortunately, they did not compare it to what was in the original budgets, what was spent last year and what was spent the year before.

I hope the Minister of Transport (Mr. Mazankowski) will not be bullied by the Hon. Member for St. John's West (Mr. Crosbie) in trying to force the CTC or his Department to move international flights to the Hon. Member's riding. I hope he will not be bullied into taking an action which will not be a very wise one. However, returning to the speech of the Minister of Transport, he made a correct reference to tourism and its importance in Altantic Canada.

Recently I noted what the Conservative Party talked about in its transportation commitment made in Halifax on August 2, 1984. It indicated that a Progressive Conservative Government would conduct regular reviews of CN Marine ferry rates to guarantee that they were equitable and not damaging to the competitiveness of local industries, with particular reference to tourism.

The Hon. Minister was correct, but what did he do? What did the Government do? Under ferry services, it is saving $16.1 million. That amount has been cut. How will that be achieved? It will be achieved from selective increased cost recovery and from operating efficiencies in restructuring the coastal and gulf services. The fact of the matter is that under the Minister of Transport the ferry rates have skyrocketed so that people will not want to travel by ferry boat. This will have a damaging effect upon the tourism industry.

What about CN Marine? Yes, the Minister talks about restructuring, but what for? The financial statement indicates a saving of $21.5 million. Then he talked about all he was doing for the Coast Guard. If we look at the financial statement we see that he is saving $51.6 million by cutting out capital projects relating to Coast Guard aids to navigation and vessels. In fact, that is all contained in the financial statement of the President of the Treasury Board (Mr. de Cotret).

It is fine for Ministers to talk about what they are spending this year, but when we see what they have cut we see why it is so devastating to Atlantic Canada. Every cut announced by the Department impacts more in the Atlantic region than in any other part of Canada. The reviews which are under way to produce further cuts will impact more in Atlantic Canada than in any other region of Canada. If the Minister wants to make a comment, perhaps he could comment on the cuts which he has made in his Department, not on his normal budgetary expenditures.

Mr. Mazankowski: Mr. Speaker, I will address a couple of the points which the Hon. Member has made. I am sure that the modest increase in ferry rates will not be crippling, as the Hon. Member suggested. As a matter of fact, in some cases ferry rates have been reduced. I hope he will take notice of that.

Everyone in the House should know that the cost recovery for the provision of ferry services is below 25 per cent. It is 18 per cent to 19 per cent. I am sure Atlantic Canadians, like all Canadians, are not objecting to paying their fair share. We have also said during the course of this exercise that we have tried to generate an additional 15 percentage points of revenue through the combination of efficiencies, cutting out waste and increasing ferry rates. However, some, I repeat, have been reduced; some have gone up 7 per cent or 8 per cent. This was certainly not crippling, and this was done in consultation with the provinces. We worked it out together, and the Hon. Member will find that the impact is not as he suggested.

With regard to the other points, I do not think anyone should apologize for cutting out waste, inefficiency and fat in the system. That is precisely what we have been trying to do. We are trying to get a more effective, more efficient, more responsive and more productive system. It is part and parcel of our total effort to put in place a system which will produce goods and services at the lowest possible cost. That is the name of the game.

I think the Hon. Member would be the first to agree that the six and five program, which suppressed any increases, simply delayed the inevitable. Regardless of what Government took office, this issue had to be addressed.

Mr. Rompkey: Mr. Speaker, I have a question for the Minister as well. I take what he said today about his interest in the Atlantic area to be accurate, and I believe it. As I told him in committee yesterday, the leading journals are saying that he is a major player in Cabinet, has the ear of the Prime Minister Mr. Mulroney), and is an effective Cabinet Minister who has taken charge of his Department and is running it. I believe what the leading journals are saying, and I take it to be accurate. Given those facts, let me ask him about the Newfoundland railway which he mentioned. He knows that some years ago a five-year program of $77 million was allocated to the Newfoundland railway to do some upgrading, some containerization, and so on. That is now coming to an end. As a matter of fact, a report was to have been submitted to Government last spring. I have not seen that report, but I want to ask him about the future of the railway, given the moratorium that was placed on the increase in rates. Clearly that is until such time as there is an appeal of the CTC decision. As soon as that appeal is resolved, presumably something will happen; those rates will go up. At that point we will get into the future plan as to multi-modal operations in Newfoundland.

What will be the future of the railway? What will be the future of sea transport? What will be the future of air transport? Could the minister give us a forecast now? Can he tell the Chamber and the people of Newfoundland what he sees ahead for the Newfoundland railway? Once that funding comes to an end, will there be further funding? Will there be further containerization? Does he have a positive view about the Newfoundland railway? Will there be a healthy railway in Newfoundland in the future?

Mr. Mazankowski: That is quite a question, Mr. Speaker. Do I have a positive view of the railroad? It was this Government and I in 1979 who put together the five-year plan that saved the railroad. That is why they have a railroad today.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: The matter is under review. There is no question about it. It is a serious question. The Hon. Member accurately pointed out the conflicting interests, whether we would have a variety of modes of transportation, and to what extent we would support them. At the present time the federal Government is supporting all modes of transportation—water, rail and air. The five-year program has expired. It will be reviewed in some fashion. All these things are being taken into consideration, having regard to the fact that it has been found that rail freight rates are non-compensatory and in violation of the National Transportation Act. It is a reality with which we have to deal.

● (1620)

Also, there is the reality that as long as rates stay low, we need to be supporting to a very significant extent water shipments as well as rail shipments. We view the railway as an important mode of transportation for Newfoundland. Otherwise, we would not have put together a salvaging package in 1979. We are working toward achieving that as well at a future period of time.

Mr. Dan Heap (Spadina): Mr. Speaker, at first I was not sure whether I would be speaking on this motion of the Liberals which reads:

That this House condemns the Government for its indifference and negligence toward Atlantic Canada, especially with regard to regional industrial development, fisheries and transportation.

Not being a specialist in regional development, fisheries and transportation, and not having very much personal familiarity with the Atlantic provinces, I thought perhaps I would just listen. However, although my acquaintance with the Atlantic provinces is limited to having visited some friends in New Brunswick and Nova Scotia two or three times and having visited my son in Newfoundland two or three times, it is not that on which I am relying. I want to speak today on the question of housing. Although not a major issue raised in the motion, I believe it is a matter to be considered.

The Minister spoke this morning, as did the Minister from St. John's, whining as they usually do about all the problems they inherited from the previous Government. It was understandable hearing that in November, but we have had November, December, January, February, March, April and now May. It is becoming less and less credible to have them blame all the things they are not doing on the previous Government. It is particularly inappropriate in the matter of the housing program.

Last year the Prime Minister (Mr. Mulroney), who was then Leader of the Opposition, bragged about his Party's policy in the matter of co-op housing. He sent letters to all kinds of people. This is the sort of thing he said during the election campaign, although he started before the campaign:

There are few matters of more importance to people than adequate housing for themselves and their families.

The Prime Minister has a genius for making a pompous statement about the obvious, such as that today is Friday. He said:

The Progressive Conservative Party finds it inexcusable that the Liberal Government should cut back the funds for the co-operative housing program. That they would do so without consideration for the thousands of Canadians who rely upon co-operatives for their shelter illustrates the emptiness of the Liberal rhetoric on their concern for social issues.

He does not just blast the Liberals. He went on to say:

Our Party is sensitive to the needs of Canadians and believes that co-operatives are a necessary element of any housing program. They provide Canadians who otherwise would not be able to afford their own homes with independence, security and a sense of community spirit.

He winds up the paragraph by saying:

Co-operative housing will continue to have a priority in Progressive Conservative policy for housing.

That is a lot of balderdash. A lot of people suspected it at the time. Now the Prime Minister and his Cabinet have proved it. The co-operative program was slashed unjustifiably by the previous Government. It has been further slashed in direct violation of those promises by the present Government. People who are in difficulty over their housing are left to fend for themselves by this Government, as by the previous Government.

One matter that has come to my attention since I undertook the housing portfolio for my Party is the situation in Labrador City as a result of the massive lay-offs there by the Iron Ore Company. I have here an October 1983 task force report. It was a task force of the Newfoundland Legislature to inquire into the socio-economic problems in Labrador west. It refers to the extremely difficult situation for individuals in that community left by the long-term shut-down of the Iron Ore Company operation there. The provincial Government task force stated:

Financing for houses has been by conventional mortgages, most of which are insured either through Canada Mortgage and Housing Corporation or through a private mortgage insurance company. It is significant that borrowers did not seem to know at the time of borrowing by whom they were insured and what the future implications would be if they failed to meet their payments. As will be clear from this report, private sector mortgage insurance, with its right to sue, is seriously deficient for remote, one-industry towns.

There are other references to that problem, but I will jump to page 16 in which the report makes these points:

Nevertheless, the fact remains that the several hundred workers who permanently lost their jobs in Schefferville—

Schefferville was owned by the same company, the Iron Ore Company of Canada.

—received reasonable financial indemnification, but the one thousand or so workers who permanently have lost their jobs in Labrador City have received nothing comparable. The difference is glaring, and the Government should try to influence the companies—

That is the provincial Government and the Iron Ore Company of which the Prime Minister was the head until recently. He went on:

—at least to provide free rail transportation to Sept-Îles for employees and their belongings, including mobile homes.

I understand that the provincial Government of Newfoundland has since that date provided mobility grants in the amount of $3,000 to help workers move out of that disaster area. It is very interesting that the man who has undertaken to lead this country and look after the interests of all parts of the country, including Newfoundland, the Prime Minister, treated Labrador City so very differently from the way he treated Schefferville. Of course, he has not told us the reason, but we can guess the reason by looking at the electoral boundaries. He treated people in Schefferville very well because they were his voters. He and his company did nothing for those in Labrador City. Of course, they were not obliged to do anything because they were not the voters of the Prime Minister. They had no opportunity to vote against him individually.

It goes beyond that. Newfoundland has had a modest co-operative housing program which has grown in the last few years. Recently there were at least three co-operatives which were encouraged by Canada Mortgage and Housing Corporation to expect that they would be getting co-op allocations. The Kilbride, Heritage and Confederation Co-operatives are all in St. John's. These co-ops are not a big deal by CMHC standards, only 51 units all together, but they matter a lot to the people who put their volunteer time into those programs. Not only the Prime Minister and not only the Hon. Member for Bow River (Mr. Taylor)—who made a fulsome speech in Toronto last spring on behalf of his Party lauding the co-op program—but everybody, except for the private building industry, has recognized the value of co-operative enterprise. It is a small part of the economy and a small part of the housing sector. However, it does enlist volunteer energies in producing the best sort of housing available within the cost allowed by CMHC. That has the effect not only of welding people together in the creation of a co-op, but also of ensuring the durability in the quality of the building.

● (1630)

The people who are involved in co-ops do not want jerry-built buildings, because they are going to live in them and maintain them. It has been shown that co-op homes are generally of better quality and better maintained than rental housing for the same price. Of course, people who can afford private homes are in a different class in every sense, but here we are speaking of people who cannot buy their own homes and for whom home ownership is most easily available through the shared ownership of co-op housing.

For a dozen years, co-op housing has been growing in every province of Canada. It has been found beneficial by everyone except the private builders and those politicians who see their interests as being in association with those of private builders. There has recently been a sharp downturn in the co-op housing program. The social housing program from which 2,500 units were cut last year by the Liberal Minister has had another 2,500 units cut this year. Most of those cuts appear to be cuts in the co-op program.

In Halifax, there were two co-op projects that had been told they had priority. They had been reviewed, their performance was good and their plans were good. Seaview Housing Co-op, which was formerly known as Basinview, and Flip-Flop Housing Co-op had been told that they had priority. A couple of days ago, these projects were cancelled. The Crossroads Co-op project was also cancelled. In fact, there are no co-op units allocated for Newfoundland any longer.

I have not been able to find out about the complete co-op situation in Halifax and Nova Scotia because the present Minister of Labour (Mr. McKnight) who is responsible for housing, although his Department pumps out a great deal of paper, pumps out almost no information about what he is doing. Members of his staff are experts at not answering questions on the telephone. We have to pick this information up piece by piece from different parts of the country.

There are hundreds of other co-op projects across the country that have also been cut in the same unjustifiable way under the present Minister. I will not go into those today because the other examples of this did not occur in the Atlantic provinces.

The policy of the Government toward housing in the Atlantic provinces cannot be justified. It cannot be defended on the grounds that it inherited the problem from its predecessor. We are talking about cuts made to a proven, useful program by a Government which, in its election campaign, promised not to make those cuts. Even this fall, the present Minister of Labour who is responsible for housing said that he did not intend to cut back the allocations for public housing. A cut of $9 billion was made in his budget, but he said that that would not be reflected in the allocations to housing but would somehow be made by shaving production costs. That particular bit of fantasy has now been blown away by the Minister's actual decision to cut the allocations.

I would like to comment on the human problems caused by these few examples to which I have referred. I have here a letter from Ron Cromwell, a Halifax alderman, addressed to the Minister of Labour who is responsible for housing. He writes:

I am writing to ask that if at all possible, you will do everything in your power to assist the Seaview Housing Co-op in their request for funding. This Co-op has been doing a great job and are ready to bring more affordable housing to our area, to help counter the already low vacancy rate that already exists.

I have a clipping from the Halifax newspaper referring to the extremely low vacancy rate in Halifax of 0.5 per cent. An article in *The Daily News* of Wednesday, May 1, reads as follows:

The number of publicly funded co-operative housing units to be built in the Halifax metro area has been slashed by 70 per cent for 1985.

As well, a new practice that has been introduced by the Government is that when programs are cut, as little notice as possible is given. The article continues:

The huge cuts—which went unannounced for the first time—by the Canada Mortgage and Housing Corporation, comes in the midst of a desperate need for more housing.

The article goes on to refer to provincial housing Minister Mike Laffin who, I presume, is of the same political persua-

sion as this Government. The Government can hardly laugh off the Conservative Government of Nova Scotia as it tries to laugh off the NDP Governments of western Canada. The article continues:

Yesterday provincial Housing Minister Mike Laffin pleaded with his federal counterpart Bill McKnight of CMHC for more co-op housing in Nova Scotia.

Since assuming power McKnight has implemented a stringent program called Assessed Cost Effectiveness (ACE) which has reduced the number of co-op housing units built in Nova Scotia.

The Minister can give this program a fancy title like Assessed Cost Effectiveness, but he has never explained it to those who have inquired. As far as we can find out, through that program the Minister simply says: "I like him; I do not like him". He obviously does not like the co-op people in eastern Canada.

The article to which I had referred goes on to read:

Nova Scotia MPs were the first to learn of the 1985 co-op cuts, last Friday.

I have a letter here from the Hon. Member for Halifax (Mr. McInnes) dated December 4, 1984, which is when he began to realize that there was a problem. The letter reads:

I have been advised by the Minister responsible for CMHC that they are not able to accede to your request for remedial work with regard to your most recent proposal.

I have difficulty in accepting the merit of the decision in view of the tremendous demand for housing in Halifax but accept that the Government has established priorities and apparently they lean towards new construction.

That letter was written on December 4. On December 7, a letter was written to the Basinview Housing Co-op in care of Access Housing Services. As I mentioned, the Basinview Housing Co-op is now called the Seaview Housing Co-op. This letter was written by Michael W. Tucker, Program Manager of the Social Housing Department, CMHC. The letter reads in part:

Inasmuch as your proposal was considered to be in a priority area this year, we are prepared to recognize that priority for purposes of reviewing 1985 proposals. It is suggested you modify your submission based on a new site, bearing in mind that a peninsula of Halifax location is preferred, but in any case you should locate within the metropolitan area.

Also, it goes without saying that all usual conditions of application approval must be met.

In December, the co-op was asked to make some changes and told that its priority continued because of the work that had already been done. Next there is a letter dated April 30, 1985, from the City of Halifax Non-Profit Housing Society, signed by Nancy Wooden, Chairman, and C. Mellett, Consultant, to the Hon. Minister of Labour regarding the 1985 unit allocations for the Seaview Housing Co-operative. The letter reads:

Our Society was extremely distressed to hear that the Seaview Housing Co-operative did not receive funding allocations under the 1985 announced allocations. As you are very aware the housing situation in Halifax has been at crisis proportions for the last four years with vacancy rates at 0.5% and even more severe affordability problems.

The writers of the letter address specifically the changes sought by CMHC four months previous to that.

• (1640)

As to the criteria for selection, the Non-Profit Housing Society has worked with Seaview Co-Operative as its priority number one for co-operative development in Halifax. That is what CMHC asked for. To date, they have agreed to lease land on the peninsula of Halifax to the co-op as asked for by CMHC; put considerable time and money into a design competition to ensure an appropriate design for the area; and provided staff time to assist in the development of the co-op. Volunteer time and money have been spent with the encouragement of CMHC to produce housing in an area where it is desperately needed, yet CMHC, without any explanation or warning, has cut them off. But they have asked in the letter that the Minister review the process of evaluating co-operative projects as they relate to affordable housing being developed in major centres close to jobs and services. They are asking for a country-wide review. They have also said that 1985 is the year in which CMHC should acknowledge the critical and ongoing shortage of affordable housing in Halifax by increasing immediately the unit allocations to mainland Nova Scotia by 25 units. That is very reasonable, Mr. Speaker. They are asking that the regional office be directed to use those 25 units within the municipal limits of the City of Halifax by funding the Seaview Housing Co-operative.

They have followed the directions of CMHC, but CMHC cut them off. I would say that that as well justifies the accusation of neglect. I would say that it justifies the accusation of contempt by this Government for the people of Halifax, as the actions I mentioned before constitute contempt for the people of Newfoundland in regard to housing programs. I am very sorry that that is so and I hope the Government will reconsider its approach in this matter.

[*Translation*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I welcome this opportunity to add my comments to those already made on the following Opposition motion:

That this House condemns the Government for its indifference and negligence toward Atlantic Canada, especially with regard to regional industrial development, fisheries and transportation.

[*English*]

I was particularly interested in listening to a number of Ministers making comments and being paticularly pleased with the roles they are playing in our society and the changes they are effecting. They talked about this being a new era of co-operation and harmony which they have demonstrated through ongoing consultation across this land. If those ongoing consultations do end with a positive, constructive and new place for the Atlantic Provinces in the growth and development of this country, then I for one, as will all members of my Party, be more than pleased. Certainly I would be more than ready to give the benefit of the doubt to any initiative which would improve the lot of Atlantic Canadians. However, there are so many election promises not being met and the prose and rhetoric continues in such a way that I have some serious concerns. I hope those concerns prove to be unfounded.

I must bring to the attention of members of the Government the list of areas in which they have effected cuts which have direct impact on Atlantic Canada, particularly Newfoundland and Labrador. There was a 1.8 cent per litre increase in gasoline tax and I do not think the people of Newfoundland, Prince Edward Island, Nova Scotia or New Brunswick are particularly happy about that, nor is anyone else in the rest of Canada. The reduction in the fisheries development program amounted to $11.7 million. We just heard about overfishing in that area and the impact that has on the canneries and fish plants in the Atlantic region. The reduction in non-profit and co-operative housing was very well addressed by the Member from the NDP. He brought to our attention the cut in social and co-operative housing, an important area. That is only to the tune of $9.6 million. We have had a 25 per cent cut in the RRAP program regarding home renovation to the tune of $29.4 million. The Department of Regional Industrial Expansion was cut to the tune of $200 million. This impacts on the private sector, particularly in the Atlantic region, where it is so important.

Grants to local groups in support of cultural activities have been cut by $9.8 million. Graduates of job training programs have had their unemployment insurance program extensions cut from six to three weeks, a cost factor of $5.8 million. This impacts very dramatically in that area of our country where the unemployment rates are extremely high and unemployment insurance is often the only dollar brought into the home. The Canada Student Loans program is held at the current level of $5 million. When you look at the needs of youth and see the cuts in that area, that is rather dramatic. CN Marine ferry services on the East Coast have been cut by $37.6 million. I would say that has a rather severe impact on that area. The general industrial training program involved 42,000 people being placed in job training programs last year. It assists employers to improve job training skills, but here we have seen a cut of $40 million. The Summer Canada program for students was cut by $85 million; its reinstatement under a new name I will address in a few moments. The COSP program was cut by $95 million, and CHIP was cut by $84 million. Every one of these cuts impacts on the people of the Atlantic region. The Forest Research Centre in Corner Brook was cut by $16 million and I think that is a particularly mean cut which demonstrates a lack of open-heartedness and open spirit.

New development services in Parks Canada will be reduced by $19.5 million. Capital expenditures at Fisheries and Oceans will be cut by $18.1 million. I am wondering which one of those Ministers and which one of the back-benchers is looking after the interests of Atlantic Canada. The dredging program will be cut by $3.6 million. Coast Guard aids to navigation and contributions to community services is cut by $51.6 million. The litany goes on. Increased fees for food inspection, quality assurance, et cetera, amount to $32 million. User fees for Parks Canada and fees for weather information have been introduced to the tune of $10.5 million. Charges for berthage fees for fishermen, $6.3 million. Increased parking rates at airports, higher rental rates for airport land and buildings, new tariff structures for government wharfs, increased charges for marine-related services, further savings from reduced service levels for marine activities and airport maintenance, $23.5 million. Airport transport and cargo taxes, 8 per cent to 9 per cent on domestic flights, and a new cargo tax to be introduced at a cost of $34.6 million. This tax will impact very heavily in that area of our country. There was a crackdown on collecting money owed to the Government, especially from those who owe money to Revenue Canada. Here we have had a cut-back of $440 million or a saving, depending on how the Government wishes to look at it, yet 330 new tax collectors have been employed to the tune of $10 million.

There is something very wrong when you hear a Government speaking in such glowing terms about what it has done and then you listen to this litany of cuts which have impacted so negatively. If these cuts are, as one of the Ministers put it, to cut out the fat, improve where we are inefficient, cut back programs which are redundant, and effect changes where we have had unnecessary expenditures, if it is to find new ways in which to work, then I say, fine, good, proceed. But that has not been demonstrated and it is not the view that we have at the moment.

● (1650)

One of the areas in which I have a particular interest is that of youth.

[*Translation*]

As you know, Mr. Speaker, young people today are an incredibly important natural resource for this country. Their technical or academic training is an investment, not only in their own future but in that of the entire country. The challenge we are facing today is that of ensuring that when our young people enter the labour market, they will find jobs that measure up to their qualifications and expectations, as well as a saner and more compassionate society and a world at peace. Furthermore, we must tell young people, and this special year is a particularly appropriate occasion to do so, that Canada has great hopes for their generation.

However, Mr. Speaker, considering all the cut-backs in funding, the lack of money for training, and the delays in setting up summer programs for our young people, we should not be surprised if they complain about the lack of interest we are showing in their future.

[*English*]

Spring is upon us and young people across the country are finishing exams, or preparing for them. They are putting their winter clothes away and getting ready for summer. Whether they can do so in the knowledge that a summer job awaits them is another thing. We have heard glowing reports of how the private sector is going to do all kinds of wonderful things. I am waiting to see the final result. In the meantime, in February, after a long, patient winter, Challenge '85 was unveiled to Canadian students. This $205 million program claimed to be the answer to the cries for a substantial, meaningful job-crea-

tion program for our young people. From the outset skeptics voiced their concerns. The emphasis on private sector input to create 10,000 jobs worried student federation leaders across the nation. Those in the business community expressed their concern as well. I am sincerely hopeful that that concern has been overcome. We will have to hear from the Minister in that regard.

Application forms which normally should have been available have not been. That is making it difficult for the businesses to complete the forms and for the community organizations and municipalities to create the jobs which were to be career-oriented. Details were unavailable, indeed often nonexistent. Yet we all remained hopeful. There is clearly a need to create comprehensive, meaningful job opportunities for young people.

As the critic for youth, I have repeatedly stressed the importance of the youth of Canada for the future of our country. The latest Statistics Canada figures show that youth unemployment rose dramatically and is near 17.5 per cent. That is something to be truly worried about, Mr. Speaker. It is of great concern to me. The effects of unemployment on young people have been studied. It remains their chief concern and preoccupation. It has created a situation of moroseness for them. They look at society and ask what their future and potential is and where they are going to go. They are losing hope. We see that with the increase in violence and suicide. We note that with the move to prostitution, drugs and alcohol. I am hopeful that Challenge '85 and the IYY activities that were promised to speak to these concerns will have some impact. The plain fact is that the Government has missed the mark.

Taking a closer look at the various programs which fall under Challenge '85 I see little cause for celebration. Of the several projects, only the Summer Employment Experience Development Program has received even a fraction of the attention and concentration needed to ensure a moderate level of success. At this point only 33,000 jobs have been allocated. That is a far cry from the 95,000 jobs which are needed to enable students to make the money they need to ensure that they can continue their education next year. The fact that the program was announced so late has limited the creativity and input of municipalities and community organizations.

In her announcement of this program the Minister talked about being very creative. She said the program would meet certain enunciated needs of youth. She said she would have a new approach to job creation for students. Instead of offering pre-packaged, federally funded projects which only provide next year's tuition, she said that the Government was challenging its economic partners to come forward with meaningful jobs to improve students' abilities to contribute to society now and in the future. She said that they were working to harmonize the student summer program with those of the provinces for maximum benefit to our young people. The need of all sectors of society to contribute to the participation of young Canadians in the mainstream of economic life was underlined by the Minister of State for Youth (Mrs. Champagne).

In reality, the Minister decided that the program should be allocated on a first-come first-serve basis, and the criteria established for career-related jobs result in those which were submitted first being approved regardless of the value of the proposal. If someone was a little late because he or she could not get a form or did not hear the information until later, their good proposal, which would meet the aspirations and needs that were beautifully enunciated and carefully thought out, will not be met as a result of this very poor advice to centres which are administering the program. There have been no guidelines established as to what constitutes a career-related job. This is a very subjective decision which, for the most part, has been left in the hands of local authorities who have been given few, if any, details.

The Student Entrepreneur's Program was supposed to provide $30 million in loans and cost the Government up to $7.5 million. The Minister said that the entrepreneurial potential of students would be developed this summer by supporting provincial initiatives which provide them with loan guarantees or loans to start summer businesses. She said that this component will be based on, and where appropriate, meshed with, the successful use of this approach in a number of provinces. The Minister said that up to $7.5 million of SEED funds would be available for the net cost of providing up to $30 million in additional loans or loan guarantees.

There is a little problem there, Mr. Speaker. I do not think that DREE got together with the Minister of Employment and Immigration. From what I can gather, that program is not even working. Those students who were planning to undertake student entrepreneurial summer jobs are not able to do so at the moment. The money is still not unblocked. If the money does not go to that program, students are a little late to apply and get involved in something else.

This matter is of great concern to me, particularly with regard to the situation of youth unemployment in the Atlantic provinces. The national unemployment rate is 11.2 per cent. The national rate for the 15 to 24 year age group is 17.5 per cent. However, in Newfoundland it is 39.3 per cent. Almost 40 per cent of all the youth in that part of Atlantic Canada are unemployed. In Nova Scotia, 29 per cent are unemployed and in New Brunswick, 32.2 per cent are unemployed. That is absolutely dreadful. Even when a student wants to move to find another place to obtain work, his mobility grant is cut.

I gather that my time has expired. I wanted to address the cuts more significantly but I will do so at another time.

[*Translation*]

Mr. Deputy Speaker: Order, please. It being five o'clock, it is my duty to inform the House that in accordance with Standing Order 62(11), the proceedings on the motion have expired.

The House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, May 6, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

PIONEER TRUST PAYMENT CONTINUATION ACT

MEASURE TO ENACT

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-50, an Act to provide for the continuance of payments under certain guaranteed income averaging certificates issued by the Pioneer Trust Company, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

She said: Mr. Speaker, before I begin, could I indicate that discussions have taken place among all Parties and I would like to move that this Bill be discussed at next reading in Committee of the Whole.

Mr. Speaker: Am I to take it that there was consent that the motion be changed to reference to Committee of the Whole?

Mr. Gauthier: No.

Mr. de Jong: Not that I am aware of.

Mr. Speaker: I see no such agreement. It would take the consent of the House to make the change, I believe.

Mr. Hnatyshyn: Mr. Speaker, I mentioned, as you recall, in the course of the statement on business that my initial impression from all Parties was that they would be prepared to let this matter go through all stages of the House today, including Committee of the Whole. There was at that time no indication to the contrary. If the Official Opposition or the NDP want to delay this matter, then perhaps I will have an opportunity of learning that in further discussion. But I had raised it specifically during the question on House business to make sure it was clearly understood that it was our intention to proceed with all stages of this Bill today so that the Senate could deal with it. I think it is in the interests of not only the people of Saskatchewan but a good number of people who have investments in this company to have the matter resolved quickly and I would hope we could get the approval of all Parties.

Mr. Gauthier: Mr. Speaker, the Government House Leader made two comments. He said it was his impression that there was an agreement that this Bill would go through this day; we do not deny that impression. I understand that there have been negotiations between the leaders of all Parties, but they concerned the need to have the Bill passed this day. What the Minister just did was to bypass second reading of the Bill and go into Committee of the Whole now. I am saying to the Minister we did not agree to that.

Mr. Hnatyshyn: That is not what the Minister asked.

Mr. Gauthier: I understood the Minister to want to move to Committee of the Whole now.

Mr. Speaker: Perhaps I can try and help. The normal proposal which is put to the House at this point is that the Bill be read a second time and referred to the normal standing committee. What I understood to be proposed was that the Bill be now read a second time and referred to Committee of the Whole House as opposed to the normal committee. That was the motion on which I was told there had been some discussions. That would still leave second reading before the House, and on completion of second reading the Bill would remain here for reference to Committee of the Whole House. I took it there was some agreement on that.

Mr. Gauthier: There is agreement that there will be no delay, that the Bill will proceed through second reading and Committee of the Whole in this House today, and then third reading this day. What I understood was that the Minister told us that she wanted second reading approval now.

Mr. Speaker: Having therefore sensed that it probably was the way the Chair read the motion which caused the confusion, may I have the consent of the House to withdraw the earlier motion and replace it with the following? I take it this is what is preferred.

Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-50, an Act to provide for the continuance of payments under certain guaranteed income averaging certificates issued by the Pioneer Trust Company, be now read the second time and, by unanimous consent, referred to Committee of the Whole.

Mr. de Jong: Mr. Speaker, I am rising to indicate that we in the NDP are concerned that the Bill be passed today and we concur with that agreement. However, we are as well concerned that in Committee of the Whole we have an opportunity of asking some questions of the Minister and her officials, because it is our belief that certain things surrounding this Bill have not been made public. Hopefully we will be able to do all of that today and we will be able to pass this Bill later on today.

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

Some Hon. Members: Agreed.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I rise before the House today to speak on Bill C-50, the Pioneer Trust Payment Continuation Act. I am delighted that all Hon. Members have agreed to give this Bill speedy passage, and for that I thank them.

The source of the Company's difficulties are by now, I think, quite well known. Pioneer Trust had encountered severe financial problems as a result of a large proportion of its mortgage portfolio being in arrears and also as a result of the need to write down the value of certain real estate investments. Given that capital could not be raised through a preferred share issue as originally proposed, and could not be successfully marketed in the absence of a guarantee from the Province of Saskatchewan, the continued operation of Pioneer Trust no longer seemed viable and it therefore ceased operations.

● (1110)

On learning of management's decision and the proposed action, I immediately directed the federal Superintendent of Insurance to take control of Pioneer's assets so that the interests of the depositors would be best protected. Officers of the federal Department of Insurance went to the company's offices and the Canada Deposit Insurance Corporation was informed of the situation. An application to have the company wound up pursuant to the provisions of the Winding-Up Act was filed in the Court of Queen's Bench of Saskatchewan on February 11 and the court issued a winding-up order on February 15, 1985.

Prior to the granting of the winding-up order the Canada Deposit Insurance Corporation began making arrangements for the repayment of all demand deposits, including savings accounts, chequing accounts, and demand deposit receipts up to the $60,000 insured limit. Cheques in payment of savings, chequing, and other demand deposits dated February 18, 1985, which included interest to February 20, were made available to the depositors at the branch where the account was maintained.

In total, the Canada Deposit Insurance Corporation has made payments of approximately $203 million in respect to the Pioneer Trust deposits which were insured. These payments were made promptly and efficiently and, judging from the comments I received, in a manner that caused as little inconvenience and disruption to insured depositors as was possible in such circumstances.

Unfortunately, Mr. Speaker, Pioneer Trust had approximately $36 million of deposits that were not protected by deposit insurance. About $25 million of the $36 million of uninsured deposits are savings and chequing accounts, guaranteed investment certificates, and insured RRSP accounts that were in excess of the $60,000 insurance limit. The remainder of the uninsured deposits consists of $600,000 of U.S. dollar deposits. Under the CDIC Act only deposits in Canada and in Canadian currency are protected by the deposit insurance. There was also some $10 million of guaranteed income averaging certificates that were not insured by the Canada Deposit Insurance Corporation because they were for a period in excess of five years.

As Hon. Members will be aware, the insurance limit provided by the Canada Deposit Insurance Corporation for each of its member institutions is $60,000 per depositor. Indeed, each member institution is required to post in a promiment location in each branch a decal of design provided by the corporation which bears the legend "$60,000 maximum insurance per person per member institution".

Since its enactment in 1967 the Canada Deposit Insurance Corporation Act has stipulated that deposit instruments for periods longer than five years are not protected by deposit insurance. Given this fact, the Canada Deposit Insurance Corporation had no authority to make insurance payments in respect of Pioneer's guaranteed income averaging certificates.

Soon after the winding up of Pioneer Trust I became concerned about the position of the approximately 650 holders of the guaranteed income averaging certificates that were for periods in excess of five years and were, therefore, not insured. Many of the certificate holders are elderly Canadians who sold their farms, their homes and their businesses and, encouraged by the provisions of the Income Tax Act as they existed at that time, invested the proceeds in guaranteed income averaging certificates. Many are dependent on the payments promised by the certificates for their daily living expenses. I became most concerned very early during this process and began almost immediately to have discussions with the Province of Saskatchewan and with my officials as to how this matter could be resolved.

● (1115)

We then began to receive numerous representations from many of the certificate holders that they did not realize their certificates were not protected by deposit insurance. In fact, they claim that some of the markings and wordings of the certificates led them to believe that they were protected. Upon further investigation I determined that many of the certificates prominently display on their faces a facsimile of the seal of the Canada Deposit Insurance Corporation as well as the words "Member of the Canada Deposit Insurance Corporation".

It is important that depositors be in a position, when they are making a deposit, to know whether or not that deposit will be protected by deposit insurance. The by-laws of the Canada Deposit Insurance Corporation Act stipulate that uninsured instruments should be clearly marked on their face: "This is not an insured deposit as defined by the Canada Deposit Insurance Corporation Act". Unfortunately, the Act does not impose any penalties for non-compliance with the by-laws.

The experience with the Pioneer Trust guaranteed income averaging certificates has demonstrated to me that much more must be done to ensure that depositors are aware of the exact limits on deposit insurance coverage provided by the Canada Deposit Insurance Corporation.

Admittedly, as a result of changes in the Income Tax Act, guaranteed income averaging certificates are no longer being issued by trust companies. Nevertheless, I think it is most important that steps be taken to ensure that the public is informed about the limits on deposit insurance on all financial instruments.

As Hon. Members will recall, even before the Pioneer Trust problem I appointed a private sector committee composed of three people, chaired by Robert Wyman of Vancouver, Chairman of Pemberton, Houston and Willoughby Inc., to study and provide me with advice on all aspects of the Canada Deposit Insurance Corporation Act and the operations and organization of the corporation. In the context of the events of the past few months, I have specifically asked the committee for its advice on legislation and other measures that may be desirable to ensure that depositors are adequately informed about the deposit insurance coverage. In the meantime I have also very strongly requested of the board of the Canada Deposit Insurance Corporation that it instruct its member institutions as expeditiously as possible to ensure that depositors are informed about deposit coverage and restrictions.

I am determined to proceed with whatever legislative or administrative measures seem desirable to ensure that depositors are better informed in the future about the limits of deposit insurance coverage. In this context I might mention that three weeks ago I released a discussion paper entitled "The Regulation of Canadian Financial Institutions: Proposals for Discussion". One of the important principles on which this paper is based is improved protection for consumers. This Government is committed to this principle and the paper puts forward a number of proposals aimed at improving the regulatory framework.

The short-term administrative actions that I have described and the proposed revisions of the Canada Deposit Insurance Corporation Act and the financial institutions legislation should ensure that depositors are better protected and informed about what is insured and what is not. However, this provides little comfort to holders of the guaranteed income averaging certificates of Pioneer Trust. As I indicated, these persons, many of whom are elderly and dependent on the certificate payments for their daily living expenses, thought that they were protected by deposit insurance. I have been very disturbed about the circumstances of the some 650 certificate holders of guaranteed income averaging certificates who appear to have good reason to believe that they were insured.

It is my concern about the circumstances surrounding these certificate holders that led me to enter into the recently announced arrangement with the Government of Saskatchewan for a plan to compensate uninsured depositors and to propose the legislation that is the subject of discussion today. The objective of the legislation is to authorize me to enter into arrangements to continue the existing payments to holders of uninsured guaranteed income averaging certificates up to a limit of $60,000 that would have been applied had the certificates been insured. In other words, my objective is to provide a federal contribution to the plan to compensate Pioneer Trust uninsured depositors in an amount necessary to put the certificate holders in a position that they thought they were in, namely, protected up to the $60,000 deposit insurance limit. The Government of Saskatchewan has undertaken to assure the liability to make payments required by the original guaranteed income averaging certificates for amounts in excess of $60,000.

• (1120)

In addition, the Government of Saskatchewan has also undertaken to compensate with accrued interest to the liquidation date depositors with U.S. dollar accounts and all depositors who had amounts in excess of $60,000 on deposit in savings accounts, chequing accounts, guaranteed investment certificates and RRSP funds. The Bill asks for an appropriation of $5 million. My officials are satisfied that this amount, together with the amounts to be contributed by the Government of Saskatchewan and the amounts expected to be recovered from the liquidator, should be sufficient to enable the payments promised in the guaranteed income averaging certificates to be continued. In fact, depending on the distribution that the court-appointed liquidator of Pioneer Trust is able to make, the cost to the federal Government hopefully may be less than $5 million.

If this legislation is passed, the intention is to make arrangements as quickly as possible with another financial institution to start making the payments due and outstanding under the guaranteed income averaging certificates so as to prevent any tax disadvantage to the certificate holders. The plan is to continue the contractual periodic payment rather than pay the holders a lump sum payment.

The Government of Saskatchewan will be making arrangements to have lump sum payments made to U.S. dollar depositors and to depositors who have more than $60,000 on deposit in the form of chequing accounts, savings accounts, GICs and insured RRSPs. All depositors will be required to assign their claims in consideration for the payment.

Given the circumstances I have described, I think it is reasonable that the Government of Canada take action to see that the holders of garanteed income averaging annuity certificates are in the position that they had every reason to believe they were in, namely that they are protected to the extent of the $60,000 limit. As I have mentioned, this is part of a plan that will involve the Government of Saskatchewan compensating all other uninsured depositors, including those with deposits in excess of the insured limit. I am, therefore, recommending passage of this Bill.

Our Progressive Conservative Government is committed to responsible management of the affairs of this nation. The Bill before this House demonstrates in no uncertain terms that we accept that responsibility to ensure that our citizens are protected while at the same time we proceed with reforms to bring our financial institutions regulations in tune with the realities of the 1980s.

It is my intention to have as broad a public discussion on that topic as possible and to ensure that the Canadian people

are kept informed of their rights and benefits, as they should have been in the past.

Miss Aideen Nicholson (Trinity): Mr. Speaker, this is the kind of Bill which one has no alternative but to approve and to facilitate its passage. But that does not mean one approves of the way matters have been handled up to now. Obviously there were many depositors who did not realize that there was a $60,000 limit. Equally so, there were the guaranteed certificate holders who did not realize there was a five-year limit. I am advised that many of those people were retired farmers who had put the entire proceeds of the sale of their family farms into this trust company. In other words, their entire savings and the result of a lifetime of hard work was there and had disappeared.

Under those circumstances, I would agree with the Minister that the taxpayers of this country might reasonably be asked to help compensate those people, as we are being asked to do by this Bill, but, Mr. Speaker, there are many, many questions that need answering. We are being asked to put the Bill through quickly. We are not, therefore, going to be able to have full answers today. I trust that the Minister, who thus far has shown herself to be open, will in fact provide additional information to the House and provide an opportunity, perhaps by the Standing Committee on Finance, Trade and Economic Affairs, to discuss some of the issues which really need to be dealt with.

• (1125)

The Minister referred to the green paper on financial institutions. Of course, that will allow a discussion on many broad issues, as will the paper on the role of the Canada Deposit Insurance Corporation. But, apart from the broad principles there are some very specific matters concerning this trust company on which we should have answers.

There are many questions concerning the role of the Government of Saskatchewan and, in particular, there is the question as to why this particular trust company had its licence renewed by the Government of Canada on December 31, 1984, although it had not succeeded in increasing its liquidity. The federal Government on August 1 allowed the company to continue to operate under restrictions, on the understanding that it would have to increase its liquidity by December 1, 1984. To my knowledge that requirement was not met, yet the licence was issued. This is a serious matter on which we should have some answers to our questions. Did the Government of Saskatchewan provide some kind of backing which satisfied the federal Government? If so, what was the nature of that guarantee, and was it met?

The question of legislation to increase the amounts which can be paid by the Canada Deposit Insurance Corporation keeps coming up. It is increasingly unsatisfactory to operate in this *ad hoc* fashion. With the Canadian Commercial Bank we had one large bail-out just a couple of months ago. Now comes this one. Again there are many unanswered questions. Why was it not known that these institutions were in such difficulty? Why was there not earlier action?

I was pleased to hear the Minister say that CDIC will in future be requiring better and clearer notification to customers of the limits of the insurance coverage. I hope this will be in place immediately and that we will not have to wait for the full paper on the CDIC.

Since we gave un undertaking to let this Bill pass quickly, I will not take up much time of the House. I know there are Hon. Members who wish to speak, but I merely reiterate that although there is no option but to use taxpayers' money to repay some of these depositors who are not rich people but have their life savings tied up, agreeing to rapid passage of the Bill should not be interpreted in any way to mean that we are agreeing with the process or that we are at all satisfied that the matters were dealt with effectively either by the Government of Canada or by the Government of Saskatchewan.

• (1130)

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to echo the remarks of the spokesperson for the Liberal Party that while we have agreed to speedy passage of this Bill, that in no way should be construed as meaning that we are happy with all of the events surrounding Pioneer Trust. There are many unanswered questions. I have been requesting the Minister to hold public hearings so that many of these questions could be answered. It is important at some appropriate public forum that a full hearing be held concerning the events surrounding Pioneer Trust.

It is important from the point of view of the public. The public needs to be assured that private and public officials know what they are doing. Surely the events surrounding Pioneer Trust are, if anything, a comedy of errors and mismanagement on the part of the federal Government and its agencies, on behalf of the provincial Government and the Minister of Finance and, I suspect, on behalf of some of the practices of senior management of Pioneer. Therefore, I submit that an appropriate public inquiry is very much in order.

The taxpayers of Canada and the shareholders and depositors of Pioneer Trust need some answers to some important questions. We would like to know about the management of Pioneer. It is important to them as well. The senior management are prominent business people in Saskatchewan. It is important for them to clear their names as they continue to do business in the Province of Saskatchewan.

Questions have to be asked and answered. Was the collapse of Pioneer at all due to bad business decisions? Were there any substantial loans made by Pioneer to business concerns on which the interest charged was below the fair market value? These are important questions that need to be answered for the sake of management and its reputation as well as for the Canadian public. The Minister has proposed extending the powers of trust companies. Let us see how the trust companies have operated in the past. We need answers to these questions.

The Minister talked about a stronger regulatory body. Let us find out what the practices have been in the past and what

the specific need is for new regulations and a stronger regulatory body. These questions deserve some clear answers.

We would like to know as well from the time the decision was made by the provincial Government, which I understand from the Minister's letter to me dated March 7 where she said "On February 4, the Superintendent was informed by the Government of Saskatchewan that it would likely not be proceeding with the guarantee of the preferred share option", to when Pioneer closed its doors on February 7 if there was any trading in shares or any extra trading in shares. Did some people who had inside information that the provincial Government would not be continuing with its guarantee use that information? We would like to know if there were withdrawals of deposits from Pioneer Trust.

These are legitimate questions that have to be raised and answered in a public forum. At this stage of the game, just to hand over more millions of dollars to clean up the mistakes that have been made without answers to these questions is not right. As representatives of the people with the responsibilities that we have as Members of Parliament, we have to try and get answers to these questions.

The Bill essentially deals with one part of the uninsured group, those people who had put in money under the guaranteed income averaging certificates lasting over five years. My colleague from Yorkton-Melville (Mr. Nystrom) raised this in the House, as did I. We pointed out to the Minister that people had bought the certificates and that on the application forms, and so forth, the CDIC stamp appeared. This insinuated that CDIC was insuring the certificates. Many people became quite shocked when they realized that they were not guaranteed by CDIC. Many of these people are not rich. A fair number are retired business people or farmers who have no pension scheme. They have saved all their lives and have sold their businesses or farms. The amount of cash they received is their sole asset, their sole source of income.

Many of these people had invested in these certificates and were living off the interest. The interest was like their monthly pension cheque. With the collapse of Pioneer, these people soon discovered that their source of monthly income, their security, had been wiped away.

It is obvious that the Superintendent of Insurance and the CDIC had some responsibility in this. After all, they were the policing agents. They had the responsibility of making certain that trust companies like Pioneer Trust did not suggest to their depositors that their investments were covered under insurance when in fact they were not. The federal Government has a responsibility to be a policing agent. It was obvious that it had not fulfilled that role, that it was not aware that Pioneer Trust was issuing income averaging annuities with the CDIC stamp on them, suggesting that they were insured when in fact they were not.

There is no doubt that the federal Government had a responsibility. The Minister's Bill is an acceptance of that responsibility. If these forward averaging annuities did not have the CDIC stamp on them, I doubt that we would be seeing this Bill in front of us today. The Minister asks for $5 million in compensation, yet by her account some $10 million has been invested in these certificates. The Minister said this morning that she hopes that the other $5 million will come from the sale of the assets of Pioneer Trust. We are still not quite certain what people are to do in the meantime. When will the assets of Pioneer be sold? When will we know how much money has been collected under the sale of the assets of Pioneer? What do people do in the meantime?

Since the Bill recognizes the responsibility the federal Government has for this $10 million that has been invested in these guaranteed income averaging certificates, why does the Bill not ask for $10 million? What the federal Government could get back out of the sale of the assets of Pioneer could then be recovered by the Government later on.

• (1140)

The events surrounding Pioneer Trust are worth mentioning here today. I rose during Question Period on February 7 to ask the Minister a pretty general question. At that time, I asked her if it was true that her Department was concerned about Pioneer Trust and other trust companies in western Canada. My question was based on a report that originated in *The Globe and Mail* earlier this year which suggested that there had been some investigation by the Superintendent of Insurance into trust companies in western Canada. The Minister assured me that there were no problems and that none of the trust companies was experiencing difficulty.

Later on that same afternoon, I received a message from the Minister's office stating that the Minister of Finance of Saskatchewan was about to announce publicly that the Province of Saskatchewan would not continue with the guarantee of Pioneer's public share issue that the Saskatchewan Government had publicly made. Therefore, Pioneer Trust closed its doors later that afternoon. In the months of February, March and April, we heard of more financial institutions in western Canada going under.

I appreciate why the Minister stated in the House that none of these financial institutions was in trouble. I suspect her reasoning was that she did not want to see a run occur on these financial institutions. However, when one takes that position, one also pays a price. Perhaps the price one pays is that one creates a false sense of security which leads investors and depositors to put money into institutions when in fact those institutions are in great difficulty. The other price one pays is the price of a lack of honesty. The Minister felt that she should not answer a legitimate question put to her by an Hon. Member because the answer might engender a run on some of these financial institutions. The price to be paid must include a lack of full disclosure by a Minister to Members of Parliament.

When looking at the events, one must come to the conclusion that the provincial Government and its Minister of Finance made some grave errors. The Saskatchewan Government publicly committed itself to guaranteeing an equity share issue, a commitment made public by the Premier of the province. We find out later that the Government made that

commitment without a full appreciation of Pioneer's financial position. Members of the Government of Saskatchewan made that commitment without looking at the books of Pioneer Trust. I find that amazing. I am dumbfounded by the fact that such a commitment could have been made without first having a look at the books.

I understand that after that commitment was made public Members of the Government of Saskatchewan made requests of the officers of the company to see the books. As I understand it, senior management of Pioneer Trust simply did not comply with that request, or at least it took them quite a while to comply. I understand that some of the senior management people in that company went off on long, extended holidays during that period in December that was so crucial to the continuing success and well-being of their enterprise. Surely that was irresponsible behaviour on the part of senior management members and as well on the part of the Minister of Finance of the Province of Saskatchewan who made that commitment in the first place.

I understand that when no figures were made available from Pioneer management, the Province of Saskatchewan finally decided it had better act on its own and sent some of its people from the Finance Department to look at the books of Pioneer. Again, this is a somewhat odd situation because I am sure that those civil servants from the Saskatchewan Department of Finance were not experts when it comes to looking at the books of a financial institution. Be that as it may, these civil servants came back with the conclusion that Pioneer's situation was even worse than they had first thought it to be. That then became the public reason for the Province of Saskatchewan to decide not to proceed with its guarantee.

Some of us in political life try not to become too cynical. When seeing events occur on a day-to-day basis, it is all too easy for politicians to develop a sense of cynicism. I am afraid that I have great difficulty holding back my sense of cynicism when it comes to this whole sordid mess. I understand that one of the things the provincial Government did was to send out approximately 1,000 letters to professional people, lawyers and business people in the Province of Saskatchewan inquiring what they felt about the bail-out that the Province of Saskatchewan was proposing for Pioneer Trust Company. The response from these professional people was that they were against this bail-out. Therefore, I wonder whether the Province of Saskatchewan acted for political reasons when it decided not to proceed with the bail-out or whether it did in fact act in that manner because the books were so bad that the company was a bottomless pit, the bailing out of which was not in the interests of the public of Saskatchewan.

Another comical aspect of this matter—I suppose I could call it comical if it were not so sad—was the provincial Government and its Minister of Finance accusing the federal Government and the Superintendent of Insurance of being the villains in all this. The provincial Minister accused the Superintendent of Insurance of being a little too harsh on Pioneer management by indicating that he should have held back and given Pioneer more time. He indicated that the problem with trust companies was that they were being over-regulated. In fact, the Saskatchewan Finance Minister was suggesting that the federal Government should relax its regulations. I find that statement made by the Minister of Finance of Saskatchewan to be incredible. That is not what the events of the last number of months and indeed the last number of years have shown. In fact, the Province of Ontario has experienced a fair number of trust companies going belly up.

I think it has been shown that the problem has been that there has not been enough regulation and that the CDIC has been woefully understaffed. It does not have the ability to carry out its proper mandated duties to regulate these trust companies. I think it has been shown that the Superintendent of Insurance and the Minister did not know the actual situation faced by Pioneer Trust.

Again, we heard this later through statements that the Minister made both in and out of this House regarding why she did not attempt to get some agency agreement so that Pioneer Trust could be saved. She has stated publicly that the reason they did not try for an agency agreement was that they first realized how bad the situation was when they looked at the books. So the federal Government did not know how bad the situation was and that is because the Superintendent of Insurance and CDIC did not have the ability properly to monitor these trust companies. For the Minister of Finance and the Province of Saskatchewan to suggest that the regulations have been too strict and should be relaxed, I find the ultimate in nonsense and irresponsibility.

• (1150)

We come today, therefore, to the sad situation where the public of Canada is asked to dish out even more money. The Minister admitted in her remarks that some $203 million already has gone into paying off the insured depositors. The federal Government is asking for $5 million more. The Province of Saskatchewan will have to dole out some $10 million more. That is a situation, Mr. Speaker, that I believe somehow could and should have been prevented. One would have thought that the federal Government, which prides itself on its business management, and a provincial Tory Government which prides itself on its business management, should not have allowed the loss of several hundred millions of dollars "oops" through their fingers; "oops, a mistake".

It is amazing to me how these astute businessmen and business-women paraded themselves in front of the electorate saying; "Elect us; we know how to run the shop". You should have heard them in the Province of Saskatchewan in 1982, Mr. Speaker, during that provincial election. They said: "Let's get rid of the New Democrats because they are the sloppiest administrators in this country. They are a spend-all party and have no sense of business and keeping the bucks". They said: "Elect us as experienced businessmen and business-women and we will have a businesslike Government". That was the rhetoric. But, Mr. Speaker, one just has to look at this fiasco to realize that these so-called businessmen and business-women who claim they really know how to run the shop and how to

prevent a waste of government money just had two hundred million some odd dollars go "oops" through their fingers.

Mr. Crosbie: So vote against it. You're against the Bill, are you? Why don't you vote against it?

Mr. de Jong: I hear the Hon. Member across the way bellowing as usual, Mr. Speaker. Does he not realize that under a New Democratic Government in the Province of Saskatchewan, we never had a cent of deficit? But the Tory Government in the Province of Saskatchewan in less than three years has accumulated a deficit of over $1 billion. So much, Mr. Speaker, for those responsible, businesslike people. And when one considers the fiasco of Pioneer Trust, we begin to realize why we have over a $1 billion deficit in the Province of Saskatchewan. The truth is, Mr. Speaker, that these men and women who parade themselves as being astute business people who know how to run the shop, in fact do not know how to run the shop. They gave a $30 million guarantee to a trust company without having looked at its books. That is being irresponsible to the taxpayers of the Province of Saskatchewan.

I have asked the Minister time and time again if she ever got in touch with the Province of Saskatchewan directly about the guarantee which it made to Pioneer Trust. I asked if she ever got assurances from the province directly. I have been met with silence, Mr. Speaker. If one goes through the court documents which were submitted in Saskatchewan under the Winding-up Act, one sees a total silence concerning the communications between the federal Government and the Province of Saskatchewan.

Perhaps during the committee stage we will get a little more information about this, but I suspect, Mr. Speaker, that they did not even talk to each other, that they did not even communicate with each other until it was too late and it was all over. I suspect that the federal Government, when it renewed Pioneer's licence in December, took Pioneer's management's word, the letter it waved from the Treasurer of the Province of Saskatchewan giving the guarantee, and never went back to the Minister himself and asked: "Do you really make this guarantee? Can we have it in writing before we renew Pioneer's licence?" I suspect that never occurred. I suspect there was never any of that type of communication.

So we find that not only were the federal Government and the provincial Government not very astute in their business dealings—which has now resulted in a cost to the taxpayers of this country of some $200 million—but they did not even communicate. And that is a party which claims it is going all out on communication and consultation. Perhaps Hon. Members opposite feel "What's another $200 million?"

I do have great difficulty in supporting this Bill.

Mr. Crosbie: Well, don't. Vote against it.

Mr. de Jong: I will support it because it was not the fault of the depositors that they lost. It is not their fault. But there is something inside of me which says that something is not right here. This Government has cut some $200 million out of unemployment insurance, restricting the benefits a little more, so that unemployed people will find their benefits from unemployment insurance a little more restricted. These are people who are living on a few hundred dollars a week and are desperately trying to make ends meet. The Government is all gung ho to cut down on these programs, this government fat, so to speak, to put the screws to ordinary working men and women, the retired, the disabled and the poor, but at the same time it can throw out $200 million here and so many hundred million dollars there for another trust company or another firm. And it all gets passed in a day, as smooth and easy as grease passing through a goose. There is something not right. Something inside of me says: "Hey, what's going on here?" What sort of world are we living in when the incomes and well-being of the poor people and the unemployed are always up for grabs, always being debated and always being sniped at? Something is just not right.

I hope that the Committee of the Whole will be able to ask the Minister and her officials some direct questions. I hope we will be able to get some straight and honest answers. I think it is in the interests of the Minister herself, as well as in the interests of the people of Canada, to give some straight answers so that she can attempt to restore the public trust in these institutions and bring about a new regime in this field. We want to feel that she knows what she is doing and is being honest with us. We will judge by the type of answers she will give us this afternoon whether we are to have confidence in her and in the changes she will attempt to bring about. I understand that some time later this year there will be legislative changes dealing with financial institutions. So I hope we will get some straight answers from the Minister and her officials, that the Bill before us will be the last of its type, and that in the future we will see our financial institutions better managed, better policed and more sturdy. Hopefully we will hear some intelligent comments this afternoon from the Minister of Justice (Mr. Crosbie), because I am sure he will have a lot to say.

• (1200)

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in this debate this morning. I say that recognizing that all of us would rather not ever discuss such issues in that they would never happen; but it seems that ever since I was first elected at the provincial level in 1981 we have not had any more than a couple of weeks go by without having to discuss the failure of a financial institution. I remember that in the 1981 Ontario provincial campaign one of the major issues was the fall of Astra Trust and ReMor, two affiliated financial institutions in Ontario. At that time, the provincial Government told us that never again in this country would we hear about financial institutions collapsing in such a way. Of course, we all know better now. We all know that, unfortunately, financial institutions have had their share of trouble over the past few years. The most famous or infamous of these failures is that involving Crown Trust, Seaway Trust and Greymac Trust in Ontario. We all recall

that the owners of those trust companies were participating in some rather incestuous transactions with the depositors' money. Some 10,991 apartments were involved in one group of transactions with the Cadillac-Fairview Company. We remember the effect that had on confidence in our financial institutions.

I had the privilege of being the consumer and corporate affairs critic of the Official Opposition at Queen's Park at the time. Needless to say it kept a number of us busy for quite a long time trying to unravel the mystery which surrounded the way these companies did business. Needless to say, officials are still trying to sort out what happened some two or three years ago. I recall that it was during the debate involving those three companies that the Canada Deposit Insurance guarantees were raised from $20,000 to the $60,000 in force today. That was done by the previous federal Liberal Government.

There are still quite a few issues which we as legislators do not have all the answers to. If we go back to some of the previous failures and the effect they had on investors in this country, we can see that every time these institutions failed, they left a very sad legacy behind. I want to recall the failure of Astra and ReMor, and one particular case involving a farmer who lived in the Brampton area of Ontario. This investor had sold his farm and, like many people, invested the money in what he considered a safe investment. You will recall that some financial institutions in the late 1970s were involved in the selling of investment certificates in organizations that were not really insured as they should have been. In some cases people would walk into the trust company to buy an investment certificate and were promptly offered a certificate in a mortgage company which operated out of the same office, in many cases having the same principals, but not having the same kind of insurance. When investors walked into the trust company the person at the counter would say they could have one of these investments and they would get one quarter of 1 per cent more interest. The customer would ask if this was just as good as the other one, and they were always assured there was nothing wrong with these certificates. They were as good as the Rock of Gibraltar. You could invest in these certificates and make more money. Of course, a retired person is always interested in putting the proceeds of the sale of his farm or small business into something that will give him the best benefit. That is only normal. But people were often taken in this way.

The particular case of the farmer I mentioned a while ago involved a large amount of money, perhaps in the order of $500,000, which was deposited in this particular way. After the failure of that trust and mortgage company, the farmer was left with perhaps $100,000. When he went to reinvest whatever he had salvaged from the previous failures, he got supposedly sound financial advice and was told the best thing he could buy is preferred shares in Crown Trust. Crown Trust, of course, was the most stable financial institution, so he was told, and he just could not go wrong with buying preferred shares. It was much better than buying GICs. In any case, the amount he had to invest was still larger than the then loss guarantee of $20,000. So this individual bought the preferred shares in Crown Trust. When I met this gentleman in my office at Queen's Park he was drawing welfare, his shoes were tied with bailer twine, and I am sure he did not have a cent to his name. He had done nothing wrong. He had not invested his money in weird and unusual schemes. He had every time gone to what was supposed to have been stable financial institutions, and put his money there. But he got burned, not once but twice, and was left with nothing.

I cannot help but feel the same kind of thing for people who not only bought GICs, but those who bought such things as preferred shares in the Pioneer Trust Company and other financial institutions which have had some difficulty lately. That is a large number of people and we sometimes forget about them. Perhaps some people in this House will say that when you buy shares in a company, you are really gambling in a way; you are investing in the stock market and you have to expect that perhaps you will not always be a winner. When you buy preferred shares in a so-called reputable financial institution, the distinction is not always that clear. I am sure there are many people who own preferred shares or other forms of investment in trust companies and other institutions that are insured by the Canada Deposit Insurance Corporation who are of the belief that those are insured deposits.

• (1210)

An Hon. Member: They shouldn't be.

Mr. Boudria: I hear an Hon. Member across the way saying that they shouldn't be. There are many things which lead to that kind of confusion. For example, the CDIC logo is right on the door of those institutions. Therefore, why would one not believe that an investment in that particular financial institution, in whatever way, shape, or form, is indeed a guaranteed investment? However, we know that that is not the case. We know that preferred shares are not insured. That distinction is not always easy to make.

In my view, Mr. Speaker, there must be a mechanism through which the consumers would be alerted far more efficiently than they are now. We must tell them what is and what is not insured with regard to investments in those financial institutions. As I said previously, the reputation of the institution is not at stake. As an example, we were led to believe that Crown Trust was one of the most solid institutions in the country and it went down. Actually, it did not quite go down, Mr. Speaker. It was seized by the Province of Ontario, but the net effect was the same. The property of the owners of those shares was expropriated without compensation. The preferred and common shareholders have still not received anything from that company.

A little earlier this year the Auditor General told us that the eventual losses in the case of Crown, Seaway, and Greymac would be in the order of $500 million to the Canada Deposit Insurance Corporation Fund. We also know of people who lost money through investments in preferred shares which were not insured. Many people were deceived by a system which did not

properly warn them of the fact that certain things were not guaranteed.

I am of the view that we, as elected people, must send a message that not all investments in CDIC approved institutions are insured. This is not to scare people or erode confidence in our financial institutions, but we must alert the people far better than we do now. When people discover that their investments are not guaranteed, after having seen the logo of CDIC on the door, on certificates, or on leaflets handed out by the financial institution, something has gone wrong. We must have a system which highlights that on those contracts, perhaps with a large stamp on them which says that it is an uninsured deposit or investment from a so-called insured institution. In that way consumers will be aware of what they are getting themselves into.

Unless we do that, Mr. Speaker, we will fail again, as we already have. People will again be in the same situation in which they are now. I do not say this to criticize the present administration. Governments at the federal and provincial levels must instruct and advise consumers better so they do not get taken in as they have in the past.

There is one other issue which we should all remember with regard to the Canada Deposit Insurance Corporation. All people are users of services of banks, trust companies, and other financial institutions that are insured by CDIC. We must remember that funds extended by CDIC for the purpose of reimbursing people are actually tax dollars by another name. If everyone pays for them, they are in fact taxes. We all pay for the failures of those trust companies and other financial institutions. We could convince ourselves that these are not really taxes. They are funds which are paid 25 per cent by depositors and 75 per cent by the banking institutions of which we are all customers. However, that is only a play on words. Since everyone uses those facilities, we are all paying for it in the end. The total loss of those financial institutions is really a loss to the consumers of the country. To call it anything else is to be not entirely honest with ourselves.

Because of the magnitude of these losses, Mr. Speaker, I hope that confidence in financial institutions is not too badly damaged. However, I also hope that consumers of the country will be better informed when they make investments in the financial institutions of our country.

Mr. Orlikow: Mr. Speaker, I would like to ask the Member a question. We are talking about Pioneer Trust. Surely the Member knows that this is only the latest of about a dozen similar cases with trust companies. Does the Member know that in 1962 a royal commission headed by Professor Porter studied problems surrounding trust companies? He warned that since provincial and federal laws, regulations, and monitoring agencies were inadequate, this kind of thing would happen.

Does the Member not believe that a large part of the responsibility for what has happened in these cases should be put on the former federal Government? First, it should have brought in legislation of the type he has spoken about. It should have discussed the bringing in of laws and regulations by the provinces, particularly the Province of Ontario. It should have given the Inspector General the mandate to monitor the trust companies and banks. In that way the Inspector General could have discovered in advance that they were following improper procedures and making risky investments rather than finding out after the fact.

Mr. Boudria: Mr. Speaker, I am pleased to respond to the question of the Hon. Member. First, as the Member knows, we are dealing with areas of mixed jurisdiction. There are trust companies that are incorporated federally and some that are incorporated provincially. We are also dealing with the credit unions and caisses populaires provincially. The Civil Service Co-op is federally incorporated. Therefore, there are a variety of areas of jurisdiction.

I am aware of the Porter Commission report. There was also a provincial report in Ontario in 1980 after the fall of Astra and ReMor. There was also a provincial report started in 1983 in the Province of Ontario that took almost a year to prepare and which made certain recommendations. Frankly, that 1983 provincial report did not address such things as the 10 per cent rule in ownerships of common shares of trust companies such as exist federally for banks. I believe that the absence of such a rule was at least partially the cause of the fall of Crown, Greymac and Seaway. It could almost be said that the owners of some of these companies could use a process by which they could take a depositor's funds and, through a series of flips, convert it into equity in the company. Of course, that benefited the common shareholders in those companies. That is an example of real problems concerning these areas of mixed jurisdiction.

• (1220)

It is as a result of those reports that the federal Government became involved with Canada Deposit Insurance Corporation. That corporation which is almost parallel to the CDIC guarantees deposits in caisses populaires and credit unions. In 1981 and 1982, there were several runs on those institutions in industrial towns in Ontario that had severe problems, especially in the housing market. Many of those institutions faced severe difficulty as a result of taking over the buildings and suffering severe losses.

When I was a member of the Ontario Legislature I raised the question of the Canada Deposit Insurance Corporation giving consumers better warning. I believe it is the responsibility of the Government to ensure that, in the future, consumers are at least given better warning so that they do not experience difficulties such as those that exist today. Obviously this legislation will not prevent financial institutions from collapsing but at least those who have uninsured deposits will be better notified if and when there is a collapse.

Mr. Nickerson: Mr. Speaker, I have some comments as a result of the Hon. Member's presentation. It is quite clear from the title of the Canada Deposit Insurance Corporation

that it guarantees deposits. It has absolutely nothing to do with equity, preferred stock or any other kind of stock.

The Hon. Member for Regina East (Mr. de Jong) advanced a legitimate argument when we were talking about the Commercial Bank some time ago. People might have thought that certain deposits were insured, such as deposits over five years, which were in fact not insured.

In that particular instance, what the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) says is probably quite true. The law should be improved to make sure that people realize that certain types of deposits are not insured by CDIC. However, I submit that his observation that certain people confuse deposits with equity and expect that the CDIC guarantees investments made in common stocks is absolute nonsense. I suggest that every Canadian knows the difference between making a deposit within a deposit-taking institution and investing in equity in that institution in which you become a part owner of that institution. If there is any confusion at all it lies entirely within the mind of the Hon. Member for Glengarry-Prescott-Russell.

Mr. Boudria: Mr. Speaker, if I am confused, I know that I am not the only one because the Hon. Member opposite will know that technically, if one puts money in a trust company one is not putting it on deposit but putting it in trust. Technically, the Hon. Member is wrong because one cannot actually put money on deposit in a trust company at all. It can only be put in trust and that is why it is called a trust company. While that may be a technicality, so was the issue raised by the Hon. Member.

The fact is that financial institutions sell certificates for others, sell certificates for longer than a guaranteed period and for amounts larger than the insurable limit. Consumers are not always aware of these matters and I do not believe that is right. While I am not casting blame on anyone for this, I believe the structure should be improved so that consumers are better informed.

The Hon. Member says that it is his view that consumers do not need to be informed when they buy preferred shares in a trust company. Perhaps that is his view of consumer protection but it is not mine.

Mr. Brisco: Mr. Speaker, first I support the concerns expressed by the Hon. Member for Winnipeg North (Mr. Orlikow). In that context I will ask the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) if his Party would support a substantial review of the role of the Inspector General of Banks with a view to tightening the provisions governing his responsibilities.?

Let me give a case in point. In my constituency the Inspector General of Banks has been virtually powerless to act in a number of cases that have arisen. For example, a man in my riding obtained a loan from a bank under the Small Businesses Loans Act. All correspondence and transactions with the bank and the Government of Canada were pursuant to the Small Businesses Loans Act. This man was in the business of insulating homes with urea formaldehyde foam insulation under the former Liberal Government's UFFI program. When the federal Goverment suddenly snatched the rug from under him, his business declined over a two or three year period. After the bank had seized several of his assets, it only then discovered that the agreement under the Small Businesses Loans Act which had been adhered to by this man and accepted by the federal Government had not been signed by the bank at the time it was providing the loan. It is now considered null and void. Who is to be held responsible? Is it the bank? It is not the Government of Canada, but I hope to effect a change in that respect. The person responsible is the consumer.

The question I am asking the Hon. Member and others is: Would they support a substantial tightening of the regulations and provisions that will give greater authority to the Inspector General of Banks in carrying out his responsibilities?

Mr. Boudria: Mr. Speaker, I agree entirely with the Hon. Member on some of the issues he has raised. I am glad to see that he disagrees with the Hon. Member for Western Arctic (Mr. Nickerson) who does not believe that consumer protection should be enhanced in any way but believes in the *caveat emptor* philosophy.

The Hon. Member is far more progressive than his colleague who is far more conservative. I support the Member for Kootenay West (Mr. Brisco). I have consulted with our critic in this area and it is her view that we should enhance and provide more services to the Inspector General of Banks so that he can better supervise the banks and other financial institutions of this country in order to give better protection to the consumer, as suggested by the Hon. Member, unlike the Member for Western Arctic.

With respect to the UFFI program, I would remind the Hon. Member that the provincial Governments are in charge of the building code and it is up to them to identify whether or not a substance adheres to that code.

Mr. Deputy Speaker: I recognize the Hon. Member for Kamloops-Shuswap on debate.

• (1230)

Mr. Nelson A. Riis (Kamloops-Shuswap): I am pleased to have an opportunity to rise today, Mr. Speaker, to say a few words regarding Bill C-50. This Bill is at the second reading stage and it is at that stage that Members are encouraged to reflect and comment on the principle of the Bill.

I would like to begin by suggesting I have some reluctance to join in the enthusiasm with which we are coming at this Bill. We recognize that for a lot of people it is important to pass this Bill quickly and we are doing it in that context. This is not in any sense to say we are condoning the over-all thrust of this Bill in terms of bailing out another financial institution using taxpayers' money either through the Canada Deposit Insurance Corporation or in this Case the Government of Canada and the Government of Saskatchewan.

I am reading now from a document headed "Pioneer Trust Company". It is an application for a guaranteed income

averaging certificate. It was filed by Mr. Raymond Schwartz from Saskatchewan in which he makes a $10,000 deposit to be repaid over a six-year period. By the laws of the land, this particular averaging certificate should not be covered under CDIC. That was a point ably stated by my colleague from Regina. I consider that to be a reasonable policy. However, on this same document it is stamped at the top alongside Pioneer Trust Company "The Canada Deposit Insurance Corporation". At the bottom of the page is written "A member of the Canada Deposit Insurance Corporation". In no way while this individual was discussing the return of his investment was he told that it was not covered by the federal deposit insurance scheme.

I might say his investment in this case came from the sale of grain as a western grain producer. He had retired from farming, discontinued his activity, sold off the farm and purchased a number of these guaranteed income averaging certificates to provide him and his family with a monthly income of a few hundred dollars. One of these certificates was for six years, one was for seven years, another for a six-year period and so on. This was done by hundreds of individuals in Saskatchewan at any one of the eleven branches of the Pioneer Trust Company. In every one of those cases, the implication given by the stamp on the document and the comments on the document was that these sums would be protected under the Canada Deposit Insurance Corporation program.

I think it is also important that we recognize that the individuals completing these forms on behalf of Mr. Schwartz failed to mention that this particular averaging certificate was not covered under CDIC. Again, as a gesture of good faith, one would certainly expect the person involved here—it looks like his name is Denis Delwich—would have mentioned to Mr. Schwartz that this certificate was not covered under the federal deposit insurance scheme, but that was not done, Mr. Speaker.

It is for this reason that we are rushing this Bill through today, to allow Mr. Schwartz and the hundreds of others like him to receive fair compensation for what they considered to be an insurable deposit all along.

In the last few days there have been others in similar situations whose plights have been brought to my attention and who will not be covered under this agreement. This is something we want to flag at the moment. I refer in one case to a recent immigrant to Canada from Hong Kong. This was an individual who had left that part of the world to come to the Canadian prairies to invest in a small business. He brought with him and his family $50,000 in U.S. funds. He opened up an account with Pioneer Trust to deposit those American funds to be used later to invest in a small business. He found out that his American funds were not insured and by the Bill we are debating today he will not be compensated in any form whatsoever. At no time was this individual informed that his deposit made in U.S. funds was not to be covered under the Canada Deposit Insurance Corporation program. Let us recognize that we are leaving individuals out in the cold.

What we are doing today is bailing out another trust company. We have bailed out over the last three years a dozen trust companies. Some have been very large. I refer to the famous Greymac and Seaway Trust Company bail-out in Ontario. In 1983 the losses to CDIC were in the $650 million range, reflecting a system that is not working well. It reflects a system where the trust companies are not being adequately monitored by the provincial and federal authorities. The superintendent of Insurance responsible for federal trust company monitoring has only a handful of people on his staff, yet he is asked to keep on top of all these firms spread across Canada. He is finding it impossible to do the job that has to be done. These are very turbulent times in the financial community, reflected, as the Minister said earlier, in the introduction of a paper to find new ways and means of making it even more complicated basically in an effort to provide more competition in the financial community. This means that a more onerous task will be before the Superintendent of Insurance and his associate, the Inspector General of Banks. I will have more to say about that a little later.

Some strange signals are being sent out to the financial community these days. On the one hand we see certain trust companies that get themselves into trouble, and the Government steps in and essentially bails out most of the depositors who are not insured. We see other trust companies that experience the same fate and find themselves in financial difficulty. I refer specifically to the Western Capital Trust Company in British Columbia. It found itself in a position where it was forced to wind up. Again, it had a few million dollars in uninsured deposits. There was no effort by the provincial Government in this case or the federal Government to provide any assistance.

In British Columbia we have a group of people involved in the trust company business wondering why it is that the federal Government worked so hard to bail out Greymac and Seaway and other depositors, why the federal Government is working so hard now to bail out the uninsured depositors of Pioneer Trust, yet the federal Government did virtually nothing to bail out the uninsured depositors of Western Capital Trust. We seem to be treating some trust companies differently from others. We seem to be treating some trust companies in some parts of Canada differently from how they are treated in other parts of Canada.

A lot of people are asking questions such as, is there some sense of bias in the Government's reaction to trust companies in difficulty? It is difficult to respond to that allegation other than to suggest that there appears, on the surface at least, to be some discrimination and bias in how trust companies are being treated in different parts of Canada. What about an individual who sells off his or her farm and sees all kinds of forms that call for a guaranteed income averaging certificate, perhaps with the Pioneer Trust Company? It was supported by the Canada Deposit Insurance Corporation. It was not surprising that individual farmers felt that their funds were being adequately protected, that they were guaranteed; they were in trust and they were with the Canada Deposit Insurance Corpo-

ration. They have faith in the financiers who make these arrangements, but the point is that they are not worth the paper they are written on. That is what we are saying about this particular Bill at second reading. We are not protecting depositors across the country. They are not receiving the protection which they have come to expect and for which in fact they are paying through the Canada Deposit Insurance Corporation.

● (1240)

If a signal is being sent today, surely it is that we must bring some equal treatment to the matter of "bail-outs" which have now been expanded into the financial community. We became used to the Government deciding which large corporation it would bail out over the years, whether it was Dome Petroleum or Domtar. That tradition continues today: certain firms are bailed out and certain firms are left to the wolves. However, it has now spilled over into the financial community where some trust companies are bailed out and others are not. We see where a western bank got itself into some difficulty, and once again the taxpayers of Canada were called upon to come up with their hard earned tax dollars to bail out a bank in which imprudent loan decisions had obviously been made.

I want to close my remarks so that we can get this matter into committee. There are penetrating questions which must be asked by Hon. Members on all sides of the House. Suffice it to say that I hope the Minister of Finance (Mr. Wilson) has considered the signal very carefully. In the proposal to merge the Inspector General of Banks with the Superintendent of Insurance, the Government, in its cutting and government reduction mentality, should see fit to ensure that individuals with the responsibility of monitoring our federally chartered financial institutions have the mandate and the ability in terms of staff to do the job which Canadians expect of them.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I know there is an agreement to finish this Bill at all stages today. It is important for people who have been badly hurt by what happened with this trust company; they deserve the assistance which the provisions of the Bill will give them.

I think we need to put on the record and to make clear that this was not just some accident. It is not an isolated case. In fact, we have experienced a whole series of similar cases going back many years. I should like to list a few of the more recent ones. In 1982, there was the District Trust case in which $44 million was paid out; in 1983, there was Crown Trust, $300 million; in 1983, Greymac Trust, $138 million; in 1983, Seaway Trust, close to $300 million; Seaway Mortgage, $39 million; Greymac Mortgage, $92 million; Fidelity Trust, $184 million; and AMIC Mortgage Investment Corporation, almost $3.5 million. This indicates that we have a very serious problem, a problem which has been known to the provincial and federal Governments at least since 1962 when the Royal Commission on Banking, headed by Professor Porter, looked into the banks and the trust companies. It warned that there were serious deficiencies in the law, in the regulations and the ability of supposed regulatory agencies, both federal and provincial, to deal with the difficulties which might arise before tragedies happen.

In the case of Pioneer Trust, people bought guaranteed investment certificates with the impression that the Canada Deposit Insurance Corporation guaranteed them. The Company was able to use the seal of the Canada Deposit Insurance Corporation on the documents it gave to these people. It is not surprising that they thought they were protected. This situation was brought to the attention of the House by the Hon. Member for Regina East (Mr. de Jong) and by the Hon. Member for Yorkton-Melville (Mr. Nystrom) over a long period of time.

I hope we are today dealing with the first small step in what needs to be done. We will pass legislation now to compensate people who lost as a result of the mismanagement of Pioneer Trust. However, we have to ask ourselves some questions. How many more situations like this will happen? What is wrong with the laws, federal and provincial? What is wrong with the regulations? What is wrong with the officials who are supposed to do the job of monitoring these matters? Are they remiss? Do they not have legal power and authority, or do they just not have the staff?

I understand the Inspector General had a staff of only seven people. How can we blame the Inspector General even if we had the laws, which we do not, even if we had the regulations, which we do not? How could we expect the Inspector General to do the job of protecting the people of Canada with a staff of seven?

One of my Liberal colleagues from Ontario said earlier that part of the problem was divided jurisdiction. Of course that creates problems, but if the Canada Deposit Insurance Corporation is expected, as it has been, to put up money for the losses, it seems to me that it should not be that difficult for the Government of Canada through the Canada Deposit Insurance Corporation to say to the provinces which issue charters to trust companies that it will not guarantee those trust companies. It should not be difficult for the Government of Canada to say that it will not pay the losses unless they pass legislation giving the provincial organizations which monitor these institutions the power and the ability staff-wise to do so. If we are to have repeated failures in Ontario or in any other province, the federal Government and the Canada Deposit Insurance Corporation have the right and responsibility to say to the Province of Ontario, or to whichever province is involved, that it was to get its act in order or the Government will not bail them out.

The losses which CDIC, the federal Government or the provinces pay in fact come from the people of Canada, either in the form of taxation or, if the banks pay the losses through higher premiums to CDIC, they collect the money in turn from their customers. We are talking about losses which the people of Canada have had to meet amounting to at least $2 billion. That ought not to have happened, should not happen in the future, and will not happen if the federal and provincial Governments pass legislation to establish the kind of regulatory agencies which are needed.

For the first time in many years we have a bank in trouble, the Canadian Commercial Bank, into which we have now put somewhere in the neighbourhood $500 million to $600 million to save it and its depositors. Not only did the officials in government who should have known not know, but as well the Inspector General and the Governor of the Bank of Canada stated, two months before we were told that the Canadian Commercial Bank needed a tremendous infusion of money or it would go bankrupt that the Canadian Commercial Bank was on a sound financial basis. What is wrong? Surely the Inspector General and the Governor of the Bank of Canada should have known the facts. If they did not know the facts, we are indeed in real trouble.

• (1250)

In the case of Pioneer Trust, it was public knowledge for some considerable time that this trust company was in trouble, but neither the Department of Insurance nor the Government seemed to be able to step in to stop the collapse. In this instance, the federal Government knew well in advance of the difficulties, but left it to the Government of Saskatchewan to effect a bail-out which, of course, never happened. I say that the federal Government should have been more insistent about this trust company. It should have known that this company, like Fidelity Trust, Greymac and Crown Trust, had involved itself in highly speculative loans.

This is a very serious matter. They had involved themselves in loans to major shareholders in the trust companies who were also involved in very highly speculative business operations such as real estate and oil and gas speculation. There was no arm's length look at this. Senior officials such as the Inspector General and the Governor of the Bank of Canada should have warned the Government and the Government should have taken action.

We are going to support this Bill, but I want to say to the Minister that if the record of the federal and provincial Governments is such that we have had a whole series of disasters such as bankruptcies of trust companies and now a bank, and the federal and provincial Governments did not have the legal power or monitoring agencies with the authority and staff to see what was happening, and we now have to put in somewhere in the neighbourhood of $2 billion to rescue those who have been hurt, I am very suspicious of what she is proposing for financial institutions in the future. The disaster could be much greater than what has happened with these trust companies or this small bank and could have much more serious implications for this country. If we cannot manage these, I am very skeptical that we will be able to manage better the much more complicated and greater institutions which she foresees for the future financial world.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-50, an Act to provide for the continuance of payments under certain guaranteed income averaging certificates issued by the Pioneer Trust Company, be now read a second time and, by unanimous consent, referred to a Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into Committee thereon, Mr. Danis in the Chair.

Mr. de Jong: Mr. Chairman, I wonder if we could call it one o'clock? Noting that it is just about lunch-time, I would like to call it one o'clock.

Some Hon. Members: Agreed.

The Chairman: Shall I rise, report progress and request leave to sit later this day?

Some Hon. Members: Agreed.

Progress reported.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

CALL FOR RESTORATION OF BUDGET CUTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Progressive Conservative Party was clobbered soundly last Thursday in Ontario for a number of reasons, one of them being its handling of the environment. The cuts made by provincial government Ministers to environment programs upset a lot of people. Their delay in proclaiming the Spills Bill cost them a great deal of support when the PCB spill occurred in Kenora. Their ineptness in controlling the movement of toxic waste material once it enters Ontario must be added to that list. Add also their decision to privatize provincial parks, thus commercializing areas that were never meant to be commercialized. Add also their lack of a sound sense of priorities when they found money for the purchase of Suncor but not for the cleanup of Toronto's beaches, or for improving municipal sewer systems across Ontario.

We on this side of the House urge the so-called Progressive Conservative Government in Ottawa to learn a lesson from what happened to their Ontario cousins, and to stop the

nonsense of cutting the environment budget, restore the wildlife service, restore environmental research-oriented programs to their original strength, and give environment issues the attention and priority the Canadian public expects from the Government of Canada.

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SPORTS

THUNDER BAY TWINS—ALLAN CUP HOCKEY CHAMPIONS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, Thunder Bay sports fans welcomed home another winning team on Saturday evening. The Thunder Bay Twins succeeded last Friday in winning the Allan Cup in Corner Brook, Newfoundland. The victory established the western Canada champs as the best senior hockey team in Canada for the second year.

The Twins came from behind one more time to win this final series. In each of three previous series this spring, the Thunder Bay team lost early games, but won four and three games straight to achieve victory. Again this time they were down three games in a best of seven series, and were forced to win four straight games, far from home, in order to keep the Allan Cup in Thunder Bay. This victory marks the seventh time the Allan Cup has been won by a Lakehead team since 1925. It is also the first time in 51 years that the same team has won two years in succession.

Thunder Bay is proud of the Twins. We recognize the determination required to keep a senior hockey team playing in our smaller cities and towns. We appreciate the determination required to organize leagues and to provide a high level of competition. We applaud the victories that reward this determination.

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HELSINKI ACCORDS

HOSTING OF CONFERENCE IN CANADA

Mr. Bill Attewell (Don Valley East): Mr. Speaker, for those who care about human rights issues around the world, tomorrow is an historic day. Canada will host a conference of experts representing 35 countries which signed the Helsinki Accords. The final planning for this conference, which will last six or seven weeks, starts tomorrow.

The results of this conference will impact strongly on the hearts and minds of many people around the world. Many communities have suffered for years, and some for decades, from human rights violations.

Some members of this conference will address issues against Soviet bloc countries. We should remember, however, that the record of some western countries is not unblemished. Therefore it is essential to establish a proper tone and climate on the eve of this conference. New initiatives of trust, co-operation, and conciliation are essential if we truly desire thoughtful, sensitive, solutions to human rights violations. I know the Hon. Members of this House recognize the complexities of such a conference. We wish the participants Godspeed in their deliberations.

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UNEMPLOYMENT INSURANCE

PURPOSE OF SYSTEM

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the original concept behind unemployment insurance might well have made sense, but today it has become a welfare program rather than an insurance program. Increasing numbers of people regard the fund as something to be tapped on a regular basis, rather than something to be drawn upon as a last resort.

Many people expect, as a matter of course, to draw unemployment insurance for several months every year, and those whose pride would formerly have prevented them from making unnecessary claims now wonder out loud why they should not also recover some of their own premiums when so many others are milking the system.

The unemployment insurance account has to be provided with funds from general tax revenues. Administration costs are close to $1 billion per year. Premiums are ever increasing, and are becoming a distinct disincentive to employment. When, in his forthcoming Budget, the Minister of Finance (Mr. Wilson) looks for areas in which government finances can be improved, he might do well to look at the unemployment insurance system.

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PROVINCIAL AFFAIRS

RESULTS OF ONTARIO ELECTION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, "Fight on my men," said Sir Andrew Barton, "I am somewhat hurt, but I am not slain. I will lie down and bleed a while and then I'll rise and fight again".

Let those who said the Liberals were dead stand up and face the facts. Last Thursday the people of Ontario spoke loud and clear. Ontarians said no to empty rhetoric, to broken promises, and to disappearing Premiers. Not even a personal appearance by "Brian the Wonderful" could save the day.

The results of the popular vote favoured not the Tories, not their propped-up friends the NDP, but favoured the Liberals. Cabinet Ministers went down to defeat to the tune of *Another One Bites the Dust*. Now across Ontario we hear Tories humming the lovesick blues.

Liberalism is alive and well. Liberalism is growing. The Right Hon. Leader of the Opposition (Mr. Turner) said it some months ago, and he was right. So disgusted were the people that even in Brampton, home of that great ambassador of acid rain, "Dollar-a-Year Bill", the Tories were rejected.

What will happen to the Tories and to "Miller Time"? In a quote attributed to her by *The Toronto Sun*, the wife of the former Prime Minister, Maureen McTeer, perhaps said it best when she said: "You're asking me what Tories do to their leaders when they lose?"

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NATIONAL PARKS

PROPOSED RAINY RIVER PARK

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, government cut-backs have struck again. Economic development, jobs, tourism about which the Government talked so much, and human concerns, have come up again in second spot. Plans for a national historic park on the Rainy River which would preserve the historic Manitou Mounds near Fort Frances have been put on hold by the federal Government. This burial mounds site is believed to be the only existing example in Canada of mounds from the early Laurel culture, and is the northermost mounds complex on the continent.

The mounds complex is being eroded by the Rainy River, and an adjacent ancient village site is deteriorating because of a gravel pit operation. I call upon the Minister of the Environment (Mrs. Blais-Grenier) and the Minister of State for Tourism (Mr. McMillan) to go ahead with Parks Canada's plans to establish a national park there. These mounds have great spiritual and historic significance, and a park will also provide employment, economic development, and tourism benefits to the Rainy River Indian Band and the entire Fort Frances area.

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EXTERNAL AFFAIRS

CYPRUS—TURKISH-CYPRIOT CONSTITUTION

Mr. Alan Redway (York East): Mr. Speaker, yesterday's news that Turkish Cypriots had overwhelmingly approved a new constitution for the self-proclaimed Turkish Republic of Northern Cyprus is most disturbing, particularly for Canadians of Greek origin, many of whom came here from Cyprus and still have relatives living there.

You will recall, Mr. Speaker, that since Turkey invaded Cyprus in 1974, the island has been divided into a Greek sector and a Turkish sector, separated only by a United Nations peacekeeping force that includes 515 Canadian soldiers. Turkey is the only country that recognizes the northern Cyprus Turkish Republic which declared independence from the Cypriot Government in 1983. Eleven years after the invasion, there are still 20,000 Turkish troops in the Turkish sector, 200,000 refugees in the Greek sector, and thousands of Cypriots missing and unaccounted for.

Hopes for a settlement soared last January when the U.N. Secretary General held negotiations with Cypriot leaders. Unfortunately, those talks failed. Now there is a new Turkish-

Cypriot constitution that makes no mention of the possibility of a unified Cyprus. In the light of this new development I call upon our Government and the United Nations to renew their efforts without further delay to bring about an end to the stalemate, the removal of all foreign troops, and a united Cyprus.

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HELSINKI ACCORDS

CANADA HOSTING CONFERENCE

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, in 1975, 35 nations signed the Final Act of the Conference on Security and Co-operation in Europe, better known as the Helsinki Accords. The guiding principles of the Helsinki Accords were to establish security in Europe and to promote mutual co-operation in the areas of economics, science, technology, the environment, and humanitarian concerns.

Canada is host to the CSCE Conference which begins this week. As representatives from the 35 nations gather in Ottawa it is incumbent upon the Canadian delegation to make every effort and take every opportunity to strengthen international peace. Special emphasis must be put on family reunification and human rights. Multilateral responsibility and accountability are the binding tenet of this international agreement. It is Canada's right and moral duty to help bring about greater mutual trust and understanding and to help secure the delicate balance of peace.

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LABOUR RELATIONS

AIR CANADA—TICKET AGENTS' STRIKE

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, the Government, which was so quick in appointing its friends and supporters to the board of Air Canada, has been less than speedy in ensuring that the current strike of Air Canada ticket agents is brought to a just and equitable solution. After the federal mediator in the dispute failed to bring the two parties together, one might have expected the Government to step in, particularly the Minister of Transport (Mr. Mazankowski), to see that air travel continues to run smoothly. The Government, however, seems more concerned with providing party hacks with cushy patronage jobs than with standing up for the rights of these employees of Air Canada.

As we all know, Air Canada wants to do away with thousands of full-time jobs. It wants to increase the percentage of its part-time workers to 45 per cent of its total work force. Most of its ticket agents are women, many of whom are single and who rely on their jobs to provide them with a steady income on which to live. In a time when government ostensibly wants to increase the number of women in the workplace, we have the example of Air Canada which, in a very arbitrary and

high-handed manner, has moved to decrease the number of full-time jobs for a great many of its female employees.

The strike of Air Canada's ticket agents is just. These workers are simply fighting for the right to earn a decent living. The Government, by its inertia and inactivity, would appear to be denying the ticket agents of Air Canada this most basic human right. Surely the Government and the Minister of Transport must quickly move to end a costly strike, and see that the employees of its Crown Corporation are treated with dignity, respect, and fairness.

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[*Translation*]

SPORTS

HOCKEY—SUCCESS OF TEAM CANADA

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I am sure all Members of this House will want to join me today in praising the remarkable performance of Team Canada at this year's world hockey championships in Prague.

The members of the Canadian team played as a tight unit with great determination and enthusiasm, all of which helped them to return to this country with the silver medal for which they worked so hard.

Mr. Speaker, to find a parallel, we have to go back as far as 1962 in Colorado Springs. As we all know, conditions are particularly difficult for our Canadian players during these world championships. Coming from various teams in the National Hockey League, the players get together just before the beginning of the first game. After an exhausting and stressful regular season, they have to draw on their last reserves of energy and determination to put on a good show in a world championship series where the competition is becoming increasingly fierce.

Our Canadian players have more than earned our congratulations, and we are particularly proud of the fact that they defeated the Russians and also of the determination with which they played in the final game against Czechoslovakia, when they played valiantly up to the very last minute. Mr. Speaker, the members of Team Canada have every reason to be proud.

Finally, I have some words of special praise for Mario Lemieux, a 19-year-old Quebec hockey player who was selected as one of the players on the second team of stars. To all members of Team Canada, we say: Well done and thank you!

[*English*]

PARLIAMENT HILL

END OF PEACE CAMP

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, for more than two years a group of Canadians have been maintaining a vigil on Parliament Hill to protest Canada's decision to aid the arms race by permitting Cruise missile testing within our borders, and to express their concern about nuclear devastation. Most recently, Mr. Speaker, that group in the Peace Camp has been voicing the concerns of millions of Canadians over President Reagan's star wars project, a $30-billion initiative which will escalate the arms race, jeopardize the anti-ballistic missile treaty, and gravely destabilize the military balance between the United States and the Soviet Union.

The people of the Peace Camp have been exceptionally well received, both by the public and by people who pass near the Centennial Flame on Parliament Hill. They have weathered rain, snow, bitter winter weather and harsh conditions, to carry on their protest. The one thing the Peace Camp could not withstand, Mr. Speaker, was the opposition of an unfeeling Government which cared more about good housekeeping than it cared about peace. I record with regret the decision of members of the Peace Camp that, in view of the Government's intransigence, they are bringing their demonstration to an end. They have been forced out by a set of Draconian regulations which now permit the Government to stop any demonstration on Parliament Hill, with heavy fines as a penalty.

While the Peace Camp has disbanded, the concern for peace which it symbolized lives on in the hearts of almost all Canadians. On behalf of my Party and of this House, Mr. Speaker, I congratulate the people of the Peace Camp for their witness to peace.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF AGRICULTURE OF MEXICO

Mr. Speaker: Before proceeding to questions, may I signal the presence in our gallery today of Senora Edouardo Pesquier a Olea, the Minister of Agriculture and Hydraulic Resources of the United Mexican States, and his delegation.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

BONN ECONOMIC SUMMIT

CANADIAN CONTRIBUTION TO EXTERNAL AID

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I direct my question to the Prime Minister, but I would first like to welcome him back to Canada.

Some Hon. Members: Hear, hear!

Mr. Chrétien: If he had done as he had been well advised to do, stick with the agenda and deal with environmental questions and foreign aid, I think I would have been more than pleased to congratulate him on achieving something like that. But in the words of John Fraser, a *Globe and Mail* correspondent, today:

> But the hype and silliness around the concept of the The Great Conciliator, which the Prime Minister unwisely fuels, undermines his real, albeit modest accomplishments.

I would like to tell the Prime Minister, Mr. Speaker, that his success at Bonn is a bit similar to the success of the Miller and Mulroney show in Toronto last week.

Seriously, I would like to say to the Prime Minister that we subscribe to his goal to urge the developed nations to put more money into foreign aid. In the light of what the Prime Minister discussed in Bonn, is it the intention of the Government to reinstate the money which was cut from foreign aid last fall in the economic statement of the Minister of Finance?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my friend for his warm welcome. I am reluctant, of course, to take issue with anything written by such a distinguished journalist as Mr. Fraser of *The Globe and Mail*, but my hon. friend would forgive me in the circumstances, because of his question, for pointing out the entirely different versions which appeared in the front pages of the *New York Times*, and *le Figaro*, as well as a direct statement by the President of France, who said that the Prime Minister of Canada, and our delegation, played a very important role at that conference.

Some Hon. Members: Hear, hear!

Mr. Mulroney: All we did was follow in the distinguished role of previous Canadian leaders, including my hon. friend when he was Secretary of State for External Affairs. Canada has consistently played, I think, a helpful and useful role.

With regard to the direct question, we were, I think, helpful in securing the third window with which my hon. friend is acquainted, and which would be very helpful to developing countries. And we have no intention of doing anything other than continuing in that vein of being helpful, financially and otherwise, to developing countries around the world.

[*Translation*]

EXTERNAL AID

NICARAGUA—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I think the Prime Minister would be well advised to speak to his Minister of Finance and re-establish the goals announced by the Canadian Government, namely, that we were going to spend 0.7 per cent of Canada's GNP on foreign aid. Could the Prime Minister inform the House whether communications with President Reagan have deteriorated to the point that the Prime Minister is no longer notified of decisions that shock Canadians, such as the embargo on trade with Nicaragua, especially since last year in the House, he said it was an insult that President Reagan had not given the Prime Minister advance notice of the invasion of Grenada? Does the Prime Minister not think he should take the same position on this latest decision, where the economic survival of the poor people of Nicaragua is at stake?

● (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I agree with my hon. friend. We have done much more than that. The Hon. Member is referring to a matter of form, but I would prefer to discuss the substance of the issue, which is far more important to the Members of this House. The U.S. Government unilaterally announced its intention to impose an embargo on trade with Nicaragua. Canada has taken a position against such action, and announced that it is neither in the interests of Canada nor consistent with our traditions. I think all Members of this House would agree with this position, which has been taken internationally.

[*English*]

GOVERNMENT STATEMENTS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, if the Prime Minister is completely in accord with that position which was supported by the three Parties in this House and by the Secretary of State for External Affairs, why did the Prime Minister, in Bonn, take a stand which would humiliate the Secretary of State for External Affairs, saying that he did not agree with him that Canada should have been informed? Who is speaking for Canada when we are talking in this House and abroad about external affairs?

Right Hon. Brian Mulroney (Prime Minister): I think I just dealt with what is the important question, the question of substance. The Government of Canada, notwithstanding an initiative announced in Bonn by the President concerning their intention to impose a trade embargo on Nicaragua, indicated we were in disagreement with that move, we would not subscribe to that view, and we would oppose it because it was not in the Canadian national interest. I would hope that all Members of this House would applaud that declaration of independence in foreign policy by the Government of Canada.

With regard to questions that were asked, they were asked in different contexts and there was nothing said, if you care to examine the record—no, I said if you care to examine the record, not *The Toronto Star*.

Some Hon. Members: Hear, hear!

Mr. Chrétien: *La Presse. Globe and Mail.*

Mr. Gauthier: How about *The Toronto Sun*?

Mr. Mulroney: If you care to examine the record you will find that what the Secretary of State for External Affairs and I said was completely consistent and in the national interests of Canada.

* * *

BONN ECONOMIC SUMMIT

CANADA-UNITED STATES TRADE RELATIONS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. The failure of the Bonn Summit to arrive at any specific timetable on multilateral trade negotiations, I think he would agree, raises the real potential of a U.S. trade war which would have a great deal of serious impact on Canada. The Prime Minister is quoted again this morning, in a newspaper of record, as saying that he would be assured by President Reagan that Canada would be given special exemptions, otherwise, I think his words were, "we can cut him up into little pieces". I am afraid his friends in the United States have already started the cutting process because a week ago the Secretary of the Treasury, James Baker, said in a briefing to Canada journalists that President Reagan would not ask for special exemptions for Canada.

Can the Prime Minister explain this major contradiction between his statement and that of the U.S. Secretary of the Treasury? Can he tell us what guarantees President Reagan gave him that we would get special exemptions?

Mr. Clark (Yellowhead): Run for Congress, Lloyd.

Mr. Axworthy: Can he tell us why he is so sure that Congress will listen to President Reagan and give us those special exemptions, or when can we start cutting him into little pieces?

Right Hon. Brian Mulroney (Prime Minister): My hon. friend raises some important questions. I cannot give him a guarantee that Congress will respond to President Reagan on any given subject. He might want to ask him the next time he sees him. I cannot give that guarantee, nor can I explain each and every statement made by an American official. I can tell him that this Government recognizes the importance of our trading relationship with the U.S. Over three million Canadian jobs depend on maintaining the excellence of that relationship.

Why we worked so hard with everyone else to try to avoid a breakdown of a new GATT round is precisely because of the spectre raised by my hon. friend, where there might not be a U.S. trade war but a breakdown in efforts toward liberalization of commerce and trade which are to the advantage of all the democratic countries.

We take this very seriously and we worked very hard to make that point because of Canada's national interests and our international obligations, and there is no inconsistency at all as far as Canada is concerned.

GERMAN AND JAPANESE ISSUES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have to say to the Prime Minister that there is a major problem if this Government is assuming that President Reagan is going to speak for it, yet his Secretary of the Treasury says he will not. I think it is very important that this be clarified, and I ask him if he intends to clarify what the American position will be.

Furthermore, I would like to raise with him the assurances given in this House by the Deputy Prime Minister last week that the Prime Minister would undertake specific representations on behalf of Canada, in his role as the great negotiator, with the Japanese Prime Minister concerning Japanese automobile import guarantees, and with the West Germans on the problem of overfishing in Canadian waters. Did the Prime Minister speak specifically to the leaders of those two countries, and have we new agreements, or guarantees, or assurances from them that they will act in the Canadian interest and, if that is the case, why are the West Germans still fishing in Canadian waters at this very time that we speak? When is the Prime Minister going to put his great negotiating talents to work for Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there are two questions. Did I speak to the Chancellor of West Germany with regard to overfishing off the coast of Newfoundland? And the answer is yes, I did. I explained the Canadian position and advised him that the Minister of Fisheries would be there shortly hopefully to resolve this in an amicable way, as the Hon. Member would want.

With regard to the question of meeting with the Japanese Prime Minister, on a number of occasions I pointed out to him the growing problem in Canada, in Ontario in particular, and I laid out some thoughts for his consideration about further Japanese investment in Ontario specifically, and in Canada generally, in this regard, including joint ventures where we could create jobs and where there might be easier access for Japanese and Canadian products to the American market. I invited him to consider, in a very specific way, some major Japanese investments in Canada. To this end, I am going to Calgary next week to speak to 400 community leaders from Japan, to encourage them to maintain their investment plans in Canada.

I can assure the Hon. Member that I took a very strong position on behalf of the automobile and parts manufacturers with the Prime Minister of Japan, as I did on behalf of the

East Coast fishermen with the Chancellor of the West German Republic.

* * *

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE—CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister and also concerns the Summit. Following the Summit, President Mitterand of France announced that his Government, having considered the star wars project of President Reagan, came down on the negative side and decided not to participate. Did the Prime Minister use this occasion to discuss this project with President Reagan, and in the context of those discussions did he use the opportunity to tell President Reagan, one way or another, what the decision of the Government of Canada was?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the question of the Strategic Defence Initiative was naturally discussed informally among Heads of Government and Foreign Ministers. I indicated to Mr. Shultz there, as I have done indirectly through statements in this House and across Canada, that the Government of Canada was considering the invitation to participate in research and would announce that decision when our own inquiries and consultations had concluded, on our own timetable, in our own interests.

NATIONAL RESEARCH COUNCIL INQUIRY

Hon. Edward Broadbent (Oshawa): I take it, unless the Prime Minister corrects the Secretary of State for External Affairs, that a decision has not yet been reached.

My supplementary question is then directed to the Minister of Science and Technology. Could he tell the House if the National Research Council of Canada has been instructed in any way to participate in the star wars project?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, the answer to that question is no.

REQUEST THAT PRIME MINISTER INVESTIGATE SITUATION

Hon. Edward Broadbent (Oshawa): Well then, my final question is directed to the Prime Minister, and I hope he will deal with it. I recently received a letter from a former senior scientist who worked for the Government of Canada, and he has informed me that just the opposite prevails. I have subsequently confirmed the authorship and contents of the letter with him on the telephone. He has said that the Government has not only made a decision to participate, but has done so in the context of assigning a leading role to the National Research Council. I would like to read a short part of the letter to the Prime Minister and ask him to respond. He writes:

● (1430)

—the National Research Council has already been informed that Canada will participate in the American program of research for star wars, and that the National Research Council will act as the point of contact in Canada for co-operation between the two countries.

Mr. Mulroney: Who signed it?

Mr. Broadbent: I will be happy to provide the information to the Prime Minister. Given the seriousness of what this former distinguished scientist for the Government of Canada has said, will the Prime Minister undertake a personal investigation into this?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would be happy to undertake an investigation, provided the Member would identify who signed the letter. With deference to the individual, who is no doubt distinguished, the facts are completely at variance with the contents of that letter.

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BONN ECONOMIC SUMMIT

INTEREST RATES ISSUE

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is also directed to the Right Hon. Prime Minister. Since high interest rates are the greatest obstacle to sustained non-inflationary growth, can the Prime Minister tell the House why the issue of interest rates was not prominent at the Bonn Summit, and why he did not join with other world leaders in pressing President Reagan to agree to a world monetary conference?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the question of interest rates was a very prominent one. It took up a considerable amount of time during the discussions among Finance Ministers.

With regard to the specific question about a world monetary conference, a report will be presented to Finance Ministers of the Group of Ten countries in Tokyo on June 21, I believe. Subsequent to that, there will be discussion of that report in different countries. It will be discussed further in Seoul at the IMF meetings. I imagine that there will be a decision taken at those meetings on how that matter will be dealt with further in the new year.

CONFERENCE COMMUNIQUE

Miss Aideen Nicholson (Trinity): Mr. Speaker, the communiqué issued at the conclusion of the Summit does not mention any joint undertaking to lower interest rates. Obviously any country that moves alone to lower its interest rates will see an exodus of capital in search of a higher return. It is presumably for this reason that in Washington last month the Minister of Finance stressed the importance of lowering real interest rates on a world-wide basis. Why was the consistency of this position not maintained in Bonn?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is trying to dig for something that simply was not there. The importance of interest rates, and of lowering them, was widely recognized. For that reason the time we spent discussing interest rates was quite considerable.

As the Hon. Member knows, you cannot simply wave a wand and say that interest rates will drop. However, if industrialized countries collectively introduce those policies which will lead to lower inflation, that in turn will lead to lower interest rates. That is the direction we are embarked upon.

* * *

NATIONAL RESEARCH COUNCIL

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. It follows up on the question asked by my Leader with respect to possible instructions to the National Research Council for participation in the American star wars project.

The letter which my Leader referred to indicates that the NRC has been instructed to find $6 million for the purpose of star wars research, despite the very sharp cuts imposed on the NRC last fall. Will the Minister inform the House whether such instructions have been given to the NRC, or has it been told to set aside $6 million, or some other amount, for star wars, in the event that the Government's decision is positive?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, the Hon. Member and his Leader are on little more than a fishing trip. In fact the NRC is hard enough pressed to find funds for its existing programs.

Some Hon. Members: Hear, hear!

Mr. Axworthy: That's right.

Mr. Siddon: The question is totally hypothetical and based on fiction rather than fact.

Mr. Cassidy: Mr. Speaker, the Minister neglected to say that it is the cuts imposed by his Government which have backed the NRC into that kind of a corner.

Some Hon. Members: Hear, hear!

USE OF COUNCIL FUNDS

Mr. Mike Cassidy (Ottawa Centre): My Party and I hope that there will not be a positive decision on Canadian co-operation in the star wars project. However, in that event could the Minister assure the House that there will be no cuts in Canadian Government spending on research and development in existing programs in order to pay for the militarization of our defence efforts in participation in star wars?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, the National Research Council is doing an outstanding job with the funds it has been voted by this Parliament. Any further use of those funds along the line suggested is a completely hypothetical fabrication of the Member's imagination.

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THE ADMINISTRATION

CALGARY OLYMPICS—LEGAL WORK CONTRACT

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It is with regard to his brother, Peter, who has been awarded all outside legal work for the Calgary Olympics.

I know that the Minister will say that this is not patronage, a conflict of interest, or Tory porkbarrelling, and that his brother, Peter, was appointed because he is a good, conscientious lawyer, and has an intimate knowledge of Olympic law.

Some Hon. Members: Hear, hear!

Mr. Nunziata: For the record, I would like to ask the Minister why the existing Olympics lawyer, Rob Rowley, was fired and replaced by his brother, Peter. Did the appointment have anything whatsoever to do with the fact that his brother, Peter, is the federal fund raising director for the Conservative Party in the Province of Alberta?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, that matter comes within my jurisdiction as Minister of Justice. It has nothing to do with the Secretary of State for External Affairs who, I doubt, knows anything about the matter as he is not concerned with legal matters.

Some Hon. Members: Hear, hear!

Mr. Broadbent: That's right.

Mr. Crosbie: I get the impression, Mr. Speaker, that the question is not for the purpose of getting information, but to allow that crowd of hyenas to jeer, laugh, and roar.

Some Hon. Members: Hear, hear!

Mr. Crosbie: If the question is for the purpose of obtaining information, I can inform the House that I appoint legal agents for the Department of Justice. In October I appointed Mr. Peter Clark to provide legal advice with respect to documents associated with the funding of the Olympic Winter Games, capital contribution agreements, and other such work.

I knew the hon. gentleman would have some interest in this matter, he having been on the phone poking around Calgary. I had a report from my officials. They report that they are extremely pleased with the legal service provided by Mr. Clark, who will continue to provide them no matter what innuendo or insinuations the hon. gentleman brings forward in his usual rodent-like fashion.

REASONS FOR APPOINTMENT

Mr. John Nunziata (York South-Weston): Mr. Speaker, the people of Canada are not laughing because they were hoodwinked by the Conservative Party on the issue of patronage. They said it was wrong then, but now they are saying it is right.

The question is, why brother Peter in this particular case? I would like the secretary of State for External Affairs to stand up and speak for himself.

Mr. Hnatyshyn: He has no jurisdiction.

Mr. Speaker: Order!

Some Hon. Members: Order!

Mr. Speaker: Order! order! I can stand here until all Members on both sides quieten down. May I remind the Member for the record that questions to the Ministry are put in their capacity as Ministers of their Departments. That is the only question that is appropriate in the House. I simply remind the Member of that.

Mr. Clark (Yellowhead): He doesn't care about the rules.

Mr. Nunziata: Would the Minister not agree that Peter Clark, the brother of the Secretary of State for External Affairs, was given the government hand-out only because of the brotherly relationship, and only because he is a loyal Tory fund raiser? Would he not agree that this is a blatant and obvious conflict of interest, and Tory patronage?

• (1440)

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, it ill behooves a member of a Party that fired 26 Liberal MPs onto the bench and onto various positions in the Civil Service, including the Livestock Feed Board, which is where they belong, to question the appointment of legal agents. This is not patronage; this is the appointment of a lawyer to carry out certain very involved legal matters, to assist the Department in involved legal matters concerning the Olympics.

It is not patronage. The Secretary of State for External Affairs probably knew nothing about it, and I do not intend to penalize the brother of the Secretary of State for External Affairs just because he is the Secretary of State for External Affairs.

An Hon. Member: What about Sheila's mother?

Mr. Crosbie: Is she a lawyer?

Mr. Speaker: The Hon. Member for New Westminster-Coquitlam.

Ms. Jewett: Talk about the pot calling the kettle black. The Liberals are just jealous, obviously.

Some Hon. Members: Oh, oh!

Oral Questions

BONN ECONOMIC SUMMIT

UNITED STATES EMBARGO ON NICARAGUA—CANADIAN POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): My question is directed to the Prime Minister. I wish to return to the position he took at the Summit regarding what is really America's disastrous policy *vis-à-vis* Nicaragua and the trade embargo. The Prime Minister said that he did not even discuss it with the American President because he had covered Canada's position on American policy in Nicaragua at the Quebec City Summit.

In view of the fact that this has taken place since the Summit, why did the Prime Minister not raise, as forcefully as possible with the President, the really disastrous consequences of the trade embargo not only for Canada but for the United States and, above all, Nicaragua? Why did he not press the President on this issue? Will he still do so before the embargo goes into effect tomorrow?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I raised the question of the American actions regarding Nicaragua, at length and vigorously, with the U.S. Secretary of State, Mr. Schultz. I indicated to him, as I indicated publicly earlier that, while that might be American policy, it was not Canadian and it was not policy that Canada could accept.

I expressed our concern about the impact that might have upon the Contadora process which we believe is the most likely process to bring stability to that region. I made it quite clear that Canada expected assurances that there would be no effect, upon Canadian exports, of the American sanctions.

Before leaving Bonn I received from the Secretary of State, and my colleague, the Minister of Finance, received from the Secretary of the Treasury, assurances that the American actions will not affect Canadian exports to Nicaragua.

We intend to carry on the policy that we had carried on toward Nicaragua before. We will contribute, and continue to maintain our trade relations. My colleague, the Minister for External Relations, will continue the trip that she has planned to that region in June.

REQUEST THAT PRIME MINISTER INTERVENE

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, that is all very well, but we want to know why the Prime Minister did not, and will not today, say directly and forecfully to the President of the United States that the policy being followed is disastrous not just from the point of view of our interests but the point of view of the security of this whole hemisphere, by the escalation of East-West conflict in throwing Nicaragua into the arms of the Eastern bloc? Why does he not say it forcefully now, and why did he not do so at the time?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the position of Canada was made forcefully at the time. The Prime Minister and the President

knew that I had made that position forcefully, to use the Hon. Member's words, to the Secretary of State.

Mr. Broadbent: Why did the Prime Minister dismiss it then?

Mr. Clark (Yellowhead): Now the Leader of the NDP is helping out his foreign affairs critic.

It is the position of this Government that if a position is made clearly and articulately by the Secretary of State for External Affairs, as this one was—

Ms. Jewett: Did you speak to the President?

Mr. Clark (Yellowhead): —there is not a need for that position to be repeated by the Prime Minister.

The other point that I want to make is that our interest here—I hope that it is the interest of all Members of the House—is in moving toward a situation not only of some stability in Central America but also a situation where there might be some addressing of the elemental problems of hunger and poverty that are at the base of concerns there. That will be accomplished only if this Government, and other Governments, are prepared to make our positions known clearly and firmly and are also prepared to resist the temptation, after the issue has been made known clearly and firmly, to seek inflammatory forums, in the House of Commons or elsewhere.

Some Hon. Members: Hear, hear!

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THE ADMINISTRATION

CALGARY OLYMPICS—LEGAL APPOINTMENT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Minister of Justice. The Conservative patronage family compact has graduated from Ministers' brothers-in-law last week to Ministers' brothers this week. My question concerns the affair between the Secretary of State for External Affairs and his brother, Peter, with respect to that appointment in Alberta.

In view of the fact that the Government's expenditures on this particular contract involve some $300 million and that this particular award is indeed very lucrative for the solicitor in question, and in view of the fact that the political responsibility for this lies with the Right Hon. Secretary of State for External Affairs, will the Minister tell the House if he discussed any potential conflict of interest with Mr. Peter Clark, his colleague, the Right Hon. Secretary of State for External Affairs, and/or the Prime Minister of this country, before this job was awarded?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentlemen, as usual, are straining at gnats. They are not very successful at straining at gnats.

Mr. Blackburn (Brant): Gnats or nets?

Mr. Crosbie: G-n-a-t-s. You would look it up in the dictionary under N, but it's G.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Crosbie: Mr. Peter Clark is a practising barrister and solicitor in Calgary. He was appointed by me because I knew that he had the capability, legal knowledge, and the skill to do this work properly.

He was appointed in the same way as other people were appointed to do work in connection with the Olympic business in Calgary heretofore. I might say that the rate of pay that he has accepted is most reasonable, even being a little under what the person was receiving who had done some of that work earlier.

The whole matter is quite above ground, and I think it is in very poor taste for you to try to embarrass the Secretary of State for External Affairs because a member of his family practises his profession, as he is doing—

Mr. Speaker: Order, please.

Mr. Boudria: This appointment would qualify for the patronage of the week award—the paw award.

PRIME MINISTER'S STATEMENT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my supplementary question is directed to the Minister of Justice. In July, 1984, the Prime Minister said:

> I think what took place is completely unacceptable in an open democratic society. We are going to reform this instrument in our national life.

Does the Minister believe that that statement attributed to his Leader is still accurate and, if so, what will he do to stop this blatant abuse of power on the part of the Government?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, there was a wholesale raiding of the ranks of Liberal MPs to put them on the bench, to put them in the Senate, and put them on the Livestock Feed Board, last June. The hon. gentleman could do a lot in connection with the situation that he decries if he would produce the letter that his Leader said that he had been sent by his predecessor. If that letter could be produced he would strike a blow for freedom in the Liberal Party. Why does he not get after his own Leader?

● (1450)

[*Translation*]

THE BUDGET

DATE OF PRESENTATION

Mr. Robert Toupin (Terrebonne): Mr. Speaker, my question is directed to the Minister of Finance.

Mr. Speaker, the people of the riding of Terrebonne have been asking me the same question for several weeks now. They want to know exactly when the next Budget will be brought down. I imagine this situation is not unique to my riding and, Mr. Speaker, I think it proves that Canadians are concerned about the economy of their country.

My question to the Minister is as follows: Could he inform the House exactly when the new Budget is to be brought down?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am very much aware of the concerns of the constituents of my hon. colleague from Terrebonne, and I am sure that the Budget I shall be bringing down within a few weeks will be a very good Budget for all the economic problems this country is facing. Today, Mr. Speaker, I have the pleasure to announce that the Budget will be brought down on Thursday, May 23, 1985.

* * *

[*English*]

FINANCE

SCIENTIFIC RESEARCH TAX CREDIT

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is addressed to the Minister of Finance. I am sure the Minister is aware of the article in this weekend's *Globe and Mail* which revealed that some $2.8 billion has now been lost because of the scientific research tax credit scam. The article also reveals that senior officials of National Revenue have been aware that, in spite of the moratorium imposed on the credit last fall, the moratorium has been consistently violated by the tax credit users which overwhelmingly are the largest corporations. Why has the Minister done nothing to terminate this obvious rip-off?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that last fall we moved very quickly to terminate what was the most obvious, to use the Hon. Member's expression, rip-off of this scientific research tax credit approach. I think the Hon. Member must be conscious of the fact that it was not just the large companies that were taking advantage of this. A lot of small companies were receiving a lot of benefit from obtaining access to very sorely needed funds to finance very good projects in research and development.

I read that particular article myself. I will look at it closely to see whether there is anything in there of which I am not aware. I thank the Hon. Member for bringing the matter to my attention.

AMOUNT OF REVENUE LOSS

Mr. Simon de Jong (Regina East): Mr. Speaker, I have a supplementary question for the Minister of Finance. On November 28, I asked the Minister of National Revenue whether he would immediately impose a complete moratorium on the grandfather clause which left the door open to abuse of Canadian taxpayers' money. Since the Government has lost ten times more than was originally estimated in the Lalonde Budget on the R & D tax credits, will the Minister close the loophole and table the full revenue loss from the R & D tax credit immediately?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not want to disagree publicly with the Hon. Member. I think he should be very cautious about taking information that is in a *Globe and Mail* article and translating it immediately into the truth.

I am looking at the matter carefully and if there is any announcement that should be made, I will make it. In the meantime I would caution him that there are a number of small research and development oriented companies that are benefiting from this tax procedure, and it is generating some job creating research and development which is helpful to the country.

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YOUNG OFFENDERS ACT

POLICE DIFFICULTIES IN APPLYING PROVISIONS

Mr. Alan Redway (York East): Mr. Speaker, I have a question for the Solicitor General. The Minister is aware that because of Section 38 of the Young Defenders Act, the Metropolitan Toronto Police Department has been unable to warn the public adequately of the identity of a 17-year old who escaped custody after being charged with armed robbery with a sawed-off shotgun. The Metropolitan Toronto Police Department is most concerned about the danger to the public. Will the Minister agree to meet without delay the chief of police of Metropolitan Toronto, and or with the Canadian Association of Police Chiefs, in order to discuss their concern about the Young Offenders Act?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I have had discussions with some of the chiefs of police before. I would welcome the opportunity to meet with them again to discuss this matter.

Oral Questions

CONSUMER AFFAIRS

TAX DISCOUNTERS

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In April he met with a consumers' affairs group from Quebec, l'association coopérative d'économie familiale de Québec. At that time he told them he would move soon to stop the rip-off of low income Canadians by tax discounters. I want to remind the Minister that the majority of those affected are Canadians with incomes under $8,000 a year. The majority are on welfare, or on unemployment insurance. The Minister has done nothing since that time. Why has the Minister done nothing? Why does he not move now to stop the rip-off of millions of dollars of taxpayers' money that should go to these low-income Canadians?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am happy to inform the Hon. Member that we have completed our consultation sessions and expect to produce a consultation paper within the next few weeks. Subsequently, we shall be receiving comments and we shall act on those comments.

[*English*]

REQUEST THAT MINISTER TAKE ACTION

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, the Minister cannot get away with consulting any longer. He has heard from the National Anti-poverty Organization. He has heard from the Consumers Association of Canada. Throughout this year consumers associations from coast to coast have told the Minister exactly what they want. The Minister has done nothing.

Mr. Crosbie: You were Minister of National Revenue. You did not do a thing.

Mr. Rompkey: Will the Minister move now, immediately, to see that these economic and financial draculas are put back in their coffins?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I can say that in fact the situation goes back to 1979, and the previous Government did absolutely nothing to deal with it. During the last seven months we have had a large number of consultation sessions. In fact, we have been consulting with all the agencies concerned, and as soon as we are in a position to take action, we shall do so forthwith.

[*English*]

LABOUR RELATIONS

AIR CANADA—TICKET AGENTS' STRIKE

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Prime Minister. A number of groups this weekend asked the Prime Minister to intervene in a dispute between Air Canada and the union representing the 3,000 striking ticket agents. They have said Air Canada is taking full-time jobs, which are basically women's jobs, and making them into lower paying part-time jobs.

Since the Prime Minister was specifically asked to intervene, will he get up in this House and state whether the Government will instruct Air Canada to keep full-time jobs at a reasonable salary instead of turning them into part-time positions?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, that statement is a distortion of the facts. I think it can best be explained by the letter that went out from Air Canada officials to members of CALEA. Perhaps I can best respond to the Hon. Member's question by quoting from the letter as follows:

> Our first priority is to settle the strike and get all of us back to our normal work activities. The Company remains prepared to meet with the Union in that spirit at any time, and to continue to show flexibility in seeking agreement on the improvements we believe are essential to our future as a Company.

I might say I have also had an opportunity to talk to the President of CALEA today. I suggested to him that it would be in the best interests of all to recommence negotiations, because Air Canada is prepared to sit down and negotiate in the spirit of flexibility as outlined in the letter.

HOURLY WAGE RATES

Mr. Rod Murphy (Churchill): Mr. Speaker, if the Minister wants to read from Air Canada documents, the Air Canada document which I have admits that Air Canada is trying to reduce the starting salary from $7.42 to $6.13 an hour. With the drastic increase it wants in part-time workers, that will have the net effect of having less women working full time, and more working part-time at lower salaries. Is the Government supporting that policy?

Hon. Don Mazankoswki (Minister of Transport): Mr. Speaker, since there is obviously a distortion, or a misunderstanding of the facts, I think the Hon. Member would agree with me that it would be in the best interests of all parties to get back to the bargaining table and settle this thing once and for all.

Some Hon. Members: Hear, hear!

● (1500)

PRIVILEGE

ADVERTISEMENT IN UKRAINIAN NEWSPAPER BY FORMER MEMBER—RULING BY MR. SPEAKER

Mr. Speaker: I am now ready to rule on the question of privilege raised by the Hon. Member for Parkdale-High Park (Mr. Witer) on April 25. Let me emphasize, if I may, that the function of the Speaker is to determine, on the basis of the evidence presented, whether or not the matter raised should be given priority over all other business. It is not for the Speaker to determine the question of privilege itself; that is for the House to decide.

On April 25, the Hon. Member for Parkdale-High Park drew attention to an advertisement which appeared in the April 6 to 13 issue of *Vilne Slovo*, the Ukrainian newspaper circulated in Toronto. The advertisement was in Ukrainian, and the translation provided to the Chair by the Hon. Member reads as follows:

Christ has risen—With the Holy Holiday of the resurrection of Christ, sincere best wishes to all Ukrainians in Canada and specially to the readers of the "Free Word" from: Jesse P. Flis, (Member of Parliament for Parkdale-High Park).

Mr. Flis is in fact the former Member for Parkdale-High Park. The address given in the advertisement of the constituency office, which is given in English, is the same address of the constituency office Mr. Flis had when he was a Member.

It should go without saying that a Member of Parliament needs to perform his functions effectively and that anything tending to cause confusion as to a Member's identity creates the possibility of an impediment to the fulfilment of that Member's functions. Any action which impedes or tends to impede a Member in the discharge of his duties is a breach of privilege. There are ample citations and precedents to bear this out.

The House will remember that at the time I undertook to delay. I have now delayed for some days. I can tell the House that I have had a verbal conversation with Mr. Flis in which I indicated that I would be able to take matters into consideration only if they were sent to me in writing by those involved. I will say to the House that Mr. Flis indicated verbally to me that he had no personal knowledge of the matter, and I see no reason to distrust or not to believe his verbal view. I indicated that the Speaker could deal only with those matters which are produced for him in an evidentiary way and that therefore I needed more than a verbal conversation. Having received no correspondence from Mr. Flis or from any other source which might shed light on how the advertisement came to appear in *Vilne Slovo*, I feel in the circumstances that I am restricted and can only act on the evidence with which I have been furnished. In this case that evidence comes from the Hon. Member for Parkdale-High Park.

I have concluded, after long thought and a delay which I hoped would make the matter to some degree resolve itself, that I can wait no longer to rule, that it would be improper to wait any longer. Given the importance of questions of privilege, and given that I have only received the evidence I have received in writing, I believe I have no choice but to find that I must rule on the evidence which has been presented. I must therefore rule that a prime facie case has been established, and I invite the Hon. Member to move a motion.

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, in light of Your Honour's finding, I move, seconded by the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick):

That all matters relating to the question of privilege raised by the Hon. Member for Parkdale-High Park on Thursday, April 25, 1985, with respect to an advertisement published in *Vilne Slovo* of the week of April 6 to 13, 1985, be referred to the Standing Committee on Privileges and Elections for investigation and reporting.

Mr. Speaker: The motion is debatable. There being no debate, I shall put the question. Shall the motion carry?

Some Hon. Members: Agreed.

Motion agreed to.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—FIRST REPORT OF STANDING COMMITTEE

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, on behalf of the chairman, I have the honour to present the first report of the Standing Committee on Indian Affairs and Northern Development, in both official languages.

FISHERIES AND FORESTRY—FOURTH REPORT OF STANDING COMMITTEE

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Fisheries and Forestry, in both official languages.

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

* * *

PETITIONS

CALL FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, just last month in the riding of Mission-Port Moody we lost one of our great clergymen who was brutally murdered within his own church. I urge the House to reconsider its position on dealing with murders in this country.

It is my duty to present to the House a petition signed by approximately 5,400 Canadians calling for the reinstatement of the death penalty for capital murder. This petition, spon-

sored by the merchants of Kamloops, British Columbia, was conducted over a two-year period.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 148 and 277.

[*Text*]

CHRISTMAS DECORATIONS ON PARLIAMENT HILL

Question No. 148—**Mr. Boudria:**

1. What was the cost to the Government for the Christmas trees and decorations located on the grounds of Parliament Hill including the cost of decorators, movers, and any person directly or indirectly involved in the project?

2. Did the Canadian taxpayer pay for any part of this?

3. Were there any contracts awarded by public tender and (a) if so, in what amount (b) if not, for what reason?

Hon. Ray Hnatyshyn (President of the Privy Council): 1, 2 and 3. The three Christmas trees on Parliament Hill were provided and installed under the supervision of the National Capital Commission. The costs of acquisition, transportation, erection, taking down and disposal of the trees was $1,891.27.

No contracts for this work were awarded by public tender for the reason that the amounts involved were too small.

The Christmas trees were decorated by Public Works tradespersons using existing lights from previous years.

CANADA/GASPÉ AND LOWER ST. LAWRENCE ECONOMIC DEVELOPMENT PLAN

Question No. 277—**Mr. Ouellet:**

1. Did the Government implement the Canada/Gaspé and Lower St. Lawrence Economic Development Plan in May, 1983 and, if so, were federal expenditures amounting to $224.5 million approved?

2. Which projects (a) were completed (b) are under way in the transportation sector and, in each case, what (i) is the location (ii) is a description of the works and studies undertaken (iii) amounts were allocated?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Departments of Regional Industrial Expansion and Transport as follows:

1. Yes. The Canada/Gaspé and Lower St. Lawrence Economic Development Plan was launched in May, 1983, endowed with a $224.5 million budget for the first five years (1983-1988). The plan is a 15 year multi-sectoral economic development plan.

Since the launching of the plan in May, 1983, more than $87 million have been spent or committed by the various departments participating in the plan. On the basis that special budgets intended for the region under the plan should not replace the regular budgets already allocated to each department, the total budgetary envelope has been increased from $224.5 million to $264 million.

2. (a) (i), (ii), (iii):

Air Transportation	Amounts allocated thousands $
—Gaspé Airport	
—navigational aids: installation of a VOR-DME	427.0
—repaving of runway	1,270.0
—Mont-Joli Airport	
—reconstruction of flight service station	379.0
—installation of a hangar fume evacuation station	50.0
—energy conservation measures	40.0
—purchase of restaurant equipment	28.0
—Rimouski Airport	
—paving of runway	723.0
—installation of runway identification lights	59.0
—Rivière-du-Loup Airport	
—drainage of runway	156.0
Marine Transportation	
—Public Port of Gros-Cacouna	
—construction of access road	1,000.0
—Public Port of Matane	
—construction of access road	150.0
—Public Port of Rimouski	
—development of storage area	1,000.0

(b) (i), (ii), (iii):

Air Transportation	Amounts allocated thousands $
—Gaspé Airport	
—installation of safety fence	222.0
—Mont-Joli Airport	
—extension and paving of taxiways	1,935.0
—Rimouski Airport	
—development of a zoning plan	100.0
—Rivière-du-Loup Airport	
—repaving of runway	1,948.0
—Ste-Anne-des-Monts Airport	
—paving of runway	900.0
—Pabos-Chandler Airport (project being reviewed)	845.0
—Civil Aviation regional master plan	95.0
Marine Transportation	
—Public Port of Gros-Cacouna	
—extension of wharf by 100 metres	5,616.7
—Public Port of Matane	
—enlargement of storage area by 8,000 square metres	5,214.0
—Public Port of Gaspé-Sandy Beach	
—reconstruction of wharf and facilities	11,566.0
Rail Passenger Services	
—Restoration of 13 stations between Sayabec and Gaspé:	
—reconstruction or renovation and interior and exterior improvements	2,148.0

—Restoration of 8 stations between Rimouski and Lévis:	
—reconstruction or renovation and interior and exterior improvements	1,852.0
—Establishment of a multi-purpose station at Mont-Joli by converting the existing station	900.0

[*Translation*]

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

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PIONEER TRUST PAYMENT CONTINUATION ACT

MEASURE TO ENACT

The House resumed consideration in Committee of Bill C-50, an Act to provide for the continuance of payments under certain guaranteed income averaging certificates issued by the Pioneer Trust Company—Mrs. McDougall—Mr. Danis in the chair.

● (1510)

On Clause 2—*Agreements and arrangements generally*

Mr. de Jong: Mr. Chairman, I have a series of questions and I would appreciate your guidance. This is a very short Bill. Am I correct in assuming that it is at the beginning of the clause that general questions are to be placed, that this is the appropriate time to ask general questions?

Mr. Hnatyshyn: Don't filibuster the Bill. The people of Saskatchewan want this Bill passed.

The Chairman: The Hon. Member for Regina East may proceed with his questions.

Mr. de Jong: Mr. Chairman, we are concerned as well to have this Bill passed in a very expedient manner. I understand the Government House Leader is anxious for me not to ask questions because it might embarrass him and some of his friends. First, when did the Minister become aware of the problems that existed with the guaranteed income averaging certificates that Pioneer had issued with the CDIC stamp on them, those that were for over five years?

Mrs. McDougall: Mr. Chairman, we became aware of the income averaging annuities very shortly after the company

closed its doors. In our preliminary analysis of their assets and liabilities, this came to our attention. It was fairly early in a sort of ongoing review and analysis of the balance sheet.

Mr. de Jong: Mr. Chairman, when it was raised on March 28 by my colleague, the Hon. Member for Yorkton-Melville, the Minister had already been made aware of the situation. While the Government is anxious to have this legislation passed today, and we appreciate why it would like to have it passed in a speedy manner, the question is why it took three months for the Government to introduce this legislation. The Government has known about it since a week or so after February 7 when Pioneer closed its doors. It has been almost three months now. Why the delay?

Mrs. McDougall: Mr. Chairman, we spent a considerable amount of time looking at all the problems associated with the trust company. We wanted some analysis of the liquidators' views on what would be left over after the assets. We were in discussion with the Province of Saskatchewan. Unfortunately, these things cannot always be resolved as fast as one would like.

Mr. de Jong: Mr. Chairman, it is unfortunate that this was not brought up earlier. We have a bit of a gun at our heads situation today because the Government wants to have this legislation put through in one day when it took quite some time getting the legislation in front of us.

Let me move on to the question of licensing. The court documents filed make reference to the date that the licence was renewed, December 31. Was the licence again renewed at the end of January? The licence that was issued December 31, was it a monthly licence? If so, was it renewed at the end of January?

Mrs. McDougall: Yes, Mr. Chairman, it was renewed at the end of January. My predecessors had put a deadline of December 31 on the licence on the condition that the company raise additional capital. When the Province of Saskatchewan indicated that it would guarantee a preferred share issue, we extended the licence pending that financing.

Mr. de Jong: Mr. Chairman, at the end of January the provincial Government still had not made up its mind, so it was further renewed at the end of January for another month?

Mrs. McDougall: Yes, Mr. Chairman.

Mr. de Jong: Mr. Chairman, I wonder if the Minister could table the Pioneer Trust licence that was issued December 31, the licence that was issued at the end of January and the previous licence? In other words, the licence that existed for Pioneer up to the end of December. Is it possible to make that licence and the conditions of that licence public?

Mrs. McDougall: Mr. Chairman, I have no problem tabling it, but I do not have it with me. We can arrange for that.

Mr. de Jong: Mr. Chairman, I would appreciate if that were added to the minutes of the Committee of the Whole. Accord-

ing to the court documents, as of May 10, 1984 it became plain that Pioneer already had some difficulties. One would presume that the Government was aware of Pioneer's difficulties before that date. Otherwise they would not have asked for a special report. Was there any attempt at that time or in the months after May 10 through to the fall, November, 1984, to get into an agency agreement? I recognize that this occurred at a time when the Minister was not the Minister, when the Liberals were in charge, but did the Liberals attempt to get an agency agreement?

Mrs. McDougall: Mr. Chairman, I cannot speak for the Liberals. I know that at that point the Superintendent of Insurance was in touch with the trust company on a continuing basis. There was reason to believe that they would be able to raise some capital. They were looking for capital in the market-place. Whether they looked for an agency agreement or not, I cannot tell the Hon. Member. It was a liquidity problem and they had a need for additional capital.

Mr. de Jong: Mr. Chairman, we note in press clippings, for example, part of the reason why the Saskatchewan Government initially stated it was anxious to support Pioneer Trust. It wanted to be certain there was a financial institution in Saskatchewan essentially owned and controlled by people in Saskatchewan. For example, I have a quote here from the Saskatoon *Star-Phoenix* of January 11, 1985. It quotes Premier Devine as saying: "Then some big dude comes in and says I'll pick it up. Most chances are he would be from Toronto or eastern Canada and we would lose the head office." Does the Minister feel that Saskatchewan's attempt to secure financing within western Canada or within Saskatchewan prevented other financial institutions in other parts of Canada from working out an agency agreement with Pioneer which could have saved Pioneer Trust?

Mrs. McDougall: Mr. Chairman, that is judgment after the fact. I do not have any reason to believe so. Whatever discussions were held between the Province of Saskatchewan and the company I think were appropriately held, from what I can gather. As far as I know, there was no impediment to an agency agreement, but I am not sure if that would have been possible before either. That is why I do not like dealing with that kind of hindsight judgment.

Mr. de Jong: Mr. Chairman, when the Minister took over her responsibilities, there was nothing in the files that would have suggested the previous Minister alerting the provincial Government as to Pioneer's situation or any attempts by other financial interests in other parts of Canada attempting to reach an agency agreement with Pioneer Trust. In other words, the Minister is saying none of this existed in the files when she took over.

Mrs. McDougall: Mr. Chairman, I am saying I have no reason to believe that at the ministerial level there were discussions. My understanding is no, but once again I cannot answer for other people. Whether there was informal contact, I have no way of knowing.

Mr. de Jong: Mr. Chairman, concerning agency agreements and the attempts to secure one for Pioneer Trust, I note that in the Minister's letter to me of March 7 she made mention of the Bank of British Columbia as well. Can the Minister tell us what attempts were made and with what financial institutions? I understand that several financial institutions were approached about trying to achieve an agency agreement and that essentially all of them backed off because they felt, after looking at the books, that there was not much chance of achieving such an agreement. Perhaps the Minister could explain to the committee what attempts were made and what other financial interests were approached to have a look at the books of Pioneer.

• (1520)

Mrs. McDougall: Mr. Chairman, there were two institutions, the Bank of British Columbia and a group out of Winnipeg known as the Can-West group. I think they had a fairly cursory look at the books and that there was an indication by that time that the company's solvency was in such a position that it would have been very difficult to deal on an agency agreement in an appropriate and non-disruptive way.

Mr. de Jong: Mr. Chairman, I note as well that in her statement of February 7 the Minister said that the federal Government and the Government of Saskatchewan had been co-operating and trying to find a solution to Pioneer Trust's problems. Did the Minister mean there that the Bank of British Columbia and the Winnipeg group were the two groups with which the Minister had some involvement in connection with exploring ways of reaching an agency agreement?

Mrs. McDougall: Not precisely, Mr. Chairman. Our role had been to accommodate the financing that was to be guaranteed by the province. Our discussions with the province to that point revolved around its anticipating that it would guarantee a preferred share issue and that that was the proposed solution with which the company seemed happy. That seemed to be an appropriate solution. We were facilitating it through the licence extension until the financing could be completed.

Mr. de Jong: Mr. Chairman, let me get this straight. In other words, because of the commitment made by the Province of Saskatchewan in the letter of November 21, the federal Government essentially felt that there was a solution to Pioneer's problems and no active attempts were made to find an agency agreement because the federal Government thought that the problem was in hand?

Mrs. McDougall: Yes, Mr. Chairman. We had had concerns about the company but those concerns dealt with its capital base. We felt that this was an appropriate route to take. We continued to watch the company on a regular basis and were in touch with the provincial Government from time to time as it attempted to pull the financing together.

Mr. de Jong: Mr. Chairman, I would like to deal briefly with the federal-provincial relations. Did the federal Government offer to share information with the Saskatchewan Gov-

ernment before the Saskatchewan Government wrote the letter of November 21? In other words, before the provincial Government made its commitment in writing to Pioneer Trust, the commitment contained in the famous letter from the Minister of Finance of Saskatchewan, was the provincial Government in touch with the federal Government at all about Pioneer's situation?

Mrs. McDougall: Mr. Chairman, the Superintendent, as a matter of routine, sends monthly reports on certain institutions to provincial Governments. There had been no specific request from the province for additional information and there was no real need to offer any. There was no basis on which we would initiate a contact. The provincial Government dealt directly with Pioneer Trust itself. It was in the same city as Pioneer Trust and dealt directly with the company. There was no reason for the provincial Government to come to us at that stage.

Mr. de Jong: Mr. Chairman, was the federal Government ever in communication with the Province of Saskatchewan after the letter was sent and before Pioneer closed its doors? I am referring here to the period of time between November 22 and February 7. We understood from news statements that the Saskatchewan Minister of Finance had difficulty getting a financial statement from Pioneer. Eventually he had to send people from the Saskatchewan Finance Department to look at Pioneer's books. It seems to me that if the provincial Minister had trouble getting a true financial picture from the management of Pioneer Trust, he should at least have gone to the federal Government to ask if it had any more up-to-date information on Pioneer Trust.

Mrs. McDougall: Mr. Chairman, the Superintendent of Insurance confirmed with the province that it had agreed with the company to undertake the guarantee of the preferred shares and our assistance was offered through the Superintendent to officials in Saskatchewan. I had one or two informal conversations with the Saskatchewan Minister of Finance. We certainly offered our best assistance, and at that point he did not seem to require any special assistance.

Mr. de Jong: Mr. Chairman, this brings me to another point which confused me. When Pioneer closed its doors, the Minister used the figure of $24 million as being the amount of money in uninsured deposits. News statements from both Regina and Ottawa seemed to indicate that the amount was indeed some $24 million. In the House today, the Minister mentioned the fact that the figure is closer to $36 million and we have heard as well from other sources that the figure could be as high as $40 million.

From where did the initial figure of $24 million come? Was it the figure supplied to the Minister by her Department? Was it a figure that came from the provincial Government? Where exactly did the figure of $24 million in uninsured deposits originate?

Mrs. McDougall: Mr. Chairman, it was the provincial Government together with the company that was making this assessment. Our examiners were not present at that time. They went in later to do their own assessment. There was no reason for our examiners to be there when the provincial Government and the company were dealing with each other on the basis of the preferred issue. As the Hon. Member knows, the size of deposits is a movable feast; it changes from day to day. This was the best assessment of what they were.

Mr. de Jong: Mr. Chairman, does the Minister know what the amount of uninsured deposits was on December 31?

Mrs. McDougall: No, Mr. Chairman, I do not. There was no reason to assume that we would be covering uninsured deposits on December 31. The company had had some liquidity problems that looked as though they could turn into solvency problems, but with the new capital those problems would have been solved. On the understanding that there would be new capital, there was no need to start assessing the deposits.

Mr. de Jong: Mr. Chairman, there is no need, then, for a company like Pioneer, when it makes its financial reports to you, to indicate what amount of uninsured deposits and certificates it has? This is not part of the information trust companies are required to report?

Mrs. McDougall: Mr. Chairman, in their annual reports to the Canada Deposit Insurance Corporation, that information is listed, but it is not called for on a more regular basis.

Mr. de Jong: Mr. Chairman, in other words, we will not know whether the amount of uninsured deposits decreased or increased from December 31 to February 7 or in the period of time about which I am quite concerned of February 4 to February 7? It seems to me that the Saskatchewan Cabinet made the decision not to proceed with the guarantee on February 4 though Pioneer closed its doors on February 7. Is there any way of finding out whether the amount of uninsured deposits decreased or increased in those crucial three days?

Mrs. McDougall: Mr. Chairman, the liquidator will be looking at the activities of the company within its last few days. That is part of his role. He will assess any movement that may have occurred into or out of the trust company that was inappropriate or out of line.

• (1530)

Mr. de Jong: I wonder as well, Mr. Chairman, if the Minister might comment on some of the statements made by the Minister of Finance of Saskatchewan, particularly on the March 5 CBC program *Venture*. He stated, "The federal Superintendent of Insurance was going to pull the licence out on January 1 unless we gave a guarantee". In other words, the Minister of Finance of Saskatchewan felt that the Superintendent of Insurance had been too harsh with Pioneer and he felt that the federal Government should have eased up a bit. Do you think the federal Superintendent of Insurance was too harsh with Pioneer and perhaps should have given it a few more months to try to find another source of capital?

Mrs. McDougall: Mr. Chairman, I will try to answer the question. I will not comment on the program because I did not see it. The Superintendent of Insurance has a very stringent role to play in advising the Minister on the state of particular companies. I think that the Superintendent of Insurance acted most appropriately and I have every confidence in the actions he took.

Miss Nicholson (Trinity): Mr. Chairman, I also have a number of questions for the Minister. The first question concerns the guaranteed income averaging certificates. A statement has been made in the House that in at least two cases people owned such certificates which had "insured" stamped on them even though we know they are not. I am aware that the CDIC regulations require disclosure but that there is no penalty for failure to disclose. In these two cases, however, it would seem that this is more than a failure to disclose. This is misleading information. I would be interested to know if any steps are being taken about that situation.

Mrs. McDougall: Mr. Chairman, along with the evidence sent to me, some of it by Hon. Members of this House, some of the deposit certificate holders, who I think were quite naturally upset as well as confused, sent me copies of their certificates. But none of these certificates said they were insured. The statement on those certificates said, "Member of the Canada Deposit Insurance Corporation", which is a different statement. It is obviously a very subtle distinction in the minds of members of the public.

These problems also went back quite a long way because the CDIC did catch up with this in 1979 and started requiring the company to indicate on the face of the certificate that these were not insured under the meaning of the Act.

Certainly, if I had been the Minister in 1979, I would have jumped on that an awful lot faster in terms of what happens around other institutions. I have directed the CDIC that it is to make very clear to the institutions how much is insured and how much is not. Income averaging annuities are not issued any more, but there are a lot of them out there. There may be others who have run into this problem and I am very disappointed that the former Minister did not deal with this.

Miss Nicholson (Trinity): Mr. Chairman, I also have some questions about the renewal of the licence in December, 1984. The sequence of events was that in May, 1984 a report was made to the then Minister. In June, 1984, a hearing was held and limitations were placed on the company's licence. There were a number of limitations which restricted its investments and reduced its borrowings. There was also a requirement that it improve its capital position. The company was given until December 31, 1984, to comply.

We have just heard that the licence was extended on a month-by-month basis after December 31, 1984. I would like to know on what basis this was done and what kind of proof it provided that it had complied with the requirements over the six months. Or was it simply a request for additional time in which to do it without any guarantee or any evidence that it had made a serious effort?

Mrs. McDougall: Mr. Chairman, the only part of the directives which had not been complied with by the company was the need to raise additional capital. The other requirements were complied with and the Superintendent of Insurance monitored the company on a regular basis to ensure that that was happening. When the licence was extended, it was extended on the basis of a forthcoming provincial guarantee of a new preferred stock issue. We had no reason to believe that this would not resolve the need to build the capital base.

Miss Nicholson (Trinity): Is it true then, as has been stated in this House, that the Saskatchewan Government undertook to guarantee that process just described by the Minister without looking at the books, and when it did look at the books, it took flight and retreated?

Mrs. McDougall: Mr. Chairman, I cannot answer for the action of the Province of Saskatchewan. I think that it believed it was acting in a responsible way. It was in touch with the company. I was not present when its officials talked to the company and I do not know what examinations they undertook. However, I am sure that the Treasurer of Saskatchewan is a responsible man and that he make the undertaking in good faith.

Miss Nicholson (Trinity): Mr. Chairman, I am sure the Minister can understand that it is a little difficult to believe that the Province of Saskatchewan gives certain undertakings on the basis of which the federal Government extends a licence and then, within a matter of weeks, backs off and says, "No, we cannot do this". Surely there must have been some explanation or reason for the change?

Mrs. McDougall: Mr. Chairman, I think the Treasurer of the Province of Saskatchewan should speak for himself. I think the Province of Saskatchewan discovered that it might cost a little more than expected. It had given a letter of undertaking, but on a detailed examination it determined that it was not in the interests of the people of Saskatchewan to go forward. But I do not want to stand in this Chamber and speak for the Treasurer of Saskatchewan.

Miss Nicholson (Trinity): Mr. Chairman, I am not trying to put the Minister on the spot. I am not trying to ask her to speak for the Government of Saskatchewan. But surely if the licence was extended on the basis of commitments made by the Government of Saskatchewan, then when the Government of Saskatchewan decided to withdraw from those commitments, it must have given some explanation. Can the minister make that explanation public? Can she tell Hon. Members of the House what it was, or table the correspondence?

Mrs. McDougall: Mr. Chairman, I cannot document or table our conversations at that stage because our discussions were on the telephone. Obviously, time was of the essence at that stage. I have indicated my understanding of the Treasurer's reasons at that point. The Province of Saskatchewan

thought it was going to cost more money and it felt it was not in the interests of the people of Saskatchewan to proceed.

Miss Nicholson (Trinity): It is a strange business, Mr. Chairman. Why would the Conservative Government of Saskatchewan which, we are told, has many very experienced business people in it, feel confident enough of the situation to ask for the licence to be extended one month and then, a month later, come back and say, "No, we cannot afford it"? That is really very puzzling and I hope that those members of Government are giving some explanation to their own constituents even if they are not prepared to give any to us here.

The Saskatchewan Government decided on February 4 not to guarantee, and then Pioneer closed its doors on February 7. Could we know exactly what happened in those three days? Was there much activity? Are you now in a position to tell us, based on the liquidator's report, that there was no insider trading or unusual movement in those three days?

• (1540)

Mrs. McDougall: First of all, Mr. Chairman, it was not a definite decision on February 4. The Province of Saskatchewan indicated that it expected it would back out of its guarantee. It proceeded with discussions with the company for a couple of days in an effort to come up with some solution. It was at this stage that Can-West and the Bank of British Columbia were contacted as well. So that, yes, there was a considerable amount of activity in those two or three days, and then the company took the only step it could take when none of that worked out, which was to close the doors.

Mr. Riis: Mr. Chairman, the Minister need not feel that we are attacking her or anything.

Mrs. McDougall: I don't.

Mr. Riis: Particularly when she had nothing to do with most of this whole process. These questions are posed in that spirit.

The decision was made to compensate some of the deposits beyond the $60,000 limit. Could the Minister explain to us why this particular company was treated differently from Crown Trust and others in Ontario all the depositors of which were in a sense covered? Why was there some difference between the two groups?

Mrs. McDougall: Mr. Chairman, the CDIC Act is very clear on what can and cannot be covered and when an agency agreement can be invoked and when it cannot. The legislation states that this can only be undertaken if it results in less cost to the insurance corporation. Obviously I was not around when the decision on Crown and Fidelity was taken at the time. I do not think, however, it has worked out that way, and I think the CDIC, rightly, is very careful in how it looks at agency agreements.

There were two differences here. The first was that we did not have an agency agreement, and the second is that I think the CDIC, in light of those events, probably looks more carefully at agency agreements now than it would have before.

Mr. Riis: Mr. Chairman, as the Minister said, it did not work out that way in Ontario. Would the CDIC have acted differently had it known there would be additional costs for the people of Canada via this Bill? If this requirement had been known at that time, would the same decision have been made?

Mrs. McDougall: I am sorry, what requirement?

Mr. Riis: The Minister said that the CDIC makes the decision in favour of what is least costly at the time. We are now debating the Bill which is going to add another few million dollars to the burden of the taxpayers of Canada, and probably Saskatchewan is doing the same. Was this kind of action taken into consideration when the superintendent made his decision on what is going to be least costly?

Mrs. McDougall: I am sorry, I am still not quite clear on what information the Hon. Member is looking for. He means the decision to—

Mr. Riis: The decision to proceed in that particular way.

Mrs. McDougall: Once the company is closed—

Mr. Riis: Yes.

Mrs. McDougall: —the decision either to pay or not to pay?

Mr. Riis: No. I will attempt to explain it. The Minister pointed out that Greymac Trust was treated differently from Pioneer Trust with regard to what depositors were insured in the end. That decision was based on what would be the least costly solution to the problem. When that decision was made, this Bill we are debating today was not introduced in the House and presumably the costs to the people of Canada had not been contemplated at that time. So when the Minister comments that the decision to move in this direction regarding Pioneer Trust was made because that was going to be the least costly to the corporation—maybe I misunderstood her response.

Mrs. McDougall: I was trying to explain that there were two differences. One difference was that there was no agency agreement to consider. You can consider an agency agreement if that is the least costly, but you have to have the agency agreement there in order to consider it. I then went on to explain, in answer to no one's question, that the agency agreements, in light of what has happened in the past, would probably be scrutinized very carefully. As it has turned out, sometimes that has not been the least costly, it has been the more costly by quite a bit. But there was not one to consider in this case.

Mr. Riis: Mr. Chairman, really what we are debating at the moment is a provision which will enable those uninsured depositors, who were in a sense given the impression they were insured, compensation for the losses of Pioneer Trust. Earlier today I mentioned a situation which is not dissimilar, where a young immigrant from Hong Kong had come to western Canada planning to open up a small business. He had opened a

deposit in American funds, which are not covered by this particular Bill before us, yet he was never told that this $50,000 deposit was not covered. So this person who was hoping to open a small business had been caught and has lost the major part of $50,000. Was the Minister aware of these problems when the Bill was introduced?

Mrs. McDougall: Yes, Mr. Chairman. The Province of Saskatchewan is covering all those accounts.

Mr. Riis: So this individual will be covered by the Saskatchewan contribution in this process? Thank you.

When the decision to proceed with this Bill was introduced, I had some discussions with people from what used to be called Western Capital Trust in British Columbia. They asked why we were introducing legislation to use taxpayers money to compensate those people whose deposits were not protected when, at the time Western Capital Trust got in some difficulty in British Columbia, in their estimation there was little encouragement or assistance. There seemed to be, in their minds, at least, a bias in how the Government approached this.

Mrs. McDougall: Mr. Chairman, as I understand it, there are no income averaging annuities in Western Capital Trust so there are no people there who lost everything. My concern was for retired farmers who had lost everything. The CDIC has to stand on its own to some extent. I felt this was an anomaly because people who had retired had their life savings, their retirement income, everything at risk. I felt that since I am responsible for the CDIC, it was my responsibility to do something about that. I am not happy about it and you will see that I am doing it outside the CDIC; I regard this as an obligation of the Government. But it is on that basis that I was prepared to support this.

Obviously you cannot go through, one, two, three, four, and say you lost all your life savings, but you did not because you have an account somewhere else. So we decided that we would protect a group which had been confused and had the most to lose. I am unhappy that that is what the institution did and I intend to change it in the future. I think the deposit insurance system should work on its own to the extent it is legislated to work, and that is the objective I am working towards.

Mr. Riis: To continue from the point the Minister was just making, there appears to be some confusion now in the financial community. The Government appears to be willing to come to the assistance of certain trust companies. I mention Greymac again because it is such a famous example. We are now introducing special legislation to deal with some very special problems associated with Pioneer Trust. Many people in the financial community are asking if it is a pattern. If we are unfortunate enough to have financial institutions fail in the months and years ahead, which is a possibility given the difficult times, which firms are going to get assistance and which are not? There seems to be some confusion in the community. Could the Minister say something which might provide some direction or ease that confusion?

• (1550)

Mrs. McDougall: I do not know whether or not I can ease the confusion. I have been in the financial business all my life. I am not enchanted at being in the position of bailing out financial institutions. I believe that we should have had legislation on financial institutions and on the Canada Deposit Insurance Corporation a long time ago. I wrote my first paper in the private sector on financial institutions 10 years ago. That is why I have asked a private sector group to study the CDIC. We will have that report shortly. That is why I produced the green paper on financial institutions. I made it a real priority, as did the Government, to provide a better legislative farmework, stronger supervisory and regulatory authority, and a framework in which we have an even hand through the system. I am very anxious to do that.

Mr. Gauthier: Mr. Chairman, I would like to congratulate the Minister on those words of encouragement for consumers and depositors and on her undertaking to better protect people and better inform them as to what is and what is not insured. I think that is a step in the right direction.

There is some confusion. Possibly I should not be admitting this, but I would like to understand a few points. We were told that about $36 million is outstanding in terms of uninsured deposits. Of that, $24 million will be recovered by the liquidation of the assets of Pioneer Trust. Is that exact?

Mrs. McDougall: I do not have the precise figure. One reason that the figures are not terribly precise is that we can estimate that the uninsured deposits amount to $36 million. The return on the liquidation of the assets is something that we can only guess at that will come back to cover whatever deposits are paid off.

Mr. Gauthier: I take it that the liquidator will table a report with the Minister and make public certain documents. Will the Minister make an undertaking today to make these documents public so that we can at least have an idea of what was there?

Mrs. McDougall: The liquidator does not report to me, he reports to the court. Therefore, it will be a public document. It is not there yet, but it will be.

Mr. Gauthier: It would still be a public document if it were reported to the Minister.

Let us assume that there is $24 million in assets that can be recovered. There is $1 million left. The Minister is looking for authorization to transfer $5 million to the Consolidated Revenue Fund to cover our part of the deal with the Saskatchewan Government. I understand also that we may not go up to the maximum of $5 million, depending upon how much there is outstanding. Is the Saskatchewan Legislature studying the same legislation simultaneously with us?

Mrs. McDougall: It is producing legislation. I do not know whether it is simultaneous or not. I do not believe so. I do not know what its timing is.

Mr. Gauthier: I guess it will be forthcoming, and it will be for about $10 million. I did not catch in the Minister's speech exactly what Saskatchewan is doing. I know it is paying the U.S. investors and it is paying certain depositors who have losses in excess of $60,000 that would normally be covered by the CDIC. Over and above this, what exactly is Saskatchewan doing?

Mrs. McDougall: As I understand it, Saskatchewan is paying off $24 million immediately, whereas the payments to the income averaging annuities will be paid over time. It will be paying off the non-income averaging annuities immediately. We are covering about $10 million of income averaging annuities, and our assessment is that $5 million, conservatively, will cover that. It is covering $25 million and it is expecting that the ultimate cost to Saskatchewan will be $10 million. So it expects about $15 million back.

Mr. McCrossan: Mr. Chairman, I notice that this Bill covers only income averaging annuities from this one institution. Are there any restrictions on the size of income averaging annuities in this institution, or are you covering all income averaging annuities regardless of size?

Mrs. McDougall: Mr. Chairman, the Government of Canada is covering them only to the extent of $60,000, the extent to which they would have been covered had they not been confused about the insurance. The Government of Saskatchewan is covering amounts over and above that. There are not many income averaging annuities that are over and above that. There are only 19 over and above that.

Mr. McCrossan: Do I gather that it would be the Government's intention to extend similar guaranteed facilities to any other averaging annuities issued by any other institution that is a member of the CDIC?

Mrs. McDougall: Mr. Chairman, I am not anticipating that we will have a large number of claims on our hands. Second, the reason grew out of the confusion. When people bought these they were given the impression that they were insured. I have asked the CDIC to ensure that member institutions are far more responsible concerning the information they give out. That should have been done a long time ago but it was not.

Mr. McCrossan: Mr. Chairman, were there any registered retirement income funds or registered retirement savings which exceeded the $60,000 limit which are not covered?

Mrs. McDougall: Yes, there were. All I am covering is that confusion of people who lost everything on the income averaging annuities to the extent that they would have been covered. The RRSPs and all other deposits are being covered by the Province of Saskatchewan. That was its decision.

Mr. McCrossan: Were there any RRIFs issued by this institution?

Mrs. McDougall: Registered Retirement Income Funds? No, not as I understand it.

Pioneer Trust

Mr. McCrossan: Does this particular failure suggest that the capital and surplus requirements of trust companies, as they are currently in the legislation, are inadequate?

Mrs. McDougall: That is a very difficult judgment to make. The ratios become important rather than the size of the capital and the surplus. This company ran into a particular economic problem within its territory which is well known to anyone who is familiar with deposit taking institutions in western Canada. I think it tells us something about the importance of diversification as well. No one had foreseen the decline in the real estate market to the extent that it happened. Therefore, these were mortgages in arrears as well as people walking away from mortgages on an asset that was declining in value. It would have been nice if people had had the foresight to diversify more, but no one did at that stage. There were other people as well who were speculating that the oil boom would go on forever.

Mr. McCrossan: You mentioned the term "ratios" rather than "absolute limits". I understand that the European Economic Community has changed the solvency and capital requirements for its financial institutions to reflect ratios rather than absolute limits. Is it your intention to make such a change in Canada?

• (1600)

Mrs. McDougall: It is certainly something that we are discussing within the context of the financial institutions.

Mr. de Jong: The Minister has stated that the Bill covers the forward averaging annuity of five years and of $60,000. Does the fact that Pioneer Trust issued these with the stamp of CDIC mean that the federal Government believes it has some responsibility regarding these people?

Mrs. McDougall: Mr. Chairman, there is no legal responsibility. There is nothing in the legislation that indicates that anything should have been done.

Mr. de Jong: Is there anything in the regulations that would have required Pioneer Trust to send a copy of the form to the federal Government when it made these issues and offers? Is there nothing in the regulations that would allow the Minister to monitor what they are doing in the market-place to ensure that they comply with the regulations?

Mrs. McDougall: There is nothing in the Act that indicates that forms must pass an examination by the regulators. The legislation creaks and groans with age.

Mr. de Jong: Is the CDIC being sued by anyone holding the certificates and, if so, is this why the Government is moving at this time? Are there any court actions being pursued at this time?

Mrs. McDougall: Mr. Chairman, no, not that I am aware of.

Mr. de Jong: This morning the Minister mentioned the total absence of any penalties. Obviously, what Pioneer did in issuing these certificates with the CDIC stamp on them goes against the spirit of what should be done if not against the letter of the law. Is the Minister considering introducing legislation or can she do so by amending the regulations through Order in Council to provide for penalties? If they are not required to submit their forms to the Superintendent of Insurance, surely when they are caught doing something that is illegal or morally wrong there should be some penalties to prevent them from carrying out these practices. Without any penalties, some of these financial institutions could have a field day by selling securities that are not insured but given the appearance of having been insured.

Mrs. McDougall: Mr. Chairman, that is one reason why I am anxious to move with changes to the legislation. There are some regulatory changes that can be made, and I have an official studying that now in connection with some other matters. I am anxious to overhaul that piece of legislation because I think it is long overdue.

Mr. de Jong: I have a question with respect to how the $10 million worth of income averaging annuity contracts work. Will these people be paid off over a period of time as though the contract were still in existence and they will be given their monthly payments? Will this continue until the contracts run out, so that some will run out in 1987 and so on?

Mrs. McDougall: That is correct. I believe the last one runs out in 1997. Approximately 40 per cent will run out in the next few years. It is a declining curve.

Mr. de Jong: Who will be sending out these cheques? Will it be the federal or the provincial Government?

Mrs. McDougall: Mr. Chairman, it will be another financial institution. I thought the liquidator would be appointing the institution, but it will be myself.

Mr. de Jong: The Minister will be sending out the cheques?

Mrs. McDougall: The institution will be sending the cheques.

Mr. de Jong: With respect to the liquidator, what will Touche Ross be charging? I had the opportunity to have a discussion with a lawyer whose expertise is in this field. He suggested to me that Touche Ross has what they call in the trade, "a dripping roast". By the time Touche Ross is finished with this, there will be some hefty fees as a result of acting as the liquidating company. Does the Minister know what it will cost?

Mrs. McDougall: Mr. Chairman, I do not know that. The liquidator must submit his bills to the court. He is appointed by the court, responsible to the court and will send his bills to the court. It is totally out of my hands.

I do know, however, that during the past three or four years, next to family law, bankruptcy has been the biggest growth industry in the country, and it would be nice to bring it to an end.

Mr. de Jong: Could the Minister indicate when the liquidation process will end?

Mrs. McDougall: Mr. Chairman, it could take several years. It depends upon the recovery in the market. It is a dreadful process that takes a long time.

Mr. de Jong: As a result of the legislation before us and what the provincial Government will do, will no depositor either have to wait for the money or lose any money? Will the only ones harmed be the shareholders? Will they not know until this process is finished how much will be left for them? Conceivably there will be very little because I imagine there will be nothing left once everyone else has had a chance to recover what is theirs.

Mrs. McDougall: Mr. Chairman, I do not want to speculate on the outlook for the real estate market but I doubt that there would be anything left for the shareholders. The depositors, as opposed to the investors, will be looked after immediately. All of them will receive 100 cents on the dollar for their deposits.

An Hon. Member: Will they hold it against us?

Mr. de Jong: No, these are questions that my constituents have asked me and I am acting on their behalf.

Am I to understand from what the Minister said earlier that Touche Ross may makes recommendations or comments on any wrongdoing, if it is discovered? If there is any wrongdoing on the part of the management, is it the responsibility of the liquidator to discover this, document it and provide it as part of its report? Or is this the responsibility of the Superintendent of Insurance?

Mrs. McDougall: According to the Winding-up Act, it is the responsibility of the liquidator to examine what had happened immediately prior to the insolvency and attempt to assess the possibility of any irregularities. The liquidator reports to the court.

I might also point out that according to the Bill that Saskatchewan will be producing, there will be no payment against the deposits of shareholders or insiders until everyone is paid off. For example, if the president or senior vice-president of a company had a deposit, they are not included in this package.

Mr. de Jong: What would happen if a retired farmer who had sold his farm had deposited that money in Pioneer and also happened to own some shares? Would he be excluded then?

• (1610)

Mrs. McDougall: Mr. Chairman, there is no one like that. It is on legal advice that we provide the public support. To our knowledge, there are no insider problems. The liquidator will

be examining that and in the meantime there is no payment to those depositors.

Mr. de Jong: Mr. Chairman, concerning the management of Pioneer, having understood what the Minister has just said on the role of the liquidator and looking at the events immediately preceding the demise of the trust company, I would imagine that the Superintendent of Insurance has been concerned with the company over a period of time and has had a look at its books. Has the Superintendent of Insurance come across any situation where the trust company provided loans that were under-secured or unsecured in the two years prior to February 7, 1985? If so, in what amount, and on what specific dates were those loans negotiated and approved? In terms of identifying those involved to the extent possible, were any of those under-secured loans or unsecured loans approved to individuals whose influence could be construed as having a direct or indirect bearing on the ability of Pioneer Trust to elicit the 27 million share issue guaranteed from the Government of Saskatchewan or in any other way be perceived to influence the future stability of Pioneer Trust?

Mrs. McDougall: Mr. Chairman, that was a very lengthy question. I will try to answer it as best I can.

In the Trust Companies Act where it defines investment there is a basket clause whereby you can lend money on an unsecured basis. Seven per cent of total assets can fall into the basket clause, which means that within that there can be unsecured loans.

To our knowledge there are none that went to any insiders who would have been in a position to influence the company. Was that the Hon. Member's whole question?

Mr. de Jong: Mr. Chairman, not just insiders within the company. Rumour back home had it that there was a provincial Cabinet Minister who received an unsecured loan. I would like to lay that rumour to rest if that is the case. If the Minister has the information, I would like her to comment on it.

Mrs. McDougall: Mr. Chairman, I do not have that information. That is the first time I have heard it and I would be very surprised if it were the case. That is exactly the kind of thing the liquidator will be looking for. We do not go through the individual names of all lenders on a regular basis. The liquidator will be looking for that kind of thing.

An awful lot of rumours get started under this sort of circumstance, and I do not want to add to that in this Chamber. To my knowledge it is not true.

Mr. de Jong: Mr. Chairman, I hope the Minister understands as well my position. I am representing the people from the area where this situation happened. They look to me as the person from whom to get some answers.

Would the liquidator then be obliged, if that is the case and he comes across some wrongdoing, to make it public?

Mrs. McDougall: Mr. Chairman, the liquidator would have to report to the court if there is—I think I am putting this correctly—an unfair advantage to one creditor over another. The liquidator would be obliged to report that to the court. The liquidator would then take action to try to recover some of the funds if that were the case. I do hope the Hon. Member will tell his constituents that in our examination, or our part of this, we have not seen any evidence of that kind of irregularity. I know how these stories start. I know exactly what happens. I am sympathetic to his constituents and to the Hon. Member and I hope he will carry that message back.

Mr. de Jong: In the same vein, Mr. Chairman, in the two-year period prior to February 7, 1985, did Pioneer Trust engage in the provision of loans at unusually low rates of interest below the then current market rate?

Mrs. McDougall: Not as a matter of routine, Mr. Chairman. If you went through the list you may or may not find one or two, but there is no evidence that Pioneer Trust was lending money at other than market rates.

Mr. de Jong: If the liquidator does come across this, Mr. Chairman, would the liquidator also make this part of his report?

Between the dates of November 22, 1984, and February 7, 1985, how many demand deposits or other funds held by Pioneer Trust in whatever manner, namely guaranteed income certificates, RRSPs, annuities, etc., which exceeded the $60,000 insured limit or were uninsurable, for example, American fund deposits were either withdrawn or in some way removed from Pioneer which thus ensured that in spite of the closure of the company those funds were fully protected? In other words, has the Minister come across, in the period from November 22 to the demise of Pioneer, any movement of funds that were uninsured into more insured types of deposits, or has the Minister come across funds that were withdrawn? Has the Minister come across any unusual activity like this?

Mrs. McDougall: Mr. Chairman, we do not have any way of knowing that. It is that three-month period the liquidator is looking at for any irregularity. He would be the one to report on that.

Mr. de Jong: Mr. Chairman, in terms of the trading of shares, has there been any extraordinary trading or selling of shares in the period from November 21 to February 7, particularly from February 4, when the provincial Government seemed to have started its internal discussions about backing off from the guarantee, to the time when the matter became public on February 7? In those three days, was there any unusual trading of shares?

Mrs. McDougall: The trust company itself is not a public company, Mr. Chairman. It is owned by a management company. As far as I know, there was no irregular trading in the stock.

Mr. de Jong: Of Pioneer management, Mr. Chairman?

Pioneer Trust

Mrs. McDougall: Of Pioneer management, Mr. Chairman.

Mr. de Jong: Mr. Chairman, my colleague from Prince Albert brought up the question of constituents who have had a mortgage with Pioneer Trust. Their mortgage is up for renewal. Touche Ross, in essence, refuses to deal with them saying that the company acquiring their mortgages will be the one to look after them. People are finding that if they want to change mortgage companies, they are stuck with the changeover fee. They themselves are not given the opportunity of buying out their mortgages. Touche Ross is saying, "We are selling all these as a block", even though a mortgage at 12 per cent or 13 per cent interest might be sold to an institution for only 10 per cent interest. The mortgage holder himself or herself is not able to benefit from that.

Has the Minister addressed herself to this problem, and particularly to the problem of those people who will have added legal costs in transferring their mortgages because of Pioneer's default?

● (1620)

Mrs. McDougall: Unhappily, I do not have any jurisdiction to do that. Under the Winding-up Act the liquidator has two obligations. One is to liquidate the assets as quickly as possible and the other is to maximize the return to creditors whom he represents. It would be helpful if he could accommodate all the individuals, but he is charged with those two responsibilities. In terms of my jurisdiction, I just do not have any.

Miss Nicholson (Trinity): Mr. Chariman, I have just a couple of questions for the Minister concerning sanctions and enforcement. For instance, I am advised that in looking at Pioneer Trust, the Department of Insurance noted several statutory infractions including an investment in a Denver real estate project which was outside the Department's guidelines. If this is true, what action will follow from it?

Mrs. McDougall: Mr. Chairman, there is not much action which can follow from it. The company was instructed to bring that down to within the limit. Unfortunately, there was not a big market for Denver real estate, and that was a problem. It was a business decision and it was over the limit. It was instructed to bring it down to within the limit that it could. Unfortunately, I think the bidding on Denver real estate was not terribly active.

Miss Nicholson (Trinity): The Minister is saying that nothing can be done, presumably because the company has now been wound up. If the company had been staying in business, presumably it could not just ignore guidelines or instructions from the Department of Insurance without some kind of sanction.

Mrs. McDougall: Unfortunately, there are not a lot of teeth in the regulatory function. The Superintendent can reduce the borrowing ratio of a company or can instruct it to reduce interest rates offered on deposits. There is not a whole lot else. Of course, most companies comply. In a situation where the value of the assets has declined considerably, there is not much market for them. This makes it very difficult on the other side to get into line quickly. I personally think there should be a lot more teeth. There should be more the regulators can do, and we have indicated in our discussion paper that we would like to see a lot more power, a more pro-active role and a lot more prevention. At the moment there is very little we can do until there is actually insolvency, and we are working very hard to try to revise that.

Miss Nicholson (Trinity): I also have a question about the parent company, Canadian Pioneer Management Limited. Were the two companies so structured that the parent company has been able to walk away completely from any responsibility for what happened with the trust company?

Mrs. McDougall: It has lost its total investment in Pioneer Trust. All its equity is just gone, so it has certainly created some difficulties for those shareholders.

Miss Nicholson (Trinity): Finally, I would like to return to the role of the Saskatchewan Government in this matter. As far as I can see—and the Minister has neither confirmed nor denied it because obviously she may not have the full information yet—the Treasurer of Saskatchewan issued a letter of comfort to this trust company indicating that the Saskatchewan Government would guarantee a preferred share issue up to $10 million. He did this, simply taking the word of Pioneer and perhaps being motivated in part by suspicion of eastern bureaucrats and eastern banks and an appeal to western pride. Those seem to be very poor motives for dealing with public moneys. However, apparently the Treasurer came to his senses later, when he was sufficiently incensed to find that he could not get clear information and that the president and someone else had gone on holidays to places like Hawaii and wherever. He sent in a team and found that the need was not for $10 million but for something between $20 million and $30 million, at which point he withdrew his offer of guarantee.

If the circumstances are as they have been reported and as I have said, all this sounds amateurish and irresponsible. It kept the licence there for a period of almost two months when it might otherwise not have been there. It dragged on a situation with no particular benefit to anyone. If indeed the Saskatchewan Government has acted as irresponsibly as the reports say, it seems to me that it becomes a matter for very serious discussion between the Canadian Ministers and their Saskatchewan counterparts, and that there should be a very clear understanding that any costs involved as a result of this kind of behaviour on the part of the Saskatchewan Government should be picked up by them.

Mrs. McDougall: I cannot undertake to explain the motivation or the examination which the Treasurer of Saskatchewan might have undertaken before the fact. I know Mr. Andrew and I regard him as a man of honour and a man of responsibility. I think some questions will be asked in his own legislature as to how this came about.

As a former western Canadian, I understand that people do care very much about their indigenous institutions. I worked

for one myself in Edmonton. There is a real caring. It is always a matter of judgment on something like this, whether it is a liquidity problem or a solvency problem. A liquidity problem can become a solvency problem, but there is a point at which an infusion of capital can be helpful.

I support the Treasurer of Saskatchewan in his approach. He felt a responsibility to attempt to fund the institution, and following recognition that that could not happen, he has taken a responsible position. He indicated that he will ensure that the depositors are not hurt. I think he recognizes that withdrawing that guarantee would have hurt the company so much that he was prepared to support the depositors.

Mr. Gauthier: Mr. Chairman, I have just a very short question. The Minister indicated an appointment of a committee from the private sector, if I read her speech correctly, to study and provide advice on all aspects of the Canada Deposit Insurance Corporation Act and the operations and organization of the corporation. She said that the report would be tabled soon. Could the Minister be more specific? In the last two weeks we have had two bail-outs. This is not a bail-out, but we have had the CCB bailed out for a hefty sum of money. Now we have this thing. Could we have some commitment from the Minister that "soon" means before the Budget?

Mrs. McDougall: Mr. Chairman, I do not think I will be able to do this before the Budget. The report is in its final stages. Publication and translation will take a little time, so I really cannot promise a date. Coming from the private sector, I am always far too optimistic about dates.

• (1630)

Mr. Gauthier: Mr. Chairman, I want to ask a final question for my own satisfaction. I understand that within six weeks all depositors will be pretty well satisfied. There is an exception, I understand. Management or the directors of Pioneer will have to wait until final liquidation. The officers of the company, and their relatives will have to wait until final liquidation. Is that correct?

Mrs. McDougall: It is the officers and directors, yes.

Mr. Gauthier: Officers and directors?

Mrs. McDougall: I believe so.

Mr. Gauthier: And relatives?

Mrs. McDougall: I apologize. I cannot remember the wording. I will take it as notice and let the Hon. Member know.

Mr. de Jong: Mr. Chairman, I have a few more questions. The first concerns the Saskatchewan Minister of Finance. I know we have been hard on him, although I agree with the Minister. I have known Mr. Andrew for some time. He certainly is one of the brightest, if not the brightest on the government benches in the Province of Saskatchewan. I feel sorry that this happened in his backyard. We would have called for his resignation except that we were just too afraid of who would have replaced him. The whole episode in Saskatchewan, particularly the Premier's role in all of this, is still to be documented. It certainly makes the alleged statement by the former Premier of Ontario in describing the Devine Government of Saskatchewan as "amateur night on the Prairies" ring true. That apparently was Billy Davis' statement.

I want to go back to some of the statements the Minister made. She does not expect Touche Ross to finish its work for up to two years. Does that mean it would take two years for any report to be submitted to the court if Touche Ross did find any wrongdoing in terms of management practices, that we would not hear about it until two years down the road when the company finishes its work?

Mrs. McDougall: I am sorry, Mr. Chairman, I was having a certain amount of trouble with the vocabulary. Some of the money will go back to the creditors in the meantime. It does not mean that, if it goes on for two years, the funds will be held until the end. It starts moving back to the creditors on a pro rata basis as soon as some assets are sold. That is an ongoing process. I am aware that they are making regular reports to the court. I am just not sure what "regular" means, I'm sorry.

Mr. de Jong: Mr. Chairman, when they look at the management practices, if they find any wrongdoing by either the directors or senior management, they would also include senior staff. If there is any hint of wrongdoing, using inside knowledge for example, that would also extend to senior staff in the company, I take it.

Mrs. McDougall: Mr. Chairman, I am not aware of the specific definition, but he would be looking to see if anybody had benefited. How he would define that, I cannot be more specific, I am sorry, but he would be looking to see if anybody benefited.

Mr. de Jong: Mr. Chairman, I have a question concerning the Bank of British Columbia and its involvement. As I understand the events, on February 4 the provincial Government, although it did not make its final decision started to have second thoughts and the Bank of British Columbia was one of the companies that was contacted. Mr. Kaiser, the President, flew to Regina to do some negotiation. Am I correct in understanding that that was the sequence of events that took place?

Mrs. McDougall: Mr. Chairman, with the Bank of British Columbia it was somewhat unusual because Mr. Kaiser had been looking for an opportunity to expand into the other three western provinces. He was in Regina at the time. He was there and became involved because he was available on the spot and was asked to look at it right away. I think he looked at it as an opportunity to fill his own corporate needs at that point.

Mr. de Jong: Mr. Chairman, I have a final question. When the Superintendent of Insurance looked at Pioneer's expenses and assets over the last number of years, did he come across any item that dealt with paying Decima Company money to

conduct a poll in Saskatchewan? Again, street rumour back home in Regina has it that Mr. Klein, out of Pioneer Trust or Pioneer management paid for the Tory poll in Saskatchewan conducted by Decima Polling Company.

Mrs. McDougall: Mr. Chairman, I understand that Mr. Klein's politics change depending which way the wind is blowing, as I am given to understand. There is certainly no evidence of any benefit to the Conservative Party in Saskatchewan or Canada, Ontario, British Columbia, Alberta or any other place, as far as I am aware.

The Chairman: Shall Clause 2 carry?

Some Hon. Members: Carried.

Clause agreed to.

Clauses 3 and 4 agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mrs. McDougall moved that Bill C-50, an Act to provide for the continuance of payments under certain guaranteed income averaging certificates issued by the Pioneer Trust Company, be read the third time and passed.

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

Some Hon. Members: Agreed.

Mr. de Jong: Mr. Speaker, I wish to say a few remarks at third reading.

Mr. Deputy Speaker: With the unanimous consent of the House, we will revert to debate on third reading.

Some Hon. Members: Agreed.

Mr. Simon de Jong (Regina East): Mr. Speaker, I thought it was the practice at third reading that we make a few short comments about the Bill in a general sense.

As I said during second reading, we are not opposed to the Bill. The necessity of this Bill is unfortunate. It is something that we believe could perhaps have been prevented had the former Government taken more decisive action in the earlier part of 1984 when it became apparent that Pioneer was experiencing difficulties, when it became logical to assume that other financial institutions in western Candaa had so much of their capital assets based in western Canada, particularly in Alberta, which in turn was based at that time on a boom economy of rising oil prices. When that boom started to turn into a bust, it would have been reasonable to assume that some of those financial institutions would experience difficulty. I felt that the former Government in particular should have played a leadership role at the beginning of 1984. Perhaps this could have been prevented if it had.

● (1640)

As well, one must look at the role played by the Premier of the Province of Saskatchewan and the Saskatchewan Minister of Finance. From press reports, we can only come to the conclusion that they might have prevented an agency agreement from occurring because of local pride. We understand that local pride. I feel that Saskatchewan does need a Saskatchewan-based financial institution. All too often in the past we have found that financial institutions that were not based in Saskatchewan did not understand our local financial needs and conditions and were not sympathetic to the needs of the people of Saskatchewan.

I think that economically, politically and socially it is desirable to have institutions like Pioneer Trust that are of a local nature and meet local needs. However, the actions of the provincial Government in providing a guarantee without taking a look at the books is indeed an indictment against it and shows that it handled this situation in an amateur way.

Because of that, the people of Saskatchewan will be paying millions of dollars at a time when public funds are scarce and when different sectors of the economy and society are asked to tighten their belts. This is occurring when the province is experiencing cut-backs to education, health and social programs, cultural programs and road construction. The Province of Saskatchewan can ill-afford to lose $10 million.

Another aspect of this situation that needs to be raised in this public forum is the need for extensive reform. The Minister has given us her commitment, and I believe her commitment, to bring forth a package of reform. Certainly if the Superintendent of Insurance and CDIC are to carry out their important functions, they need resources. If they are not able to carry out their important function, and if trust companies and particularly local trust companies like Pioneer go under, it will shake our faith in our financial institutions. If that occurs, the country and its economy are in trouble. Therefore, the Superintendent of Insurance and CDIC have an important role to play. It would indeed seem strange that our trust in the financial institutions of this country should be shaken because some extra dozen investigators were not hired by the CDIC or the Superintendent of Insurance.

There is a need for a major shake-up within the Department of the Superintendent of Insurance and the CDIC. I think they need accountants who are aggressive and knowledgeable of the ways of the street, so to speak. The last thing they need is young, green graduates fresh from accounting school. They need old, seasoned accountants who know the ins and outs of the financial market and the financial world so that they can play the role of tough cops in order to keep financial institutions honest and in order to restore the confidence of the Canadian people in our financial institutions. As such, we will be supporting this motion and we do hope that the Minister

will, in the very near future, bring forth appropriate legislation.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs—Toxic chemical control program. (b) Request that program be renewed; the Hon. Member for Western Arctic (Mr. Nickerson)—National Defence—North warning system—Participation of northern contractors; and the Hon. Member for Trinity (Miss Nicholson)—Canada Deposit Insurance Corporation—Committee study. (b) Ceiling for insurance deposit.

GOVERNMENT ORDERS

[*English*]

PIONEER TRUST PAYMENTS CONTINUATION ACT

MEASURE TO ENACT

The House resumed consideration of the Motion of Mrs. McDougall that Bill C-50, an Act to provide for the continuance of payments under certain guaranteed income averaging certificates issued by the Pioneer Trust Company, be read the third time and passed.

Miss Aideen Nicholson (Trinity): Mr. Speaker, as I said at the outset when we dealt with second reading of this Bill, we on this side of the House are in favour of the Bill. We are in favour of providing relief to those depositors who in some cases lost their life savings, but we are uneasy about the entire process and the circumstances which led to this particular failure. We think it is extremely important that the basic problems be addressed so that this kind of thing does not happen again.

Apparently this particular trust company was operating in some ways that were beyond the guidelines and requirements of the Department of Insurance, as it was in the case of the Denver real estate project. There has been another recent failure which also involved imprudent investments outside of the country. It is difficult for Canadian taxpayers to be required to bear the brunt of unwise investments made in other countries. To be sure, these are value judgments. These investments may have looked like wise investments at the time, but in the event they proved not to be.

The whole question of the Saskatchewan Government's involvement in this matter is worrisome. First it produced a letter of comfort and agreed to back a preferred share issue; then it looked at the facts and figures and decided that this would not be wise, so it backed off. All of this had the effect of delaying a resolution of the problem for a couple of months. It could be that a different kind of resolution might have been arrived at if there had been different kinds of negotiations.

The issue of the lack of disclosure to the depositors is serious. People who had guaranteed income averaging certificates with a life of six or seven years were not made aware of the fact that CDIC insurance only covers five-year transactions. The Minister has said that she is addressing these problems, and I am quite sure that she is. However, this is an additional indication of the fact that we need to see the Minister's discussion paper and to look in a broad way at all of the problems with CDIC. The private-sector group that was appointed by the Minister was appointed in January, and it really should be possible to have seen its report by now and to have taken some action on it.

The Minister has criticized the inaction of the previous Minister of State for Finance, but I should point out that that previous Minister was prepared to move on new legislation regarding financial institutions if we had been returned as a Government last fall. The new Government has chosen to proceed by way of a discussion paper on financial institutions. This paper has just been made public. I trust we will in fact see legislation next fall. I mention this merely to show that delays caused by one Minister or another are not unique to one Party. I am sure that such delays are always justified by the person concerned as being needed in order that there may be more consultation and a more careful evaluation of the options.

● (1650)

In short, Mr. Speaker, we support this particular Bill because it has become necessary. But so that we are not overtaken by events and that we do not have to deal with another rescue operation like this, I trust we will proceed quickly to the reform of the legislation on financial institutions and to the reform of the legislation on the Canadian Deposit Insurance Corporation.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I also want to say a few words about this important Bill with which we have dealt today. First, I want to say to the Minister that her responses today were most encouraging in terms of her plans to enact the green paper recommendations as soon as possible. I think we have cleared up a number of questions we had and perhaps some misunderstandings which others have had about the process pursued by the Minister and her officials to provide relief to the people who were under the impression that they were insured when in fact they were not. Indeed, it would have otherwise resulted in destitution and extremely hard times for the many people caught unawares.

I would like to make two or three observations, Mr. Speaker. First, we as parliamentarians tend to put a great deal of faith in the sophistication of our financial institutions. We almost inevitably assume that the people who manage our institutions and provide the leadership always know exactly what they are doing. I think one of the things we have found over the last number of months in considering the situations regarding Crown Trust, Greymac Trust, Seaway Trust, Seaway Mortgage, Greymac Mortgage, Fidelity, and it goes on and on, is that in fact, a lot of these individuals who, we simply assume, were making prudent loan decisions, acting in a very sophisticated way, recognizing the trends of the times and investing appropriately, in fact were not doing that. They were making some very poor decisions, which resulted in a variety of cases, including the Canadian Commercial Bank, of taxpayers having to come forward with hundreds of millions of dollars for what many people referred to as "bail-outs". Out in the financial market-place recently the Chairman of the Toronto-Dominion Bank was quoted as wondering about the wisdom of the bail-out to the Canadian Commercial Bank. A lot of people in the financial community, I believe, are wondering why it is that we are bailing out certain trust companies and not others, and while the Minister has explained today, I think quite adequately, why the decision was made to provide this support for the uninsured deposits for Pioneer Trust, I think there is a great deal of confusion out in the financial community as to just exactly what this Government is doing—or perhaps, to be fair, what this past Government had done.

I listened carefully to a number of representations from the Official Opposition. I think those Hon. Members may have forgotten that their Party was in power for the last number of years. I can recall at least six times, Mr. Speaker, when the trust companies came before the Finance Committee of the former Government and begged for new legislation and action, explaining that we had not had an updated piece of legislation regarding trust companies for 40 or 50 years. They were operating in a vacuum out there. This is the vacuum we see now.

To be fair, I want to balance some of the criticism levied. When the Official Opposition was in government for some time, it had ample time to introduce legislation which might have made some of these misfortunes which have happened in the last number of months not occur. Of course, we have not discussed credit unions and we have not discussed the banks and other financial institutions. Now we will be seeing, hopefully, as a result of the green paper, changes which will bring in some competition. But with that competition, of course, come more difficult times. We certainly have to take steps which will provide more adequate monitoring by the Superintendent of Insurance and the Inspector General of Banks so that they can be on top of the situations in order to ensure that the depositors are protected and the financial stability in Canada is protected. I think that a lot of people were a little shocked when the Canadian Commercial Bank nearly went down and it was required that the other banks and the senior levels of Government come in to rescue that operation. I think that cost some people some real concern.

I would just like to conclude my brief comments by suggesting that the provincial Government of Saskatchewan certainly has to be criticized in its operation when we look at how it reacted at a very sensitive and critical time. I have certainly not learned today that its behaviour was in the best interests of this institution. I suspect political motivation in terms of some of its behaviour and activity. I am not convinced, Mr. Speaker, that the Treasurer of Saskatchewan—and I don't know if it was necessarily his decision at the end—actually always acted in the best interests of the depositors involved.

We are pleased to have had an opportunity to participate in today's debate and we are pleased to see that we have been able to deal with this Bill adequately in one day, as the Minister requested. We hope we will never have to repeat this performance or this process ever again.

Mrs. McDougall: Mr. Speaker, on behalf of my friends in Saskatchewan, I just want to raise a couple of points; one on my behalf and one on theirs.

First, there is no point in having a major shake up in regulators until we have a major shake up in regulations. That is why I want to move very fast with the new legislation.

Second, I have been in the financial business a long time. I have been an analyst and forecaster. I would just like to remind my friends on the other side of the House, who were very helpful in getting this Bill through today, that when they are talking about the Treasurer of Saskatchewan, I have discovered time and time again that the best forecasting tool is hindsight.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

Mr. Deputy Speaker: Is there unanimous consent to call it five o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It now being 5 p.m., the House will now proceed to the consideration of Private Member's Business.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Mr. Deputy Speaker: Is there unanimous consent that the House proceed to Item No. 132?

Some Hon. Members: Agreed.

Mr. Lewis: I rise on a point of order, Mr. Speaker. I believe the Hon. Member whose motion is being called will be here in a moment.

• (1700)

Mr. Deputy Speaker: The Hon. Member for Simcoe South (Mr. Lewis) is rising on a point of order?

Mr. Lewis: Mr. Speaker, perhaps there has been some misunderstanding in the office of the Hon. Member for Athabasca (Mr. Shields). Rather than lose the opportunity to present his Motion under Item No. 132, I would ask for the indulgence of the House—I have just had a brief opportunity to discuss this with the Deputy House Leader for the Liberal Party and I would ask for the indulgence of the NDP—to adjourn the House at this time so that the Hon. Member for Athabasca would not lose the opportunity to bring his motion forward and have it properly spoken to. I appreciate that this would perhaps cause an inconvenience to members of the Opposition who are scheduled for the adjournment debate, and I undertake to make sure that those matters will come up for discussion tomorrow if that would be satisfactory.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, we have no objection to trying to help the Government put its act together, so we will lend our support to the proposal made by the Parliamentary Secretary. However, I would like to have an agreement that those Members listed today, and two of them are our Members, for the adjournment debate will have consideration of their question tomorrow.

Mr. Lewis: Mr. Speaker, I would be prepared to agree to that.

Mr. Riis: Mr. Speaker, in response to the request by the Parliamentary Secretary, we would be prepared to support it on the understanding that the appropriate questions in the adjournment debate will be raised tomorrow. I would also like to make another offer. If the Hon. Member would like to have additional Members to assist in the organization of his caucus, perhaps we in the NDP can help out.

Mr. Lewis: Mr. Speaker, I appreciate the indulgence of both Parties in the Opposition. I advise them that Private Members' Hour is for private Members to organize, and we are just doing our best to help out this particular private Member.

Mr. Deputy Speaker: I understand there was a motion before the House moved by the Hon. Member for Simcoe North (Mr. Lewis), seconded by the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick), to the effect that this House stands adjourned until tomorrow morning at eleven o'clock, and that the opposition Members scheduled to appear in the adjournment debate will have their day tomorrow. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Nickerson: Mr. Speaker, because there are Members other than opposition Members who are to speak in the adjournment debate tonight, can we have the same undertaking with respect to them?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: That is what I understood, all Members.

Motion (Mr. Lewis) agreed to.

Mr. Deputy Speaker: I do now leave the Chair until tomorrow at eleven o'clock a.m.

At 5.05 p.m. the House adjourned.

HOUSE OF COMMONS

Tuesday, May 7, 1985

The House met at 11 a.m.

• (1105)

[*English*]

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been discussions between the Parties with respect to the order of business. It would be appropriate at this point in time to announce that in the rotation of legislation which I announced last week I want to insert consideration of Bill C-25 before Bill C-45. That Bill deals with agricultural stabilization. That item will be called in the rotation prior to the consideration of Bill C-45.

Mr. Speaker: That is understood.

GOVERNMENT ORDERS

[*English*]

BRETTON WOODS AGREEMENTS ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-30, an Act to amend the Bretton Woods Agreements Act and to repeal the International Development Association Act and amend certain other Acts in consequence thereof, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Ms. Pauline Jewett (New Westminster-Coquitlam) moved:

Motion No. 1

That Bill C-30 be amended in Clause 6 by striking out lines 12 to 20 at page 3.

She said: Mr. Speaker, the first of the two amendments that we would like to introduce and speak to today would strike out lines 12 to 20 at page 3 of the Bill, in effect restoring the original clause. This is with regard to the method of financing of the World Bank group. Prior to the Government's amendment of the Bretton Woods Agreements Act, the financing had to take place through an Act of Parliament. This gave us an opportunity in the House of Commons, every year or two, to debate the subject of international development assistance.

The Government is now removing from Parliament the opportunity to debate the role of the World Bank and the International Monetary Fund in international development assistance, therefore removing parliamentary accountability in this very important area of Canadian Government activity. Instead of having the replenishments to the World Bank group and the IMF authorized by Parliament, they will simply be authorized, in effect buried, in the Estimates.

This procedure of burying such matters in the Estimates was followed a year or so ago with regard to the other international financial institutions such as the Inter-American Development Bank. We were not successful then in maintaining the authority of Parliament. There is no opportunity in the House to debate the operations of the Inter-American Development Bank and other international financial institutions of a regional nature. We know that there is no chance of debating the operations of these institutions through the instrument of the Estimates or appropriations.

• (1110)

The previous Government removed other international financial institutions from parliamentary debate. If the present Government follows that precedent and takes away the World Bank group and the IMF from Parliament, there will be no use for this body or the relevant standing committee in having a say on their activities.

A report to Parliament will still be required, although it will be very slim when compared to what we originally requested a couple of years ago. Reporting alone on the activities of these institutions will not give us the opportunity of debate in the House of Commons and therefore I urge the Government not to take a backward step by diminishing the authority of the House. The Government has said repeatedly that it wants to enhance the position and authority of Parliament and its committees.

Furthermore, the Prime Minister (Mr. Mulroney) said at the Bonn summit that he was going to be a voice for Third World countries and that he wanted to enhance Canada's role in international development assistance and activities. However, rather than strengthening Parliament's role in its debate on international development, the Government is diminishing its power. The Government is essentially saying that it cannot be believed. In effect, the Government is saying that it does not really want to strengthen Parliament or play a more significant role in the activities of international financial institutions. It does not want Parliament and Canada to play a stronger role with respect to development assistance in the international community. Therefore, one can only conclude that the Government is simply paying lip service to the role of Parliament and to Canada's role in international development.

The Government has already cut back on international development assistance. It will never reach the goal established by a former Prime Minister of 1 per cent of our Gross

National Product being devoted to international development assistance. The Government has already admitted as much.

The Government's present position is that international development assistance, whether it is in the form of grants or loans, must be related entirely to the provision of goods and services. That is the Government's main criterion, rather than the needs of the developing countries themselves, particularly the poorest of the poor nations. As a result of preventing Parliament from discussing Canada's role in international development assistance, particularly with respect to international financial institutions, the Government is effectively saying that we should have no voice in Canadian activity in such institutions.

● (1115)

If we reverted to the form the Bill was in before the Government changed it, we would be required as a Parliament to authorize the funds for the World Bank group and to restore the wording of the present Subsection 5(2), which reads:

(2) The Minister of Finance may provide for payment out of the Consolidated Revenue Fund to the International Bank for Reconstruction and Development in the manner and at the times provided for by the Agreement therefor set out in the Second Schedule, of a sum or sums of money, not exceeding in the whole an amount equivalent to the subscriptions required from or permitted to be made by Canada, that is to say, two billion, one hundred and seventy-eight million, two hundred thousand United States dollars of the weight and fineness in effect on July 1, 1984.

That is the present subsection 5(2). Of course, on subsequent occasions the Act of Parliament would no doubt have a different amount of money, obviously.

In restoring that section, which is the purpose of our amendment, we would, as I have indicated, be making it possible for this body, the Parliament of Canada, to discuss and debate the activities of the World Bank group and of the International Monetary Fund as we have done up to now in this House and not leave this extremely important matter of the financing and role of the World Bank group and the IMF to be buried in appropriations along with a million others and therefore, significantly by so burying them, lower the whole role of the Canadian Government and of the Canadian Parliament in the activity of the International Monetary Fund and the World Bank group.

Hon. Herb Gray (Windsor West): Mr. Speaker, the amendment proposed by the New Democratic Party is one that calls for the maintenance of a very important principle, that is, a strong reliance on the over-all system of parliamentary control for the provision of funds by Canada for the operations of the important international financial institutions covered by the Bill.

We of the Official Opposition are generally in support of the principle I have mentioned as it applies to this Bill and as it is reflected in the amendment that has just been spoken to by the representative of the New Democratic Party.

There is a contradiction on the part of the Government when it comes to the matter of parliamentary approval of financing of the international financial institutions in question and what the Government has proposed in this Bill with respect to one of these institutions, the International Finance Corporation. As you know, Mr. Speaker, one of the amendments proposed by the Bill is to give a general legislative basis for Canada's participation in the International Finance Corporation. The International Finance Corporation is one of the World Bank group of financial institutions. Its focus is on the support of private sector investment in developing countries, unlike the work of the World Bank and the International Development Association which focuses particularly on government initiatives.

● (1120)

In presenting Bill C-30 to the House in March, the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) said that the reason the Bill in question dealt with the International Finance Corporation in the way it did was to move away from the system which had existed for many years of providing financial support to the work of the International Finance Corporation. This system was to fund Canada's role in the International Finance Corporation through the Estimates process. The present Government has now decided that the Estimates process is not a sufficient means of supporting, dealing with and considering Canada's involvement in the International Finance Corporation and, instead, there had to be an over-all legislative underpinning in the form of a permanent statute rather than through annual appropriation Bills. Yet when it comes to the manner of providing financial support to the World Bank group in general, particularly to the World Bank itself and to the International Development Association, the Government is saying that we should move back from the very course of action which it is proposing with respect to the International Finance Corporation and have the financing of the World Bank and the International Development Association on the part of Canada, as it is required from time to time, dealt with only by the Estimates process.

I see here a very important contradiction. It would seem to me that to be consistent with the arguments put forward for including the International Finance Corporation in this Bill, the Government should not at the same time be insisting that increases or changes in the financial support which Canada provides for the World Bank and the International Development Association be done through the Estimates process rather than through a legislative proposal, that is, a Bill presented to the House from time to time, which would be required to go through the whole procedure required under our rules for a formal piece of legislation.

Bill C-30, if adopted, moves away from the concept of having a piece of legislation each time the Government wants to make a substantial change in its method or extent of supporting the institutions of the World Bank group. This means, in my view, a lessening of over-all parliamentary control of a very important aspect of Canada's involvement in the world community. It takes away an opportunity for formal debate here in what should be the central place for consideration of the business of the country, here in the House of

Commons, in the high court of Parliament. The problems of the Third World and Canada's effort to solve them and the issue of the transfer of resources to developing countries are, in my view, highly important and in fact in many ways crucial to the survival of our over-all civilization. Therefore, when it comes to the matter of providing or changing and hopefully increasing Canada's financial involvement in the World Bank group, this should be the subject of a specific, separate piece of legislation resulting in the formal debate which our rules require for such a piece of legislation. Financial changes in our support for the World Bank group should not be buried among one of possibly hundreds of items in an appropriation Bill. In my view and in the view of my colleagues, they require and deserve a separate piece of legislation.

• (1125)

Therefore, I call on the House to support the amendment proposed by the New Democratic Party. This amendment would strenghten a very important principle which has been somewhat under attack by the present Government. That is the principle of a very strong and central parliamentary scrutiny, starting out in this House of Commons, of expenditure by the Government on behalf of the people of Canada. Second, it would provide an opportunity which, as much as I believe in the committee system, would not be the same if consideration were not carried out in this House of Commons—to debate and consider Canada's role in supporting the needed progress of the Third World. I believe this amendment should be supported.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am truly astonished at the tenor of the speeches being made by the Opposition. First of all, this question was debated at the second reading stage, when I had the privilege of reading the address, and there were also thorough discussions in committee.

I am rather puzzled by Motion No. 1 as moved by the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) because the motion as proposed would in fact restrict the powers of the House and considerably increase the burden of decision-making for the Minister of Finance (Mr. Wilson). By striking out lines 12 to 20 on page 3, as proposed, we would be gagging the House, as it were, and putting the entire burden on the shoulders of the Minister of Finance.

Since the substance of this motion has already been debated, I would rather not discuss it at length. It is in no way my intention to deprive the House of debate on the motion but I think a careful analysis is in order.

Mr. Speaker, I have had some opportunity, be it limited, to speak in the House and in committee, and I believe that the appropriate venue for debating the details of a motion is in committee, where we have all the expert witnesses with us, and not in the House, where we have, I would not say only the Ministers, to avoid insulting those who are in the House today, but I would say that in the House, we have people who are here to discuss the principle of the Bill. If we were to encumber the proceedings in the House will all kinds of detailed discussion, this could slow down a debate that could be far more thorough in committee. I would therefore urge the Member of the House to act responsibly and to vote against an amendment that I think is more likely to weaken the powers of this House.

[*English*]

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I wish to put a few comments on the record in support of the motion of the Hon. Member for New Westminster-Coquitlam (Ms. Jewett). Motion No. 1 respecting Bill C-30 deletes the specific financial provisions of the Bill. It would revert to the system we had before. That would mean that the Government would have to come before the House for financial authority rather than having this whole question buried in the Estimates.

We believe it is very important that when we are discussing important questions of international aid and the whole question of development of Third World countries, the entire Parliament should be involved. It should not simply be a matter of a committee looking at this. It is important that it be looked at in some detail in committee, but it is also important that the House of Commons have an opportunity to examine this issue in some detail.

• (1130)

It is important for the government side to note that its own former critic on this issue, Mr. Doug Roche, the present Ambassador for Disarmament, two years ago, on March 25, 1983, spoke on this issue. He said, and I quote from *Hansard* at page 24162:

> One of the reasons for the importance of debating this legislation is the fact that it is a very rare occasion when the House is seized of any sort of debate on these matters, let alone dealing with legislation having to do with Canada's role in international development. As we know, CIDA has been operating through the years without an Act of Parliament. The only time we deal in any substantial way with what CIDA does as the main proponent of Canada's role in international development, is at the time of the Estimates. I am afraid that all Members of the House are too well aware of the inadequacy of the rules concerning the examination of Estimates that preclude the full treatment that important spending programs require.

I urge the Government to pay attention to its own former critic in this important area.

I was pleased to hear that the Liberal Party is giving its support to the motion put forward by the Hon. Member for New Westminster-Cotquitlam. However, it is important to note that it was under the Liberal Party, when it was in government, that the regional banks were removed from this kind of parliamentary scrutiny. Again we have one of those issues where the Liberal Party did one thing when it was in government and another thing when it is the Opposition. In this case, Mr. Speaker, what it was doing in government was wrong. What it is saying now in opposition is right. I would urge the Conservative Party to remember what it said when it

was in opposition and do the same thing now that it is in government.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the amendment produced is an amendment which was discussed fully in the Standing Committee on Finance, Trade and Economic Affairs. The amendment in a sense demands that every time we want to put money into one of these international institutions we must produce a Bill in Parliament, have it debated, have it go through the three readings and committee stage, with respect to every one of those appropriations. That is a ridiculous suggestion. It will hold up Parliament. It will hold up the affairs of the country and it will make sure that development money is not forthcoming because the Bill will never be given sufficient House time to get through.

That is the problem right now. We want to honour our international commitments and make those appropriations in the normal appropriations sense so that those appropriations can be discussed in committee where witnesses can be heard and where parliamentarians can take due note of the intention to make advances to these institutions, and we can understand what is going on. There is no reason at all to insist that a Bill go through Parliament in all stages just so that some Hon. Members can get their faces before the TV cameras.

Ms. Jewett: Shame.

Mr. Blenkarn: So I say to you, Mr. Speaker, that this is not a question of parliamentary accountability. This is a question of holding up Parliament for no reason at all. The Hon. Member, who has been around here for a long time, knows that.

Ms. Jewett: You argued differently when you were on this side.

Mr. Blenkarn: This is a situation of an ordinary appropriation to an institution or institutions which we all believe in, and when we make appropriations for other institutions or other organizations, we do it through the Estimates. We do it through an Estimates procedure where there is provision for those Estimates to be properly examined.

There has been a question about whether we do examine the Estimates properly. That is why the committee led by our colleague, the Hon. Member for St. John's East (Mr. McGrath), is studying the way we can change the committee procedures of this House. The reform of Parliament is under way and the Hon. Member knows that. The Hon. Member also knows that that reform of Parliament will give Parliament much more control over the Estimates procedures. That will make it possible for more detailed examination. But surely, Sir, in the interests of making parliamentary government work, we cannot have parliamentary government encumbered by a Bill every year, making a special appropriation to these international organizations. There is just no room for it in the parliamentary calendar and the suggestion from the Hon. Member of the New Democratic Party—and I am surprised it is supported by the Liberal Party because it should know better—is just an attempt to hold up the work of this House.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I thought I heard words from the last speaker to the effect that having this discussion in Parliament would slow up the process of evaluation and the thorough examination of appropriations to such organizations as the World Bank group, including the IMF. I recall it was the same individual who, not many months ago, after sitting through various committees, said that this process is insane. It is absolutely absurd. Here we sit day after day going through the Estimates and I don't think there is a single Hon. Member in this House who would say that the process we have used up until the present time makes any sense whatsoever.

When it comes to debating the appropriations to the World Bank group now, we will have an official who will come into the committee for a two-hour session, whose job it will be to provide bafflegab and mumbo-jumbo for two hours until he can get out. That is the examination, Mr. Speaker. That is the thoroughness with which the various appropriations are examined. Perhaps, as the Hon. Member suggests, this is all going to change and a whole new fresh approach, a sense of openness and thorough debate, will occur. Perhaps—and perhaps the sun will come up tomorrow as well. We will have to wait and see. But to suggest that today is the last time Parliament is ever going to discuss what Canada does with the World Bank group and what it does with the IMF, I think, is a tragedy. These are two absolutely critical sets of institutions which have a profound impact on what is happening in the developing nations of this world. We know, as parliamentarians, that our participation in the World Bank group has not been particularly impressive over the years. All kinds of schemes have been funded and introduced through the World Bank group and IMF which have not helped the Third World countries, which have perpetuated a sense of oppression, economically and socially, and which have tied them more closely with our own western ideals, approaches and economy.

The situation for most Third World countries has worsened as a result of our participation through the World Bank group, including the IMF. To suggest that that is it, that there will be no more discussion or debate in the House of Commons, I find astounding. I can see some Hon. Members opposite who spoke against the Liberal move not too long ago when the Liberals said: "Listen, we're getting embarrassed by these debates in the House of Commons where people point out the shortcomings of our development work in the Third World, so our solution is to take it out of Parliament and out of public scrutiny".

Ms. Jewett: It's not our solution.

Mr. Riis: No, it is not our solution. I said that was the Liberal Party's solution when it was in government. And Hon. Members of the Conservative Party stood in their places and ranted and raved against the burying of these discussions.

Now the tables have been turned. I remember the Hon. Member for Mississauga South (Mr. Blenkarn), who heads up the Finance Committee now, almost getting beyond the point of being able to continue to speak in the House of Commons because the Liberals were going to stifle debate on this most crucial issue. Eight months later he now stands up and says: "This is a wonderful idea. I've been born again. I am a supporter of the World Bank group and what I was saying eight months ago was incorrect". Those Hon. Members cannot have it both ways, Mr. Speaker. They cannot speak one way as members of the Official Opposition against what the Liberal Government has done and now when they are in government support the very same process.

Let us recognize today that for the people of Canada this is the last opportunity that they will have to hear this issue debated in the House of Commons. And this is at a time when all of us are desperately concerned about what is going on in the developing nations. We are desperately concerned about the situation which has occurred now in the African countries, especially Ethiopia. We want to avoid these kinds of disastrous situations in the future. But by participating in the traditional World Bank group activity, by supporting the IMF in our traditional ways, we are simply making sure that this lack of development, the lack of the production of viable agricultural endeavours of these countries, will continue.

● (1140)

That is why we have moved this amendment, to keep this topic before the House of Commons and Members of Parliament. After all, we are accountable for the way in which we spend the taxpayers' money. When we continually shovel appropriations through the Estimates into these traditional institutions and do not get the proper return on those investments in terms of assistance to the developing nations, I do not believe we are doing our job.

In conclusion, I would say that we have lost a real opportunity. I am not certain that Members of Parliament realize what they are doing by not supporting this amendment. Members of Parliament are saying, as the Hon. Member for Mississauga South stated, that witnesses will no longer appear before the standing committee to discuss the appropriations. As I know the procedure, when a Bill comes before Parliament it is referred to the appropriate standing committee and if the feeling of the members is that expert witnesses are required to explain a particular appropriation—whether it should be expanded, reduced or whatever—the opportunity exists. In a sense, what the Chairman of the Standing Committee on Finance, Trade and Economic Affairs argued can be done, but it should also have the benefit of discussion in Parliament. People say that it will place an unfair burden on the Minister of Finance (Mr. Wilson) and that it will increase the burden of his decision-making. That is too bloody bad. If the Hon. Member is saying that we are asking too much of the Minister of Finance in terms of our participation in the World Bank and IMF, so be it. If the Minister cannot take the heat, perhaps he should step down. I do not believe it is asking too much for the Minister of Finance to stand in the House and explain our participation in these international banking institutions.

I would be remiss if I did not remind the House that it was members of the Liberal Party, when they were in government, who removed the regional banks from this discussion. I hope that might mute some of their criticism.

I hope that Members will reconsider their opposition to this proposal and realize the value of discussing such a sensitive issue in Canada's Parliament. Parliament is the vehicle which enables the people of Canada to see and hear how their Members represent development plans and assistance to countries, particularly Third World nations. To bury that and place it in the Estimates is a very regressive step.

Mr. Simon de Jong (Regina East): Mr. Speaker, I too wish to participate in the debate on the amendment which was introduced by the Hon. Member for New Westminster-Coquitlam (Ms. Jewett). Indeed, it is a sad day when government Members attempt to limit the role of Parliament, particularly in an area which is of great concern to Canadians. We have a strong tradition in Canada of concern about, and involvement in, the plight of all humanity, particularly the plight of the people in the poor developing countries.

The role of the IMF and the World Bank is crucial to the well-being of hundreds of millions of people throughout the world. It is a rare opportunity for Members of Parliament to be able to discuss Canada's role in these organizations and to debate their rules, procedures and practices. To deny that opportunity, I believe, does injustice not only to Parliament and its Members, but also to the Canadian people. Canadians expect to hear and see their Members debate these important issues even though they occur on such rare occasions.

I suppose I should cease being puzzled on a daily basis, but I am puzzled by the fact that the Conservative Party has flipped over. When it was in opposition it said one thing, and now that it is in government it is saying something else. For example, the previous Liberal Government introduced Bill C-130. Among other things, that Bill moved the appropriations given to various foreign agency banks out of the debates in Parliament and into the Standing Committee on Miscellaneous Estimates. On March 25, 1983, a speech was made by Mr. Doug Roche, who was the spokesperson for the Conservative Party. He said; as reported at page 24162 of *Hansard:*

> One of the reasons for the importance of debating this legislation is the fact that it is a very rare occasion when the House is seized of any sort of debate on these matters, let alone dealing with legislation having to do with Canada's role in international development. As we know, CIDA has been operating through the years without an Act of Parliament. The only time we deal in any substantial way with what CIDA does as the main proponent of Canada's role in international development, is at the time of the Estimates. I am afraid that all Members of the House are too well aware of the inadequacy of the rules concerning the examination of Estimates that preclude the full treatment that important spending programs require.

Mr. Roche was speaking on behalf of the Conservative Party. He stated that he had no confidence in the Standing Committee on Miscellaneous Estimates to deal with public expenditures through international development. He said that it did not provide an open and public forum which would

enable the Canadian public to follow in the discussions concerning our role in international development. Mr. Roche moved an amendment on behalf of the Conservative Party to change the legislation to allow public debate within Parliament on the issues of international development. However, the Liberal Government of the day voted against the amemdment. We in the NDP voted for the amendment. Now the situation has flipped—the New Democratic Party and the Liberal Party are fighting against the Conservative Party. What the Conservative Party proposed in opposition, it is now defeating in government. What the Liberal Party in government was defeating, it is now supporting. Surely it must be embarrassing to members of the Conservative Party to realize how they have totally changed their position.

I would like to reiterate the point which we are trying to make. We are not attempting to filibuster, but international development is an important issue. The role which the Canadian Government plays is important. It is important to the Canadian people and it is important to the hundreds of millions of people who are living in Third World countries. Canada has a good image abroad. We are looked to as a country which is not greedy, and not imperialistic in the sense that Canada does not colonize other parts of the world. I believe Canadians want to hear what their representatives feel about international development. This is our last chance to stand in Parliament and speak in this public forum about a situation that concerns international development, the International Monetary Fund and the World Bank. It is a sad day. The Government has drawn the curtain on the opportunity for public debate. It is a black day. In the past, such Conservatives as John Diefenbaker and Robert Stanfield fought to retain the integrity of Parliament. However, on this day the Conservative Party is the author of a Bill which will further diminish the role of this institution on such an important topic.

• (1150)

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I have been told to be very brief so I will be very brief. I understand there is a very important agricultural Bill coming up soon and I would not want to take time away from that.

I can understand some of the points presented to the House, especially by the Hon. Member for Kamloops-Shuswap (Mr. Riis), who did so in his usual perceptive way. I can well imagine myself, were I to be a member of the Opposition and the NDP, God forbid, were to form the Government, not trusting them one little bit. I would be extremely suspicious of any move they made. I would not want to give them any more authority than I had to. In that circumstance I would probably be arguing the same way as the NDP are today. It is an old debate; there are only limited amounts of parliamentary time to devote to any one issue, and we have therefore adopted standard procedures to deal with the Estimates of various Departments.

The test that should be applied as to whether this matter is of such importance that it cannot be dealt with by the normal procedure, concerning money to be allocated to the IFC, the IDA or any of these other institutions, is whether they are fantastically more important than anything else the Government of Canada allocates money to. Are they more important than allocations to the RCMP, the Department of National Defence, or any other Department or any other thing the Government is involved in? I agree with Hon. Members that the types of expenditures we are dealing with today are important, but I do not think in the general scheme of things they are any more or less important than all the other areas to which we allocate funds.

Another aspect of the test would be whether it would be a new expenditure, something that the Parliament of Canada has not previously allocated funds for. Is it an entirely new area we are getting into? By now allocations of this nature to these institutions have become somewhat standardized; it is not new, we have been doing it since the 1950s or before. It is done on a regular basis.

Another test might be the opportunity for debate on these issues, and that point was brought up by the Hon. Member for Kamloops-Shuswap and his colleagues. I suggest that the opportunity for debate on matters of the financing of these various international institutions has not been precluded in the House of Commons any more than a debate on national defence, the judicial system, Indian affairs or anything else has. We all admit that the changes that were made to the rules of the House of Commons in 1968 are not perfect, and we would all like more parliamentary time to debate these issues rather than in committee, but under those rules, as imperfect as they are, there is a system of opposition days. If the NDP or the Liberal Party wants to use one of its opposition days for the purpose of debating the financing of international institutions, then they certainly can do that. There is nothing preventing them.

So the statement we have heard in this House today from the NDP that this is the last time this matter will be debated in the House of Commons is certainly not true. If the NDP are as concerned with this matter as they say they are, then there will be ample opportunity for them to bring it to the attention of the House of Commons again.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I rise to speak in support of the motion moved by the Hon. Member for New Westminster-Coquitlam (Ms. Jewett), which has the purpose of ensuring that there shall be regular debates on the advancing of funds by Canada to the World Bank group, including the International Monetary Fund.

The debate which has already taken place this morning on the motion certainly had its ironic moments. We recognize that the last Government brought this sort of proposal forward as far as the regional banks were concerned, and was quite supportive of the principle expressed in the Government's action which our motion endeavours to prevent, action which is designed to eliminate substantial debate in the House of Commons on these matters. We have, of course, seen the irony of the House Leader of the Official Opposition supporting our motion, the irony being a change of position by the former Liberal Government which is now represented in opposition.

Of course, that Party is hardly represented in the House this morning other than by its House Leader, so the irony is not as strong as it might be.

We have another irony of Hon. Members now in the Government, while they were in opposition, taking a very strong stand over the decades through personalities now dead or still with us, having spoken strongly in support of Parliament as an institution in which the representatives of the Canadian people gather to debate the most important questions which face the nation in order to decide, in the eyes of the public, what exactly the Government of Canada should do. We recognize or at least would like to recognize the sincerity of Conservative Members having argued those positions in times past. However, the curious thing which happens when those Members become the cogs in the Government caucus is that suddenly another motive force comes into play and we find Members, such as the Hon. Member for Mississauga South (Mr. Blenkarn), having taken a very strong stand as an opposition member, now attacking the motion we have put before the Commons. One wonders about the hypocrisy involved, although I must confess I feel for these Hon. Members in the Government caucus who are now caught in the machinery as the machinations pursue their course and they have to get up and speak only briefly in support of the Government's action.

Mr. Nickerson: That is all right, it will never happen to you.

Mr. McDermid: You will never have to worry about that.

Mr. Epp (Thunder Bay-Nipigon): One feels for them, caught in this situation. What is the irony of Hon. Members being forced to do the Government's work? What is the irony of a Conservative Party which, when it was in opposition, realized the importance of Parliament but which is now saying that we have a few chances in the year to put things forward if we think they are important, but they really do not think these matters are all that important and will let the machinery work itself out.

I find myself thinking, Mr. Speaker, that the bureaucrats won again, without meaning to be unfairly critical of our splendid Public Service. I think that men and women who spend their working days in offices around us here on the Hill, who probably regard the attention we give to matters at various times as a nuisance in the smooth pursuit of their administrative responsibilities, do regard the House of Commons as an institution which might well end up being petrified, so let's keep these important questions out of it. We think these matters are important, and when the Hon. Member for Western Arctic (Mr. Nickerson) compares them with the appropriations for the RCMP or the Department of National Defence, I sense his list of priorities. I am prepared to work with that. The means by which the Government of Canada provides our prosperity and resources to ensure that development can take place in other parts of the world which matches or even outstrips what we have managed in the past has the highest priority. There is nothing more important that we can do, at least in a mundane sense, when dealing with the affairs of the world.

● (1200)

Given the importance of those matters, it seems quite tragic that it will become the responsibility of the Opposition to choose an opposition day to make these points. It is quite tragic that Hon. Members in the Conservative Party, caught in the toils and machinations, are now supporting the operations of a bureaucracy which rarely sees constituents as we do. It sees the world situation from its own limited perspective. Given what has been said in the past by Conservative Members and experiences which I have had with representatives of various ethno-cultural groups, perhaps we should consider the representations of people in this country who have relationships with other parts of the world.

Members of ethno-cultural groups from Europe are in Ottawa this week recognizing the importance of human rights in eastern Europe. People in this country who have escaped with their lives from Asian and Latin American countries are grateful to be here. However, they have by no means severed their sentimental connections. They are still concerned about relatives and friends they have left behind. Those issues are of enormous concern to us. People of these communities believe that one of the glories of our constitution is the House of Commons in which the elected representatives of the Canadian people can debate these issues and press the Government to modify its priorities.

In recent days the Prime Minister (Mr. Mulroney) has recognized that the World Bank is quite inadequate. If he sought to make a mark at the international economic summit in Bonn, it was with regard to changing the position of the United States of America and of opening new opportunities. Surely members of the Government caucus can recognize the importance of these things and will fail to tell us that debating these things is boring. Surely they will recognize the importance of keeping a parliamentary forum open so that our fellow Canadians and future fellow Canadians can watch us debate these matters. They must be aware that they have access to us. If they never have access to a Cabinet Minister, we can assure them that for 90 seconds at least the Minister will be aware of this particular problem because I will put it before his face and make him look at it.

Those members of the Canadian body politic should not be told that the bureaucrats will take care of it in the routine of things outside the House of Commons. That kind of disrespect for Parliament may be expected from a long governing Party, but it is most ironic for the Conservative caucus to be putting these things forward. It may be appropriate that we in the New Democratic Party continue to be the strongest advocates of the democratic institutions of this country, particularly the House of Commons and the Parliament of Canada.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the debate which we are engaged in today is to amend the Bretton Woods Agreements Act with regard to the World Bank group. I would like to address the particular motion before us which is with regard to secrecy versus open government, and accountability of the powers of Parliament versus

the powers of the Government. It is also a debate about development, but I want to speak on the principles of secrecy versus openness in the field of development, first of all.

I do not think it is a coincidence that the Government seeks greater secrecy and less accountability because it does not have a very good record in this area. Development aid through CIDA and other development agencies has been cut in favour of emergency aid to enable the Government to get publicity by appearing to respond to a crisis. With regard to the crucial issue of providing the aid which the developing world needs, the Government has been deficient. It does not want to be made accountable by having these facts examined.

The tying of trade and aid measures together is a despicable trend which began with the Liberals, and which the Conservatives are continuing. They would prefer to keep it quiet because it is very strongly disapproved of in the international world which suffers from these policies. Our own voluntary and church groups are protesting most vigorously the tying of aid to trade. The Government would like to keep its tendencies away from the public because it knows that it does not have very strong public support.

The issue of development aid and loans does not get discussed enough in Parliament. Some of the Conservatives, when in opposition, had quite a different tack on the subject. I would like to quote the current Canadian ambassador on disarmament who was the Conservative spokesperson on this issue in the previous Parliament. This is from a debate in 1983. He said:

> One of the reasons for the importance of debating this legislation is the fact that it is a very rare occasion when the House is seized of any sort of debate on these matters, let alone dealing with legislation having to do with Canada's role in international development. As we know, CIDA has been operating through the years without an Act of Parliament. The only time we deal in any substantial way with what CIDA does as the main proponent of Canada's role in international development, is at the time of the Estimates. I am afraid that all Members of the House are too well aware of the inadequacy of the rules concerning the examination of Estimates that preclude the full treatment that important spending programs require.

This is precisely the point of the motion before us. The Estimates do not provide adequate opportunity for study and debate, and for bringing opinions of concerned individuals, organizations, and experts to bear on the subject. The previous Conservative speaker said that there are plenty of other opportunities which can be taken. He said that if the NDP is interested in this issue it can use opposition days to debate crucial issues of development aid and credit organizations.

That is simply not enough, Mr. Speaker. We can devote an opposition day and we hope that the Liberals will do the same. However, there are not nearly enough opposition days. The Government schedules the majority of the time and has some responsibility to see that these issues are properly dealt with. It is an absolute cop-out to say that if we have another opinion we should use an opposition day to debate the subject. The Government has a responsibility. It is elected to show leadership and to pay attention to concerns of the public. There is an enormous concern in the public expressed through the churches and voluntary organizations that work throughout the world. Canada has a reputation throughout the world largely because of the volunteer groups that send people out who bring back the message to Canada about needs in the developing world and what Canada can be doing to respond to them. We have enormous experience and expertise in Canada, thanks to this participation of so many people. This should be treated as a valued resource. These people should be consulted because when they appear before committees, when given a chance, they make excellent recommendations.

• (1210)

Some of the motions brought forward by the NDP are very much in line with proposals that have been made by an inter-church task force on corporate responsibility. That same group made recommendations about more openness in the process of consideration of these matters. Let me quote from the Task Force on the Churches and Corporate Responsibility in its brief to the Standing Committee on Finance, Trade and Economic Affairs on April 16, of this year:

> Few Canadians are familiar with the important decisions which are made on their behalf by the Canadian executive directors in these major international financial institutions. Unless particularly newsworthy decisions are publicized in the news media, neither Parliament nor the Canadian public are aware of the positions taken by Canada at the IMF or the World Bank.
>
> It requires dedicated research and a special relationship with American sources if one is to be alerted to forthcoming decisions in these institutions. In order then to discover Canada's position on these matters requires contact with hard-to-reach and often reluctant Canadian officials.

I regret to have to report to the House that this is the opinion of the people who work on this subject. It is only due to American freedom of information measures, that are much stronger than ours, that some of this information comes out.

The report gets even worse:

> Yet these institutions receive contributions from Canadian public funds; decisions about their disbursements and the reasons for these decisions should be available as a matter of course to Canadian parliamentarians and to the Canadian public. There should be legitimate channels for information about projects under consideration.

The report goes on to say that in order to get information through the *Business Development* publication which is available from Washington, it costs $250. It is clearly designed only for those in the business community who can afford it. The voluntary agencies and churches which have real expertise in these matters find it difficult to keep up.

The report goes on:

> Until 1983, the Canadian government publication, *Canada Commerce* published systematically a list of projects under consideration or agreed upon by the World Bank and by regional development banks. It noted as well particular officials who could be contacted about these projects. However, this service is no longer provided and we have been unable to discover another Canadian government source which releases such information.

Again, there is a drying up of information rather than an increase. It goes precisely in the direction we do not want or favour. The report continues:

> We recommend that the members of the Standing Committee review the question of public dissemination of information about the World Bank and the IMF.
>
> In particular we recommend that information be published and made available about credit applications, processing status and Canada's position in regard to them for the IMF, and the World Bank as well as for the regional

development banks in order to afford parliamentarians and the Canadian public opportunity to engage in discussions about them.

These are not merely abstract matters because this group has particular cases in mind, as do we in this Party, of some fairly scandalous happenings recently.

For example, there is the case of a loan to Chile of which Canada did not disapprove. It is a loan to a military dictatorship with one of the worst records of human rights violations. People are abducted, tortured or held without trial. There are many people in Canada who have fled from that regime and are aware of the problems. Although that repression declined for a while, it is on the increase again as resistance against that government increases. The United States actually abstained from a vote on this matter and Canada did not even do that. Many Canadians would disapprove of this shocking matter and there will be less information about these instances in the future.

Another case with respect to these loans is when the United States exerted pressure to keep a loan from Nicaragua from even reaching the decision stage. This was done because recommendations lower down in the organization on the basis of economic criteria were favourable. Canada has not spoken against that. We are concerned about Canada's role in these matters.

In closing, we want to see greater openness and accountability to Parliament and to the community of volunteers who work actively on international issues and have a great contribution to make to those debates.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, let me take this opportunity to sum up the reasons for this amendment. Members will see that the effect of this amendment would be to retain the particular section of the Bill as it has existed since 1944.

This section of the Bill has not caused any delays in parliamentary time previously. Section 5(2) at present reads:

> The Minister of Finance may provide for payment out of the Consolidated Revenue Fund to the International Bank for Reconstruction and Development in the manner and at the times provided for by the Agreement therefor set out in the Second Schedule, of a sum or sums of money, not exceeding in the whole an amount equivalent to the subscriptions required from or permitted to be made by Canada, that is to say, two billion, one hundred and seventy-eight million, two hundred thousand United States dollars of the weight and fineness in effect on July 1, 1944.

We assume that there would be a limit reflected in 1985 value beyond which the Government of the day could not spend. The important principle set out in this section is that Parliament decides on the limit of the money that is proposed to be spent by a government. Therefore, Parliament is performing a duty that can be traced as far back as Charles II, if not further.

It has been the case since before 1944 that the Bretton Woods Agreements Act has occasionally come before Parliament to be renewed. There have been few occasions when much parliamentary time has been used to review that Act. Not only are we arguing in favour of that principle in the section, but we believe it is a basic principle of parliamentary democracy and therefore a section which should stay in the Act.

We suggest that the Government should remove Clause 6(3) and Clause 6(4) which would have the effect of eliminating Section 5(2). That section limits the amount a government may spend but does not require it to spend up to that limit. In addition, that section leaves a certain amount of executive privilege to the Government while also allowing Parliament to set out a certain spending limit.

I hope Government Members will recall what they said when they were in opposition and will reconsider their position. Perhaps they will realize that we are attempting to uphold a parliamentary tradition whereby Parliament allocates and votes on the amount of money to be spent by the Government. That is a principle that has been enshrined in this section of the Bretton Woods Agreements Act for many years. We believe the Government should maintain that principle of democracy and we urge it to vote with us so that principle may stand unsullied in the House.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

• (1220)

Mr. Deputy Speaker: The question is on Motion No. 1 standing in the name of the Hon. Member for New Westminster-Coquitlam (Ms. Jewett). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

Ms. Pauline Jewett (New Westminster-Coquitlam) moved:

Motion No. 2

That Bill C-30 be amended in Clause 7

(*a*) by striking out line 32 at page 3 and substituting the following therefor:

"including the resources and lending of the International Monetary Fund and the".

(*b*) by striking out line 36 at page 3 and substituting the following therefor:

"goods and services and also including a detailed review of Canada's participation in the lending activities of the World Bank Group and the International Monetary Fund, with particular attention to: (*a*) Canada's use of its voice and vote to promote internationally recognized human rights; (*b*) Canadian initiatives to promote the use of loans to meet the basic human needs of the poorest and provide for a more equitable distribution of income

in recipient countries; (*c*) Policy actions taken by Canada to protect the neutrality and multilateral character of the World Bank Group and International Monetary Fund and resist the excessive pursuit of rigid bilateral policies by other member nations; (*d*) Canadian initiatives to promote financial adjustment policies that do not impose additional hardship on the poor."

She said: Mr. Speaker, the first subsection of this motion is primarily for clarification. Clause 7 in the present Bill is a reporting clause. It repeals the present Section 7 and substitutes the following:

7. The Minister of Finance shall, on or before the 31st day of March next following the end of each year or, if Parliament is not then sitting, on any of the first thirty days next thereafter that Parliament is sitting, submit to Parliament a report containing a general summary of operations under this Act and details of all such operations that directly affect Canada, including the resources and lending of the World Bank Group, the funds subscribed or contributed by Canada, borrowings in Canada and procurement of Canadian goods and services.

What we have done, Mr. Speaker, to make clear that this Act is also addressed to the International Monetary Fund as well as to the World Bank group, is to add the International Monetary Fund so that the latter half of the clause will read:

—and details of all such operations that directly affect Canada including the resources and lending of the International Monetary Fund and the World Bank group—

There should be no difficulty with anyone supporting that clarification.

The second part of the motion is a substantive one: it tries to do something we have been trying to do in this part of the House in one fashion or another over the past many years, namely, to establish certain criteria to be followed in the lending practices of international financial institutions.

As our amendment indicates, there are four particular criteria that we have felt and continue to feel are essential in the lending practices of international financial institutions. The first of these is that particular attention should be paid to the human rights question, and that Canada's use of its voice and vote in international financial institutions should be for the purpose of promoting internationally recognized human rights. I will return to that in a moment.

The second criterion we are proposing concerns Canadian initiatives to promote the use of loans to meet the basic human needs of the poorest and to provide for more equitable distribution of income in recipient countries.

The third criterion concerns policy actions taken by Canada to protect the neutrality and multilateral character of the World Bank group and the International Monetary Fund and to resist the excessive pursuit of rigid bilateral policies by other member nations.

The final criterion we are proposing in this section for the operation of the International Monetary Fund and the World Bank group is that there be Canadian initiatives to promote financial adjustment policies that do not impose additional hardship on the poor.

The way it is now in this clause, without any of the four additional criteria that I have just outlined and that are in our motion, the clause terminates with the words "procurement of Canadian goods and services". That is the way the clause ends now. The emphasis, therefore, in the reporting process is really on what Canada only has gotten out of the operations of these international financial institutions, what procurement of Canadian goods and services. That is literally all we will get in the reporting process provided in Clause 7.

What we are saying is that there are at least four more areas about which we want to know, and we want a report to this House concerning the activities of the international financial institutions covered by this Bill. We want to know whether in the first instance human rights abuses are being taken into consideration by the World Bank group and by the International Monetary Fund before they authorize a loan.

• (1230)

The arguments of the officials of the Department of Finance in committee were almost contradictory. On the one hand, they said that if they included gross abuses of human rights criteria they would be "politicizing" the IMF and the World Bank. On the other hand, they pointed out that in the case of Uganda several years ago when there were gross human rights violations, it was proper that a loan should not have been extended to that country. Apparently on that occasion refusing a loan was not in fact politicizing in the case of Uganda.

We have argued time and time again that requiring international financial institutions to look at the human rights situation in a potential recipient country is in fact not a politicization. Human rights and the human rights covenant of the United Nations are universal. All countries of the world which signed the human rights covenant have effectively said that the protection of human rights is beyond politics and partisanship, that it is universal. We all said that, all of us who signed the UN covenant. Because we have all said that, we have taken it out of a narrow partisan or political realm. We have said that because we all agree on human rights and are all opposed to gross human rights abuses, we are not politicizing the issue. Indeed, as the Canadian Government has already shown when it did not support loans to Uganda, it could equally well show today that it does not support loans to countries engaging in massive abuses of human rights. We are asking for this criterion to which apparently all nations that signed the human rights covenant of the United Nations agreed. It is a criterion which is universal and is universally agreed to.

I notice, Mr. Speaker, you are indicating that my time is coming to an end. My colleagues will address this criterion further, as well as the other three criteria which we are asking to be added to give some genuine meaning to the Act and to our belief in genuine international development assistance that respects human rights and the needs of the neediest.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, first of all, I want to set the record straight and say that we, as new Members, are perfectly free to make statements, that we were not forced to do so by any Minister, that I get along perfectly well with both Ministers

and that I am free to come or not to come to the House. I offered my services this morning because my Ministers were busy, but Hon. Members may rest assured that we are perfectly free, that we are not forced in any way to defend our Government's policy, and that we take an active part in that Government. I wanted to be on the record as having said that, and now, I would like to speak more specifically to Motion No. 2.

I think the first part of the motion, namely section (a), if I am not mistaken, clarifies the paragraph in question.

I even think that part of the motion would be acceptable, if the motion did not include a second part that is not acceptable to us. The first part stresses, and I am not saying it is redundant to do so, that the International Monetary Fund is to be included with the World Bank. Although I think this is covered in the preambles, the amendment does provide further clarification. However, I must reiterate that we cannot accept the amendment because it is part of a more complex motion, whose second part is totally unacceptable to us.

As for the second part, it is a firm statement of intent, the substance of which we support as well, but I think it would be dangerous at this time, to make a statement of intent that might be construed by other nations as restrictive, or which might be interpreted differently in the course of time. We have seen treaties signed after the last World War which seemed to promote freedom and which proved to be a straightjacket for some nations. I think it would be better to provide a little more latitutde with respect to the principles being laid down here, so that our representatives in these institutions can exercise, not their voting rights, which are frequently made use of at the United Nations, whose proceedings I have had a chance to observe, but their powers of persuasion, since in these organizations it is more important to establish a consensus: in other words, people analyze the problems thoroughly, discuss them and instead of submitting them immediately for a vote, they use their powers of persuasion.

So, once again, as a free agent, but not reluctant to practise my English, I prepared a short speech in response to the second part of the motion.

[*English*]

Canada has also been a very strong supporter of efforts over the past decade to ensure that World Bank loans promote the basic human needs of the poorest people in developing countries. In part, we have supported this approach as a means of ensuring a more equitable distribution of income in recipient countries. Moreover, we have felt that this approach would help ensure that the poor would benefit regardless of the political and ethical ideologies of the particular Government which happens to be in power at the time the loan is approved. World Bank and International Development Association loans seek to address the long-term problems of the poor, and great care should be taken before turning off programs which take a long time to get started. We are confident that the World Bank is seriously pursuing the objective of improving the economic lot of the poor in recipient countries and therefore deserves our strong support.

The proposed amendment would create the erroneous impression that Canada does not believe the World Bank is pursuing these objectives. The amendment talks of Canadian initiatives and policy action in these institutions. Instead, we believe the World Bank is committed and the need is for Canada to support the effective implementation and evolution, as necessary, of existing policies.

By referring to the use of Canada's vote in these institutions, the amendment also suggests a line of action which we believe could be counter-productive. Canada has sought to avoid the use of votes in the World Bank and has encouraged decision-making based on consensus. As a consequence, unlike the United Nations, voting is not a common practice in these institutions. Canada, by itself, could not stop a loan and if we were to encourage other countries to exercise their votes on the executive boards, we would not be able to contain the practice to our own objectives. In other words, we would likely only encourage greater politicization of these institutions.

• (1240)

[*Translation*]

In short, Mr. Speaker, we want to be consistent with our policy actions, as much within international organizations as within the Canadian Government itself. We would use persuasion and even change our original concept through a document or consultations paving the way for a final decision, rather than make a hasty decision such that those basic principles might eventually be harmful to us.

Keeping in mind what I have just said, I repeat that the first part of the motion is acceptable to us, because it does shed more light even though it is not exclusive since the first part of the Bill covers everything under the Bretton Woods Acts as well as the other related organizations. However, we cannot subscribe to the first part because the second part might hamper our negotiations with respect to the World Bank, the International Monetary Fund, the International Finance Corporation and the International Development Association.

Mr. Speaker, we cannot support this amendment.

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I particularly enjoyed the comments of the Hon. Member for LaSalle (Mr. Lanthier). I found it rather interesting that the Government Members in a sense support the first part of this motion, which includes the name IMF for clarification, but when it comes to the reporting of human rights, there is no way they will be on the side of that. They do not want to support the second part of the motion. They would have supported the first part, but it was part of a package. The Hon. Member for LaSalle said that the second part of the package includes not restricting Canada's behaviour to tying loans to human rights support in our development assistance, but simply the reporting of the ways and means by which we

were encouraging the development of human rights in those countries in which the World Bank group is associated.

I look rather incredulously across the aisle. I see the Minister of Agriculture (Mr. Wise), the Minister of State for Fitness and Amateur Sport (Mr. Jelinek), the Minister of State for Forestry (Mr. Merrithew) and a variety of their colleagues. Unless they speak differently, I guess I am hearing that they support the Hon. Member for LaSalle when he says that when it comes to human rights they do not want to be associated with that business, that they want to maintain the status quo.

The Hon. Member went on to read a nice statement that some bureaucrat obviously wrote, saying we should look at Canada's behaviour when it comes to human rights and at how we have ensured that all of our participation for development aid has resulted in more equality, in more egalitarian use of the aid and so on. Everyone in this House knows that the poor have become poorer and the right have become richer in almost every nation that we are presumably assisting, including Canada.

I take with some large chunks of salt some of the comments made by the Hon. Member. I do not believe he actually meant what he was saying, but was in fact reflecting the views expressed in the written statement of some bureaucrat on the government side.

I want to say a word or two about some aspects of this motion. We are asking the Government to accept this motion because it attempts to do basically three things. It attempts to ask Canada to pay some attention to human rights issues in our lending practices through the World Bank group. One could list pages and pages of countries that have received assistance from the World Bank group where respect for human rights is an absolute travesty.

I refer to countries like Chile. When Allende's elected Government was in power in Chile, the United States said that we had to stop this nonsense of supporting through the IMF and the World Bank the activities going on in Chile. As soon as that Government was replaced by General Pinochet and a totalitarian military dictatorship was imposed on the people and human rights were tossed out the window, the United States went to bat and said that now is the time for the IMF and the World Bank group to show support for the country of Chile.

We could go on with Vietnam. When Vietnam was in a state of war and there was American involvement there, the U.S. was supportive of IMF and World Bank aid. The minute they pulled out, they used their pressure to stop any assistance to South Vietnam.

In 1982 the United States Treasury identified 80 critical development issues in which the United States had sought to influence the policies of the World Bank group. That is from the United States Treasury itself. The United States said it was going to impose its heavy hand on the decision-making of that group. As a result, more and more development assistance tended to go to those countries where human rights abuses are extremely well known.

All we are asking in this motion is that Canada pay some attention to this fact, that Canada use its influence in these world financial groups to speak out against some of these pressure tactics of the United States and support the proposals that tend to recognize the human rights abuses in a variety of countries.

The motion goes on to add one other aspect. That is that the loans to the various countries coming from the World Bank group and the IMF assist those that really need assistance. All of us know that much of that aid simply goes to perpetuate the status quo. The status quo means a country where the land is controlled by a handful of individuals. I see the Minister of Agriculture here. He knows full well that one of the difficulties that these countries face is a continuation of a monoculture type of agriculture where people are starving because they do not have land on which to grow subsistence crops. They are encouraged through their system to carry on with banana plantations, coconut plantations and so on which are designed for a handful of people and for the procurement of foreign exchange. There has to be some balance in this. Many of our assistance programs simply perpetuate the old status quo type of economies that do little, if anything, to assist the poor people in a variety of these countries.

The third part of our motion asks that Canada work to protect the multilateral character of World Bank lending. Rather than tie a lot of the assistance in some way in terms of bilateral agreements, the multilateral system should be used. Anyone who appreciates and supports the concept of economic assistance to developing our lesser developed countries will have to admit that multilateral approaches in terms of assistance are certainly better than the bilateral-tied aid situation. This motion asks that Canada use its influence so that wherever possible the multilateral approach is used. I have not read a single article or book that says that the way to go is more bilateral aid. Quite the contrary. We are just going along with what is common knowledge.

We are asking the Government to pay attention to human rights abuses in countries that receive much of the benefits of the World Bank group and the IMF. We ask that Canada pay attention to doing what it can to ensure that the people who need the support, the economic infrastructure development and the export assistance in the developing countries receive it, not simply the landed aristocracy. Or, if you like, have aid milked through a corrupt, tinpot dictatorship as the sole beneficiary of much of this particular aid. More attention should be paid by Canada to encouraging development of multilateral assistance.

I cannot imagine why anybody would vote against this motion. I hope that before we vote we will have an opportunity to hear one of the Members of the Government Party explain what is wrong with these three proposals.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I would like to make a few comments on Motion No. 2, particularly the second part of that motion where we are

very modestly asking that the Government give more details in its annual reports on the activities of the World Bank group and the International Monetary Fund. In particular, we list four areas where we believe the House of Commons and the Canadian public generally need to have information from our Government as to the way in which we have participated in those organizations.

As the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) pointed out, we want to know how Canada has used its voice and its vote to promote internationally recognized human rights. The Parliamentary Secretary said that the Government tries to operate by consensus, but let us at least hear what our voice said when we were trying to reach consensus. Where do we stand on some of these questions?

● (1250)

The Task Force on the Churches and Corporate Responsibility, in its presentation to the committee last month, said that there should be the establishment of basic human rights criteria as a co-determinant for Canada's voting decisions at the IMF and the World Bank. When it talks about basic human rights, Mr. Speaker, it talks of the most narrow and restrictive meaning of that term. It was not talking about such exalted things as freedom of the press. It was talking about basic rights such as the right to be free from arbitrary arrest, detention and execution, the right to be free from torture or cruel, inhuman or degrading treatment, and the right to be free from internal or external exile. The most basic of human rights are what we are concerned about here. We would like to see some reporting on the way in which our voice, our vote, was used in determining loans to countries such as Chile where those basic rights are not observed at present.

We want to see reporting on the way in which Canadian initiatives promote the use of loans to meet the most basic human needs of the poorest and provide for a more equitable distribution of income to recipient countries. Certainly, Hon. Members of our Party—and I would like to think Hon. Members from all Parties—would not want our aid funding to go to create a wealthy elite which is completely separated from the needs of the poorest and most needy of the people in the country to which aid is going. We do not want to create just a shiny veneer at the top of the economic heap. We want to see true development, which means working from the bottom up rather than from the top down. We want to see policy actions taken by Canada to protect the neutrality and multilateral character of the World Bank group and the IMF and to resist the excessive pursuit of rigid bilateral policies by other member nations.

It is interesting to note that when this Bill was being debated in committee, the Government said we cannot have it both ways; we cannot both be concerned about human rights and be concerned that this whole process is not going to be politicized. I would like to ask Hon. Members on the government side if they see human rights simply as a question of politics, if they see it as simply something which pertains to the particular policies of a particular government at a given time, or if they see human rights and the question of politicization as something which is more basic as something quite different?

For example, we have seen the actions of the United States in the last few months in trying to block loans to Nicaragua. It is not because Nicaragua did not meet the formal criteria for the loans. In fact, the loans were approved on a technical basis. It is simply because Nicaragua does not meet some political criteria which are established by a paranoid official in the White House. We want to oppose that kind of politicization and it has nothing whatever to do, Mr. Speaker, with our insistence upon seeing that basic human rights are observed.

Finally, we want reporting on Canadian initiatives to promote financial adjustment policies which do not impose additional hardship on the poor. In the past we have seen the situation time and again where a debtor nation falls into some difficulty with the IMF with respect to its debts. The IMF goes in and establishes very rigid policies which have to be followed in order for the country to secure a rescheduling of its loan or additional credit. These policies impact most directly on the poor people in areas such as the withdrawal of food subsidies or cut-backs in social services. This is turn has led to riots, the so-called IMF riots where people have simply said: "We refuse to knuckle under to this kind of repression"; and that kind of unrest has led to further political repression and a movement away from democracy. That in turn often creates even more problems for the economy. It becomes a vicious circle.

We believe that Canada's voice should be heard in the direction of wanting to see that there are certain basic criteria which are adhered to in any IMF policy for debt rescheduling. Some of those criteria should require that debt rescheduling not result in an intolerable burden being placed upon the poorest people of the country involved.

It was interesting to note over the past week that the Prime Minister (Mr. Mulroney), when he was on his way to the summit at Bonn, said that he wanted to be a voice for the poor, for the Third World. Whether he was getting in some training because Conservative policies might soon leave Canada in a Third World, poor situation, or whether he was really concerned with speaking out on behalf of present Third World countries, I do not know, but if he is concerned about speaking out for present Third World countries, then I believe this is one area where Canada should be very active. We should make sure when we are dealing with the IMF that IMF resheduling does not impact in a way which simply adds additional burdens on the poor.

When the Task Force on the Churches and Corporate Responsibility appeared before the committee, Mr. Speaker, it pointed to three areas where it thought there should be establishment of the basic human rights criteria as a co-determinant for the granting of loans through the IMF or the World Bank. It also thought that there should be the establishment of social criteria as an integral part of the stabilization and adjustment measures negotiated between credit applicants and the IMF. When we are dealing with those countries which have been

involved with gross violations of human rights, it suggested that there could be some specific projects which would give help to those who were most poor and needy and perhaps the establishment of a basic needs criteria which would ask the question: "Does a specific project help in such areas as food, shelter, clothing or education for the people at the very lowest stratum of society?" If that is the case, perhaps we would see our way clear to make loans available in those countries, but not if the loans simply go to provide some kind of development which is going to benefit only the people at the top.

It is interesting that Section 701 of the International Financial Institutions Act of the United States has this kind of provision. The brief of the Task Force on the Churches and Corporate Responsibility states, and I quote:

> Section 701 prohibits U.S. aid through multilateral institutions to "gross and consistent violators of internationally recognized human rights", unless it can be established that the aid project in question serves basic human needs. Basic human needs are defined as covering food, clothing, shelter, health and education.

This is one of the areas in which I think we should be willing to move. It is one of the areas which we want to see reported on. As my colleagues have said, we believe that this motion calling for reporting is one which should be supported on all sides of the House and I urge all Hon. Members of the Government to support it.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PROVINCIAL AFFAIRS

ONTARIO ELECTION RESULTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise today to congratulate the Prime Minister (Mr. Mulroney) for the wonderful job he did on behalf of his colleague, Frank Miller. The packaged Tory presentation, so typical of government by presidential caveat, was absolutely and totally rejected. In fact the downward tailspin of the Ontario Conservatives began when the Premier refused to debate the Opposition Leaders and then attached himself to the Prime Minister's coat-tails, which proved to be very short.

I can understand why the Prime Minister refused to say anything in English about the election results when confronted in Bonn. The stunning victory of David Peterson and the Ontario Liberals, the Party that received the most votes of any in Ontario, was a massive repudiation of Mulroney's seven months of broken federal promises.

The Prime Minister, on the satellite Tory love-in, said: "You can bet your mortgage on a Tory majority". As housing critic, I am calling to collect.

Today the Prime Minister blames the revenge factor on the tremendous Tory losses. Surely he should know best about the revenge factor; witness the cheap shot he levelled at the Secretary of State for External Affairs (Mr. Clark) regarding the Nicaraguan embargo. Mulroney believes the urge to get even may overcome the urge to get elected. That is the time-worn Tory way, but the people of Canada are not interested in getting even. They are interested in getting jobs. Take heed, Mr. Prime Minister, the message from Ontario means—

Mr. Speaker: I regret to interrupt the Hon. Member, but her time has expired.

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CONSUMER AFFAIRS

TAX DISCOUNTERS—DELAY IN GOVERNMENT ACTION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to inform the House of another instance of the Conservative Government's policy of strangulation by consultation.

Throughout this fall and winter, Members of Parliament and consumer groups have heard the Minister of Consumer and Corporate Affairs (Mr. Côté) say that he intends to act on the shameful practice of tax discounting. He, like the Minister of Consumer and Corporate Affairs in the previous Liberal Government, fully intends to act, and told representatives of the Quebec consumer affairs group, ACEF, that he intended to bring legislation before the House by June of this year.

However, yesterday the Minister reversed himself, and now he wants to consult further with a consultation paper. This paper, and yet more consultations, will take even more weeks and months. The Minister should know that the longer he consults the more difficult his final action will become, because tax discounting is growing rapidly. Since 1981 the number of companies has quadrupled, their revenues have quintupled, and the number of offices has increased 13 times to more than 1,000.

All this is happening in an area that has been universally condemned as a rip-off of tens of millions of dollars from those who can afford it least. Much of the money taken comes from the federal Government's own child tax credit. Yet the Minister's reponse is more consultation. Consultation with whom, and consultation to what end? The Minister should realize that there is a point at which consultation becomes stalling, and—

Mr. Speaker: I regret to interrupt the Hon. Member, but his time has expired.

HELSINKI ACCORDS

OTTAWA CONFERENCE—HUMAN RIGHTS IN POLAND

Mr. John Reimer (Kitchener): Mr. Speaker, participants in the Conference on Security and Co-operation in Europe, designed to monitor compliance with the 1975 Helsinki Agreement signed by Canada, the United States, and 33 European countries, today commenced formal deliberations in Ottawa.

Specifically with regard to Poland, it is crucial that the participants address themselves to the human rights of the Polish people and the Solidarity movement. Lech Walesa and Father Popieluszko have become household names because they have embodied the hopes and fears of their fellow Poles who seek those fundamental rights and freedoms enjoyed by all Canadians.

Therefore it is Canada's privilege and responsibility, as a nation which takes pride in its historical role as a champion of human rights and freedoms, to support and encourage the Solidarity movement actively. This we can do by calling upon the respective Governments of Poland and the Soviet Union to uphold the terms of the Helsinki Accords with respect to Solidarity and the people of Poland.

In 1961 the late American President, John F. Kennedy, immortalized the words, "*Ich bin ein Berliner*", precisely because those words encapsulated his own identification with the oppressed people of East Berlin and East Germany.

Similarly today, each Canadian who values freedom and democracy, can identify with the people of Poland by proclaiming that we, too, are members of Solidarity.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

CANADA POST CORPORATION

NEED TO RESTORE CREDIBILITY

Mr. Marcel R. Tremblay (Québec East): Mr. Speaker, I would like to continue the comments I started to make last Wednesday, which appear on page 4287 of *Hansard*. I mentioned the fact that in my riding, more than 15 per cent of the letters I sent were returned with the comment: "Moved: no forwarding address". However, most of the addresses were correct.

Mr. Speaker, what is the use of spending so much time and effort on communicating, if our mail does not reach its destination? Isn't every taxpayer entitled to receive prompt and equitable service from Canada Post?

As a Canadian and as the Member for Québec East, I am very proud to serve my constituents, and I believe it would be tremendous if all Canada Post employees could feel the same pride and satisfaction with a job well done.

S.O. 21

Mr. Speaker, the credibility of Canada Post must be restored in order to regain user confidence. Would the answer be to create another commission of enquiry?

* * *

[*English*]

TOURISM

FEDERAL ADVERTISING—DISSATISFACTION IN NEW BRUNSWICK

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, some of the members of Common Council of the City of Saint John have expressed their displeasure with the federal Government's tourism advertising.

[*Translation*]

In fact, the Federal Government's tourism advertising in the April issue of the magazine "Sélection" emphasizes tourism in Quebec and in Southern Ontario. As for New Brunswick, the ad only mentions the Campbellton Festival and Loyalist Day.

Does the Minister not realize there are more tourist attractions in New Brunswick? Has the Government forgotten that the Canada Games will be held in that province this year? I should think that would be a very important national event.

But that is not all. The Minister of State for Tourism (Mr. McMillan) also forgot to mention in his ad the Acadian Games, the Lobster Festival, the Fisheries Festival, the Acadians' National Day, and a lot more.

The people of New Brunswick have every right to be dissatisfied.

[*English*]

"It's very bad. It's about total neglect," said the Common Council. "The federal mandate should be larger than that." Is this what the Minister means by: "We have to back winners at the expense of losers?" Are we in New Brunswick going to be the losers?

* * *

EDUCATION

FIRING OF VANCOUVER SCHOOL BOARD BY PROVINCIAL GOVERNMENT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, yesterday the Minister of Finance (Mr. Wilson) announced a Budget for May 23 and said that it would be a tough one. Yesterday the Social Credit Government of British Columbia fired the duly elected members of the Vancouver School Board because those trustees, with public support, refused to apply Draconian restraint measures, opting instead for decent education for Vancouver children.

The Vancouver trustees were elected specifically on a pro-education, anti-restraint program. Then the Government of British Columbia, in January of this year, passed a dictatorial

provision in the Education (Interim) Finance Act, which states:

On or before May 1 in each year the Board of each school district shall by by-law adopt the budget for the next fiscal year in accordance with any directives issued by the Minister.

I call upon the federal Cabinet to look closely at the disallowance power it has under Sections 56 and 90 of the Constitution Act of 1867, to strike down this anti-democratic provincial law, and to restore democracy in British Columbia. I further call upon the federal Government, which is negotiating English as a second language funding with the Government of British Columbia, to use its influence so that education dollars are spent for education.

Finally, I would draw to the attention of the Minister of Finance how restraint policies have ruined the once prosperous economy of British Columbia. In his Budget of May 23, I ask him to avoid that kind of Draconian restraint and any educational cut-backs.

* * *

NATIONAL PARKS

RESTORATION OF CITADEL HILL IN HALIFAX

Mr. Stewart McInnes (Halifax): Mr. Speaker, Citadel Hill in Halifax will be restored as a result of an historic agreement signed between Parks Canada and The Friends of the Citadel Society. This program is a first, and is representative of our Government's desire to have private groups take the initiative in areas where high deficits have forced government restraint.

The Friends of the Citadel have initiated a revised plan whereby the restoration, which was previously deferred, will now proceed with the co-operation of Parks Canada. This joint project, which will provide immediate employment for approximately 65 students as "period soldiers", will also see extensive portions of the Citadel's fortifications restored.

• (1410)

Under this momentous agreement The Friends of the Citadel have committed themselves to raising approximately $2 million over the course of the project, while Parks Canada will provide $1 million. I feel confident that the citizens of Halifax will respond with generosity and enthusiasm to this plan. I applaud the ingenuity and imagination of The Friends of the Citadel, and the sensitivity of the federal Government in implementing the restoration of Citadel Hill.

* * *

INDUSTRY

NEW BRUNSWICK MEAT PROCESSING FIRMS

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I wish to draw the attention of this House to a crucial issue facing two major meat processing firms in New Brunswick. The future viability and existence of Hub Meat Packers Limited in Moncton, and Chippin Bros. Ltd. in Fredericton, will be in jeopardy if and when the Minister of Regional Industrial Expansion (Mr. Stevens) signs an ERDA agreement with the Province of Prince Edward Island.

This agreement is intended to live up to a promise made by the past Liberal Government in the latter days of its mandate to provide funding to the former Canada Packers plant in Charlottetown, P.E.I. The Department of Agriculture, and the government commissioned study on the red meat industry in Altantic Canada, both cautioned against expansion of meat processing capacity in the Altantic Provinces.

The Province of P.E.I. has already expressed its intention to expand the number of hogs processed from 2,650 to 4,500 per week. Thus the activities of the federal Government, in conjunction with the Government of P.E.I., will place in jeopardy the supply of hogs and beef to the existing plants in Fredericton and Moncton.

Our Government has shown integrity in honouring past commitments, but a lack of foresight is allowing this commitment to be kept without taking precautions to protect the supply of hogs and beef to the plants in New Brunswick, or to limit the processing capacity of the P.E.I. plant. I urge the Minister of Regional Industrial Expansion to co-ordinate activities with other federal government agencies to guarantee the supply of hogs and beef to New Brunswick plants so as to protect the more than 600 jobs currently in existence but in jeopardy in both Moncton and Fredericton.

* * *

[*Translation*]

IMMIGRATION

NEED TO ADOPT GLOBAL POLICY CONCERNING REFUGEES AND IMMIGRANTS IN GENERAL

Mrs. Lucie Pépin (Outremont): Last week, Mr. Speaker, we learned that the Progressive Conservative Government had cancelled its lease with Toronto's Avion Hotel where refugee status applicants were held. The Minister of Employment and Immigration (Miss MacDonald) stated that from now on humanitarian organizations should be responsible for sheltering and feeding a number of future refugees.

If we contrast the decisions to reduce refugee services and raise next year's immigration levels, the contradiction is even more obvious.

The Progressive Conservative Government is planning to let private organizations assume part of the refugee financial burden instead of shouldering its responsibilities and expanding refugee services at the same time as it raises immigration levels.

What we need, Mr. Speaker, is a new global policy concerning refugees and immigrants in general. This policy would cover such sectors as employment, training and social services,

as well as others more specifically related to reception and accommodation.

Therefore I urge the Progressive Conservative Government to drop its plans to let private organizations look after landed and future immigrants.

* * *

[*English*]

VETERANS AFFAIRS

VISIT TO NETHERLANDS BY CANADIAN VETERANS OF WORLD WAR II

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, yesterday, from coast to coast, Canadians must have felt pride at the hero's welcome some 2,000 Canadian veterans and veteran's spouses received from the Dutch people.

Some Hon. Members: Hear, hear!

Mr. Stackhouse: This visit to the 40th anniversary celebration of the liberation of the Netherlands from Nazi occupation was more than a sentimental journey; it was also a message from history. For a generation Canada and the Netherlands have had a warm and secure friendship. Neither country has had aggressive desires against any other people. Each has been committed to peace. However, this anniversary of war does not contradict any of that. Rather, it reminds us that preparedness for defence is necessary for peace.

Canadians died in the Netherlands in 1944 and 1945 because the democracies were not prepared to resist Nazi aggression in 1939 and 1940. Our desire for peace in the 1980s must benefit from this hard lesson. Sir Winston Churchill said another name for World War II could have been the "unnecessary war", unnecessary because it could have been prevented. This anniversary of World War II reminds us that if Canadians are never to return to Europe and war again, Canada and its allies must be prepared to prevent aggression by being prepared to resist it.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ALBERTA CABINET MINISTERS

Mr. Speaker: Before proceeding to Oral Question Period, may I advise Members of the presence in our gallery today of the following Alberta Cabinet Ministers: The Hon. H. L. Planche, Minister of Economic Development; the Hon. E. L. Fjordbotten, Minister of Agriculture; and the Hon. L. R. Shaben, Minister of Housing.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

BONN ECONOMIC SUMMIT

CANADA-UNITED STATES TRADE RELATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. The unfortunate failure of the Bonn Summit to move forward the agenda on world trade threatens to accelerate protectionist sentiment in the U.S. Congress and, indeed, in the European Economic Community, potentially leaving Canada in a very vulnerable position.

The Prime Minister will understand that any new trade barriers in the U.S. would be of grave concern to Canada. My question relates to his answer yesterday in the House when he told Members that he could not guarantee that Canada would receive any exemption from American trade barriers, yet a number of weeks ago in Quebec City he signed a joint declaration with the President of the U.S. moving both Canadians and Americans toward freer trade. Would the Prime Minister be good enough to explain to the House just what kind of arrangement he has with the President of the U.S.?

Right Hon. Brian Mulroney (Prime Minister): It is interesting, Mr. Speaker, after listening to the Liberal Party castigate the Government for trying to develop closer and sounder commercial relations with the U.S., to find all of a sudden the Grits are getting worried. Well they should be, because there are three million Canadian jobs which depend on developing the kind of mature and responsible relationships we have tried to rebuild since the election campaign, and with which, I am sure it is widely known, my right hon. friend is in general agreement. Indeed, there was a failure to reach unanimity at Bonn, but Canada, along with other countries, worked very strenuously to preserve the multilateral trading process and the thrust toward liberalization of trade. The Quebec meeting was all the more important because there was a declaration of intention there between the U.S. and Canada.

We hope there will not be a breakdown in multilateral moves toward trade liberalization but, if there is, we believe that the efforts we have initiated will stand us in good stead in consideration of options *vis-à-vis* the U.S., all of which will be designed to protect Canadian jobs *vis-à-vis* the U.S. market.

INTEREST RATES ISSUE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my criticism of the Prime Minister's position at the Quebec Summit was that he over-estimated the President's clout with the U.S. Congress, which is where our problem is going to lie.

[*Translation*]

However, besides our concern over American trade barriers, Canadians are also worried about interest rates. When in Bonn, the Prime Minister should have raised the interest rates

issue with President Reagan. How come he did not manage to convince his friend the President to include in the final communiqué a plan of action to lower world interest rates?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we did discuss at length the problems created by interest rates and their impact on future economic recovery. Should one care to read the communiqué, one would indeed note direct references to the causes of our interest rates. It must be said, one is the extraordinary indebtedness which our relatively small population has inherited from the previous Government. When the other nations were in a position to appreciate the full extent of the debt which Canada inherited from the Liberals, they were quite horrified by such indebtedness. That is why our economic recovery program is much more serious and much more appropriately geared to the private sector.

Mr. Turner (Vancouver Quadra): On several occasions, Mr. Speaker, the Minister of Finance had explained that interest rates are linked with the American monetary policy.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

GREAT LAKES POLLUTION—CUT IN UNITED STATES PROGRAM FUNDING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my final supplementary question arises out of our relationship with the U.S. I was disturbed, as were I believe many Members, to learn of the recent decision of the U.S. Senate Committee on the environment which effectively cut about $175 million from pollution programs in states bordering the Great Lakes. This is, of course, of great concern to Canada in relation to those international waters. Would the Prime Minister advise the House whether he has telephoned the President of the United States on this very serious environmental subject?

● (1420)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Right Hon. Leader of the Opposition perhaps knows that in the hearings prior to the decision being taken, representations had been made by the Government of Canada. We regret the decision that has been taken. We will be making other representations. We will try to follow those through normal channels at the moment. However, if it becomes necessary for me to raise the matter when I meet the Secretary of State, Mr. Schultz, in Washington in 10 days time, I will certainly do that.

[*Translation*]

TRADE

TRADE WITH NICARAGUA—POSITION OF UNITED STATES GOVERNMENT

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. In the light of the decision made yesterday by the U.S. Treasury Department to monitor closely Canadian branches of U.S. companies that trade with Nicaragua, could the Prime Minister give Canadian businessmen the assurance that they can continue to trade with that country, without fear of reprisals? Furthermore, could we perhaps ask companies, even the branches of U.S. companies, to sell agricultural equipment and medical supplies, which are both extremely important to the economic survival of the people of Nicaragua, without incurring any punitive action on the part of the American Government?

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have made it clear since the American policy was announced that it is their policy and not ours. We have sought and received assurances that American sanctions will not affect Canadian exports, including those in the sensitive fields which the Hon. Member has mentioned.

The Member refers to reports out of the United States that Americans will be closely monitoring Canadian activity. If that is the case, I can say that there will be a whole lot of monitoring going on, because we intend to monitor extremely closely both the formulation and application of any regulations that the Americans might bring in with regard to their sanctions to ensure that they do not limit, in any way at all, Canadian exports to, or Canadian relations with, Nicaragua.

STATEMENT ATTRIBUTED TO LIBERAL MEMBER OF PARLIAMENT

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I am glad to have the statement of the Right Hon. Secretary of State for External Affairs. However, I would like to inform him that when the External Affairs committee advocated the proposition that Canadians should try to fill the gap, a member of his own Party said that it would be "more or less like selling yourself off the street", if Canada were to fill the gap. I hope the Hon. Member will ensure that Members of his Party do not say that, because we want to help the poor people of Nicaragua; Canadians do not want to persecute them.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am not sure if there was a question there.

Mr. Chrétien: It was the Member for Halifax West.

Mr. Clark (Yellowhead): He has the Member right. I do not know that that is any guarantee that he has the statement right. I would like to make it clear that the interest of the

Government, and I would hope the interest of Parliament, is that the Government of Canada and the Parliament of Canada can act, during the period when these sanctions are in place, in every way possible to encourage econmic strength and political stability in Latin America. Our principal concern is the strength and vitality of the Contadora process. We in the Government, I hope with the support of Parliament, intend to do everything we can to strengthen that Contadora process.

REQUEST THAT EXPORT CREDITS BE EXTENDED TO NICARAGUA

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is also directed to the Secretary of State for External Affairs and follows up on the very good statement he has just made. Is Canada now prepared to extend export credits to Nicaragua and to Canadian firms that are willing and able to undertake increased exports of fertilizers, pesticides, machine parts, and so on? Will he now say yes to extended export credits to both Nicaragua and those firms?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, at this time in the afternoon of this particular Tuesday I am not prepared to say yes to the question that has just been raised by the Hon. Member. We are going to look at the policies that are brought in by the United States. We are going to look particularly to ensure that there is no extra-territorial application. We will then make judgments as to anything else that Canada should do.

I have already made it very clear that the Government of Canada does not intend to have its policies changed by the American introduction of sanctions. We do not intend to change the aid and development program we have put in place. We do not intend to change the plans of the Minister for External Relations to visit Central America and Nicaragua later this summer. We do not intend to change our strong and unequivocal support for the Contadora process.

REQUEST THAT ENVOY VISIT NICARAGUA

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, will we do something to fill the enormous gap that is going to be caused by the U.S. embargo? The one big thing we could do is to extend export credits.

The Minister for External Relations will not be going for several weeks. Since we have no mission in Nicaragua, will the Minister consider sending a special envoy now from his Department to Nicaragua to determine the economic and other needs of the Nicaragua people and ways in which Canada might further the excellent work we are already doing? The envoy could report back to the Minister on the additional things we could do to be helpful.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I appreciate the acknowledgement of the Hon. Member that the work being done by the Government of Canada in Nicaragua is excellent. Indeed, I would go further than that and say that the interest that has been shown by private Canadian groups and individuals has also been excellent.

I want to know what is happening in Nicaragua as a result of the sanctions that have been announced. If special means are required to find new information on what is happening there, we will certainly do that. First, I want to see the exact nature of the sanctions that are being imposed. I want a specific idea of what is at issue here. Then we can begin to see if it is useful for Canada to add to the development work we are involved in for the support of Cantadora and the other very extensive support we have already given to the process of stability and peace in Central America.

* * *

BONN ECONOMIC SUMMIT

WORLD MONETARY CONFERENCE PROPOSAL

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Prime Minister. Yesterday I asked why the subject of interest rates had not figured prominently at the Boon Summit and why the Prime Minister did not ask President Reagan to agree to a world monetary conference. The Minister of Finance responded that Finance Ministers discussed the importance of lowering interest rates. Did the Prime Minister then voice this concern to President Reagan and stress to him the need for a world conference on reform of the international monetary system, which is what France was advocating?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that was responded to by the Minister of Finance yesterday. France put forth its views in regard to a monetary conference. Those views were not shared by its European partners in the Economic Community, nor were they vigorously shared by other participants.

CANADIAN POLICY

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Minister of Finance has previously said publicly at the IMF meetings that there is a need for the industrialized countries to work in concert to reduce their interest rates. It seems as though the Minister of Finance may take whatever position he wishes with his counterparts, but cannot count on the Prime Minister to back him up if those positions in any way appear to threaten our so-called special relationship with the U.S.

What exactly was the situation? Did the Prime Minister try, without success, to influence President Reagan, or did he simply side with President Reagan, as President Mitterand indicated, in an effort to protect that special relationship?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, perhaps I can clarify some misunderstanding which the Hon. Member clearly has on this topic. Frence wants a major Bretton Woods type of conference. Those are the words of President Mitterand. We and other members of the summit

nations have said that we do not need a major Bretton Woods type of conference. However, it would be helpful to take the report of the Group of Ten Finance Ministers that will be tabled in Tokyo in June and study it further in Seoul at the IMF meeting and possibly come up with some evolutionary changes in the system, but not a revolutionary change like a major Bretton Woods type conference for which President Mitterrand seems to be asking.

* * *

● (1430)

NATIVE PEOPLES

GOVERNMENT FUNDING OF PROGRAMS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. On April 19 he said that for the coming fiscal year there would be no program cuts affecting native people's programs. Will he confirm that, on or about the same day, Cabinet considered a document that was submitted by the Deputy Prime Minister and supported by 11 other Departments, that contained recommendations for budget cuts in native people's programs for the fiscal years 1986-87 and 1987-88 in the sums of $133.9 million and $178.4 million respectively?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the President of the Treasury Board signals his unawareness of that specific document. While I would have to refresh my memory, I have no recollection of that particular matter.

What has happend from time to time is that the Deputy Prime Minister reviews with groups from the outside, the private sector, labour unions and others, all of the programs as they exist in the Government of Canada, to try to save the taxpayers money and deliver services more efficiently to the people of Canada. In the course of that review we have received reports from time to time, and any definitive action thereon will of course come in budgetary statements, or otherwise.

CABINET DISCUSSION INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a supplementary question for the Prime Minister concerning the secret document on the so-called "Buffalo Jump of the 1980s", a copy of which I have. Will he confirm that the Cabinet actually discussed a recommendation pertaining to the announcement of changes in native people's programs that contain the following words, "that no announcement of specific native program changes would occur before the budget is unveiled . . . allowing time for the impact of changes in other sectors to register"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have no knowledge of what the hon. gentleman—

Mr. Andre: Get a new source, Ed.

Mr. Mulroney: Maybe you want to get a better gumshoe; I don't know.

I can tell the Hon. Member that it is true that we obviously receive from time to time reports of commissions of inquiry and other recommendations. In this particular case the Deputy Prime Minister undertook a long overdue review of all existing ongoing programs to ensure the effective use of taxpayers' dollars. I have no recollection of that specific matter, but I can assure him that that would not have been our intent, in any case.

CONTENTS OF ALLEGED CABINET DOCUMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is written in the document in question, which was prepared by the Deputy Prime Minister, that it has the support of 11 Ministers of the Crown and is submitted for Cabinet consideration. It also contains a media strategy that is intended to convey or generate a certain impression of effects on the native people of Canada, after the Budget comes down.

In light of this, and the fact that the document recommends many changes in programs affecting native people and cuts out millions of dollars from the programs, does it not make a mockery of the Prime Minister's commitment to consultation, when the leading native people's groups have not been consulted at all about this outrageous proposal?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, perhaps I can help. I am not sure what document the Leader of the New Democratic Party has, but those matters which he raised with the Prime Minister in his question, and any of those matters with which I have been involved with respect to the Cabinet, are, of course, matters that the Prime Minister dealt with in a statement in the House on April 18 when he indicated that there would be no policy affecting aboriginal peoples that would not be a result of open and public consultation. That was the position then, that is what it is now, and that is what it will be.

Some Hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

GREAT LAKES WATER QUALITY AGREEMENT—UNITED STATES BUDGETARY CUTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. It concerns the Canada-United States Great Lakes Water Quality Agreement which is based on a commitment by both countries to construct waste treatment plants in our lakes. Suddenly the United States Senate committee has decided to deny up to $175 million to the United States Great Lakes states to construct sewage treatment plants.

I do not know whether the environmental cuts announced by the Government last November led to a belief by the U.S.

Government that it can disregard agreements, but has the Minister registered her disapproval of this decision with her counterpart in Washington, and does she intend to correct the situation in the meeting that is to take place in two days?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, the Hon. Member is very fond of talking about cutbacks in my department's budget, but he tends to forget that we have earmarked $300 million for acid rain. That is not a cutback, that is added funding.

Some Hon. Members: Hear, hear!

Mrs. Blais-Grenier: As for the Hon. Member's other question, I may point out that we are fully aware of this statement by the U.S., and my hon. colleague, the Secretary of State for External Affairs, is very well acquainted with the matter and I am monitoring the issue very closely.

[*English*]

CANADIAN REPRESENTATIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my supplementary question is directed to the Secretary of State for External Affairs since the Prime Minister has shown today that, when it comes to special relationships with the United States President, he certainly does not use them for environmental matters. They are only good enough to intone duets in Quebec City.

What specific recommendations does the Secretary of State for External Affairs have in mind to take to his counterpart, of the kind that he just announced to my Leader earlier? What specifically does he intend to say to the U.S. Government so that it will live up to the content, spirit, and substance of the agreement?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I find it most curious that the Hon. Member, who was a Minister of the Environment who failed to get agreement on important environmental problems between Canada and the United States, should raise the question of the record of this Prime Minister or this Government.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): It was as a result of this Prime Minister and this Government that we now have, after a long, long period of no progress at all, movement toward the solution of the critical problem of acid rain.

I will be meeting the U.S. Secretary of State again in the next ten days in Washington. We will be making representations to the U.S. Government between now and then. If it is necessary for me to make specific personal representations to Mr. Shultz on this question at that time, then I will do that.

Oral Questions

NATIVE PEOPLES

INDIAN HEALTH CARE

Mr. Jim Fulton (Skeena): Mr. Speaker, I refer to the Deputy Prime Minister's April 12, 61-page memorandum to Cabinet which is based only in part on the so-called "Buffalo Jump of the 1980s" task force report. Page 7 of the Cabinet document states that 11 Departments are in general agreement, including the Department of National Health and Welfare.

Would the Prime Minister state definitely his views on the recommendations on page 39, listed as priority change, that costs for Indian health care be reduced by introducing deterrent fees and closing Indian hospitals in Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I believe my hon. friend was here when I responded some weeks ago. That is rather an old report that he is relying on—second or third hand.

My hon. friend, the Minister of Indian Affairs and Northern Development, indicated the commitment of this Government, and I believe that we display it. I hope my hon. friend would agree that we display it through the approach of this Government to native affairs, and our deep and genuine concern for them, indicated by the manner in which we approached the aboriginal conference here in Canada. We are deeply committed to justice and fairness for our native peoples, and we shall never back down from that commitment.

• (1440)

Some Hon. Members: Hear, hear!

SCHOOLS ON RESERVES

Mr. Jim Fulton (Skeena): Mr. Speaker, it will not be that easy for the Prime Minister to get off the hook this time. The report that the Prime Minister and the Minister of Indian Affairs and Northern Development denied knowledge of is "The Buffalo Jump", the 395-page task force report. This is the Deputy Prime Minister's report to Cabinet, support by eleven members of Cabinet and their Departments. I want some clarification from the Prime Minister.

This is quite a different document. Concerning the last four pages of the document, would the Prime Minister confirm how the Government intends to manipulate the media around Budget day? Also, immediately following that is the aboriginal conference. Does the Government intend to make the announcement of change and cuts after the aboriginal conference?

Another very small thing, Mr. Speaker. Would the Prime Minister give his views on what the real agenda is, because on page 41 we see that the Government's intention is to close schools and student residences on reserves but to make that announcement after the Budget and after the aboriginal conference?

Some Hon. Members: Shame!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I hate to disabuse my friend who likes to trade, and I regret to say it, in causing fear and alarm in native people—

Some Hon. Members: Oh, oh!

Mr. Broadbent: It was Nielsen's report.

Mr. Mulroney: —who know full well—I know the truth hurts the NDP.

Mr. Waddell: Frank Miller said it.

Mr. Mulroney: I know members of the New Democratic Party do not like it, but why do they not just wait? Rather than brandish documents like that and use scare tactics, why do they not wait until the Budget and see how wrong they are? Why don't you wait and see how bad you really are?

Some Hon. Members: Hear, hear!

* * *

YOUNG OFFENDERS ACT

REQUEST FOR COMPREHENSIVE REVIEW

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I have a question for the Solicitor General. It concerns the Young Offenders Act which was passed in 1982. As of April 1 the minimum age for a trial in a criminal court has been raised from 16 to 18 years of age. Since one of the consequences of this is that a 17 and a half year old could kill a person and be sentenced to a maximum of only three years, will the Solicitor General consider a comprehensive review of concerns like this, and other provisions in the Act?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, the Young Offenders Act, as the Hon. Member knows, was passed in the last Parliament with considerable support from all Parties. I think the Hon. Member should realize that while there are problems with the Act as it is being applied, and as it is evolving, there is a provision, I believe it is Section 16, that in cases where circumstances warrant, and an application is made before the court, a young offender can be transferred into adult court, and can receive an appropriate sentence if the circumstances warrant.

* * *

HOUSING

CO-OPERATIVE HOUSING—GOVERNMENT POLICY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the past the Prime Minister has made cracks about my voice. All I can say about the Prime Minister today is the less the truth, the lower the voice.

My question is for the Prime Minister. Does the Prime Minister still believe the statements he made last July when he wrote:

> There are few matters of more importance to people than adequate housing for themselves and their families. The Progressive Conservative Party finds it inexcusable that the Liberal Government should cut back the funds for the co-operative housing program. Co-operative housing will continue to have a high priority in progressive Conservative policy for housing.

Does the Prime Minister still believe those words, or were they merely a pre-election ploy?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I would like to confirm the words of the Prime Minister on July 8 last year.

Some Hon. Members: Hear, hear!

Mr. McKnight: I would like to inform the Hon. Member that in 1985, in CMHC's last promotion to Stage 2 in Section 56(1), the division between non-profit, private and public non-profit and co-op housing, over 50 per cent of the awards in the competitive process within section 56(1) were given to co-op housing projects.

SIZE OF FUNDING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to ask the Prime Minister whether he can back up those statements made in July.

Mr. Hnatyshyn: Lower, Sheila.

Ms. Copps: If he cannot, how can he justify co-op cut-backs of up to 60 per cent in Halifax where there is a waiting list of 2,000 people and the City is forced to put up those people in hotels; cut-backs of up to 60 per cent in Vancouver where the Member for Vancouver Centre was able to secure a billion dollars for the oil barons but could not get money for a co-operative women's housing co-op project in downtown Vancouver, and cut-backs of up to 60 per cent in the city of Toronto? How can the Prime Minister justify those co-op cut-backs in light of his own statement last July?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the Hon. Member is using selective figures that are not relevant to fact.

Mr. Axworthy: Three major cities.

Mr. McKnight: I would encourage the Hon. Member to take a look at the number of projects and the applications. Some 500 plus applications were received. Within the fiscal framework allowed this Government compared to the spending done by the previous administration, over half of those projects received awards. Again, I would reiterate that, rather than reducing awards to co-ops, as the previous administration did by 41 per cent between 1983 and 1984, there has been an increase, and in the competitive process between public non-profit and private non-profit and co-ops over 50 per cent of the projects awarded have been to co-ops.

Some Hon. Members: Hear, hear!

CANADIAN WHEAT BOARD

SHIPMENT OF GRAIN THROUGH PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister responsible for the Wheat Board. As the Minister is aware, statements were made in the last little while by officials of the Wheat Board that there will be either little or no grain shipped through the Port of Churchill this summer. I would like to hear the Minister's response whether those statements are correct or, if not correct, can he tell us when the people who work in the Port of Churchill will know if there is grain coming this summer?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I assume the article to which the Hon. Member refers today was a Canadian Press article out of Winnipeg stating that the Board may not move grain through Churchill, and I would point out two things. First, it is not the policy of this Government, nor has it been the policy of previous Governments, to interfere in the day-to-day operations of the Board, in other words, to get involved in directing it. What I can say is that, bearing in mind there was a short crop last year and that exports will be down, I am aware of some contracts currently being negotiated that will move through the Port of Churchill, and I certainly expect Churchill to have grain movement this year.

UPGRADING OF PORT

Mr. Rod Murphy (Churchill): Mr. Speaker, it may not be the policy of this Government to make a commitment on where grain should go, but there is the commitment of the federal Government and the provincial Government in Manitoba to spend millions upon millions of dollars to up-grade the Port of Churchill and to fix up the line that goes to the Port of Churchill. A power line is being built to the Port of Churchill at this time. Would it not also make a lot of sense for the Government to have a commitment to a certain percentage of grain through that port? Why invest that money if the Government is not going to commit grain to the Port?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I am perfectly aware of the agreement, in fact well aware of many of the details of the agreement, and those agreements are proceeding. They have all been upheld as far as the Government is concerned.

This Party is well aware of the importance of Churchill. In fact the Minister of Transport in 1979, the present Minister, was responsible for extending the shipping season at Churchill into November, which was the longest season it had ever had. Bearing in mind that the Board can negotiate, and will negotiate terms that will have grain moved through Churchill, as late as July, the press reports, I think, are very, very premature. As I said, I fully expect to see grain moved through the Port of Churchill this year, especially in light of what the Hon. Member says, which makes good common sense. One does not spend a lot of money and then leave the port sit idle. We fully appreciate that.

[*Translation*]

HOUSING

GRANTS GIVEN TO ONTARIO COMPARED WITH THOSE GIVEN TO QUEBEC AND MARITIME PROVINCES FOR RENOVATION OF HOUSES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister responsible for Canada Mortgage and Housing Corporation. The Minister is aware of the fact that mayors of Quebec municipalities and Quebecers generally are furious as a result of his decision to reduce the housing renovation program by $17 million, compared with a mere $2 million cut-back in Ontario.

Can the Minister tell the House and the people of Quebec why he has opted for this formula which is unfair to Quebec and the Maritime Provinces? Does he intend to allocate additional funds to make up for such unfair treatment?

[*English*]

Hon. Bill McKnight (Minister of Labour): I am sure the Hon. Member is aware that the renovation program is designed to provide repair and renovation for all areas of Canada. I understand and sympathize with the pleading and the request, but the Hon. Member must understand that there are people, regions, entire municipalities within Canada, that have absolutely no benefit from RRAP as it is presently designed because of the very, very scarce resources with which we have to work.

● (1450)

In terms of numbers, I should like to inform the Hon. Member that the total RRAP budget for the Province of Quebec this year is $30.5 million, and the total RRAP budget for the Province of Ontario is $17.8 million. These figures are based upon the needs-based formula which will be phased in over the next three years. As a matter of fairness, I would put the policies and proposals by CMHC, implemented in 1985, against any policy, except that of exceptional favouritism during election years of the previous administration.

[*Translation*]

CONSTRUCTION OF RENTAL HOUSING—QUEBEC POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): I have a supplementary, Mr. Speaker.

Mr. Speaker, I was expecting that kind of stupid answer from the Minister since the same one was given by the CMHC President.

Are the Minister and the President of the Treasury Board prepared to confirm that Ontario is now the only province which has funds allocated for rental housing construction? Quebec and the Maritime Provinces used to get more money under the housing renovation program because Ontario and the Western Provinces needed social and rental housing. Is it

true that Quebec is lagging behind to the tune of 20,000 low-rental housing units?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am not too sure whether the Hon. Member is familiar with the various programs. If he would like to name the programs to which he referred, I would be pleased to respond.

Again I draw to the attention of the Hon. Member that if the needs-based formula, that is a self-assessment by individual Canadians done in the 1981 census, were applied today, it would give the Province of Quebec 28.4 per cent of the disposable dollars of Canada and give the Province of Ontario 26.9 per cent of the disposable dollars. Because it is phased in over three years, this year the Province of Quebec is receiving 28.4 per cent and the Province of Ontario is receiving 16.6 per cent, some 12 per cent less than it really should receive but will receive when it is phased in, in a spirit of fairness, co-operation, and understanding, for which this Party and this Government have stood for years.

* * *

INDUSTRY

CANADIAN PORCELAIN LIMITED

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Will the Minister take whatever steps are necessary in order to ensure that the take-over bid for Canadian Porcelain by Lapp Insulators of New York will go before FIRA prior to it being consummated?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member knows that we have been in touch with all participants in this transaction—the receiver, the banker, and the Lapp people. We have informed them of our interest. At the present time there is no final agreement with Lapp. They have a letter of intent which certainly the bank feels they must honour as far as an eventual deal is concerned. We have made it very clear that if they propose to take this over as a business, as a going concern, that is a reviewable item and we would like an opportunity to review it.

* * *

CANADIAN WHEAT BOARD

GRAIN SHIPMENTS THROUGH PORT OF CHURCHILL

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board. It concerns statements made by officials of the Wheat Board on the future of Churchill. The major agreement which was signed dealing with the development of the Port of Churchill has now been put in real jeopardy because of these statements. Not only do they create uncertainty in the minds of buyers, but if the Wheat Board does not deliver sufficient volumes of grain there will not be the financing to continue with the port development.

Is the Government clearly committed to the ongoing development of that port? Will the Minister repudiate the statements of those officials and say explicitly that the Government intends them to make their best efforts to reach the 750,000 tonne level this shipping season, so that the port development can proceed on schedule?

Mr. Hnatyshyn: That is a brand new interest in the Liberal Party.

Mr. Axworthy: I signed the agreement.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, let me reiterate what I said to the Hon. Member for Churchill. It is not the policy of this Government, nor has it been the policies of previous Governments, to interfere in the day-to-day operations of the Canadian Wheat Board. I think that is well established and well accepted on all sides. It is a good policy, and I think the Hon. Member, when he had the responsibility for this portfolio, carried it out as well.

Having said that, we understand that we do not spend money on a port with no grain to move through it. If he understood how the Board negotiated sales, he would understand that as late as July or August one can negotiate sales for movement through Churchill. What I said is true. To create apprehension in the minds of people in Churchill that there will be no grain movement through Churchill, is not founded at all. The statements which were made by the officials of the Board are very, very premature.

FUNDING OF PORT DEVELOPMENT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, If any apprehension has been created, it is by those officials making those statements and by the unwillingness of the Minister to repudiate those statements, so that we will know there is a future for the Port of Churchill.

Perhaps I will raise my supplementary question with the Minister of Transport who may have a better understanding of the problem. Officials of the Port of Churchill said that because of the unwillingness of Ports Canada to transfer capital to the port of Churchill, they needed at least 750,000 tonnes of grain in order to proceed with the development. The Minister's colleague has said that they will not reach that level. Will he agree that even if those levels of shipping are not reached, he will guarantee that capital will go into that port so that the tug, dredging, and dust control programs will continue on schedule, as the signed agreement with Manitoba indicates they should?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Minister of State for the Canadian Wheat Board did not make that statement at all. He said that he would encourage the Canadian Wheat Board to negotiate a deal in

its transactions which would result in the utilization of Churchill as a shipping point, and I think he will give it that support.

In so far as the subagreements concerning Churchill are concerned, my Cabinet colleagues, the Minister of Regional Industrial Expansion, the Minister of State for Canadian Wheat Board and I met with provincial Cabinet Ministers of the Province of Manitoba last week. We ironed out a lot of the difficulties and problems. We had a full-scale discussion, and agreed to proceed with the boxcar rehabilitation program. Every one of the programs that were alluded to in the subagreement is on track, and is being followed through.

* * *

FEDERAL-PROVINCIAL AFFAIRS

NEGOTIATION OF ERDA AGREEMENT WITH BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Right Hon. Prime Minister who will recall vividly, when he was in Vancouver nine months ago, promising the people of British Columbia that if he became Prime Minister his topmost priority would be the signing of an ERDA to provide financial assistance to the forest, mining, and tourism sectors. Then we were promised that that would come in October; then again in November, December, January, February and March. Now April has come and gone and we do not have any signed agreement.

Mr. Crosbie: You are all mixed up.

Mr. Riis: What is holding up the agreement? Why is he unable to come to an agreement with the Province of British Columbia on this critical matter?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as I replied in answer to a similar question a few days ago, we believe that negotiations are proceeding in a way which will likely result in an agreement very, very shortly.

REFORESTATION PROGRAM

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, those were the exact words used last October, and we have been waiting week by week since then.

I will direct my supplementary question to the Minister of State for Forestry. This is the time of the year to plant trees; not in December, not in the wintertime. This is tree planting time for reforestation. If the Minister cannot come to an agreement on the over-all package, will he at least sit down and sign an agreement with the Minister of Forestry for British Columbia so that we can get on with reforestation and providing jobs at this critical moment?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, perhaps I should remind the Hon. Member that when he says as long ago as last October, the ERDA agreement was signed in November. If he is contemplating something signed even before the ERDA agreement, it shows one how ill-informed the Hon. Member really is.

* * *

• (1500)

MULTICULTURALISM

FORTHCOMING FEDERAL-PROVINCIAL CONFERENCE

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of State for Multiculturalism. It concerns the upcoming federal-provincial conference on multiculturalism in Winnipeg on May 14. There is considerable anger and concern over the closed-door policy the Government is taking *vis-à-vis* this conference. In light of the fact that parliamentarians and ethnocultural organizations are being barred from even observer status at this conference, and the fact that multilingual television, which offered to televise it live, has been refused, does the Minister not see fit to open the doors a little to those Canadians who have been concerned about multiculturalism over the years so that they at the very least can observe the deliberations, and Canadians from coast to coast can obtain a greater understanding and awareness of this first ever conference?

Some Hon. Members: Hear, hear!

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, I would like to correct the Hon. Member. There is not anger and concern across the country because of this. There is joy and happiness among every ethnocultural organization that finally this Government has been able to bring the provinces together to talk about multiculturalism, something that the previous Government could never do. We are doing it under the auspices of a federal-provincial conference. The Ministers will sit down to work and to try to deal with the very important matter of multiculturalism. We are not going to do it in the glare of public lights because we do not want to grandstand. This is a meaningful conference. We expect it to be very successful.

* * *

PETITIONS

CALL FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Mission-Port Moody (Mr. St. Germain) on Monday, May 6, 1985, meets the requirements of the Standing Orders as to form.

Petitions

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise on a point of order. I rise at this time to advise the House of the business for the next two or three days. I have already announced the sequence of Bills with respect to Government business which I hope we will be able to accomplish. That will continue tomorrow. I want to designate Thursday as the sixth allotted day in this Supply period.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC SERVICE COMMISSION

TABLING OF 1984 ANNUAL REPORT

Hon. Walter McLean (Secretary of State): Mr. Speaker, pursuant to the provisions of Standing Order 46, I am tabling in both official languages a copy of the Annual Report of the Public Service Commission of Canada for the year ending December 31, 1984, and a copy in braille of a résumé of the same document. This report must be referred to the Standing Committee on Public Accounts pursuant to Standing Order 46.

* * *

PETITIONS

RIGHTS OF THE UNBORN

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, it is my privilege to present a petition from a number of very concerned citizens, the Christian Pro-Life Group in my riding of Grey-Simcoe, who wish strongly to express their views and opinions concerning abortion and urge that the rights of unborn human beings be written into the Constitution and that those rights be guaranteed under Section 15 of the Charter of Rights and Freedoms.

CHANGES TO OLD AGE SECURITY ACT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a number of petitions.

[*Translation*]

Mr. Speaker, I would like to start with a petition signed by residents in the federal riding of Renfrew-Nipissing-Pembroke, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide a remedy, humbly sheweth:

That people between the age of 60 and 64 who are single, separated or divorced and who are in need, are among those groups that depend most on Government aid. That the Government—

[*English*]

Mr. Speaker: Order, please. I think the Hon. Member knows the rules permit the Hon. Member to summarize petitions.

Ms. Copps: In summary, I have a petition from the great residents of the riding of Renfrew-Nipissing-Pembroke on the issue of the Government's extension of benefits to people between the ages of 60 and 64 who do not happen to be married.

I also have from the great federal riding of Toronto-St. Paul's another petition, signed by a number of residents calling upon the Government to stop its discriminatory measure against single people and separated and divorced people between the ages of 60 and 64.

I have another petition signed by the residents of the great federal constituency of Glengarry-Prescott-Russell. It includes a number of signatories who want to signal to the Government their concern about the same issue, the discrimination in the current old age security changes.

I have another petition from other residents in the great riding of Renfrew-Nipissing-Pembroke. Those residents also want to signal to this Government their dissatisfaction with the current discriminatory changes in the Old Age Security Act.

I have another petition from the great residents of the riding of Parkdale-High Park who also call upon this Government to stop the discriminatory provisions that it is instituting under the changes to the Old Age Security Act which discriminate against single people and those who are separated and divorced.

I have another petition from the great riding of Vancouver Centre. The residents of the riding of Vancouver Centre are extremely concerned about the discriminatory provisions of the old age security guaranteed income supplement provisions which are causing discrimination against single people and those who are separated and divorced.

I have another petition. We have petitions pouring in from across the country. I think we should certainly give credit to the public response to my colleague, the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

I have also received a petition from Richmond-South Delta, British Columbia, from a number of signatories who are also concerned about the discriminatory provisions of the old age security changes which tell single people and divorced and separated people that they are out in the cold as far as this Government is concerned.

I have another petition from the ridings of Vancouver South, Capilano and Burnaby. All three ridings are extremely concerned about the discriminatory provisions tabled by this Government with respect to the changes to the Old Age Security Act. It is not a crime in this country to be single, divorced or separated, but this Government is making it a crime.

I have another petition from the residents of Vancouver Centre who are calling upon this Government to extend its largesse to ensure that single people, those who are separated and divorced will not be discriminated against in the changes to the old age security provisions.

I have a number of other petitions. I am sure Hon. Members on the government side have a lot of time because we are here to represent not only our ridings but other ridings.

Mr. McDermid: Order.

Mr. Speaker: We do not need this. I have an inkling that there are a number of petitions to be presented today.

Some Hon. Members: Hear, hear!

Mr. Speaker: Let us keep the procedure to what it is meant to be. I would appreciate not having to involve myself in the process. That means the petitioners should not try to extend beyond the bounds of summarizing the petition.

PROVISION OF HOUSING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a petition dealing with the issue of housing. The petition of the undersigned residents of Canada calls for the provision of satisfactory housing for everyone in Canada. This petition is signed by a number of residents from the riding of Hamilton East.

PATRONAGE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition signed by the residents of Hamilton East calling upon this Government to in fact cease and desist from the practice of patronage across this country. This petition is signed by a number of Hamilton area residents.

ACID RAIN

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition from those Hamilton area residents who are extremely concerned about this Government's lack of initiative in the area of the environment. We urge our Government to negotiate a swift resolution to the acid rain problem. That petition is signed by a number of signatories from the riding of Hamilton East.

PROVISION OF HOUSING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, there is a second petition. Those who have not been getting petitions have surely been getting letters. This petition calls upon the Government to ensure affordable housing by an extension of co-op funding to co-operatives across Canada.

• (1510)

UNEMPLOYMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition also from the City of Hamilton in which area residents decry the high level of unemployment and call upon the Government to enter into speedy negotiations as soon as possible to rectify the barriers which are currently being placed on the Canadian steel industry. That petition is signed by a number of signatories from the great riding of Hamilton East, the most industrialized riding in Canada.

OPPORTUNITIES FOR EMPLOYMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition which calls upon the Government to provide post-secondary graduates with greater opportunities for employment so that there is a better fit between the employment and the education system across this country. That petition is signed by a number of Hamilton area signatories.

NUCLEAR WEAPONS FREE ZONE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition which is signed by a number of residents of the great riding of Hamilton East. They call upon the Government to declare Canada a nuclear weapons free zone and ask the Government to cease wasteful spending on the arms race, diverting the funds to human needs in order to ensure prosperity through peace.

The same signatories are calling for the ratification through a free vote in the Parliament of Canada with respect to the nuclear free zone question.

I have another petition on the question of the declaration of Canada as a nuclear free zone and a request to the Government to cease wasteful spending on the arms race and to divert that spending to human needs. That petition is also signed by a number of signatories from the great riding of Hamilton East.

I have another petition, Mr. Speaker, in lieu of closure on one of the most important Bills to come before the House, from the great residents of the riding of Hamilton East who call upon the Government to cease and desist in wasteful spending on the arms race and to divert that money to human needs.

I have another petition, Mr. Speaker, signed not only by the residents of the riding of Hamilton East, but by the residents of Hamilton West and the great County of Lincoln, in which they are calling upon the Government to cease wasteful nuclear spending, to in fact divert that money into the area of human needs and to move away from the escalation of the arms race.

I have another petition, Mr. Speaker, and that petition also includes signatories from the ridings of Hamilton East, Hamilton West, Burlington, Hamilton-Wentworth and Lincoln. The petition asks that the above-stated objective of declaring Canada a nuclear free zone be—

[*Translation*]

Mr. Speaker: I am sorry to interrupt the Hon. Member, but there is a point of order.

Mrs. Mailly: Mr. Speaker, I have some misgivings about the procedure being used by the Hon. Member, because she mentioned, and we have already had two petitions, a motion of closure on a Bill. I wonder whether this exercise—

Mr. Speaker, it seems to me this is a point that has no connection with the petition the Hon. Member is presenting.

I therefore feel that this is a breach of my privilege as a Member of this House, because I am wasting my time listening to motions that have no connection with—

[*English*]

Mr. Speaker: I have heard the point of order. I do not find there is a point of order involved in the matter.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member for Hamilton East (Ms. Copps).

[*Translation*]

Ms. Copps: Mr. Speaker, it is still my right to present petitions in the House, and I will fight for that right until the bitter end.

SOCIAL WELFARE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition, from the riding of Hamilton East, asking the Government of Canada to divert funds now being spent on nuclear arms to human needs in Canada. The petition is signed by about fifteen people from the riding of Hamilton East.

[*English*]

NUCLEAR WEAPONS FREE ZONE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition, again from the great riding of Hamilton East, calling upon the Government of Canada to cease the nuclear arms race and to divert the money which is being spent in a wasteful way to those human programs which will allow our citizens to have good housing and access to jobs.

Mr. Speaker, I have another petition signed by residents of Lincoln, Hamilton West, Burlington, Hamilton-Wentworth and Hamilton East, calling upon the Government to refuse and reject research, production, testing and transport of any nuclear weapons, delivery systems or components in Canada, and to ask for the declaration of Canada as a nuclear free zone.

In case the Government is unaware of the feelings of Canadians with respect to star wars research, I want to read into the record another petition. This petition is again from the residents of Hamilton East. They call upon the Government to divert funds used for wasteful spending on the arms race to human needs in order to ensure prosperity through peace.

The same petition calls for a free vote in the House so that all Hon. Members of the House of Commons can have their say on this most important issue.

I have another petition, Mr. Speaker, signed—

Mr. Warner: I have a point of order, Mr. Speaker.

Ms. Copps: I think I even recognize a Conservative name on this petition. You had better not cut me off.

Mr. Speaker: Is there a point of order from the Hon. Member for Stormont-Dundas (Mr. Warner)?

Mr. Warner: Yes, Mr. Speaker. Since I have come into this House there has been a tradition where, after a person has presented a reasonable number of petitions, you would move around the House to other Parties.

Mr. Speaker: Order. In fact, the rules do not allow the Chair to return to an Hon. Member for a second go at petitions. That is our tradition. The Hon. Member is availing herself—

An Hon. Member: I'm glad you agree with the rules.

Mr. Speaker: Order, please. The Hon. Member is availing herself of her right to present petitions. She is doing it, as far as I can tell, entirely within the rules.

May I remind all Hon. Members, because I suspect we will go through this for a while, that it is the petition which may be presented and that any commentary in or around the petition is out of order.

Ms. Copps: Thank you, Mr. Speaker. Had we known that no Conservatives would have been in the House yesterday, we would have used that time. We had to adjourn early because they had no one here to speak.

I have another petition from the great riding of Hamilton East. Approximately 20 people have signed a petition calling upon the Government to reject research, production, testing and transport of any nuclear weapons, delivery systems or components in Canada. That petition is also signed by a number of the residents of the great riding of Hamilton East. Those residents, which include members of all political Parties, are calling upon the Government to hold a free vote in the House on the issue of declaring Canada a nuclear free zone and are asking the Government to divert arms race spending to human needs so as to ensure prosperity through peace.

I have another petition, Mr. Speaker, from the great riding of Hamilton East—and it is a very great riding, particularly today when we are fighting for Canadian Porcelain. This petition calls upon the Government to cease research, production, testing and transport of nuclear weapons, delivery systems or components in Canada and asks the Government to allow a free vote in the Parliament of Canada so that Canada can be declared a nuclear weapons free zone.

I have another petition, Mr. Speaker, and it is signed by residents of Hamilton East, Hamilton West, Wentworth, Hamilton-Wentworth, Lincoln and Burlington. These residents are calling upon the Government to declare Canada a nuclear weapons free zone in accordance with similar initiatives taken by other nations, and asks the Government to become actively involved in working for the multilateral de-escalation of the arms race. It is signed by a number of wise residents of the riding of Hamilton East and others.

I have another petition, Mr. Speaker, also signed by a number of signatories, asking the Government to encourage a free vote in the House of Commons on the issue of declaring Canada a nuclear weapons free zone and asks the Government to cease the wasteful spending on the arms race so that we can fund human needs like housing, jobs, and keep all of those promises which were made by the Government.

● (1520)

[*Translation*]

Mr. Speaker, I have another petition asking the Government to declare Canada a nuclear-free zone.

Mr. Speaker, there are many residents in the riding of Hamilton East, francophone residents, who are very interested in this issue, and they want to ask the Government to hold a free vote on the subject in Parliament. This is much more important than capital punishment.

[*English*]

Mr. Speaker: Order, please. May I ask the Hon. Member not to do again what she has just done, which is to make comments outside a petition. I think, having told the Member three times, that I should not have to do it again. I hope the Member will not put me in a position of having to do something else!

Ms. Copps: Thank you, Mr. Speaker, for your levity!

Mr. Speaker, I have another petition which calls upon the Government to cease wasteful spending on the arms race and to divert those funds into human needs to ensure prosperity through peace. It asks the Government to declare Canada a nuclear weapons free zone, in accordance with similar initiatives which have been taken by other nations.

Mr. Speaker, I have another petition which calls upon the Government to get involved in working for the multilateral de-escalation of the arms race and to reject research, production, testing and transport of any nuclear weapons, delivery systems or components in Canada. That petition comes from the great riding of Hamilton East.

I have another petition from the riding of Hamilton East which calls upon the Government to refuse and reject research, production, testing and transport of nuclear weapons, delivery systems or their components in Canada. It asks that Canada be declared a nuclear weapons free zone and that it become actively involved in working for the multilateral de-escalation of the arms race.

Mr. Speaker, I have another petition from the great riding of Hamilton East. I might add that the petition is signed by signatories of all political Parties. It asks the Government to cease the wasteful spending on the arms race and to divert the moneys to fund human needs, so as to ensure prosperity through peace.

Mr. Speaker, again, I am joining with the petitioners to ask the Government to ratify, through a free vote in the House, the notion that Canada be declared a nuclear weapons free zone, in accordance with similar initiatives which have been taken by other nations; and, that our country, as it did in the past under the initiatives of the former Prime Minister, become actively involved in working for the multilateral de-escalation of the arms race.

[*Translation*]

NUCLEAR WEAPONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the people of the riding of Hamilton East are asking or rather pleading with the Prime Minister to join the initiative started by the former Prime Minister and to work towards making Canada and the whole world a place that is free of war and free of any escalation in nuclear arms. Let there at least be a free vote in the House of Commons to give all Members a chance to exercise their right to a free vote. This was also signed by constituents from Hamilton East.

[*English*]

NUCLEAR WEAPONS FREE ZONE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition from the riding of Hamilton East which asks that the Government of Canada cease, reject and desist from any research, production, testing and transport of nuclear weapons, delivery systems or components in Canada; and that all of the objectives be subject to ratification through a free vote in the Parliament of Canada.

Mr. Speaker, I have another petition from the residents of the Hamilton area, who are seeking counsel from the Government in asking the Parliament of Canada to refuse and reject research, production, testing and transport of any nuclear weapons, delivery systems or their components in Canada. They further ask that wasteful spending on the arms race be diverted to fund human needs so as to ensure prosperity through peace.

I have another petition, which again comes from the residents of the great riding of Hamilton East. They call upon the Government to ratify, through a free vote, objectives of which all Canadians can be proud; that Canada be declared a nuclear weapons free zone and that wasteful spending on the arms race be diverted to fund human needs so as to ensure prosperity through peace. They ask the Government to reject research, production, testing the transport of any nuclear weapons, delivery systems or their components in Canada.

I have another petition. Obviously this is an issue about which the residents of Hamilton East feel very strongly. This petition calls upon the Government to refuse research, production, testing and transport of any nuclear weapons, delivery systems or their components in Canada. They ask that Canada be declared a nuclear weapons free zone and call upon the Parliament of Canada to concur with the above-stated objectives through ratification by a—

Mr. Speaker: I am afraid that I have a point of order from the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault).

[*Translation*]

Mrs. Bourgault: Mr. Speaker, I seem to recall reading in Beauchesne that petitions on the same subject should be presented together, not separately as the Hon. Member appears to be doing. It is obvious to me that she is wasting the time of the House by presenting petitions on the same subjects, but from different groups. May I suggest that you look into this. It seems to me I read in Beauchesne that petitions on the same subject are presented together, not separately.

[*English*]

Mr. Speaker: The Hon. Member is actually referring to a proper citation. The last time this happened in the House was in October, 1983. The same citation was used by the then Speaker of the House to ask Members to bring themselves to order. Under the provision which is in Beauchesne, while Members have the right to present a petition, it is the normal practice to file petitions with the Table. At that time the Speaker invited Members to read one, two or three of the petitions and to table the rest, given that the petitions which were being read into the record appeared to be on the same subject. If I remember correctly, it concerned a member of the New Democratic Party.

I have resisted interfering in the hope that I would get some sense of how long the repetition would go on. However, since I have been asked to deal with the matter, I must invite the Member to take advantage of the normal procedure and to table any further petitions on the same subject. I hope I will not have to rule on this matter. At the moment I am inviting the Member to do that. That is all I have to say on the point of order for the moment.

Ms. Copps: Mr. Speaker, I have another petition from residents of the Hamilton area, which calls upon the Government and the Parliament of Canada to reject research, production, testing and transport of any nuclear weapons, delivery systems or their components in Canada. Further, they ask the Government to cease wasteful spending on the arms race and to divert those moneys to fund human needs so as to ensure prosperity through peace.

As I said, I would have been very happy to have given these petitions yesterday, but nobody in the Conservative Party saw fit to be in the House.

I will continue with another petition from the great riding of Hamilton East. In the petition, the residents are calling upon the Canadian Government to declare Canada a nuclear weapons free zone in accordance with similar initiatives which have been taken by other nations and to become actively involved in working for the multilateral de-escalation of the arms race. The petition asks that the Parliament of Canada refuse and reject research, production, testing and transport of any nuclear weapons, their delivery systems or components in Canada, and that all of the above-stated objectives be subject to ratification through a free vote in the Parliament of Canada.

• (1530)

[*Translation*]

NUCLEAR WEAPONS

Ms. Sheila Copps (Hamilton East): I have the honour to present another petition, Mr. Speaker, signed by many residents who have expressed concern about Government policy on that question. They humbly call upon the Parliament of Canada to reject all research, production and transportation of any type of weapon made in Canada, they ask that Canada be declared a nuclear free zone by Parliament, as many other countries have already done, and that, first and foremost, the Parliament of Canada give all Hon. Members an opportunity to vote freely on all issues raised in the petition.

SOCIAL WELFARE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition signed by a number of residents, not only of Hamilton, but also of Stoney Creek, Ancaster, Dundas and Burlington.

Mr. Speaker, the petitioners are asking the Government to stop spending money on armaments, and to use such funds to meet social needs like employment and social housing, and they urge the Parliament of Canada to hold a free vote and give all Hon. Members an opportunity to express their personal views on such an important issue as nuclear weapons.

NUCLEAR WEAPONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition signed by a great many voters and constituents of the ridings of Hamilton East, Hamilton West, Lincoln, Burlington and Hamilton-Wentworth, urging the Government to declare Canada a nuclear free zone, as other nations have already done, and to continue the work undertaken during former Prime Minister Trudeau's administration towards world-wide reduction of nuclear arms. The petitioners also ask the Government to give Parliament an opportunity to hold a free vote on these questions which all Canadian men and women consider very important.

Mr. Speaker, I have another petition signed by a number of electors who are asking that the Government stop promoting

nuclear weapons research, production and transportation as it is being done now with the United States, that it reject any nuclear system and any nuclear weapons research in Canada. Mr. Speaker, the petitioners are asking Parliament to adopt a free choice policy to let all Hon. Members vote freely so they may decide for themselves whether or not they would like to have Canada declared a nuclear free zone.

Mr. Speaker, I have another petition signed by more Hamilton constituents who are asking the Canadian Government to stop and reject all nuclear weapons research, production and transportation, the entire system now under consideration by the Government, and they are urging that Parliament hold a free vote so that all Members of any Party may endorse the objectives set forth in the petition. I would suggest that the issue transcends party lines.

EMPLOYMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition signed by many constituents in the ridings of Burlington, Hamilton East, Hamilton West, Lincoln and Hamilton-Wentworth who are asking that all wasteful expenditures now being made to prolong the arms race be used instead to finance housing and employment in Canada. The petition has been signed by a great many constituents.

DISCRIMINATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition signed by a number of residents of the Quebec riding of Rosemont, with which you are familiar, I think. They are asking the Government to put an immediate stop to the policy of discrimination against people who live alone, widows, widowers and divorced people between the ages of 60 and 64. Signed by a great many constituents, this petition proves that Government policy discriminates against people who chose to remain single and others who are either divorced or separated. It is unfair and this prejudice must be eradicated immediately.

NUCLEAR WEAPONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition on the issue of nuclear weapons and it comes from Hamilton East, Hamilton West, Lincoln, Burlington and Hamilton-Wentworth.

Mr. Speaker, the petitioners are urging the Government to hold a free vote on the question of nuclear weapons, and they are asking that the Government put an immediate end to wasteful spending on the arms race, and that the money be used instead to finance housing or job creation for many Canadian men and women.

Mr. Speaker, I have another petition from the riding of Hamilton East concerning Canada's position with respect to nuclear weapons. The petitioners are asking that the Government stop and reject any nuclear weapons research, production and transportation in Canada, and all related systems, and that Parliament be given an opportunity to hold a free vote to establish a nuclear free zone.

[*English*]

Mr. Speaker: Order, please. I indicated earlier what the practice of the House has been regarding multiple petitions. I invited the Hon. Member to file any similar petitions that she had, as opposed to the one she was continuing to read. She has changed once but has now reverted to the earlier petition which she has filed at least 20 times by my count. Therefore, I must indicate to her that since I have no indication that she has any petition on any other subject which she wishes to present, she should avail herself, if she wishes, of the right to file with the Table any further copies of the petition she has already read.

Mr. Gray (Windsor West): A point of order, Mr. Speaker. May I respectfully make a comment on the point you raised earlier and about which you just spoke? I have reviewed Beauchesne's and I do not find anything in the Fifth Edition, the latest edition, saying that the preferred or priority method of dealing with petitions is to table them and that it is only by exception that they should be read out. Citation 692 of Beauchesne's Fifth Edition says:

> While a Member may, if he desires, present a petition from his place in the House during Routine Proceedings and before the Introduction of Bills, he may also present his petition by filing it with the Clerk of the House.

So I submit with the utmost respect that it is only by way of exception that a Member may present petitions to the House by filing them with the Clerk, and that the principal method is by reading them out. While there may be a citation which, on the surface, suggests the opposite, that citation is in the Fourth Edition, and I respectfully submit that it has been replaced by the citation I read out from the Fifth Edition.

Therefore, I respectfully submit that so long as the Hon. Member does not make a speech or present any argument in support of the petition, there is nothing to prevent him or her, if they so wish, from presenting any number of petitions from his or her place in the House rather than simply filing them.

Mr. Speaker: I respect the argument of the Hon. Member but I suggest that there is something, and that is the ruling of Mr. Speaker Francis in June of 1984. I misquoted the date earlier but this matter has been dealt with and I invite the Hon. House Leader to refer to page 4587 and page 4588 of *Hansard* of June 12, 1984, when the matter arose. The Hon. Member is quite correct, it is Beauchesne's Fourth Edition, Citation 339, which says differently, and I think it is because of the differences between the Fourth and Fifth Editions of Beauchesne's that we have developed our own practice about how long a Member is allowed to continue presenting the same petition verbally before the Speaker interrupts.

I think the Hon. Member for Windsor West (Mr. Gray) knows that this matter was dealt with in June of 1984 by Mr. Speaker Francis in an attempt to balance the tradition between the rights of Members to present a petition and the obligation of the Speaker to maintain order in the House, which is what Mr. Speaker Francis had to deal with. What I

have chosen to do was to intervene earlier to invite the Hon. Member not to repeat the petition, but when, for whatever reason, and I mean no disrespect at all, the petition continued to be read, I felt I had no choice, in light of Mr. Speaker Francis' ruling, but to come back and say that, with respect, I must ask the Member to file the petitions. Since she has been given a chance to start a new series or new issue of petitions and has not done so, I have no choice but to suggest to her that she must file her remaining petitions so that I may go on to other business.

An Hon. Member: Mr. Speaker—

Mr. Speaker: I am sorry, I have ruled. I heard the Hon. Member. I heard no one else indicate he or she wished to—

Mr. Gauthier: I got up at the same time he did.

Mr. Speaker: At that moment in time there were several Members rising. I heard one Member say: "point of order". I heard no other Member say: "point of order".

Some Hon. Members: Hear, hear!

• (1540)

Mr. Ouellet: A point of order.

Mr. Speaker: Petitions, the Hon. Member for—

Mr. Ouellet: A point of order, Mr. Speaker.

Mr. Speaker: On a separate point of order, the Hon. Member for Papineau (Mr. Ouellet).

[*Translation*]

Mr. Ouellet: Mr. Speaker, I would like to bring to the attention of the Chair that a ruling on today's procedures based on a ruling made by one of the Chair's predecessors is possible, provided it applies to the same petitions—

[*English*]

Some Hon. Members: Order.

Mr. Speaker: Order, order! Is the Hon. Member rising on a separate and new point of order?

Mr. McDermid: You've been around here long enough.

Mr. Speaker: The only point of order I will hear from the Hon. Member is a new point of order.

Mr. Gauthier: I recommend that your friend over there shut up for a while.

Mr. Ouellet: Mr. Speaker, if you want me to speak on a new point of order, I will indeed raise a new point of order. Before making a ruling, the Speaker traditionally has to listen to a point of view presented by both sides of the House. I submit to you respectfully that the House was not asked to make representation in this regard. A ruling was issued by you very quickly without seeking the advice of the House.

Mr. Speaker: Order. If the Hon. Member is seeking to comment on my ruling, the Hon. Member—

Mr. Tobin: We don't act like the Tories. There are 10 of them over there waving their fists, for God's sake. We are only asking to be heard.

Mr. Speaker: The Hon. Member has no trouble being heard. The Hon. Member for Papineau (Mr. Ouellet) knows full well the difficulty in which he is putting the Speaker by making a comment. My point to the Hon. Member is that I knew there would be some desire for at least the Hon. Member for Windsor West to comment. He is the House Leader of Her Majesty's Loyal Opposition. I did recognize the Hon. Member for Windsor West for a comment. I looked to see if any other House Leader chose to comment. I saw none. I heard no other comment from anyone claiming to rise on a point of order. Therefore, I announced my decision based on the representations I had heard that at least the House Leader of the Party of the Hon. Member for Papineau wished to make. He seems to make it a point of order that I had an obligation to hear members of other Parties. I may have had an obligation, but no others rose. I only have an obligation to hear, on a point of order, the person presenting the point of order, which is what was done. House traditions allow others, normally in opposition, to comment. There being no other House Leaders rising, I chose to make my ruling.

I am responding at some length to the intervention of the Hon. Member for Papineau because he knows he is putting me in a difficulty. I hope we can get out of this difficulty by my adding these comments. I hope that that will be the end of comment on my ruling because, otherwise, the House will be in a different kind of disorder.

Mr. Nunziata: A point of order.

Mr. Speaker: The Hon. Member for York South-Weston (Mr. Nunziata) on a point of order.

Mr. Nunziata: Mr. Speaker, as a new Member of Parliament I would ask the Chair to explain its ruling. You referred to a ruling made in a previous Parliament. As you are aware, Mr. Speaker, I was not a Member of that previous Parliament. I would ask—

Mr. Speaker: Order. Petitions.

Mr. Nunziata: A point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Verdun-Saint-Paul (Mr. Chartrand).

[*Translation*]

HOUSING

Mr. Gilbert Chartrand (Verdun-Saint-Paul): Mr. Speaker, I have the honour of presenting to this House—

[*English*]

Mr. Nunziata: A point of order, Mr. Speaker.

[*Translation*]

Mr. Chartrand: —a petition signed by 165 people of the riding of Verdun-Saint-Paul, representing fourteen housing co-operatives.

[*English*]

Mr. Nunziata: A point of order.

[*Translation*]

Mr. Chartrand: The undersigned humbly pray and call upon the House of Commons and—

[*English*]

Mr. Nunziata: Mr. Speaker, I have a point of order.

[*Translation*]

Mr. Chartrand: —the Government to maintain residential rehabilitation grants under the RRAP program—

[*English*]

Ms. Copps: His privilege is being affected. A point of order, Mr. Speaker.

[*Translation*]

Mr. Chartrand: —since for many low-income families in Verdun-Saint-Paul, these grants represent—

[*English*]

Mr. Nunziata: A point of order.

Ms. Copps: There is a point of order.

[*Translation*]

Mr. Chartrand: —their sole access to decent housing.

[*English*]

Mr. Nunziata: Mr. Speaker, a point of order.

Mr. Speaker: Does the Hon. Member for York South-Weston have a new point of order?

Mr. Nunziata: Mr. Speaker, I made a point of order a few moments ago. Rather than ruling on the point of order—

Mr. Speaker: It is the Speaker who decides when a point of order is a point of order.

Mr. Nunziata: You did not make a ruling on the point of order.

Mr. Speaker: I thought I did by going on to Petitions. Petitions, the Hon. Member for Papineau.

Ms. Copps: It is another point of order.

[*Translation*]

SOCIAL WELFARE

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to submit to the House a petition signed by constituents from my riding of Montreal-Papineau, who are asking for a review of the Government's spouses allowance program which is to be extended to widows and widowers in need between the ages of 60 and 64. My constituents want this program to be open to all persons in need between the ages of 60 and 64, whether they are single, separated or divorced. These citizens are demanding a fair deal from the Government for all Canadians.

In view of the Chair's previous ruling, I would like to mention that I have more petitions on the same subject from constituents in the riding of Verdun, whose Member of Parliament is here in the House today and who will certainly be most interested in this petition from constituents in the federal riding of Saint-Hyacinthe-Bagot, from constituents in the federal riding of Trois-Rivières, from constituents in the federal riding of Chicoutimi, from constituents in the riding of Lac-Saint-Jean and also from constituents in the federal riding of Montreal-Gamelin.

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I would like to table petitions from the people of Montreal-Sainte-Marie who are asking the Government to extend the spouse's allowance to all single persons in need between the ages of 60 and 64, whatever their marital status.

Mr. Speaker, I also wish to table a petition from the riding of Yellowhead in Alberta, signed by constituents who are asking the Minister of National Health and Welfare (Mr. Epp) to extend the spouse's allowance in order to avoid any discrimination against women, and especially women who are separated or divorced.

I also wish to table a petition from the people of the riding of Gamelin, who are also asking the Right Hon. Prime Minister (Mr. Mulroney) to extend the spouse's allowance to the elderly who are in need, in order to eliminate any discrimination against senior citizens, and especially against those who are in need.

Mr. Speaker, the people of the federal riding of Verchères in Quebec want to ask the Right Hon. Prime Minister to extend the spouse's allowance to all single persons in need, irrespective of their marital status. Unfortunately, everyone except the Member for Joliette (Mr. La Salle) knows that the present legislation only deals with the needs of widows and widowers, and very sensibly, the people of Verchères would like to see all single persons in need eligible for this program.

Mr. Speaker, I have here a petition from the people of another great Quebec riding, the riding of Chambly, who join the people of the riding of Verchères in asking the Minister of National Health and Welfare to ensure that all single people

in need between the ages of 60 and 64 are treated equitably by the Government especially in connection will Bill C-26.

Mr. Speaker, another great Quebec riding, the riding of Laval in Ville de Laval. These people have all joined in an effort to make the Right Hon. Prime Minister of Canada and the Minister of National Health and Welfare aware of the need to correct the inequities of Bill C-26 with respect to persons who are separated or divorced.

Mr. Speaker, I have another petition from another great Quebec riding, the riding of Lotbinière. All these people have sent a petition to the Right Hon. Prime Minister of Canada, asking him to refrain from perpetuating the injustice that we see now in Bill C-26, and to extend the spouse's allowance to all persons in need who are living alone, whatever their marital status—

Mr. Speaker: If the Hon. Member's other petitions are identical, perhaps I may suggest, as I suggested to the Hon. Member for Hamilton East (Ms. Copps), that he indicate the number of petitions remaining and file them with the Table? I am merely suggesting that the Hon. Member do so, that is all.

• (1550)

Mr. Malépart: Mr. Speaker, I do not think I could accept that invitation.

Mr. Speaker: It is up to you!

Mr. Malépart: Mr. Speaker, I am afraid I cannot table all the petitions, because this would be infringing upon the rights of citizens in the various constituencies involved. They may deal with the same subject, but as you see, the next petition comes from people from the constituency of Abitibi, and I for one could not—if you want to prevent people in Abitibi—from expressing their views in this House. This is the privilege I was asking for, Mr. Speaker. I would like—

Mr. Speaker: But at this point, the Hon. Member is causing me some difficulty because he clearly indicated that all the petitions were the same. He said they came from different constituencies, but they were all the same.

Mr. Malépart: He said they came from various constituencies but that they are all grouped—

Mr. Speaker: In such case, he knows he has the right to table all his petitions. The effect is the same as if they were presented in this House. The effect is the same whether petitions are tabled or presented. Do Hon. Members have further petitions?

Mr. Malépart: Mr. Speaker, this one is from the people I mentioned, the people from Abitibi. In this petition they voice their concern about the plight of senior citizens and they mainly urge the Prime Minister to look after senior citizens.

I have here constituents from La Prairie, Mr. Speaker. I would not like those people to be deprived from being clearly heard in this House. They asked me, they implored me to submit their views to the Prime Minister, requesting that the spouse's allowance be extended to every single person—

[*English*]

Mr. Speaker: Order, please. Again, I indicated to the Hon. Member that if he had a petition on another subject I would be happy to hear him. But clearly he is continuing with a petition on the same subject. I invite him to table the rest of his petitions.

[*Translation*]

Ms. Copps: On a point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps) on a point of order.

Ms. Copps: Mr. Speaker, I noted that you based your ruling on one made by the previous Speaker. You therefore invoked a precedent to shut me up.

Mr. Speaker, you recognized me and allowed me to present petitions for a maximum of 40 minutes. Why should the same possibility not have been granted to other Members? After giving me 40 minutes to present my petitions, you have now ruled that other Members have to sit down after speaking for only five or ten minutes. All the Members should be treated equally and you have established a precedent today.

[*English*]

Mr. Speaker: There is no point of order.

Mr. Nunziata: A point of order.

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps) claims to have a point of order. The Hon. Member for York South-Weston would like to comment on what the Hon. Member for Hamilton East claims is a point of order.

The Hon. Member for Hamilton East is correct in that I did not interfere, hoping that the matter would resolve itself. I was called on a point of order. I indicated to the Hon. Member for Hamilton East what I thought the rules meant and I invited the Hon. Member to stop. She did not.

Therefore, I was put in the position of being made to interfere. So I intervened as shortly as I thought was reasonable after the Hon. Member for Hamilton East sat down, she being a new Member of the federal House.

The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) was brought to order on the same point of order. He indicated to me clearly that he was going to carry on, and I was left with no other choice. That is why I intervened at that time.

[*Translation*]

Mr. Malépart: I have a point of order, Mr. Speaker. I am here to defend the interests of my constituents, so I leave

matters of procedure to the lawyers. However, I believe that my privileges and those of my constituents have been infringed upon. If one Member is given 40 minutes to express the views of citizens from across the country—

[*English*]

Mr. Speaker: Order. Petitions.

Mr. Nunziata: A point of Order.

Mr. Speaker: What is the Hon. Member's point of order?

Mr. Nunziata: Mr. Speaker, the Hon. Member for Hamilton East was permitted by the Chair to present petitions for—may I finish my point of order, Mr. Speaker?

Mr. Speaker: I have ruled on this point of order. Does the Hon. Member have a new point of order?

Mr. Nunziata: Yes.

Mr. Speaker: What is the new point of order?

Mr. Nunziata: The Member for Hamilton East was given the opportunity to present petitions for a total of 40 minutes. You indicated just a few moments ago that you intervened with respect—

Mr. Speaker: What is the Hon. Member's point of order? Would the Member simply state to me the point of order he is trying to make?

Mr. Nunziata: My point of order very simply is that you are discriminating against various Members of Parliament. As a Member of Parliament I am entitled—

Mr. Speaker: That is not a point of order.

Mr. Nunziata: —to the same time as the Hon. Member for Hamilton East. What gives one Member the greater right and more time on petitions than another Member in the House?

Some Hon. Members: Order.

Mr. Nunziata: I ask that you be fair in the presentation of petitions and not give in to the pressure of the Conservative Members.

Mr. Speaker: The Hon. Member for York South-Weston suggests that I was trying to be unfair by allowing more time to the Hon. Member for Hamilton East than I did to the Hon. Member for Montreal-Sainte-Marie. I took the position that in my view the Hon. Member for Hamilton East was a new Member and perhaps did not know the rules as well as other Hon. Members should. The Hon. Member for Montreal-Sainte-Marie, having seen the Member previous to him being called to order, would perhaps understand, as I hope the Member for York South-Weston and others would understand that, once I had been put in the position of having to indicate to the House the rules and the practice, I could not then simply let it go on unchallenged for the time I let the other Member go unchallenged. Yes, it is discriminatory. I was trying to help a new Member, and if that is something which the Hon. Member wishes me to cease doing, let me assure the Hon. Member for York South-Weston that as of this moment, I will cease trying to help new Members.

Petitions.

INCARCERATION IN NEW JERSEY OF BRUCE CURTIS

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I am almost hesitant to take advantage of this opportunity for fear that the credibility of the process has been eroded by the antics of the Members opposite.

I have the honour to present to the House a petition signed by residents of the constituency of Moncton in which they expressed concern—

Mr. Ouellet: A point of order.

Mr. Cochrane: —over the present plight of Bruce Curtis, a resident of Nova Scotia currently incarcerated in a New Jersey prison. They are urging the Government of Canada to hasten the current negotiations for a treaty with New Jersey by which Bruce Curtis could apply for a transfer to a penitentiary in Canada so that he could be close to his family and thus receive the benefit of emotional and spiritual support from them.

Mr. Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) on a question of privilege.

[*Translation*]

Mr. Malépart: Mr. Speaker, I rise on a question of privilege. First of all, I regret to see that you are in such a hurry to interrupt Members of the Opposition when those on the other side rise on a question of privilege, and how slow you are . . . On a matter of privilege, I had not finished presenting my petitions when you recognized another Member. I would like to continue to be recognized so that I can go on with my petitions.

[*English*]

Mr. Ouellet: Mr. Speaker, I rise on a point of order. With all due respect to Your Honour, I want to point out that while the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) was presenting his petitions you reminded him that he could not continue to present his petitions on the same subject and you invited him to table with the Clerk the petitions he had on the same subject.

I would like clarification from you on this subject. I think the rule is clear that you cannot order a Member to table his petitions with the Clerk. The Member of Parliament has the choice to present his petition in the House—

Mr. Speaker: Order. With great respect, the Hon. Member for Papineau is attempting to re-open a ruling that has already been made.

Mr. Ouellet: No, I am not.

Mr. Speaker: The Hon. Member for Papineau knows full well that if a Member has a petition that has not been presented in the House, he retains his right to table it with the Table. That right is not lost.

Mr. Ouellet: Another day.

Mr. Speaker: Or today. I invited the Hon. Member to table his remaining petitions by simply indicating the number and tabling them. He chose not to do so, and that is his choice.

• (1600)

Mr. Nunziata: You have to listen to his point of privilege.

Mr. Speaker: No.

Mr. Nunziata: What do you mean, no?

Mr. Speaker: Order. What do I mean, no? I mean Hon. Members have to respect the Chair or the House falls apart. That is what I mean by no.

[*Translation*]

Mr. Malépart: Mr. Speaker, you intervened and invited the Hon. Member for Montreal-Sainte-Marie to table the rest of his petitions if they were the same as the others. Afterwards, there were points of order, questions of privilege, and so on.

Mr. Speaker: Order, please! May I ask what is the question of privilege?

Mr. Malépart: I rise on a question of privilege because you did not recognize me again so that I could continue to present my petitions.

Mr. Speaker: That is not true. I invited you to table them.

Mr. Malépart: No, Mr. Speaker. You recognized me on a point of order. I rose again—

[*English*]

Mr. Speaker: There is no question of privilege.

[*Translation*]

Mr. Gauthier: Mr. Speaker, this is on a different subject.

Ms. Copps: It is on a different subject, and you have denied us.

Mr. Malépart: He can foretell the future.

[*English*]

Mr. Speaker: Order, please. Let me be very clear about this. I invited the Hon. Member for Montreal-Sainte-Marie to table petitions on a different subject. He did not. Therefore, I rose again to say he left me no choice. That is the way it is. The Hon. Member for Ottawa-Vanier (Mr. Gauthier) on petitions.

[*Translation*]

CHANGES TO OLD AGE SECURITY ACT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the honour to present a petition on behalf of several constituents from the federal riding of Kenora-Rainy River, in Ontario, who exercise their right and ask the government to extend eligibility for spouse's allowance to all single people, some 80,000 of them, who are needy. I humbly present this petition to the House.

I have also a petition signed by several constituents from the federal riding of Rosedale, another riding, who exercise their right as Canadian citizens and ask the House to amend Bill C-26 to cover not only those who meet the requirements of the bill, but all Canadians who are either single, separated, widowed or divorced.

I have also a petition from a number of Canadian residents of the federal riding of Algoma, in Ontario, who exercise their ancient and unquestioned right to present a petition to the House and ask the Canadian Parliament to adopt a legislation which would extend the eligibility of the spouse's allowance to all needy senior citizens.

I have also a petition from residents and constituents from the federal riding of Kingston and the Islands, in Ontario, who exercise their right and, through this hon. member, present a petition to the House calling upon the government to pay more attention to their social and economic needs and extend the provisions of Bill C-26 to all Canadians who are either single, separated, divorced or widowed.

I have also a petition signed by a number of residents from the federal riding of Hamilton East, in Ontario—I have signed too on the reverse side—who are asking the government to amend Bill C-26 and extend eligibility for the spouse's allowance to the people who are over 64 years of age and who are either single, separated or divorced.

I have a further petition from a number of constituents from the federal riding of Renfrew-Nippissing-Pembroke, in Ontario, asking the House to seriously consider their social and economic needs and to extend eligibility for the spouse's allowance to all needy people living alone, no matter what their marital status.

Mr. Speaker, I have another petition, this one from residents of Ottawa, my native city, who are asking the House to extend eligibility for the spouse's allowance to all needy people between 60 and 64, no matter their marital status.

[*English*]

Mr. Speaker, I would like to proceed to another petition from people in the riding of Ottawa Carleton asking this House to amend Bill C-26, which is presently in committee, to extend the eligibility of the spouses' allowance to people 60 to 64 years of age who are either single, separated, or divorced

and who have identical needs to the others presently admitted to that program.

I have another petition—

[*Translation*]

—from residents in the federal riding of Ottawa-Vanier who are again asking the House to extend eligibility for the spouse's allowance to all needy people between 60 and 64, and to amend Bill C-26 to make it possible for these people to get the help they need under this program.

[*English*]

I have a petition from the riding of Sault Ste. Marie, Ontario, from the constituents of that riding who have asked this House to extend the eligibility of the spouses' allowance, which is granted to widows and widowers, to all Canadians who are either single, separated or divorced.

I have—

Mr. Speaker: May I interrupt the Hon. Member to invite him, if he would please, to table any other petitions he has with regard to that matter? And may I suggest to him that perhaps he could proceed to other petitions he has on other subjects?

Mr. Gauthier: Your invitation is not accepted, Mr. Speaker. I will repeat those tomorrow. It does not make sense to invite me to do something that I can do here verbally. I will wait until tomorrow. Thank you, Mr. Speaker.

Mr. Sergio Marchi (York West): Mr. Speaker, as a new Member of Parliament it is a great pleasure to offer a petition from the riding of Kenora-Rainy River. The people are asking this Government and this Prime Minister (Mr. Mulroney) to take another look at Bill C-26 so that it can offer all Canadians between the ages of 60 and 64 and who are single, separated, or divorced the same benefits as are others who are eligible.

I also have a petition from the riding of the Minister of Finance (Mr. Wilson), the riding of Etobicoke Centre. The Petitioners are asking similarly to have the clause removed with respect to discrimination of individuals between the ages of 60 and 64 years of age who happen to be single, separated, or divorced.

The voters and electors of Durham-Northumberland are humbly beseeching the Government to remove the discriminatory clause of Bill C-26 so that all individuals who happen to be single, separated, or divorced between the ages of 60 and 64 can receive the same benefits as those who are widows or widowers.

From the Hastings-Lennox-Addington riding the individuals are petitioning their Government to change Bill C-26 so that it may be fair to all Canadians between the ages of 60 and 64 regardless of marital status.

I have a petition here from Kingston and the Islands. These people regard Bill C-26 as being discriminatory and ask their Government to change it accordingly.

I have another petition from Laval-des-Rapides. The petitioners are asking their Government that separated, divorced, or single individuals between the ages of 60 and 64 receive the same benefits as widows already covered under Bill C-26.

The last petition comes from Renfrew-Nipissing-Pembroke. Basically it asks the same thing as do the earlier petitions.

Mr. Oberle: Mr. Speaker, I rise on a point of order. I find this practice resorted to today by our friends opposite quite interesting.

I have noticed several of the papers that were displayed for the camera containing the names of no more than one, two, or three persons.

Ms. Copps: Get your facts straight. You have 20-50 vision.

Mr. Speaker: Order, please. The question of whether a petition is in order will be verified by the Table. That is the normal procedure. Does the Hon. Member have a point of order?

Ms. Copps: What have you got, a zoom lens?

Mr. Speaker: Lenses and papers, no. There being no point of order, I recognize the Hon. Member for York South-Weston (Mr. Nunziata) on petitions.

NUCLEAR-WEAPONS-FREE ZONE

Mr. John Nunziata (York South-Weston): Mr. Speaker, I appreciate the opportunity to present several petitions this afternoon. First, I have a petition signed by eight residents of the federal riding of Hamilton East. The petitioners petition this Parliament and this Government to take specific action with respect to items of utmost concern, not only to the people of Hamilton East but to all people of Canada. It concerns the nuclear issue.

• (1610)

This group of petitioners is asking the Parliament of Canada to refuse the testing of the Cruise missile in Canada.

[*Translation*]

Mr. Blais: On a point of order, Mr. Speaker—

Mr. Speaker: Is the Hon. Member at his seat?

Mr. Blais: I rise in my place, Mr. Speaker.

Mr. Speaker: Very well, I apologize. The Hon. Member for Bellechasse.

Mr. Blais: My point of order is quite specific Mr. Speaker. I think that there is a general parliamentary rule that one cannot do indirectly what one cannot do directly. However in the present case, the Hon. Member has just tabled a petition on behalf of the Hon. Member just in front of her, that is the Hon. Member for Hamilton East, thus repeating the petitions

presented a while ago. They are trying to do indirectly what they cannot do directly.

[*English*]

Mr. Speaker: Order, please. Any Member of this House may present a petition on behalf of any Canadian who asks that Member to present a petition, if the Member so wishes.

Some Hon. Members: Hear, hear!

Mr. Speaker: There has never been, to my knowledge, a requirement that a petition from people of a riding be presented by the Member for that riding. There has never been such a requirement that I know of. The Hon. Member for York South-Weston may present a petition on behalf of whomever he wishes.

Mr. Nunziata: As a result of that intervention, I have lost my place, but thank you for your ruling, Mr. Speaker.

These particular petitioners are petitioning the Government of Canada to take some very specific action with respect to an item of national concern. It is an item of concern, not only to the people of Hamilton East but to all residents of Canada, indeed of the world. It concerns the nuclear issue.

These specific petitioners from the riding of Hamilton East, who number eight, are asking the Government of Canada to take some action to refuse the testing of the Cruise missile in Canada and to reject research, production, testing and transport of any nuclear weapons, their delivery systems or components in Canada.

The petitioners further petition the Government of Canada to declare Canada a nuclear weapons free zone in accord with similar initiatives taken by other nations, and to become actively involved in working for the multilateral de-escalation of the arms race.

The petitioners further ask the Government of Canada that the wasteful spending on the arms race be diverted to fund human needs so as to ensure prosperity through peace.

Finally, the good residents of Hamilton East who have signed this particular petition are asking the Government of Canada that the objectives I have just stated be subject to ratification through a free vote in this Parliament. That is my first petition.

CHANGES TO OLD AGE SECURITY ACT

Mr. John Nunziata (York South-Weston): Mr. Speaker, I have a further petition from residents in the federal riding of Kingston and the Islands. It is a petition which is signed by 16 residents of that riding.

The petitioners are asking the Prime Minister (Mr. Mulroney) to extend eligibility for the spouses' allowance, which has been granted to needy widows and widowers between 60 and 64 years of age, to all Canadians who are either single, separated, or divorced and who have identical needs.

NUCLEAR WEAPONS FREE ZONE

Mr. John Nunziata (York South-Weston): Mr. Speaker, I have a further petition signed by a number of residents in the federal riding of Hamilton East. This particular petition is asking the Parliament of Canada to take immediate action to refuse the testing of the Cruise missile in Canada and to reject any research, production, testing and transport of any nuclear weapons, their delivery systems or components in Canada.

The petitioners further ask that Canada be declared a nuclear weapons free zone in accord with similar initiatives by other nations and that Canada become actively involved in working for the multilateral de-escalation of the arms race.

The petitioners are also asking that wasteful spending on the arms race be diverted to fund human needs so as to ensure prosperity through peace. Finally, they ask that the above-stated objectives be subject to ratification through a free vote in the Parliament of Canada.

CHANGES TO OLD AGE SECURITY ACT

Mr. John Nunziata (York South-Weston): Mr. Speaker, I have another petition from approximately 20 residents of the federal riding of Kingston and the Islands. These residents are asking the Government of Canada, the Prime Minister (Mr. Mulroney) in particular, to take whatever action is necessary within the power of the Prime Minister and his Government to extend eligibility for the spouses' allowance, which has been granted to needy widows and widowers between the ages of 60 and 64 years, to all Canadians who are either single, separated or divorced and who have identical needs. If this is not done, and if the Prime Minister overlooks the proposed amendment to Bill C-26, some 80,000 Canadians will suffer discrimination and social injustice.

NUCLEAR WEAPONS FREE ZONE

Mr. John Nunziata (York South-Weston): Mr. Speaker, I have another petition which is signed by a number of residents from the riding of Hamilton East. Once again it concerns the very important issue which is facing not only this Government but Governments around the world. It concerns the nuclear arms issue. These residents in particular are asking the Parliament of Canada to take immediate action to refuse any further testing of the Cruise missile in Canada and to reject research, production, testing and transport of any nuclear weapons, their delivery systems or components in Canada.

Also these residents are asking that Canada be declared a nuclear weapons free zone by this Parliament in accord with similar initiatives by other nations and that Canada become actively involved in working for the multilateral de-escalation of the arms race.

They are also asking that wasteful spending on the arms race be diverted to fund human needs so as to ensure prosperity through peace. These residents are asking that the objectives which I have just articulated be subject to ratification through a free vote in the House of Commons, this Parliament.

CHANGES TO OLD AGE SECURITY ACT

Mr. John Nunziata (York South-Weston): Mr. Speaker, I have a further petition from the good residents of the federal riding of Western Arctic. The residents of that riding are asking this Government, in particular the Prime Minister (Mr. Mulroney), to extend eligibility for the spouse's allowance, which has been granted to needy widows and widowers between the ages of 60 and 64 years of age, to all Canadians who are either single, separated or divorced and who have identical needs. As you are aware, Mr. Speaker, there are some 80,000 persons who fall into this category and who will suffer discrimination and social injustice if the Prime Minister overlooks the proposal.

• (1620)

Mr. Speaker: The Hon. Member will know that I cannot ask him to change his speed, but I can ask him not to lengthen the commentary.

Mr. Nunziata: I have several other petitions.

An Hon. Member: Are they different?

Mr. Nunziata: In reply to the Hon. Member, it is a different petition from the previous one I just read.

Mr. Speaker: Back to peace?

Mr. Nunziata: Yes, we are going back to peace. I appreciate that you recognize that peace is an important issue.

NUCLEAR-WEAPONS-FREE ZONE

Mr. John Nunziata (York South-Weston): This petition is with respect to—I notice that Members opposite are laughing. This is no laughing matter.

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Nunziata: Mr. Speaker, the people who signed this petition are asking the Parliament of Canada not to authorize the tests of Cruise missiles in Canada, to give up research, production, tests and transport of any nuclear arm and component thereof as well as delivery systems.

[*English*]

These petitions are asking that Canada be declared a nuclear weapons free zone in accord with similar initiatives by other nations and to become actively involved in working for the multilateral de-escalation of the arms race. They are further asking that wasteful spending on the arms race be diverted to human needs so as to ensure prosperity through peace. The petitioners finally ask that the objectives that I have just stated be subject to ratification through a free vote in the House of Commons.

[*Translation*]

CHANGES TO OLD AGE SECURITY ACT

Mr. John Nunziata (York South-Weston): Mr. Speaker, I have another petition from residents in the federal constituency of Burnaby and Mission-Port Moody and also from the federal constituency of New Westminster-Coquitlam in British Columbia.

[*English*]

These petitioners ask the Government of Canada, in particular the Prime Minister (Mr. Mulroney), to extend eligibility for the spouses' allowances, which has been granted to needy widows and widowers between 60 and 64 years of age, to all Canadians who are either single, separated or divorced and who have identical needs. Some 80,000 Canadians are in this particular situation and are suffering discrimination and social injustice.

Mr. Speaker: May I invite the Hon. Member to table any other petitions he has with regard to disarmament or the spouse's allowance matter, and suggest that if he has any petitions on other subjects, he might proceed to them.

Mr. Nunziata: Mr. Speaker, the petitioners who signed these various petitions were advised by the various Members of Parliament who collected these petitions that indeed the petitions would be presented, not tabled, in the House of Commons. I would ask for the opportunity to present these petitions to Parliament.

Mr. Speaker: I presume the Hon. Member knows that, if he simply indicates from his place that he is tabling them, they have been presented in Parliament. I presume he knows that. That, in practice, is what happens. However, I take it the Hon. Member has petitions on a different subject.

Mr. Nunziata: The various other petitions have various nuances to them. They differ in certain respects.

TESTING OF CRUISE MISSILE

Mr. John Nunziata (York South-Weston): Mr. Speaker, the petition I now have which I wish to present to this House is signed once again by several residents of the federal riding of Hamilton Centre. They are asking that the Canadian Government take some very specific action with respect to the nuclear arms issue. They are asking that there be an end to further testing of the cruise missile in Canada. They are asking that that matter be subject to a free vote in the House of Commons.

CHANGES TO OLD AGE SECURITY ACT

Mr. John Nunziata (York South-Weston): Mr. Speaker, I have another petition, not on the nuclear issue. This petition is signed by approximately 14 residents in the federal riding of Burnaby Mission-Port Moody and the federal—

Mr. Oberle: That is the entire Liberal membership list. Are there 14 Liberals in that riding?

Mr. Nunziata: Mr. Speaker, I would ask for some decorum from Hon. Members opposite. May I carry on? Thank you, Mr. Speaker. As I indicated, this petition is signed by 14 residents of the federal riding of Burnaby Mission-Port Moody and the federal riding of New Westminster-Coquitlam.

Mr. Oberle: That is two ridings. They couldn't possibly have that many Liberals in one riding. There are seven Liberals in each.

Mr. Nunziata: If I may, the residents petition the Government of Canada as follows:

[*Translation*]

We the undersigned are asking the Prime Minister of Canada, the Right Hon. Brian Mulroney, to extend the spouse allowance program to needy single person 60 to 64 years of age—

[*English*]

Mr. Speaker: I invited the Hon. Member to indicate if he has petitions other than nuclear disarmament or the matter he just raised. I suggest to him that he take the option of tabling the remainder. I am sure he knows they will be treated by the Table as having been presented. Further petitions?

• (1630)

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I hope you will be able to remain good-humoured because I have several petitions to present to you, and I thank you—

An Hon. Member: Slowly!

Mr. Robichaud: Not at all, Mr. Speaker, at the same speed I usually proceed. If I may, Mr. Speaker, I will begin to read my petitions.

This first petition comes from some residents of my riding, and more particularly from the people of the village of Cocagne, who humbly request that the Spouse Allowance Program be expanded to include all Canadians men and women in need who are between 60 and 64 years old.

DISCRIMINATION

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have another petition from some residents of my riding but this time from the beautiful village of Cap-Pelé, in New Brunswick, who also humbly request that the government recognize the needs of some 80,000 people who will be unfairly treated if Bill C-26 is passed in its present form.

CHANGES IN OLD AGE SECURITY ACT

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have another petition from some residents of my riding, this time from the town of Shediac, the lobster capital of the world, who humbly request that the Spouse Allowance Program include all senior citizens in need who are between 60 and 64 years old.

Mr. Speaker, I have another petition from people from Moncton and from the village of Cap-Pelé and from Shediac who humbly request that the Spouse Allowance Program be expanded to include all Canadian men and women in need who are between 60 and 64 years old.

Mr. Speaker, I have another petition from the people of Halifax, in Nova Scotia, from Bayfield, in New Brunswick and from Cap-Tormentin, in New Brunswick who also ask that—

[*English*]

Eligibility for the spouse's allowance which has been granted to all needy widows be extended to all Canadians who are either single, separated or divorced, and who have identical needs.

[*Translation*]

DISCRIMINATION

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have another petition, again from some residents of my riding, from the beautiful village of Fort Elgin, and also from people from Bayfield, two adjoining villages, who also humbly pray and call upon Parliament to make the necessary amendments to Bill C-26 to avoid creating two categories of Canadian citizens. This petition is different, Mr. Speaker.

May I continue, Mr. Speaker? I see that you are still good-humoured, Mr. Speaker.

Mr. Speaker: I have no choice.

Mr. Robichaud: Thank you, Mr. Speaker. I would not want to disturb my colleagues in the Government, but I have still another petition, again from the people of Shediac, who call upon the Government to recognize the needs of some 60,000 people who will be treated unfairly if Bill C-26 is passed in its present form.

Mr. Speaker: Now, I would ask the Hon. Member to proceed with other matters if he has any to be dealt with, but for the moment, he is entitled to table any other petitions he may have that concern Bill C-26. Does the Hon. Member have another matter to deal with? Yes?

Mr. Robichaud: Mr. Speaker, the problem is that I still have petitions to present. If I do not table them today, will I be able to do so tomorrow?

[*English*]

Mr. Speaker: I think perhaps the Hon. Member should seek advice as to his rights on that matter from the Hon. Member for Ottawa-Vanier (Mr. Gauthier) who, I believe, has it pretty well, I think the phrase is, "in hand".

Mr. Gauthier: Do you think he ought to come and see you?

Mr. Speaker: No. Petitions?

[*Translation*]

Mr. Malépart: On a point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) is rising on a point of order.

Mr. Malépart: Mr. Speaker, I would like to know what the basis is for your decision. You interrupted me after I had presented a number of petitions, after a while. You interrupted another colleague of mine after a certain length of time. I am trying to find out what rules of justice are applied in this House to determine the rights and privileges of each Member. I understand that the Hon. Member for Gatineau (Mrs. Mailly) is against providing assistance to senior citizens since she is constantly bothering you with points of order. But I would like to know what sort of justice is used as a basis to make sure that senior citizens can claim their rights in the House, and Members of Parliament can enjoy the same privileges, the same length of time to express the opinions of the people in the various ridings.

[*English*]

Mr. Speaker: I regret to advise the Hon. Member that there is no point of order in that matter. Petitions?

[*Translation*]

CHANGES TO OLD AGE SECURITY ACT

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, in my riding of Saint-Michel-Ahuntsic, there are 12 homes for older people. I did not count the names but I have several sheets of paper signed in duplicate.

Mr. Speaker, I am honoured to present this petition on their behalf. Those people are concerned and worried by the government's position on Bill C-26. They call upon the Government to reconsider its position and extend the spouse's allowance program to all single persons 60 and 64 years of age, without any discrimination based on marital status.

I therefore urge the Government to take into consideration the concerns of these senior citizens and to take the necessary steps to correct this unfair situation.

I wish to present to the House a petition signed by constituents of the riding of Laval. They are opposed to the Government's proposal to institutionalize a systematic discrimination by granting a pension only to widows and widowers between 60 and 64. They call upon the Government of Canada to extend the spouse's allowance program to all single persons, whether they are widows, divorced, separated or single.

I also want to file a petition signed by the constituents of the riding of La Prairie, in the province of Quebec. These Canadian citizens find unacceptable the government's decision to determine eligibility to a social program according to marital status. They urge the Government to reconsider its decision and to extend the pension to all persons between 60 and 64, whether they are widows, divorced or separated.

The petition that I am filing today to complement the others comes from the riding of Témiscamingue. These constituents are also opposed to the bill introduced by the Government which wants to impose its will upon us. They ask that all single, separated, divorced persons who are in need and between 60 and 64 also receive the pension granted to widows and widowers.

The following petition comes from the riding of Lotbinière and was signed by a group of people who also ask the Government to extend the spouse's allowance program to all single persons between 60 and 64 who are in need, whether they are widows, separated, single or divorced persons.

Mr. Speaker, I have another petition signed by residents of the riding of Rosemont, in Montreal, who are also very concerned by the Government's decision to grant the pension only to widowers and widows between 60 and 64. They humbly ask the Canadian Government to extend eligibility to the spouse's allowance program to all single people.

Mr. Speaker, I beg your indulgence, but this is my last petition. It is signed by people from the riding of Verchères. These citizens find unacceptable the Government's decision to determine eligibility to a social program according to marital status. They consider the decision to grant a pension only to widowers and widows between 60 and 64 as a discriminatory measure and a social injustice and they call upon the Government to extend the pension to all persons between 60 and 64 who are in need, whether they are divorced, separated or single.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs—Toxic chemical control program. (b) Request that program be

renewed; the Hon. Member for Western Arctic (Mr. Nickerson)—National Defence—North warning system—Participation of northern contractors; and the Hon. Member for Trinity (Miss Nicholson)—Canada Deposit Insurance Corporation—Committee study. (b) Ceiling for insurance deposit.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

VICTIMS OF VIOLENT CRIME

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, you are going to be very pleased to know that I have a number of petitions I wish to place before you which will deal with subject matters other than Bill C-26. In order that I not disappoint you, however, I would like you to know that during the latter part of my presentation here this afternoon I am going to introduce some petitions which will deal with Bill C-26.

I have the privilege to present a petition signed by citizens of the riding of Ottawa-Carleton. It deals with the issue of victims of crimes. As you are aware, Mr. Speaker, the Canadian justice system does not clearly recognize the victimized parties and the tragic losses suffered by the families of the victims. Therefore, the undersigned petitioners humbly pray, beseech and call upon Parliament to encourage, foster and develop a better understanding by the police and other authorities in the criminal justice system of the needs of and the services required by the victims of violent crime, and to encourage the development of support groups for such victims. The petition was duly signed by citizens of the Ottawa-Carleton region.

• (1640)

ORGAN TRANSPLANTS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I have the pleasure to present a petition to the House of Parliament that is signed by citizens of the Village of Gloucester in the riding of Ottawa-Carleton which deals with a subject matter that was raised in the House during the week in which the need for organ transplants was recognized.

Many people in Canada require transplants which involve kidneys, eyes, hearts, livers and lungs—

Mr. Gauthier: Even brains!

Mr. Frith: And brains! But I must say that there is more need for that particular organ by Members opposite.

The petitioners humbly pray and call upon Parliament to initiate a nation-wide campaign to promote organ donor awareness in order to assist those who are currently in need of transplantations, and to provide hope for the future victims of debilitating diseases or injuries.

The petition was signed on May 7 in the Year of Our Lord 1985.

DEFAULTING SPOUSE'S MAINTENANCE PAYMENTS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I have the pleasure to present a petition which was signed by constituents of Ottawa-Carleton. The petition deals with a distressing number of spouses—I am told that it is between 60 per cent and 75 per cent—almost all of them being men, who have defaulted on support payments which they owe to their ex-spouses and children. Of course, the present system does not force the defaulters to pay.

Therefore, the petitioners humbly pray and call upon Parliament to take decisive steps toward ensuring that maintenance payments cannot be defaulted, and to create a situation so that the federal level of Government can take the initiative to search data banks to find the defaulters.

CHANGES TO OLD AGE SECURITY ACT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I have another petition which is signed by constituents of the federal riding of Essex-Kent. It deals with the issue of Bill C-26 which is presently before the standing committee. Hopefully, it will come before Parliament at some stage for a resolution of the matter. The people who signed this petition are asking—

[*Translation*]

—wherefore, humbly petition the Government of Canada to extend eligibility for the spouses' allowance to all persons aged 60 to 64 who are alone and in need, whether they be widowed, divorced, separated or single.

[*English*]

TRAINING PROGRAMS FOR WOMEN AND THE ELDERLY

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I have a petition which is signed by residents of the region of Ottawa-Carleton. It deals with the fact that in recent years there has been a dramatic shift in the nature of the workforce to include many young people, women re-entering the workforce and older workers. The petitioners humbly pray and call upon Parliament to develop training programs which are appropriate to the experience of these people, and particularly the learning abilities of older displaced workers.

Recently, the Minister of Employment and Immigration (Miss MacDonald) made the announcement that older workers who find themselves displaced would be penalized and not able to draw unemployment insurance benefits. The petitioners believe that these individuals should be included in the Minister's target groups to provide greater incentives for employers to hire them.

As in duty bound, the petitioners humbly pray that the Government will listen to them.

CHANGES TO OLD AGE SECURITY ACT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I have another petition which was signed by the citizens of the County of Elgin, in the London-Middlesex area. Again, the petitioners humbly beseech the Government to extend the program under Bill C-26 to the 80,000 constituents across the country who are not simply widows or widowers, but, in fact, single, divorced or separated persons. The petitioners are demanding that Bill C-26 be enlarged to include those people in order that they can be a part of the government program when it is introduced in September, 1985.

[*Translation*]

Mrs. Bourgault: Mr. Speaker, I have just read in the rulings by Mr. Speaker Jerome that a petition which criticizes a Government position cannot be read in the House, and that is exactly what those petitions relating to Bill C-26 are, Mr. Speaker. I wish to respectfully submit that the ruling to that effect was that such papers should not be tabled in the form of petitions, but that Members of the House of Commons were entitled to voice their criticism of a bill under discussion. Since those petitions relating to Bill C-26 are critical of a Government position, Mr. Speaker, they should in my opinion be ruled out of order.

[*English*]

Mr. Speaker: No. Is the Hon. Member for Saint-Denis (Mr. Prud'Homme) rising on the same point of order? I do not think there is a point of order, but the Hon. Member can say something before I rule.

[*Translation*]

Mr. Prud'homme: On the same point of order.

Mr. Speaker: On the same point of order? The Hon. Member for Saint-Denis (Mr. Prud'homme) has the floor.

Mr. Prud'homme: I would like to suggest to my colleague that she may be right, and I feel that you are about to rule on this matter, Mr. Speaker. The criticism is not to be found in the petition itself, but in the presentation of the petition; you have to show why the petition is presented. And it would seem very unlikely in my opinion that in so doing, one could altogether avoid including some element of criticism or appreciation. I would agree with my Hon. friend if she was saying that the petition itself is critical of the Government. But I do not feel that this is what we are discussing today. So I shall await your ruling, Mr. Speaker.

Mr. Speaker: I believe I understand the nuances of the whys and the whys of the nuances.

[*English*]

The Hon. Member is referring to a ruling which has been used in the past to rule a petition out of order once it has been received by the Table. It would be difficult for the Chair to find the petition out of order prior to its being presented and reviewed by the Clerk of Petitions. Therefore, I would invite the Hon. Member for Sudbury (Mr. Frith) to continue with the nuances and the pourquoi.

[*Translation*]

Mr. Frith: Mr. Speaker, I have another petition signed by constituents of Etobicoke-Centre, in the Greater Toronto area: That the Canadian Government extend the spouse allowance benefits to every needy person between the ages of 60 to 64, whether widowed, divorced, separated or single.

Fortunately, I have another petition signed by people in the federal constituency of Perth. I think we now have a Member in this House, Mr. Dick, who represents people that are urging the Canadian Government to extend the spouse's allowance benefits to every needy person between the ages of 60 and 64, whether widowed, divorced, separated or single.

Mr. Speaker, I have another petition signed by people from Témiscamingue in the Province of Quebec, who humbly beseech the Canadian Government to extend the benefits of the spouse's allowance program to every needy person between the ages of 60 and 64, whether widowed, divorced, separated or single.

Mr. Speaker: I would ask the Hon. Member, if he has other petitions referring to Bill C-26, to table them.

• (1650)

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, now it is my turn to table a number of petitions, all of which indeed deal with Bill C-26, but which make reference to sections and items that seem quite different to me.

In the first place, a petition signed by a group of people in the constituency of Bellechasse, more specifically the Association of single parent families, who regret that single, separated and divorced persons between the ages of 60 and 64, most of which are needy, are excluded from the benefits of Bill C-26.

Also another petition signed by Canadian citizens in the federal constituency of Chicoutimi, who again deplore the really unacceptable way of assessing or specifying the eligibility criteria for a social program, namely the marital status.

I have another petition signed by a group of citizens in the constituency of Notre-Dame-de-Grâce-Lachine East in the Province of Quebec, who deplore the discrimination written in the legislation against single, separated or divorced persons aged 60 to 64.

Here is another petition, Mr. Speaker, signed by citizens in the constituency of Rosemont, in the Province of Quebec, who also strongly protest against the fact that single, separated and divorced persons aged 60 to 64 are excluded from that social program, which would be so helpful to them.

Another petition is signed by a group of people in the constituency of Rimouski, who also find unfair, discriminatory and totally unacceptable the fact that they are excluded from the benefit of Bill C-26.

And finally, Mr. Speaker, here is a last petition signed by a group of residents in the constituency of Joliette, who also urge the House to review its position on Bill C-26, in the hope that it will expand its provisions to extend the social benefits therein provided to persons between the ages of 60 and 64, whether single, separated or divorced.

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, I am pleased to present to the House a most important petition from people in Western Quebec or at least a substantial part of Western Quebec who signed hundreds of copies and they did so as a result of their sympathy for single, separated and divorced individuals in need from 60 to 64 years of age. They would like to see Bill C-26 extended to single older persons from 60 to 64 years of age.

I do not want to use up the time of the House, Mr. Speaker, because the petitioners have asked me to read their names. I think that there are some 400 so you will understand that I do not want to misuse the time of the House.

I should like to present in the first place a petition from the electors of the beautiful constituency of Gatineau, as it is called, calling upon the Prime Minister of Canada to do all he can to extend the spouse's allowance program to all needy single person aged 60 to 64 years of age.

I also have another petition from one of the finest constituencies in Canada, the constituency of Hull-Aylmer, a petition coming from several hundreds people who are also asking that Bill C-26 also include all needy persons from 60 to 64 years of age.

Mr. Speaker, the petitioners are all older needy individuals and you may be sure that they signed this petition quite willingly. I am convinced that the present government will have much sympathy for them and will give special consideration to that petition which is apparently one of the most important ever presented to the federal government since it objects to a sort of social injustice. I am convinced that the Progressive Conservative Party will show its usual sympathy for older persons by extending Bill C-26 to single needy individuals from 60 to 64 years of age.

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I also have a petition to present and it originates from the constituency of Saint-Jacques which I represent in the House.

The petitioners also want to exercise their ancient an unchallenged rights to present a common grievance, with the assurance that the House will provide a remedy. They humbly sheweth that needy single, separated and divorced persons aged 60 to 64 are among those who most depend on Government assistance.

Wherefore the undersigned humbly call upon the Government of Canada to make the spouse's allowance program available to all needy persons living alone, aged 60 to 64, be they widows, divorced, separated or single.

Mr. Speaker, I also have a petition from the constituency of Hochelaga-Maisonneuve whose signatories want to present a common grievance with the assurance that the House will provide a remedy.

The petitioners state that it seems unwarranted to assess eligibility for a social program on the strength of the marital status of a person. The petitioners call upon the Government of Canada to extend eligibility for the spouse's allowance program to all needy persons living alone, aged 60 to 64, be they widows, divorced, separated or single.

Mr. Speaker, I have another petition from the constituency of Montreal-Sainte-Marie whose signatories want to exercise their ancient and unchallenged rights to present a common grievance, with the assurance that the House will provide a remedy. The petitioners state that the Government policy under which only needy widows and widowers aged 60 to 64 are eligible for the spouse's allowance amounts to discrimination against and social injustice towards single, separated and divorced persons with similar needs and belonging to the same age group.

Mr. Speaker, I have another petition from a rural constituency in Quebec, the riding of Lotbinière, whose signatories also want to exercise their right to present a petition to Parliament. Those petitioners of the constituency of Lotbinière humbly sheweth that needy single, separated and divorced persons aged 60 to 64 are among those who most depend on Government assistance, and they humbly call upon the Government of Canada to make the spouse's allowance program available to all needy persons living alone, aged 60 to 64, be they widows, divorced, separated or single.

Mr. Speaker, I have here another petition signed by many residents of the City of Montreal who state that the Government policy under which only needy widows and widowers aged 60 to 64 are eligible for the spouse's allowance amounts to discrimination against and social injustice towards single, separated and divorced persons with similar needs and belonging to the same age group.

• (1700)

[*English*]

Mr. Speaker: It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper. Does the Hon. Member for Windsor West (Mr. Gray) have a point of order?

Mr. Gray (Windsor West): I was seeking the floor to ask your guidance as to the next order of business, but you have called Private Members' Hour. Thank you very much.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Mr. Speaker: Is there unanimous consent that the House proceed to Item No. 168?

Some Hon. Members: Agreed.

* * *

THE DISABLED AND THE HANDICAPPED

ADVISABILITY OF ENSURING EASY ACCESS TO POLLING STATIONS

Hon. Chas. L. Caccia (Davenport) moved:

That, in the opinion of this House, the Government should take the necessary steps to ensure, that the Chief Electoral Officer, in future elections, make all polling stations in urban areas easily accessible to the elderly and the handicapped.

He said: Mr. Speaker, as you have noticed during the past two hours, our Party is concerned with the elderly and those members of society who need help. We are concerned with people who are in need of social security and who look to the Government for stability and security of income when they reach a certain age at which they want to be able to rely on some form of stable pension income, regardless of their social and marital status. What has happened in the last two hours is an example of the commitment that our Party has to that general principle.

Our record is long and substantial. Inspired by these basic principles, I put forward this motion today. It says, in essence, that the Chief Electoral Officer ought to ensure that in every federal election the polling stations in urban areas, or for that matter in any part of the country, be easily accessible to the elderly and the handicapped.

There are very good reasons for putting this motion to you, Mr. Speaker. In recent elections, and particularly the last one, there has been an increasingly frequent practice of using buildings that are not easily accessible to the elderly and the handicapped because they have long stairways or corridors. Some of these buildings can only be approached by a series of steps and corridors which make it difficult for people of a certain age or with a physical handicap.

I refer in particular to certain large school buildings in which polling stations may be located in the basement or on the second floor. I refer in particular to other institutional buildings where accessibility leaves much to be desired. I make the point that the instructions must be clear and vigorous. The Chief Electoral Officer of Canada must play a leadership role. His instructions to the returning officers in each riding must be very clear and to the effect that the selection of polling stations must take into account the basic principle included in the Charter of Rights and Freedoms that the elderly and the handicapped must be given consideration in the arrangements which lead to the electoral process.

On more than one occasion in the last election I was virtually reproached by a few electors who pointed out to me, with a certain degree of unhappiness, if not indignation, the fact that they would not be able to get into the building because of lack of access for wheelchairs. They would not be able to reach the polling station inside the large institution because they could not climb the stairs. Unfortunately and regrettably, some people simply give up their right to vote because of these considerations.

At a time when the whole thrust of our society is directed at understanding, recognizing and facilitating the participation of the elderly and the handicapped in public life, this matter requires close consideration by the Chief Electoral Officer. On many occasions, instead of utilizing large institutions, it would be better to adopt the old practice of using private homes. There is usually a side entrance and very few steps. The whole approach is much less cumbersome, particularly since a car can be parked in a driveway or very close to the entrance. I am not saying that this is the only solution, but I submit that an approach which takes into account the requirements of the elderly and the handicapped is most desirable.

In raising this motion, I urge the Chief Electoral Officer to take note of the experience that we had in Davenport in the last election. I am sure that a number of other Members have had the same experience on occasion. The numbers are not large, but that is not the principle at stake. It is an important principle which recognizes that the elderly and the handicapped must be given easy access to the voting process. That is what is at stake here and that is the reason for the motion.

In conclusion, Mr. Speaker, I would like to add a comment on the plight of unlisted electors, a matter which is not necessarily included in my motion. I am glad to see that it is recognized in the Private Members' motion of my colleague. I refer to individuals who discover on election day that they are not able to vote because their names are not on the voters' list.

Over the years we have developed an interesting, competent, and capable technique for resolving this problem in the rural voting areas of Canada. According to the Act, in those areas you can still be placed on the voters' list on the day preceding election day. That has been resolved to the satisfaction of many voters who, in the past, were dissatisfied and very disappointed when they discovered they were not on the list. However, this problem has not yet been resolved in urban Canada. Some people do not know that before every election a new enumeration is made and a new list prepared. Unless on elector is aware of the deadlines and procedures, there is potential for an elector to be omitted. He will continue to be omitted in future elections. That happens all the time in our society.

● (1710)

As a result of technological advancement and the equipment that is made available as a result of the chip, surely there must be a solution for urban voters who discover the day before an election that they have been omitted from the list they may be

incorporated in the same manner that it can be done for the rural voter.

I would like to indicate to the Chief Electoral Officer that the time has come to find the solution for the urban voter as well. It is essential that people who care to vote and discover their absence from a given list the day before an election be allowed to vote, if they qualify, by way of a last minute registration.

I welcome this opportunity to put forward this motion today in order to recognize the elderly and the handicapped and to ensure that they all have access to polling stations in the future. This can only be achieved through close co-operation between the Chief Electoral Officer and the returning officers in the 282 ridings. It also gives me the opportunity to relate the recurring plight of the non-listed elector who qualifies but discovers the day before an election that he or she is not on the list.

I submit these suggestions and thoughts for the consideration of the Chief Electoral Officer and I thank you for your attention.

[*Translation*]

Mr. Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Prud'homme: No, unless it is my turn now.

[*English*]

Mr. Neil Young (Beaches): Mr. Speaker, I am pleased to have an opportunity to talk to this motion put forward by the Hon. Member for Davenport (Mr. Caccia). He should be congratulated for giving us the opportunity to do so.

The motion reads:

That, in the opinion of this House, the government should take the necessary steps to ensure, that the Chief Electoral Officer, in future elections, make all polling stations in urban areas easily accessible to the elderly and the handicapped.

I would go further than what is called for in the motion because, as some Members know, I was a member of the Special Committee on the Disabled and the Handicapped which essentially made the same recommendation in 1981.

It is also referred to by the Chief Electoral Officer of Canada in a 1984 statutory report. His recommendation concerning the motion we are debating today can be found on page 47 of that report. He said that Section 33(1) of the Act which defines some of the physical requirements of a polling station should be modified to comply with recommendations made by the Special Committee on the Disabled and the Handicapped. He goes on to recommend that subsection 33(1) be amended to state that polling stations should be established in premises of convenient access which, as far as possible, shall provide level access.

I am not at all convinced that it would require an amendment to the Canada Elections Act in order to make a polling station accessible to disabled, handicapped or aged persons. It would seem to me that all that would be required is the political will to allow all eligible Canadians to exercise their democratic right to vote in a federal election campaign.

The Chief Electoral Officer appeared before the Special Committee on the Disabled and the Handicapped and made a submission. He further sent representatives to appear before the committee at a public hearing. While these submissions did not indicate that there were any problems of accessibility for disabled voters, the subsequent testimony from witnesses at the hearing clearly revealed that such problems do indeed exist.

In Manitoba, the Elections Act has been amended to help provide accessibility to disabled voters. In the first instance, the returning officer is instructed to locate polling stations in permises to which the voters have access from the street without going up or down stairs.

The Manitoba Elections Act also states that in the case of a disabled person who cannot enter the existing polling place without difficulty, the returning officer should remove the ballot box, along with all ballots and documents in the polling place, and take it to a place in close proximity where it is accessible to the person, such as an automobile outside the polling station.

The special committee cites this Manitoba experience as a possible model for federal legislation. In the meantime, I believe the issue could be further debated before the Standing Committee on Privileges and Elections. I know that the statutory report of the Chief Electoral Officer is before that committee and I know that whether or not the House chooses to refer this subject to another committee or to kill it by talking it out, the subject matter will still be discussed before that committee. Therefore, it will not disappear or go away. It would be much more preferable if the House were to deal with it in a forthright and honest way today rather than simply to talk it out as Governments usually are wont to do.

Throughout the hearings of the special committee, it heard complaints that the voting system throughout Canada makes it difficult for many disabled Canadians to travel to polls on election day. The one exception to these complaints was the Province of Manitoba which has made provisions for a postal vote system for provincial elections.

Under the Manitoba Elections Act, the returning officer receives an application by mail at least ten days before the polling day, and returns an initial ballot to the voter at least seven days before the polling day. This ballot is then marked and sealed in a plain envelope, which is placed into another special envelope which is printed in the form of a certificate.

On the certificate envelope, two people must be identified: the voter, plus another person who is authorized to vote in the same electoral division. The second person must certify that the first person's information is correct. The voter can then send the ballot and the certificate to the Chief Electoral Officer by any means before the closing of the polls. In the case of postal disruptions, the ballots may be picked up by the division returning officer, or be dropped off by friends or family.

In the last Manitoba provincial election, 900 mail-in votes were received and were mostly from urban voters. Manitoba's Chief Electoral Officer advertised the details of the postal vote and felt that the subsequent results were satisfactory.

The present policy of centralizing polling places serves the needs of the office of the Chief Electoral Officer, but it ignores many of the needs of the voting public, especially of those Canadian citizens who are disabled. Centralization makes it easier for electoral officers to organize the vote count, but it makes it more difficult for many voters to reach the voting place. Centralization again may cut the costs of the office of the Chief Electoral Officer of running a national electoral organization, but at the price of depriving many Canadians of their votes. It is totally contradictory for the federal Government to espouse a policy of maximum voter participation on the one hand, and a policy of restricted access to polling places on the other. This centralized policy, in my view, should have been ended years ago when this committee made that recommendation. It is certainly not too late for this House to instruct the Chief Electoral Officer to do it now before the next election comes.

● (1720)

Many of the problems the disabled voters encounter at polling stations can be solved by educating the people responsible for those facilities. This includes deputy returning officers and their staffs. If these individuals become familiar with the needs of the disabled voter at the very outset of an election period, the many potential conflicts and problems of accessibility could be eliminated. Since the polling station personnel must go through an orientation session as a requirement of their job, this additional information regarding disabled voters will entail very little extra cost in time.

As I said at the outset, I am not convinced at all that it would take an amendment to the Canada Elections Act in order to provide disabled individuals with the full right to exercise their vote. Simple political will to make sure it happens could make it so. There are some physical difficulties in some electoral ridings, I suppose, with electoral returning officers continually going back to the same places that they found to be suitable in the past, such as old church buildings, schools, and that kind of thing. Simply because it has been good enough for those returning officers in the past does not mean to say that it is good enough for the person who is trying to exercise his vote, such as disabled elderly Canadians.

There is another issue that I want to touch on, one that does not deal specifically with accessibility at the polling stations, that is, the accessibility of individuals who are confined to psychiatric institutions and simply because of that they are denied the right to vote. By the way, Mr. Speaker, the Province of Ontario finally smartened up last year and amended its Elections Act to allow individuals who are confined in psychiatric institutions to exercise their right to vote, and to recognize that simply because an individual may be mentally disabled at some point in his or her life does not mean to say that that person cannot exercise good judgment in casting a ballot in an election campaign. It also displays a certain kind of mental attitude toward individuals who are mentally disabled or who are temporarily mentally disabled. The results of two elections in Ontario, the series of by-elections last fall, when amendments to that legislation were in effect, and the recent election of last Thursday proved that there were no difficulties or problems created by those amendments at all. The effect of these amendments was very much appreciated by many of those individuals in those institutions because it helped them to recognize in the period of recovery that they were treated as able-bodied citizens and treated with some respect for their illness.

The Canadian Mental Health Association and other organizations appeared before the Standing Committee on Privileges and Elections about three or four weeks ago and made a very strong case for an amendment under the Canada Elections Act which would remove that blatant discrimination against people who are mentally disabled or mentally handicapped. We are not talking about the criminally insane. We are talking about people who suffer a mental disability, and if anyone has taken a look at the studies over the last several years about the effects of high unemployment in this country, the effects of the tremendous social pressures placed on people, they will realize that any one of us could suffer a mental disorder at any time.

It seems to me that in that light politicians, and especially the ones here for this debate, should act in a responsible way. They should not talk out this motion. Even though I do support the motion itself, I do not feel it goes far enough in addressing the problem. At the very least if it were referred to a committee, as the Hon. Member for Davenport suggests and requests, the matter could be fully aired and debated. Witnesses could be heard and they could make their own case in a much more substantive way than we possibly can here.

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, the resolution before the House in the name of the Hon. Member for Davenport (Mr. Caccia) states:

> That, in the opinion of this House, the government should take the necessary steps to ensure, that the Chief Electoral Officer, in future elections, make all polling stations in urban areas easily accessible to the elderly and the handicapped.

Many resolutions come before this House, and each in its own way and for its own reasons has special interest and importance. I think that today Members would agree that this resolution has a poignant message because of what it symbolizes in the long and continuing struggle to ensure that all Canadians including those who suffer physical handicaps shall enjoy the full birthright of Canadian citizenship.

Section 3 of the Canadian Charter of Rights and Freedoms states something that has long been part of our birthright but is now an expressed guarantee, specifically:

> Every citizen of Canada has the right to vote in an election of members of the House of Commons—

That guarantee is supplemented by the guarantee contained in Section 15 of the Charter of Rights and Freedoms now in force since April 17, 1985, which guarantees that every

individual has the right to equal benefit of the law without discrimination based on physical disability.

In that context, there could be no happier resolution, no more appropriate resolution than the one we have before us here today.

In my view there are perhaps two really important things that count when it comes to dealing with the handicapped. The first is awareness. The second is action. In this country in recent years there has been an increasing measure of awareness of the special requirements that men and women have in trying to fulfil and achieve their full potential. I would say that a person does not become disabled because of an impairment; he or she becomes disabled when forced to live in a society which is designed for some fictitious or mythical person who has no disability.

There are some features about election law that have been particularly of interest to me, and in my book *Political Rights*, I talk about the concept of administrative disenfranchisement. It is well and good to put a law on these statute books which gives someone the right to vote. By those same laws we in fact disenfranchise certain people for good and sufficient policy reasons.

To date we have seen fit, for example, to disenfranchise judges, inmates of prisons and certain other categories of people. That is one form of expressed statutory disenfranchisement. It is clear public policy. What is not public policy, however, is the administrative disenfranchisement which results when someone seeks to exercise his or her right to vote but finds an obstacle, a barrier, a handicap that is in front of the person and in fact results in that person being disenfranchised.

● (1730)

I listened with interest to the introductory remarks of the Hon. Member for Davenport who brought this resolution before the House and, in particular, to the comments which followed from the spokesman for the New Democratic Party, the Hon. Member for Beaches (Mr. Young). The Hon. Member for Beaches is certainly recognized in this House and beyond as one of the several Members of the Canadian House of Commons who have particularly focused on redressing the long-standing wrongs which confront Canadians who suffer from both physical and mental handicaps. He should understand that I, for my part, and I think other members of the government Party who will speak later, do not intend in any way, as he suggested, merely to talk this measure out in order to have it passed by and be forgotten. As I said at the outset, there must be awareness; there must also be action. Therefore, I would like to place a couple of other considrations before the House and the Hon. Member, in particular, who expressed that concern.

There are other more general reviews taking place of the entire Canada Elections Act. I have the honour to be chairman of a caucus committee which is looking at that. I can say that the Government is particularly mindful of ensuring that the proposed reforms, which have been piling up on the public agenda year after year as the Chief Electoral Officer has brought forth his report and made suggestions, very few of which were implemented, are comprehensively reviewed so that within a very short term—and hopefully within this session of the thirty-third Parliament—amendments to the Canada Elections Act will be brought in to deal with many changes, not only the ones cited in this resolution, to ensure among other things that all Canadians have full access to the franchise.

Beyond that there is another development, that is, the fact that the parliamentary committee on equality rights is currently reviewing all federal laws to ensure that they comply with the spirit and the letter of Section 15. Major initiatives are under way which will culminate in specific action in the near term. The ideas contained in the resolution of the Hon. Member for Davenport are certainly part of that, but I suggest that it may be inappropriate today for us to take the provisions of this resolution as necessarily the final word or indeed the best solution which can be found.

For example, it bothers me to note that the resolution addresses only polling stations in urban areas. Handicapped and elderly Canadians live in the country from coast to coast to coast, many in rural areas. I think one or two of the other Hon. Members who will speak later will touch further on the question of the distinction between urban and rural and why it would be almost hypocritical on our part to seek to end one form of discrimination while in the process of perpetrating another, namely, maintaining an urban-rural distinction between those who suffer handicaps.

Indeed, just on that point, I did a little research and I would like to put some information on the record. In the 1984 federal election, there was a total of 64,169 regular polls and advance polls. Approximately 55 per cent of those were in buildings with level access. Of this total number of polls, 19,742 were in rural areas. This represents 31 per cent of the total or approximately a third. Because this issue has come to public consciousness at a relatively recent date, although it has been foremost in the mind of handicapped Canadians who have sought to these many years to cast these ballots, and because only recently it is emerging as an issue to be addressed, for example, here in Parliament, the Chief Electoral Office does not have figures as to the number of level access polling stations in rural and urban areas respectively. However, if we make the assumption that 55 per cent of those 19,742 rural polls were accessible, it means that some 8,884 polls were not in buildings with level access.

As quoted in the *Winnipeg Free Press* of March 5, 1985, the Chief Electoral Officer, Mr. Hamel, stated that trying to find 70,000 places across Canada with level access was not only difficult but impossible. We have therefore brought into sharp relief the reality with which we must grapple, that is, taking the principle of equality and bringing it to earth in specific, concrete places in terms which in fact will deal with the question of access. It would be misinterpreting the spirit of this House and the mood of these times to say that we cannot proceed in this direction because of the difficulty of finding

level access places. If we proceed on that basis in this or in any other direction in public life, we will always be able to find excuses. Therefore, we have to press on. The times require it. The Charter guarantees it. There will be solutions if we have the will to see that they are found.

However, finding those solutions is yet another reason I would suggest to the House this afternoon that it may be inappropriate to adopt immediately this resolution, because there are other possibilities which should perhaps be part of a total package deal. Of course, another one of them is the question of the mobile ballot box. This has been used with some imagination at certain times in Canadian history, certainly when elections were conducted during times of war. In one instance the ballot box was actually carried to the troops in the trenches and the ballots were cast in that fashion. There have also been closer to home and more recent examples. There was one in my riding in the last election. It was the case of Mrs. Irene Cole of Etobicoke who went to her polling station and found that she was unable to get to the ballot box because of stairs. It was a question of accessibility. After a call was made to one of the Party's headquarters, people came to assist. It was arranged that the DRO bring the ballot box out and down the steps, and she cast her ballot in that fashion. There are common sense solutions. If it is impossible to find for every polling station in the country a level access building, let us at least ensure that the law provides a kind of mechanism which is common sense and can do the job. It is another solution which I think should be part of a package deal.

A third one which could be added to this in any amendments that come forward—and I would only pick up the idea to which the Hon. Member for Beaches already referred—is the example of the Province of Manitoba. Manitoba has developed the concept of a mailed ballot. If disabled and if certain qualifications are established and rules set forth that are followed within a certain time period, a citizen can cast his or her ballot by mail. That experience has proved very workable. In the last Manitoba election, approximately .2 per cent of the electorate of that province cast their ballots in that fashion. In the sense that that can also be a solution to the problem I think suggests that we should take that idea and make it part of the total package we can put together to ensure that the rights of handicapped Canadians are best assured in voting. In fact, the number of such votes cast in that Manitoba provincial election, just for the record, was 900 out of a total of 488,821 votes cast. The procedure there has already been described for the House by the Hon. Member for Beaches, so I will not repeat it at this time.

● (1740)

There is clearly a general mood for change in this area. The question that I asked in this House of the Minister of Transport (Mr. Mazankowski) last week about the implementation of the Ratushny report indicated that we are on the brink of a major announcement in that area. As Hon. Members know, the Ratushny report contains recommendations for changes in transportation facilities in Canada to ensure that handicapped Canadians can move about the country with freedom and dignity.

Another incident that some Members of the House may know about and others may not indicates something of the mood of the times and the willingness to try something new to accommodate those who suffer from handicaps. I refer to the recent expansion of facilities here for deaf people. We now have live simultaneous sign language interpretation of Question Period that is broadcast in both languages. I want to mention that a few weeks ago the Speaker of the House provided three deaf students who were attending Question Period with a TV monitor in the Ladies' Gallery so that they could follow the sign language interpreter and hear the words spoken on the floor. That was an important development, not too big a thing in the broad scheme of things but, as the old song states "Little things mean a lot".

What we are looking at here is a chance to do something that will mean a lot to a great many Canadians. There are precedents as well for us to look at in the Province of Ontario. Reference was made moments ago to the recently re-enacted Elections Act of the Province of Ontario. That provides access for the handicapped to polling stations. We would do well at the federal level to benefit from the experience at other levels.

In conclusion, I want to say as well what we did in developing special ballots for blind voters. In my book on political rights I discuss the recent history of the development of two forms of ballots, the one involving the template and the other the notched ballot to assist blind voters. We are on the right track. The debate this afternoon is serving a very valuable purpose in bringing good suggestions forward that can be incorporated in the amendments that the Government will introduce this session. I look forward during the remainder of the debate to hearing other Members express their views as to how we can make great progress on this important question of achieving equality for all Canadians.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I feel very honoured to be taking part in this debate on the motion of my hon. friend from Toronto. I listened to the speeches. After all, that is why we are here. Yes, Mr. Speaker, there are still Members who believe they can learn something by listening to their colleagues, and even after 20 years in the House, I am still very interested to hear what new Members, especially, have to say in the House.

I am proud to say that the comments made by our distinguished colleague from Etobicoke-Lakeshore (Mr. Boyer) will give all the Members of this House something to think about. And if I may have his attention, I would like to congratulate him publicly, because his comments, with those of my hon. colleague from Davenport (Mr. Caccia) and our hon. colleague from the New Democratic Party, deserve our attention. I want to start my comments—I can assure Hon. Members they will be brief enough to give another colleague on the Government side, who asked whether we could share the time

available, a chance to speak—by saying that I hope we do not talk this motion out. I think we might refer this motion to the appropriate committee for consideration.

At this point, and I am encouraged somewhat by my hon. colleague from Etobicoke-Lakeshore (Mr. Boyer), I think it would be appropriate to pay tribute to someone who is no longer here in the House today, and I am referring to the former Prime Minister of Canada, the Right Hon. Pierre Elliot Trudeau, since Canadians have started to talk more and more about the Canadian Charter of Rights and Freedoms. For the sake of history, I think that those who are listening or would like to listen or those who will be reading what we said, I must repeat that thanks to what some called his stubbornness and others his determination, we have today a Charter that is complete and became so on April 17 of this year when we proclaimed Section 15 which is now an integral part of the Canadian Charter of Rights and Freedoms. I therefore want to take this opportunity to pay tribute to our former Prime Minister. I think there is no question of partisanship here, and I hope that very soon the Charter will also apply to the last province that has yet to agree to participate in the process and sign this agreement.

I also wish to congratulate the Chief Electoral Officer, who even before the Canadian Charter of Rights and Freedoms existed had been aware of the problem in Section 168 referred to by the Hon. Member in his motion that in future elections, all polling stations in urban areas be made easily accessible.

There have been changes because the Chief Electoral Officer was already aware of the problem. That is why all ridings were asked to hold advance polls in locations easily accessible for people who would be unable to have easy access to regular polling stations, so that they could exercise their right to vote, which is now part of the Canadian Charter of Rights and Freedoms in Section 3.

I think a word of congratulations to our Chief Electoral Officer is indeed in order, especially since this year, he is celebrating a very special anniversary after years of loyal service for the benefit of all Canadians, whatever their political affiliation.

I would like to say that we are in complete agreement, at least I personally am in complete agreement with what was said, as I mentioned earlier, by my colleague from the New Democratic Party who spoke before and who presented the motion, and especially with what was said by the Hon. Member for Etobicoke-Lakeshore, when he commented that there must be no discrimination. Anyone who has the right to vote must also be free to exercise that right. This reminds me of Bill C-26, and although I did not take part in the debate this afternoon, there are a number of similarities. We would like to see all people between the ages of 60 and 65, whether they are married, single, divorced or widowed, treated on the same footing.

I think this is real equality and that these are real rights. But I just wanted to say that in passing.

I also think the suggestion, for people with a practical turn of mind ... and I see the Hon. Member for Gatineau (Mrs. Mailly) and the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault). There are people here who may be new to the House but they are practical. And perhaps, as one of our colleagues pointed out this afternoon, we might have trouble finding 70,000 accessible polling stations right away.

Because in some areas, I don't want to oversimplify, but I think that we should use basic common sense. What does basic common sense say? It says not to create unnecessary difficulties, but if the elector should find it impossible to go to the polls, maybe the polls should go to the elector. If the elector who is handicapped goes to a polling station and cannot enter because it is located in a church basement or on a third floor, provisions of the act should make it possible for a ballot box to be made accessible to him or her, in the presence of the representatives of all the parties. Which means that when one uses one's basic common sense, one can always find a reasonable solution to a reasonable problem. These are the few remarks I wanted to make. I was prepared to say a lot more, but time flies, and my distinguished colleague from the Government side, the Hon. Member for Gatineau (Mrs. Mailly) has asked me to share my time with one of her colleagues, something I am pleased to do. I want to repeat that I enjoyed the remarks of this new Member of Parliament, I find them quite reasonable, and if only we could work together to reform ... There are many amendments to be made to the Elections Act, to streamline it as the need arises during an election campaign. I think that we should be able to obtain the result the Hon. Member for Davenport (Mr. Caccia) is seeking. Thank you. I conclude to allow my hon. friend to rise.

• (1750)

Mr. Marc Ferland (Portneuf): Mr. Speaker, I wish to thank my colleague from Saint-Denis (Mr. Prud'homme) for sharing his allotted time with me to give me a chance, for the first time in this House, to speak about a Bill in which I am especially interested, namely one which aims at making polling stations and even public buildings easily accessible to the elderly and the handicapped.

I worked for many years as a draftsman, and I very often had to design public buildings. Fortunately, it has been possible to design easier and more adequate access to such buildings. What I find surprising is that the Hon. Member for Davenport (Mr. Caccia), who is a man of experience, would propose a Bill aimed at correcting a certain inequity towards a particular group of our population, but only a particular group. I represent a rural constituency, and when I think of all the urban polling stations, I have to conclude that, while one inequity will be corrected, another will be created. I cannot

support this resolution aimed at correcting only part of the problem. I believe that our handicapped and senior citizens, wherever they live in this country, should have easy and adequate access to polling stations. In this regard, I am unable to support the resolution of the Hon. Member because he is creating one inequity in his attempt to correct another.

Mr. Speaker, I could go on at length about this matter, but since many of my colleagues also wish to express their views on this Bill, I shall yield to them.

[*English*]

Mr. Bill Attewell (Don Valley East): Mr. Speaker, it is a pleasure for me to rise to speak in support of the timely and thoughtfull motion put forward by the Hon. Member for Davenport (Mr. Caccia) that all polling stations in future federal elections be accessible to the elderly and the handicapped.

The special committee which tabled its report in February of 1981 heard complaints throughout the hearings that the voting system in Canada makes it difficult for handicapped persons to travel to polling stations on election day. There are many reasons why a handicapped person may not be able to get to a polling station. First, the polling station may not be in an accessible area. As an example, it may be in a location with stairs but no elevetor. Second, the handicapped person may be confined to bed and thus unable to get to a polling station. A possible cure for this may be in implementing a system such as is used in the Province of Manitoba. The Hon. Member for Etobicoke-Lakeshore (Mr. Boyer) has already referred to that idea.

Another problem faced by the elderly and the disabled in trying to exercise their right to vote is the policy of the Chief Electoral Officer to try to centralize polling stations in order to save money. This policy has caused many elderly and disabled people to lose their franchise, Mr. Speaker, and I submit that no reduction in the expenses to run the polling stations is worth disenfranchising Canadians. Another problem faced by these two groups in voting is the fact that those persons who work in a polling station are often not qualified in terms of the special needs of the handicapped or the elderly.

On page 49 and page 50 of the 1984 statutory report of the Chief Electoral Officer of Canada, it is recommended that Section 45 of the Canada Elections Act be amended to add two provisions which would deal with some of the problems I have just outlined. First, the Chief Electoral Officer recommends that a mobile poll be set up at a number of institutions where the elderly, the handicapped or other incapacitated electors are located. The second recommendation is to allow the deputy returning officer of a polling station to take the ballot box and the necessary documents to the entrance of the polling station, or even outside the polling station, in order to allow the incapacitated elector to cast his or her vote. I am in full support of the two recommendations made by the Chief Electoral Officer.

In the interest of having another colleague of mine speak to this motion, may I just summarize by saying that by the Charter of Rights and Freedoms, and only by those rights that are provided, we must ensure that the handicapped and the elderly of this country are guaranteed access to polls. We should not let the cost stand in the way.

So I am in total support of the Hon. Member's motion. It is, and I stress this, time for action. But let us ensure that we do not overlook any existing problems which would work against the splendid spirit of this motion, if these problems were unresolved.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I have reviewed the substance of the motion of the Hon. Member. In fact, I have had the opportunity in the last while to examine a number of elements related to the Elections Act. I represent a rural riding, as does my colleague who spoke a moment ago. I must confess I am a little surprised that we are addressing ourselves in this debate to the urban rather than to the rural component, at least in part. That does give me some concern, Mr. Speaker. It always seems that the rural areas are the areas which are first to be ignored.

I think that one must recognize that there are certain hardships in terms of getting to the polls which are more evident and apparent in the rural setting than they are in the urban. After all, in an urban setting one has the opportunity of employing or utilizing a dozen or more different facilities in a given polling area to which a person can go and exercise his or her right to vote. Those kinds of provisions do not exist in the rural area. We take what we can get whether that be a school, a church, some other public building or even a private building. In fact, I recall a polling station in a private home in the small community of Paterson in my riding. So while it is fine to impose a provision for those who are handicapped or elderly in the urban areas, it does present some difficulties for those persons in the rural setting.

It has been suggested that the advance poll would more than accommodate this particular problem. But I suggest to you, Mr. Speaker, that that argument, while it is persuasive, cuts both ways because, really, what you are saying to the handicapped and elderly persons who would be expected to vote at the advance poll is, "You are a little different from anyone else. You have to vote at the advance poll. It doesn't matter if you have a medical appointment 200-miles removed or if you are on vacation and plan to be back on election day". Those are the difficulties which I can see will surface immediately.

In terms of the actual cost of construction or the provision for the voter to have access at the urban level, I think those costs would be much higher than at the rural level. Essentially, we are dealing with an existing building, probably with a simple modification.

The Acting Speaker (Mr. Charest): Order, please. The hour provided for the consideration of Private Members' Business has now expired.

Adjournment Debate

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

ENVIRONMENTAL AFFAIRS—TOXIC CHEMICAL CONTROL PROGRAM. (B) REQUEST THAT PROGRAM BE RENEWED

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, a few years ago it was determined by the Liberal Government that the management of toxic chemicals by the Department of the Environment was a priority of national importance in Canada. The Toxic Chemicals Management Program which was instituted dealt with all the human activities which have the potential to alter nature, and the amounts or distribution of chemicals in the environment which adversely affect human beings, other life forms, ecosystems and renewable resources.

In 1985, it appears that the management of toxic chemicals by the Department of the Environment has ceased to be a priority of national importance. As of April 1, 1985, the Toxic Chemicals Management Program ceased to exist.

When I asked the Minister of the Environment (Mrs. Blais-Grenier) on April 23 why this program was cancelled, she answered: "It was a temporary one and is now included in my Main Estimates". In our research we found that the Estimates of the Environmental Protection Service have been reduced from last year by $6.4 million and that the personnel has been reduced from last year by 41 persons.

In light of the cuts to the service, I must ask the Minister or the Parliamentary Secretary whether the Toxic Chemicals Management Program still has the same program funds to work with as it did prior to April 1.

It appears that what we have is another cut, through the back door, surreptitiously camouflaged by the Minister when she pretends that the program in question has been "included in my Main Estimates". How can the Minister say that when the budget of the Environmental Protection Service for this year has been cut by $6.4 million and the personnel has been cut by 41 persons?

I must gently reproach the Parliamentary Secretary for having failed to arrange for a scrutiny by members of the Standing Committee on Fisheries and Forestry to analyse the Estimates. The month of April has passed, we are now in May, and nothing of that kind has yet been arranged. Therefore, we are forced to use the "late show" to discuss that budget.

In checking the Estimates we could not find the following important components of the Toxic Chemicals Management Program which existed last year. One of the components was a three-year action plan on matters such as drinking water, dioxins, pesticides, indoor air quality and contaminants in fish. As well, we could not find the component which dealt with the development of a federal plan of action for the control of dioxin. Neither could we find the component which would improve national pesticide management and regulation activities by contributing to the registration of pesticides and by informing the public on the decision-making process with respect to pesticides. There is also the component which has to do with support of the general co-ordinative role, the contribution to meetings of the Canadian Council of Environmental and Resource Ministers on questions related to toxic substances, and the co-ordination of the Department's input to the interdepartmental committee on toxic chemicals as based on a Cabinet document on pesticides which outlines a three-year federal plan of action. These items have disappeared. I submit something fishy is going on because the absence of these components disproves the claim by the Minister that the toxic chemical program came to a "normal end".

• (1805)

In addition, there are cuts in the environmental conservation service of $5 million and 240 person-years. What is not listed this year in the Estimates for that service is multiple resource conservation which last year had approximately 81 person-years and $5.2 million. This program undertook research and monitoring of toxic chemicals to ascertain concentrations, transportation, sedimentation and precipitation. In addition, a comprehensive integrated surveillance plan was to be implemented with greater emphasis on radioactive waste disposal. That is gone, too.

Where has this program gone? It is not in the Estimates. Why has toxic chemical research become less a priority today than it was last year? Why is the Government cutting the research needed to solve the severe problems posed by toxic chemicals? What the population along Lake Ontario and the St. Lawrence River is losing is the essential research needed, without interruption, to determine the flow, quantity and increases of toxic chemicals in our water.

I will conclude by saying that this research is essential. We on this side of the House expect this Government to demonstrate its ability to prevent toxic chemical problems and to undertake responsible management of chemicals. Because of cut-backs which have resulted in the loss of important research programs, the Minister of the Environment should address the concerns of the public regarding the potential health problems associated with contaminated water. I submit that the toxic chemical management program is gone; the Estimates are reduced by 41 person-years in the environment protection service, and 240 person-years in the environment conservation service. How can the Minister claim that a toxic chemical management program is now in the Main Estimates? I ask you.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the Hon. Member for Davenport (Mr. Caccia) indicated at the beginning of his comments that a number of years ago, I guess that was in the 1970s, the Liberal Government recognized the importance of toxic chemicals. I think that was all well and good, but in recognizing that he must also recognize the way the management of those toxic chemicals was really screwed up by the Liberal Government in

the meantime. What we have ended up with is a mishmash of programs, a number of different orientations, and 18 different departments involved in trying to rationalize the management of our toxic control program.

I would like to look first at the premise of the Hon. Member, that these programs are gone. If he wants to give the Estimates the proper attention, he will see that none of those programs has been cancelled. The programs have been integrated into the internal programs of the department. The people who live on the Niagara River can be comforted by the fact that the programs will continue.

What the previous Government had was a fund which was superimposed on the regular Estimates, and the Hon. Member knows it was due to run out this year. It was a three-year program. All of the programs funded by that extra money are now included in the regular programming, with renewed vigour.

One of the Minister's priorities, and he has made sure it is also a priority of the department—I think this is very important in this whole discussion—is that toxic chemicals are probably second on our list of concerns, following acid rain. The competence with which we have handled that program will be matched in the way we handle the toxic chemical program with the thousands of new chemicals coming on stream.

We as a Government need to organize and manage from beginning to end the question of toxic chemicals and the pollution they are causing in our water, our air, the food we eat, indeed, the whole range of things we have to deal with on a day-to-day basis as Canadians. The Government and this Department are now in the process of ensuring that we have a long-term program that will adequately deal with those very serious questions.

• (1810)

NATIONAL DEFENCE—NORTH WARNING SYSTEM—PARTICIPATION OF NORTHERN CONTRACTORS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, on May 3 I asked the Minister of National Defence (Mr. Nielsen) what the Government was doing to ensure that northern contractors and employees might benefit from the new North Warning System. I was pleased with the answer he gave at that time. He told us that as soon as the decisions had been made, or shortly thereafter, he had sent officers of his Department to brief the various territorial Governments, and that northern contractors and employees would be given every opportunity for involvement in this project. That was good news. The reason I bring this matter up again this evening is to elaborate a little on the way things went in the past and the way in which they might go better in the future.

In the mid 1950s, when the DEW line was originally constructed, things were very different. We did not have a lot of northern contractors with expertise. The level of training and education of the population was, to a great extent, lower than it is today. The whole construction exercise was very much under the control and management of the United States Air Force. Canadians did not play a full role in construction at that time.

There is a story going around that I believe is true. At one time a Supreme Court judge was forced to land at one of the DEW line sites. The American officer commanding there would not let the Canadian Supreme Court judge into the base. He told him to go away. These things will certainly not happen again with the new North Warning System. We have come a very long way in the last 30 years.

I have had a number of inquiries from very competent northern contractors involved in the building and construction trades, in engineering design work, in transportation, and in supply of all kinds of material, who are anxious to get in on the opportunities involved with the North Warning System. I have had inquiries from Chambers of Commerce and Arctic Co-operatives Limited which represent a number of businesses.

I have made a suggestion to the Minister of National Defence which I hope he will act on. I have suggested that he create a liaison office to provide information to northern contractors. This might be located in Ottawa, for the time being. It might eventually be located in Yellowknife, or they may want to use some of the facilities which may be vacated at CFS Inuvik. We should have an office established and an officer in charge whose specific job it is to encourage northern involvement in the scheme. We should be able to provide information to northern contractors. They want to know in advance what types of jobs are going to be available. If that information is provided to them it will allow them to make the necessary arrangements to get their bids in order and find the available people. It may be necessary to engage in a little training of northern employees in order to take advantage of the contracts as they come up.

I have had suggestions from constituents with regard to the integration of civil and military support for the system. Perhaps unit toll carriers can be used instead of completely military aircraft. That might result in a saving to the Department of National Defence, and at the same time increase the volume of freight handled by the unit toll carriers, hopefully bringing down the price. The possibility of establishing staging centres somewhere in the north instead of shipping out of a southern base is one suggestion. You may want to take it into a location somewhere in the North for assembly before it is shipped up to the various north warning systems.

• (1815)

These are some of the ideas that I have received. I simply want to pass them on to the Minister and his Parliamentary Secretary today. I believe there will be tremendous opportunities from this. We know that it will not be a panacea for all our employment problems in the North but there will be hundreds and possibly thousands of person years of employment connected with this. We in the North would certainly like to get our fair share. I am satisfied that we will, provided some of these suggestions are taken into account.

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I would like to express the appreciation of the Minister and the Deputy Minister for the very quick intervention by the Hon. Member when the north warning project was announced, and for his continuing interest in the subject. Certainly the Hon. Member's interest in securing employment for Canadians living in the Northwest Territories and the Yukon is appreciated and well known in the House through his representations. The Minister of National Defence (Mr. Nielsen) urged him on May 3, during Question Period, to make him aware of problem areas concerning the participation of northern workers so that they could be addressed properly. He has done so today and we will take those suggestions as advice and look forward to considering them very carefully.

I can assure the Hon. Member that the Government intends to take steps which will favour Canadians living in the North to every extent possible. Follow-up visits by the project manager of the North Warning System are already planned. In consort with officials of the Territorial Government, the social impact and job opportunities will be reviewed and discussed in considerably more detail. The Government is acutely aware of the valuable contribution the Inuit and Indian populations have made to the development of the North. These native peoples make up a large portion of the total population and their well-being and interests will be important factors for the Government to consider.

There will also be an evaluation in which the Department of National Defence and the Territorial Governments will assess the types of northern companies and indeed the groups of companies that could participate in the construction and implementation of the North Warning System. Contracts will be awarded some time next year relating to the long range radar construction in the eastern part of the country, Baffin Island and Labrador. Construction in the western arctic will only occur in late 1988 and during 1989. In summary, consideration of northerners and of northern firms will be a factor in the selection of contractors to do work on the North Warning System project.

The Minister of National Defence and the Hon. Member of course have a particular interest, experience and understanding of northern development opportunities and concerns. The Minister and the Hon. Member, working together, will make this project the kind of successful model that we expect for northern development projects.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 2(1).

The House adjourned at 6.19 p.m.

HOUSE OF COMMONS

Wednesday, May 8, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADA POST CORPORATION

OPPOSITION TO PROPOSED POSTAGE RATE INCREASES

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, millions of Canadians have finished filing this year's income tax returns. They sent their tax forms in by the April 30 deadline.

However, one businessman in northwestern Saskatchewan was waiting for a receipt he required to complete his tax form. The receipt that he needed was mailed from Toronto, postmarked March 13. He waited and he waited. Finally the receipt arrived in Battleford, Saskatchewan, 49 days later, on May 1, one day after the tax deadline.

At a time when many Canadians are growing increasingly frustrated with their Post Office, and while this same Post Office asks Canadian citizens and businesses to pay more for their postage, many ask why. I urge the Cabinet to consider very carefully the increase in postal rates requested by the Post Office.

The cost of mail is significant, particularly for small businesses. The public would not be expected to shoulder the burden of removing the deficit of a Crown corporation that sometimes provides questionable service. If the Post Office does not perform adequately, then Canadians should not have to pay more for less.

* * *

INDIAN AFFAIRS

STATUS OF INDIAN WOMEN

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, on behalf of the Quebec native women I make the following statement.

Indian women have had enough of the Government of Canada's refusing them the most fundamental of human rights. Indian women seek justice which they have never known since the arrival of the Indian Act in 1869. There have been one hundred years of misfortune for and injustice to those who married a non-Indian. This law, which was imposed on them by a non-Indian government, puts control on their most fundamental human rights, and creates divisions within their families.

For those who have married a non-Indian, this law takes away their identity, the possibility of transmitting this identity to their children, the right to live in their communities, and even the right to be buried within their communities. By this same law, which comes from the federal Government, non-Indian women who marry Indian men acquire Indian status.

The federal Government, in an effort to repair these injustices, finally introduced a bill, Bill C-31, which could have re-established the full rights of Indian women and their children. However, the committee which was mandated to study this Bill has proposed amendments which are contrary to the spirit of the Bill by putting limitations on the rights of Indian women, and has refused to consider amendments which would have guaranteed the right of Indian identity for their children.

They have had enough. They insist that justice be rendered to them. They insist that the Prime Minister (Mr. Mulroney) act now. Bill C-31 must ensure full rights to women and their children.

* * *

VIA RAIL

REINSTITUTION OF SERVICE BETWEEN EDMONTON AND VANCOUVER

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Government of Canada recently took steps to reinstitute regular western VIA Rail service between Edmonton and Vancouver, which includes the scenic and much travelled tourist corridor between Jasper and Kamloops, British Columbia.

This decision enabled the local communities to develop local tourism infrastructure projects. The critical component in this long awaited development process is the existing passenger train stations in the communities located within this corridor. However, VIA and CN are considering closing stations at Valemount, Blue River, and Clearwater, which woud seriously inhibit these communities in their tourism development.

Therefore I urge the Minister of Transport (Mr. Mazankowski) to intervene and take whatever action is necessary to ensure that these stations remain intact so that passengers travelling along this scenic corridor will have the opportunity to access local tourist areas, which will enhance not only VIA's attractiveness but help provide local economic development and jobs.

S.O. 21

HORTICULTURE

AGREEMENT ON INSPECTION FEES

Mr. Elliott Hardey (Kent): Mr. Speaker, the agricultural inspection fees proposed by the Minister of Agriculture (Mr. Wise) as a necessary means of reducing our inherited deficit, have been under discussion by the Minister and the various producer groups for some weeks. The purpose of these consultations is to scale the fees in such a way that they will cause as little hardship as possible to producers.

One example of the positive effects of these consultations is the agreement between the Minister and the Canadian Horticulture Council and the Canadian Fruit Wholesale Association. These meetings led to agreement by the Minister to accept the horticulture association's suggested inspection fee of three cents per hundredweight at shipping point. Before this fee is changed next year, similar consultations will again take place.

This is another example of the co-operative spirit that has been encouraged from the outset by the Government that seeks consensus, after consultation, before implementing policies. Most certainly there is a vast difference between this kind of approach and that of the former Government.

* * *

[*Translation*]

AIRPORTS

FUTURE OF MIRABEL

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, what happens to Mirabel Airport will have a vital impact on the economy of the Montreal area and that of the rest of Quebec.

The Government ought to decide as soon as possible what it intends to do about Mirabel. Several Members of this House are concerned about what the Government will decide, and I think it is entirely unacceptable that the Government should refuse to announce whether it will approve expansion of the airport in Toronto or try to give Mirabel a certain status.

All parties concerned in this matter agree that Mirabel is the perfect location for an international airport, that it and is well suited to future expansion. There are no obstacles to expanding Mirabel, except the Government's inertia which is preventing it from making a decision. The people of Quebec and Montreal are waiting for a decision by the Government, and I think this Government is demonstrating its indifference to their expectations.

[*English*]

NATIONAL RESOURCES

GRAND CANAL PROPOSAL

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, there has been a lot of attention paid recently to the so-called Grand Canal proposal, whereby the theory is that James Bay would be dammed, turned into a freshwater lake, and water diverted back south into and beyond the Great Lakes to points in the United States.

This proposal, earlier regarded as too bizarre to be accorded much credibility, has been given some credibility lately by the Prime Minister's (Mr. Mulroney) approval of water exports by tanker from his own riding, and his subsequent silence on the broader issue of water diversion for export which the Grand Canal project raises. Perhaps the silence is intended to complement the promotion of the Grand Canal scheme by the Prime Minister's old friend, Quebec Liberal Leader Robert Bourassa, whose enthusiasm for this massive act of technological hubris and ecological insanity seems to know no bounds.

The federal Liberal caucus, on the other hand, speaks with two voices. The Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) thinks it is a great idea, while the Member for Davenport (Mr. Caccia) appears to be against it. The Leader of the Opposition (Mr. Turner) thinks it should be studied.

● (1410)

Canadian waters are not ours to sell. In this sense, opposition to such a diversion is not to be seen as selfishness but as good stewardship of that which has been entrusted to us and of the ecological and planetary context in which our Arctic and northern waters need to be considered.

Americans, like Canadians, should look first to what can be done in terms of water quality improvement and water conservation. They would be surprised what we could do if the political will were there on both sides of the border. Unfortunately it does not seem to exist at this time.

* * *

NATIVE PEOPLES

FUNDING OF COMMUNICATION AGENCIES

Mr. John Parry (Kenora-Rainy River): Native communications societies throughout Canada are suffering a severe hiatus because of the Government's failure to date to approve any form of advance funding for the 1985-86 fiscal year.

These societies perform a valuable and essential function for native Canadians, and enrich the ethnocultural mosaic for all of us.

If present uncertainties are allowed to continue, the state of anxiety and confusion permeating the directors and staff will deepen, impairing further their effectiveness and enthusiasm.

The Government must learn to play fair with the agencies it funds. Delay is a form of denial. Numerous bodies wonder if it

is being used now to identify those programs which could later be cut without too much political backlash. It is time for the Government to put its money where the Prime Minister's April 18 statement directs.

* * *

SMALL BUSINESS

CAPACITY TO CREATE JOBS

Mrs. Mary Collins (Capilano): Mr. Speaker, yesterday in a speech to the Ottawa Social Planning Council, the Executive Director of the Canadian Council on Social Development cautioned Canadians about the role that small business could play in developing long-term employment and economic opportunities. Let me say I disagree, and I point to the facts.

For the past ten years over 70 per cent of new job creation in this country has been in the small business sector. Small business is responsible for 40 per cent of all employment, and for between 55 per cent and 60 per cent of private sector employment. Women now own 29 per cent of small businesses and are creating small businesses at three times the rate of men. Small business is also the largest employer of the youth of our country.

Yes, small business may not pay the highest wages, have long-term pensions, and job security, but Canadians with ideas and independence seek out the small business sector to fulfil their dreams. Many of the innovations and new products of our society are founded in garages or small laboratories, and grow into thriving small enterprises.

I can assure Canadians that this Government stands solidly behind the small business sector. Challenge '85 is a good example. We will continue to review our policies and laws, whether in the fields of taxation, pension reform, or encouragement of our financial institutions to meet the needs of small enterprises, to respond and to enhance the future contribution of small business to create jobs and keep the Canadian economy growing.

Mr. Speaker: The Hon. Member's time has expired.

* * *

[*Translation*]

HOUSING

MINISTER'S KNOWLEDGE OF PROGRAMS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, yesterday, in answer to one of my questions, the Minister responsible for the Canada Mortgage and Housing Corporation said that I was not familiar with the programs I had mentioned to him. In *Hansard*, I mentioned to the Minister the "Programme canadien de rénovation et de construction de logement locatif et de logement social". I realize the Minister is not familiar with the French language, so I suggest he check the briefing papers provided by his Department. In English, the "régime de construction de logement locatifs" is: Canada Rental Supply Plan, and "logement social" is Social Housing.

Mr. Speaker, I would therefore suggest that the Minister brush up on his programs before answering questions, so that he can give the right answers.

* * *

[*English*]

HISTORIC EVENTS

FORTIETH ANNIVERSARY OF VE DAY

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, I rise today on the occasion of the fortieth anniversary of the ending of hostilities in Europe during World War II. For a great many Canadians, this day holds a special significance. It is a time for both remembrance and reflection.

Canadians have always played a vital role in the defence of democracy and freedom. Over half a million Canadians served overseas during the Second World War, most of them in Europe. From the submarine war in the Atlantic, to the Battle for Britain in the skies, to the liberation of the Netherlands, Canadians fought for the values and liberties that we now cherish so dearly.

The conflict in Europe, like all wars, was a terrible human tragedy for everyone involved; for those who went overseas, for their loved ones who endured many anxious years in Canada, and especially for those who suffered the supreme sacrifice and were never to see their homes again.

● (1415)

It is our duty as a civilized nation to ensure that no Canadian will ever have to endure what our brave veterans so unselfishly suffered for their country. If there is a lesson to be learned in our wartime experience in Europe, it would be to underline the need to commit ourselves to the peaceful resolution of conflict.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DR. GARRET FITZGERALD, PRIME MINISTER OF IRELAND

Mr. Speaker: Before recognizing the Hon. President of the Privy Council on what I understand is an agreement, may I indicate to the House the presence in our gallery today of some distinguished visitors. I had to decide in what order to do this, so I will do it by parliamentary seniority and start, if I may, by introducing to the House the distinguished Prime Minister of Ireland, Dr. Garret FitzGerald. We are most happy for him to be with us today.

Some Hon. Members: Hear, hear!

Mr. Speaker: Accompanying Dr. FitzGerald is a very large delegation all of whom are equally welcome.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MR. HASSAN ALI, MINISTER OF INTERNATIONAL TRADE, REPUBLIC OF IRAQ

Mr. Speaker: In our gallery as well today we have the Minister of International Trade of the Republic of Iraq, Mr. Hassan Ali, and Mr. Shanta, a Member of the National Assembly of Iraq.

Some Hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been discussions among the Parties and, on the occasion of the fortieth anniversry of VE Day, it has been agreed that each Party would have approximately five minutes at this point in time to pay tribute to the occasion and that the time involved would be added on to Question Period after the conclusion of the remarks.

Mr. Speaker: It is so ordered.

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HISTORIC EVENTS

COMMEMORATION OF FORTIETH ANNIVERSARY OF VE DAY

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, 40 years ago the war ended in Europe. This was a day of great significance because it represented a victory over the most pernicious evil ever known to man, Naziism. Naziism and its horrible work against humanity in general and the Jewish people in particular are and forever shall be an indelible stain on the conscience of history. For all those who died, this is a day of remembrance but it is also a day of hope and reconciliation and renewal.

[*Translation*]

Today we are commemorating the dedication of these Canadian men and women and the sacrifices they made. We remember especially those wives who lost their husbands and families that lost their loved ones in the war. Their sacrifice has made subsequent generations of Canadians realize that peace is our fundamental concern.

By participating in the World War, Canadians helped to liberate Europe. It is our duty today to work unceasingly for peace, on behalf of a generation of Canadians who died in combat.

[*English*]

In 1939, Canada entered the war immediately, convinced that our freedom and the Freedom of future generations had been gravely and perhaps fatally jeopardized by actions taken in Europe.

Although our population was relatively small at the time, Canada committed all its resources and a million people, all of whom performed with courage and sacrifice. Many were wounded, thousands were killed, the glory of our youth consigned to European soil. Those who returned did so having paid a very high price. It is to all of them—our veterans and their families—who served this country that Canada owes its greatest and its eternal debt of gratitude.

Some Hon. Members: Hear hear!

Mr. Mulroney: Some who returned are in this House today in all political Parties. One of those young Canadians who went to fight, as did those from other political persuasions, with the very clear vision of what he was fighting for—and he has preserved that belief in democracy and freedom, undimmed and undiminished today—is the Deputy Prime Minister and Minister of National Defence (Mr. Nielsen). Because of his very distinguished record of service in the greatest of wars, I invite him to speak now to Parliament on behalf of the Government of Canada.

● (1420)

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Nielsen: —it was only nine days after the invasion of Poland that this House of Commons 45 years ago, without a single dissenting voice, declared war on the totalitarian state that brought it about. Before it was over there were 57 countries around the world involved on one side or the other.

A mobilization was seen here at home in Canada, the like of which has never been seen before in that kind of cause and hopefully will never be seen again. A navy was created in 1910 which, because of the foresight of the planners of the early twenties and thirties, was ready to go to meet the crisis at once and grew to be the third largest navy in the world; an air force was created in 1924 that was the scene of one of the greatest air training plans that the world has ever seen, turning out pilots from every Commonwealth country and others that were engaged in that conflict; we had an army whose roots reached deep into the past history of this country.

Today, ironically, as we move into this period of reconciliation that the Prime Minister (Mr. Mulroney) spoke of, we have now as our staunch allies those who were enemies during that conflict of 40 years ago.

If the House might permit me for a moment to focus on some of the words of the Prime Minister with respect to the reason for Canadians going to war, there appears to be an impression in some quarters that those who left their farms and factories, their books and their futures in 1939, 1940 and after, had no clear idea what they were fighting for. I want to tell you, Sir, that that was not the case. You do not mobilize millions of men and women in a cause in free countries around the world without a very powerful motivation. Most of us knew precisely what we were fighting for.

As the Prime Minister mentioned, there are men and women in this House who served. The present Minister of Veterans Affairs (Mr. Hees) is in Europe today participating in the commemorative services there to mark this occasion. The distinguished Member for Burlington (Mr. Kempling) and the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton), who sit with us today, knew exactly what they were fighting for. Nor can we forget the role that was played by 50,000 women and the hundreds of thousands of Canadians who contributed as effectively and as fully on the home front as those of us who were there.

• (1425)

To say that those who took part in this tremendous conflict, this tremendous outpouring of blood and resources that was the Second World War, did not have a clear idea of what it was about is to betray that for which they fought: the right to choose our own form of government, the right to free expression, the right to reject a form of government and philosophy that was anti-human and anti-democratic. We were aware of the anti-Semitic foundation of Hitler's philosophy but we were not aware, as we could not be, of the inhuman and lunatic extent to which those philosophies were pursued.

The Holocaust to which the Prime Minister referred, that crime against humanity, could only be possible in a totalitarian state where the truth was kept from the people. At that time we perceived very dimly, it is true, the face of totalitarianism in the face of Naziism, but we perceived that neither could live in a world where freedom was cherished. The concept of freedom is based on an appreciation of the human personality.

Over vast regions of the earth today and throughout widely separated parts of the world, humanity is subjected to indignities and horrors which reveal that totalitarianism, the subjugation of the individual by the state, still lives and breathes. In police states where freedom depends on the colour of skin or racial origin, totalitarianism continues to hold sway. We fought in those days to push back the creeping incubus of totalitarianism and the crushing out of the human spirit. Since the end of the war in 1945, this day 40 years ago, it has been creeping forward. That is what the war then was about and that is why young Canadians went out to serve.

Last month during my visit to Europe to discuss NATO affairs, I could not help but remember the magnitude and magnificence of the effort made by those committed to the concept of freedom, by those committed to the conviction that totalitarianism has no place in any free society.

Some Hon. Members: Hear, hear!

Mr. Nielsen: So yes, Mr. Speaker, it was worth doing. To remember that is something that we owe to the members of that generation whose like we shall not soon see again. They went out with a smile on their lips to face death in a multitude of forms. They went out because they wanted a world in which children could play on the lawn of Parliament Hill and in which the divine spark of creation in every human being was respected. They went out because freedoms were at stake.

Those freedoms cannot be taken for granted. Every diligence is required by all Canadians in order to ensure the maintenance of their continued existence. It should be the dedication of all Canadians, not just that of those who lived and acted in those days, to show how easily the tragedy of war can be prevented, as World War II could have been prevented, and how the malice of the wicked is reinforced by the weakness of the virtuous, as was the case then and as should not be repeated.

We remember 40 years ago. We remember those who made possible our existence as we should be straining and are straining with every fibre of our being to see that war does not happen again.

Some Hon. Members: Hear, hear!

• (1430)

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to respond to the excellent remarks which were made by the Prime Minister (Mr. Mulroney), and particularly to the very eloquent speech which was made by the Deputy Prime Minister (Mr. Nielsen) who spoke on behalf of the generation, both in this Chamber and throughout the country, which went to war. I want to salute him personally for his very remarkable war record and the Distinguished Flying Cross which he was awarded. It is no accident that he chose to wear that tie this afternoon and he is entitled to it.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I am sure the Deputy Prime Minister can recall the moment when he learned that the war in Europe had been declared over. It was one of the occasions in the lives of those of us who were living at that time when I am sure each of us remembers just what he or she was doing when the war's end was announced. I was in my final year of high school in Ottawa. Immediately the schools were let out and the whole city spontaneously moved to what is now called Confederation Square to celebrate with joy, pride and relief the ending of that terrible conflict.

Forty years and victory in Europe is at one time and the same time so very close over the millenium of human experience, yet so very far away. The names of Dieppe, Normandy, the campaign in Italy and the Netherlands will always be inscribed on the battleshields of our forces. We remember the valour, pride and suffering. In our gallery today there are some very distinguished representatives of our forces, including one of our very distinguished Field Commanders.

A whole generation went to war and we are grateful to them. I want to assure the House that we shall not forget. We shall not forget our dead, those who threw the torch from failing hands, our wounded, and those men and women who, because of active service, have remained disabled for the past 40 years. Their lives have been curtailed and they have had to struggle against deep physical problems. In his absence, I also want to salute the Minister of Veterans Affairs (Mr. Hees) who ably represents those men and women.

[*Translation*]

Mr. Speaker, the vast majority of Canadians were not even born 40 years ago, but for the hundreds of thousands who were, the sad memory is still alive of relatives and friends who fell at the front.

Mr. Speaker, I want to remind young Canadians that like the generations that went before, we must always be prepared to defend our freedom. Freedom is not something that just happens. We must fight for it continuously. During the two World Wars, two generations of Canadians left this country to fight for the cause of freedom.

Mr. Speaker, I would also mention that Canada came of age during the Second World War.

[*English*]

This nation came of age. We entered the war in 1939, primarily as a dispersed agricultural country. During the war we mobilized an unprecedented war effort. We became an industrial nation. Our high sense of unity and purpose during the war years has never been duplicated in the history of this country.

As a young boy, I can recall that my mother worked as a public servant in this town. I recall the hours which the men and women worked who were not fighting, but who came from all corners of Canada to contribute their services to mobilize the war effort. They gave this country standard, distinction and reputation world-wide. They gave Canada its current good standing in the world.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): As we stand on a nuclear threshold, let us show fidelity to memory and truth. Let us acknowledge that human history is replete with examples of brutality and inhuman behaviour which result when bigotry, fear and hatred are allowed to guide governments or groups of individuals.

I can recall the fortieth anniversary of the Holocaust which took place on Parliament Hill ten days ago, a day when those memories were very, very vivid in the minds of those who survived those terrible moments and years. We must strive desperately for peace.

[*Translation*]

Canada is privileged to be living in peace, protected from the physical and psychological ravages of war, but these are very agitated times we live in, and war continues to be a daily reality for millions of people throughout the world.

[*English*]

Let us realize that we enjoy the comforts, safety and peace of this country. That we must do because we have to maintain the determination, courage and will to meet the challenge of our times the way that an earlier generation met the challenge of those times. If we do not do that, then we will not, in fact, be keeping faith with those who made the ultimate sacrifice which we recall this afternoon. That sacrifice ended in victory, happily, 40 years ago today. We must keep that faith.

Some Hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is a pleasure to join with the Prime Minister (Mr. Mulroney), the Deputy Prime Minister (Mr. Nielsen) and the Leader of the Opposition (Mr. Turner) to say a few words on this important and historic anniversary.

Forty years ago, the Allies won final victory over Naziism in Europe. Today is a day for remembrance of that great achievement by the united citizens of many nations; it is a day for the celebration of the greatest popular victory of our times, and an occasion for reflection on where we stand in the world 40 years later.

[*Translation*]

The Second World War was unique because it was a genuine war of the people. We are not celebrating the victory of one group of nations against another, but the victory of democracy over fascism. It is important to remember that, in the battle for democracy, not only the Allies but also the people of occupied Europe were united, including those who fought courageously underground against the fascist powers in their countries.

[*English*]

VE Day opened up a new era of democratic possibility and promise. The aftermath of the war saw the successful establishment, not only of new democratic institutions throughout western Europe, but also of the beginning of the end of colonialism throughout the world.

[*Translation*]

Today, we ought to celebrate the fact that democracy is firmly rooted in Western Europe and that both victors and vanquished can celebrate the results of 40 years of democracy and friendship. Formerly victims of fascist rule, Germany, Italy, Spain and Portugal are now genuine democracies.

• (1440)

[*English*]

We must also remember today, Mr. Speaker, on this important anniversary, that the democratic nations achieved a victory in alliance with the Soviet Union, whose peoples experienced unimaginable horror. While we lament the fact that victory for democracy in 1945 was not completed in eastern Europe, we should recall, particularly in these very difficult international times, and recall with appreciation, the shared victory of the Canadian, European and other peoples

with the people of the Soviet Union in that historic battle against fascism.

[*Translation*]

Today, we should commemorate the tremendous contribution made by the Canadian people to the victory of democracy over Nazism. For five long years, Canadians fought spiritedly for a cause that revived and restored our own sense of identity and brought a new dimension to the national ideals we share. Above all, today is a day of commemoration of the ultimate sacrifice Canadian men and women made by giving their lives for freedom.

[*English*]

To remember the spirit of VE Day 40 years ago is to remember a sense of relief, as some Hon. Members who are a bit older than the rest of us have indicated here today, of pride in the achievements and sacrifices of Canadians and of all other members of the human family. They fought in one of the few just wars in history in order to procure freedom. Millions lost their lives.

I would like to conclude with the observation that it is up to our generation to honour those who died by using our talents and energy to extend freedom to all, and to take all the steps now necessary to head off another global conflict in the grim knowledge that such a conflict could be our last.

Some Hon. Members: Hear, hear!

Mr. Speaker: Pursuant to our understanding, the Oral Question Period will start now and continue for the normal 45-minute period.

ORAL QUESTION PERIOD

[*English*]

MEDICAL CARE

PROPOSED BRITISH COLUMBIA LEGISLATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister will understand if we have to change the mood. He will know that the Chief Justice of the British Columbia Supreme Court recently ruled that the Government of British Columbia is in violation of the Charter of Rights and Freedoms and of the Canada Health Act in its actions to restrict billing numbers for doctors.

I put the question to the Prime Minister in the absence of the Minister of National Health and Welfare. The actions of the Government of British Columbia were described by the Chief Justice as "Orwellian", "draconian", and "the antithesis of fundamental justice". In an arrogant response to this judgment of the court, the Government of British Columbia has tabled Bill C-50, the Medical Services Amendment Act, which attempts to do what the Chief Justice said was illegal and against our Constitution. This Bill is a blatant violation of the

rights of individuals, and a vicious assault on our national medicare system.

What will the Prime Minister, and his Ministers, do to respond to this blatant attempt by the Government of British Columbia to savage our national medicare system in that province?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I regret the absence of the Minister of National Health and Welfare. He would, no doubt, be able to provide a more specific response to my right hon. friend. I can, without commenting on what transpired in other jurisdictions, certainly acknowledge the legitimacy of any concerns which my right hon. friend may have in regard to our national health plan. I think on many occasions members of all Parties in this House have made firm their commitment to the integrity of the health care delivery services in this country which are so important to all of us. And I make that commitment again to the Right Hon. Leader of the Opposition today. The federal Government will maintain the integrity of that system at all times.

CURTAILMENT OF SERVICES AND BENEFITS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this situation has persisted for a month or two. The Government of British Columbia has introduced this Bill which, and I quote from one sentence in that Bill, "imposes limits on services and benefits available to different classes of insured persons". It goes right to the heart of our medicare system in trying to destroy it.

The federal Government should have already acted, in our opinion.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): It is the responsibility of the Government of Canada to ensure and sustain the integrity of a national medicare system which the Prime Minister contends he supports. I ask the Prime Minister once more, would he instruct his Minister to take action in response to that particular piece of legislation, and use what weapons there are available under the Canada Health Act?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my right hon. friend can receive the assurance that the Minister of National Health and Welfare will have been monitoring this situation, of course, very carefully. My right hon. friend is aware of his commitment to the values contained in the legislation which we have all defended here in the House of Commons.

In a federal state there is a matter of provincial jurisdiction in terms of it coming before the House of Commons—the manner in which it is raised. But I give my right hon. friend the assurance that we shall maintain the integrity of our much admired—and properly so—health care system in this country at all times.

Mr. Turner (Vancouver Quadra): I would like to remind the Prime Minister that the Canada Health Act is a federal piece of legislation and he has a duty to defend it.

* * *

FEDERAL-PROVINCIAL AFFAIRS

NEGOTIATION OF ERDA AGREEMENT WITH BRITISH COLUMBIA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, now that I have managed to persuade the Prime Minister to focus on the affairs of British Columbia, let me tell him that the people of my province are getting a little tired of the stalling by his Minister, the Minister of Regional Industrial Expansion, particularly on the renegotiation of the ERDA agreement. Would the Prime Minister tell his friend, the Minister of Regional Industrial Expansion, to get the lead out, to come to grips with the problem, and to complete the negotiations? Don't give us the kind of answer you gave one of our colleagues yesterday. He should really try to resolve this problem, sign that agreement, and put the money into the hands of the people of British Columbia.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Leader of the Official Opposition may I say that I am very pleased that he has now joined us in pressing the Province of British Columbia—

Some Hon. Members: Hear, hear!

Mr. Stevens: —to conclude an agreement. The Leader of the Official Opposition will be very pleased to know that I had a very worth-while conversation with Mr. McClelland only last night, and I anticipate an early response from him concerning our suggestions.

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GOVERNMENT EXPENDITURES

TASK FORCE ON PROGRAM REVIEW

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is directed to the Deputy Prime Minister. On November 16 I found that the Deputy Prime Minister announced that six of his 11 teams which are working to find cuts in government programs would report their findings by April 30, 1985. One week ago the Deputy Prime Minister told this House, and I quote from *Hansard*, that he would be "making announcements about the results of the task force on program review when they are ready". It is clear from the leaked document from Indian Affairs, about which we learned yesterday, that at least that report was ready on April 17. Will the Deputy Prime Minister, who, as you know, Mr. Speaker, is known for his velcro lips, soon to be known for his teflon hands, please table that report immediately?

Mr. Mulroney: That's awful.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I guess things must be pretty slow in the practice of law for the Hon. Member.

Some Hon. Members: Oh, oh!

● (1450)

Mr. Nielsen: Indeed, if he has been following the very energetic activities of the work that we are undertaking in program review, he will have read with care the speech that I made to the Canadian Club which set out in some detail the timetable that we expected to meet in program review. As those reports come forward they will be considered by Cabinet, as they have been and continue to be. Any government policy which arises from them will be announced in due course.

REQUEST THAT REPORTS BE TABLED

Hon. Donald J. Johnston (Saint-Henri-Westmount): As I pointed out, Mr. Speaker, we know that at least one of those reports is ready. The timetable I read shows that reviews were to have been reported by now on services and subsidies to business, job creation, training programs, agricultural programs, real property management, and regulatory programs.

Out of courtesy to parliamentarians and to those hard working members of the committees to which he made reference, I suggest that the Deputy Prime Minister immediately table the reports which are ready so that they can be reviewed by Members of the House.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member, who is a former Minister of the Crown, knows, or should know, that those reports are in the form of advice to Cabinet Ministers. The contents of those reports, along with all other useful and constructive suggestions, will be taken into account in our work on program review. If the Hon. Member has any constructive and earth-shaking suggestions to make, as I am sure he has, because he certainly addressed them during the last election campaign, I would invite him to send them along.

* * *

NATIVE PEOPLES

FUNDING OF SOCIAL PROGRAMS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. Native Canadians have the poorest health, the lowest level of education, and the most impoverished housing standards of anyone living in our land. Yesterday I released a report produced by the Deputy Prime Minister and supported by 11 Departments which recommended that the Government cut back, as incredible as it seems, some $300 million in spending affecting all of these areas of social policy for native Canadians. My question to the Prime Minister is straightforward. What is the status of these recommendations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the status of the recommendations is unchanged from yesterday when I mentioned our deep commitment to the native people and gave the assurance that, if the Hon. Member believed they were going to be treated any way other than very fairly and generously, he will be disappointed. Our intention is to work very closely with the native communities across the country to correct the abysmal statistics which my hon. friend quite properly points out. We believe in helping the natives help themselves. That is what it is all about.

Mr. Broadbent: Mr. Speaker, the answer might be of interest to some people, but it did not deal with the question that was asked.

PREPARATION OF REPORT

Hon. Edward Broadbent (Oshawa): People in the House, including the Prime Minister, if I have understood his statements in the past, take the condition of our native people very seriously. Will the Prime Minister now acknowledge that the report in question was prepared by the Deputy Prime Minister of Canada and had the support of 11 Departments? Will he now respond yes or no to that question?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the report that my right hon. friend referred to in the House yesterday is one that I had never seen. It may very well be part of a task force review. I do not think anyone would quarrel with the obligation of a society to make an objective review. In this case, with the help of labour, the private sector, and public service officials, a review was made of all ongoing programs.

Having said that, I can assure my hon. friend that any staff work, study group, or ideas floating around that might be unhelpful to the native people will, under no circumstances, be accepted by the Government.

Mr. Broadbent: Mr. Speaker, we are not talking about a report prepared by labour groups or other interested people. We are talking about a report that was prepared by the Deputy Prime Minister of Canada. That is what is under discussion here.

DEPUTY PRIME MINISTER'S RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since the Prime Minister has skated around the question again, I will address my supplementary question to the Deputy Prime Minister. We were told that the report was in fact prepared by the Deputy Prime Minister and had the support of 11 Departments. Will the Deputy Prime Minister tell us whether or not he was responsible for this report?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I was wondering when the hon. gentheman was going to get around to me, the work being my responsibility. I apologize for being a little late coming into the House yesterday. Apparently the matter was raised yesterday. I still do not know what "report" the hon. gentleman is referring to. If it is the one that was raised by the Hon. Member for Skeena—

Mr. Broadbent: No it wasn't, and that was said yesterday.

Mr. Nielsen: —in the first part of April, the question has been answered. The Prime Minister issued a press release on April 18 setting forth the very clear principles upon which the Government intends to approach the problem. In any event I can see no purpose in the hon. gentleman's questions because, as he knows, the whole broad range of native policies has been referred to a Cabinet committee chaired by the Hon. Minister of Indian Affairs and Northern Development.

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THE ADMINISTRATION

NATIONAL PAROLE BOARD APPOINTMENT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Solicitor General. It is with regard to Marcia Clark, the wife of government appointee and Tory bagman, Peter Clark, and sister-in-law to the Secretary of State for External Affairs. My question is with regard to her appointment to the National Parole Board on December 23, after the lights had dimmed on Parliament Hill and everyone had gone home for Christmas.

In a campaign promise on patronage made on July 9, 1984, the Prime Minister said: "We are going to reform this instrument of our national life". In view of that, can the Minister tell us specifically which reform criteria were used in selecting this particular candidate, if any? Or is this just another example of patronage being a "relative" expression?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was very pleased to read the report of an independent public servant quoted in one of our leading papers this morning. It described Mrs. Clark as one of the most outstanding and best qualified people ever to serve on the Board. We are honoured to have made that appointment.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Now, I also received the black paper on Tory patronage by Don Boudria, M.P. The most devastating criticism was of appointment No. 1, John Bosley, appointed Speaker of the House of Commons.

Some Hon. Members: Shame!

Some Hon. Members: Hear, hear!

Mr. Mulroney: This will indicate the reliability of this list. However, Mr. Speaker, I am pleased to note that the Right Hon. Leader of the Opposition, quite properly and enthusiastically, seconded your nomination for Speaker, and we are proud

of that. Therefore he should dismiss this list and the Rat Pack that prepared it, right now.

Some Hon. Members: Hear, hear!

Mr. Nunziata: You're nothing but a bloody hypocrite.

REQUEST THAT LIST OF APPOINTMENTS BE TABLED

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, not only does the Government partake in porkbarreling, but it has no manners at the trough.

[*Translation*]

Mr. Speaker, my supplementary question is directed to the Right Hon. the Prime Minister. In keeping with the commitments he made last summer to the Canadian people, is he prepared to table in the House, within the next 48 hours, a complete list of relatives of Ministers of the Crown who were awarded contracts or given political appointments, just so everybody will know the truth about this Government?

Right Hon. Brian Mulroney (Prime Minister): A Liberal who is talking about patronage, what a lot of nerve! They used to be in it up to their necks, talk about nerve!

● (1500)

[*English*]

In the black patronage list, number 2 is Lloyd Francis, appointed Ambassador to Portugal.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I just want to say to my hon. friend, who takes such pride in being a member of the Rat Pack, that rats usually come to an abrupt and inglorious end.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. Is everyone finished? The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly).

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INDIAN AFFAIRS

LAND CLAIMS—GOVERNMENT POSITION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. The memorandum from the Deputy Prime Minister points out that its recommendations were acceptable to DIAND, so I presume that they were to the Minister as well.

The Minister knows that Indian self-government depends upon a land base, and that without a proper land base Indian self-government becomes a kind of meaningless concept. How can the Minister agree to any recommendation that would defer comprehensive land claims? Will he assure the House and Indian people that comprehensive land claims will not be deferred?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, since it was stated in the House yesterday, I am sure that the Hon. Member is aware that the matters which the Leader of the New Democratic Party raised in the House yesterday do not constitute government policy. With particular respect to land claims, the Hon. Member should know that I met approximately five weeks ago with all of the land claimant groups. We have embarked upon a policy of review which we are just beginning now. The commitment of the Government to land claims is as strong as it always was, and indeed I think it will result in a policy of which the Hon. Member will be proud.

HOUSING ON RESERVES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my supplementary question is directed to the Minister responsible for Canada Mortgage and Housing. Given a continuous shortfall of some 10,000 houses in Indian communities, why would the Minister agree to recommendations that would cut the reserve housing program and force Indian people to move from their traditional homes?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am not too sure to what the Hon. Member is referring, but I can assure him and other Members of the House that this Minister did not agree to any such thing in any form. I have no idea what the Hon. Member is speaking about.

* * *

[*Translation*]

AIR TRANSPORT

TRAINING ON FLIGHT SIMULATORS—TRANSFER OF SUPERVISORY POSITION FROM MONTREAL TO TORONTO

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of State for Transport.

The Minister recently bragged publicly about imposing a moratorium on Air Canada concerning the decentralization of pilot training. Can he explain to the House today why, last month, the job of supervisor in the flight simulator crew assignment service was transferred from Montreal to Toronto?

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, we did not brag about imposing a moratorium, we simply stated that there would be no unnecessary transfers to Toronto while Air Canada discussed flight operations.

Still, Mr. Speaker, I will take note of the question and I will get back to the Hon. Member concerning the specific job he is referring to, because I obviously do not have the particulars in mind right now.

AIR CANADA REQUIREMENTS—PURCHASE OF MODERN FLIGHT SIMULATORS FOR USE IN MONTREAL

Hon. André Ouellet (Papineau): Mr. Speaker, I understand that the Minister should want to check his files, but at the same time I would ask him to make sure that he will at least try to keep his promises to the Association des gens de l'air. More particularly, when he does answer my first question, I would like him to tell me when the Department of Transport intends to buy modern flight simulators to meet Air Canada's current needs in Montreal.

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, I might tell the Hon. Member for Papineau that it is up to Air Canada to decide when to buy the flight simulators mentioned by the Hon. Member, keeping in mind its budget priorities and its operations. Since company management are expected to make profits, the Government does not intend to intervene directly and tell them exactly when they ought to make the purchase. However, we have said it before and we say it again, whenever the company decides to buy flight simulators, it will do so while keeping in mind all commitments concerning bilingualism.

* * *

[*English*]

NATIVE PEOPLES

ALLEGED CABINET DOCUMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Deputy Prime Minister. I want to be very specific. I am not referring to the 395-page "Buffalo Jump of the 1980s" task force report, but to the document which we released outside the House yesterday and that he refused to take birthright for yesterday. He refused to do so again today in the House. It is called "Memorandum to Cabinet: Report of the Ministerial Task Force on Native Programs. April 12, 1985. Deputy Prime Minister". It lists 11 Departments that are in support of the recommendations within the 61-page document.

Would the Deputy Prime Minister show some openness and honesty, either here in Parliament or outside the House, and tell us whether this is the document he produced to go to Cabinet?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Member is waving a document around. I don't know what document he has in his hand—

Mr. Broadbent: Oh, come off it!

Mr. Nielsen: I have not seen the document. If he wants to sent it over or send it to my office, I will be happy to look at it.

Mr. Speaker: Order.

An Hon. Member: Bow when you go past the Speaker.

Mr. Nielsen: The Prime Minister issued a press release on April 18, and set forth four principles which were being followed in our addressing the native policies in this country which are under review by a special Cabinet committee. That committee has been set up for the purpose of addressing that broad policy question and is chaired by the Minister most responsible, the Minister of Indian Affairs and Northern Development.

Mr. Fulton: It is an interesting turn of affairs. The Minister of Indian Affairs and Northern Development came to my Leader's office yesterday to get a copy. I have now provided the Deputy Prime Minister with a copy. I am sure he recognizes it.

ORIGIN OF RECOMMENDATIONS

Mr. Jim Fulton (Skeena): Mr. Speaker, all the deputy heads of those 11 Departments have concurred with the recommendations in here. Senior deputies in selected provincial Governments have concurred with it. I think the Deputy Prime Minister has the responsibility to tell Members of the House and native and Inuit people whether or not the recommendations contained in here have come from under his pen.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, in what can hardly be called traditional conduct by the Hon. Member, he has thrown a copy of a document on my desk which, quite frankly, I cannot even read because of the atrocious material. It is an unsigned document and it is fairly bulky, so that even I would have to take the opportunity to examining it to see if I recognize it. But right now I cannot even read it.

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REGIONAL ECONOMIC DEVELOPMENT

NOVA SCOTIA—CAPE BRETON COAL RESOURCES

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Like the people of British Columbia, the people of Nova Scotia are getting quite fed up with the Minister of Regional and Industrial Expansion and his stalling on various economic development projects for the Province of Nova Scotia. As the Prime Minister knows, in 1981 the Primier of that province issued his policy paper on energy. It said very clearly that it would provide for the high utilization of Cape Breton coal. Would the Prime Minister indicate to the House whether he is in favour of such a policy and, therefore, will he instruct his Minister to get on with providing moneys for new coal development on the Island of Cape Breton?

• (1510)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I don't believe the Hon. Member was in the House last Friday when I gave the good news about the Cape Breton Development Corporation now being in the

black for the first time in a decade. In fact we have decided to divide the profit on a profit-sharing basis with the employees of that fine company.

Some Hon. Members: Hear, hear!

Mr. Stevens: I could add that the Hon. Member will be also pleased to learn that we have given an authorization to proceed with the second tunnel that is required with respect to one of the mining operations.

FEDERAL FUNDING

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my point is well made. The Cape Breton Development Corporation has turned a profit. That is all the more reason for the Minister to continue with new economic development on the Island of Cape Breton.

Will the Minister provide new moneys for new coal mines on the Island of Cape Breton, thereby supplementing the energy policies of the Government of Nova Scotia, or is this a repudiation of John Buchanan and his Tory Cabinet?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, perhaps the Hon. Member does not understand it costs money to open new tunnels. I have announced a new tunnel is going to be opened.

* * *

NATIONAL DEFENCE

EUROPEAN LOW LEVEL AIR DEFENCE SYSTEM CONTRACT

Mr. Bob Pennock (Etobicoke North): My question is addressed to the Minister of National Defence. As a result of a recent government announcement, this summer a large number of the additional 1,200 soldiers assigned to foreign duty will start deploying to Europe. In addition, the first CF-18 Squadron will arrive in Baden, Germany.

Can the Minister tell the House whether a decision has been made by the Government on a short list of the companies that will participate in the final phase of the competition which will provide low level air defence for our forces in Europe?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, let me say that the low level air defence system is very vital to protect our air bases in Germany. We are proceeding with a short list. There will be a minimum 70 per cent spin-off benefits to NATO countries. We are now proceeding with the final selection from a short list of three. Representatives of the interested countries have been briefed on the Canadian Government's decision. In addition, briefings have been offered to companies that were not successful. Letters have been sent to the Secretary General of NATO and the Ministers of Defence in the United Kingdom, Italy, the Federal Republic of Germany, and France.

TRADE

REQUEST FOR EXPANSION OF EXPORT CREDITS TO NICARAGUA

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is for the Secretary of State for External Affairs. Yesterday I asked the Minister whether the Canadian Government was prepared to extend export credits to Nicaragua, and indeed also to send a special envoy there. In demurring, the Minister said he was not prepared to say yes on a Tuesday. Let me quote what he said. He said that he wanted to see the exact nature of the sanctions that are being imposed by the United States on Nicaragua.

Now that it is Wednesday, and now that the Minister has seen the exact nature of the sanctions, namely, a total trade embargo against Nicaragua by the United States, will he reconsider the request I made yesterday about enlarging export credits, and immediately send a special envoy to Managua to assess the situation there?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have not yet had an opportunity to look at the detail of the sanctions which, as the Hon. Member will know, is what is important here. Naturally, Canada wants to continue a policy of being helpful to the people of Central America. We are looking at the situation in the context of two decisions. One is a decision by the Government of the United States to impose sanctions. The other, of course, is the decision of Mr. Ortega to deepen his relations with the Soviet Union. We will be reviewing appropriate Canadian policy in the context of those two decisions.

Ms. Jewett: Mr. Speaker, is the Minister aware that Mr. Ortega is also deepening his relations with Spain and France, and would like very much to deepen them with Canada?

Some Hon. Members: Hear, hear!

CONTADORA GROUP'S SUGGESTION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have a supplementary question. Since the Minister is a strong supporter of Contadora and indeed only yesterday repeated his support, will he endorse the Contadora group's call on the United States to resume bilateral talks with Nicaragua? Will he offer Canada, should this be suitable, as the host country for those talks?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is full of suggestions today. I welcome them.

Ms. Jewett: I don't get anywhere.

Mr. Clark (Yellowhead): The Government of Canada, which has mounted a successful aid and development program in Nicaragua which has made it clear that we want to contribute in every possible way to the development of stability and peace in that area, is now reviewing what it is most effective for Canada to do in these circumstances. Naturally we will be

consulting with members of the Contadora group, as we will be consulting with countries in western Europe which share our interests, and with countries in Central America.

Ms. Jewett: We can do things ourselves.

Mr. Clark (Yellowhead): I will consider the Hon. Member's suggestion as I will consider the recommendations and the advice that come from others with whom we will be consulting.

* * *

[*Translation*]

NORTH AMERICAN AIR DEFENCE

MANDATE OF ARTHUR KROEGER

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a question for the same Minister.

In the light of a recent report made by the Secretary of State for External Affairs to the House, according to which the Government did not intend to meet the deadline set by the Americans on Star Wars, and in the light of the Government's decision to appoint Mr. Arthur Kroeger to examine this matter, does the Secretary of State intend to let Mr. Kroeger receive representations from the public before the Government makes a final decision?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Mr. Kroeger's mandate is to look into specific information concerning the U.S. Government's invitation to Canada and the other Allies. That being the case, I do not think there is much the Canadian public or a series of public hearings could add with respect to the details of an invitation by the U.S. That is what we are talking about. We want to have further details regarding the content and implications of the U.S. Government's invitation.

[*English*]

REQUEST THAT DR. KROEGER APPEAR BEFORE LIBERAL PARTY COMMITTEE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I am astonished that the Canadian public cannot participate in that process. Can I make just one simple request of the Right Hon. Minister? As our Party has received hundreds and hundreds of letters on these problems, we have decided to establish a Committee on Security, Peace, and World Disarmament. Will the Right Hon. Minister permit Dr. Kroeger to appear before the Liberal Committee on Security, Peace, and World Disarmament?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am afraid the Hon. Member who, I know, has been away and busy, has not had an opportunity to understand exactly what it is that Dr. Kroeger has been asked to do.

Mr. Chrétien: I am here all the time. I am here more than you.

Mr. Clark (Yellowhead): We have received an invitation, as have other countries, from the United States to consider participation in and research into the Strategic Defence Initiative. Some people are prepared to come to a judgment on that question without knowing its details and without knowing its implications. We are not. We want to know the implications.

Consequently we have asked Dr. Kroeger to go to the United States to get details about exactly what is being offered by the Americans to the Government of Canada. The Government of Canada will then come to a decision on the appropriate policy that we should follow.

As to the role of Members of Parliament, we would be quite prepared to have Dr. Kroeger provide a briefing upon his return, at the end of his conclusions, to the appropriate committee of the House of Commons, but it would be most inappropriate to have him take part in some Party's study of another question.

* * *

NATIVE PEOPLES

PREPARATION OF ALLEGED CABINET DOCUMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Earlier in the Question Period we had the Prime Minister, the Deputy Prime Minister, and the Minister responsible for Central Mortgage and Housing all refusing to answer directly a question about a certain document. To my knowledge there is one Minister who has had it overnight because he got it from my office. I will direct my question to the Minister of Indian Affairs and Northern Development. Considering that it is indicated in the document that his Department supports the recommendations but that it is concerned about the reaction of native peoples to them, will he confirm that this document was in fact one prepared by the Deputy Prime Minister?

● (1520)

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, the document to which the Leader of the New Democratic Party refers was obtained by my office, because we have adjacent offices. It was an unusual document because it did not contain the normal regal things which one finds on Cabinet documents.

Some Hon. Members: Oh, oh!

Mr. Crombie: It didn't; that is the fact of the matter. It was very difficult to tell exactly what it was. In so far as the subject matter relates to any policies, my Department and I would only support those policies which conform to the principles laid out by the Prime Minister and are helpful to the Indian people, and support and strengthen Indian communi-

ties. That is the policy of this Government, and it will continue to be.

DEPARTMENTAL OFFICIALS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister has had up until now—and I hope it will continue—a reputation for candor. He knows that he did not answer the question. In that he has had the document since last night, has he checked with his officials and have they confirmed that this was a document to which they lent their support in terms of the recommendations in it? Will he tell us whether he checked with his officials, and is it the document prepared by the Deputy Prime Minister, which we claim it is?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, with great respect, I do not think, even if I read *Hansard* tomorrow, I can follow exactly what it is the Leader of the New Democratic Party is asking. I do not know exactly what report you have that you think he had. Therefore I can't tell you whether the one I got is the one that goes with it.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

* * *

HUMAN RIGHTS

ACCESSIBILITY TO CONFERENCE PROCEEDINGS

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The CSCE Conference on Human Rights has begun by denying a right, the right of people to know what is happening in oppressive countries. I have been advised that the media have been excluded. Yesterday visiting parliamentarians were ordered out after the opening ceremonies. In view of the status of parliamentary observers being clarified as recently as this morning, would the Minister use his good offices to persuade other Governments to support the opening up of this conference so that the truth can come out to the world?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, through discussions which literally lasted all of the night before last, Canada and other countries argued precisely that case. As Members of the House who are seriously interested in human rights will know, the CSCE conference is one that is governed by a rule of consensus. The host country, in this case Canada, is not in a position to impose its standards upon that conference simply because it is the host. We could make a great fuss about it. We could make a great Canadian public issue about it.

An Hon. Member: Why don't we?

Mr. Clark (Yellowhead): An Hon. Member from the other side asks: "Why don't we?" I will come to that. I think there is an obligation upon all of us who are seriously interested in human rights to make a choice. We have a choice to make between seeking a public tribune where we can express our unhappiness, our deep dissatisfaction with human rights situations in the Soviet regime. However, if we do that, we do it knowing that it is at the cost of the success of the conference. The other choice is for us to respect the procedures of the CSCE conference which have been set down and respected by other countries over the years. The Government of Canada wants solid progress on human rights. The best way to achieve solid progress on human rights is to respect the processes of the conference. That, as host, we propose to do.

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MULTICULTURALISM

GOVERNMENT POLICY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism. It concerns statements which he made as reported in today's edition of *The Toronto Star*. He said:

> The Progressive Conservative Government's approach to multiculturalism will be a bid to persuade minorities to consider themselves Canadians first and foremost . . . Anything done in the multicultural area has got to be done on the basis that you're a Canadian.

The fact of the matter is that ethnic minorities have always considered themselves to be proud and loyal Canadians. It is only this Conservative Government which has had problems in recognizing that reality, and now it raises redundant and dangerous theories.

Is the Minister trying to usher in the concept of a melting pot theory like that of his American friends, which says that, if one is of a heritage other than English or French, one is somehow un-Canadian or less Canadian than one's neighbour? Canadians are awaiting a clarification, and I invite the Minister to provide one.

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, of course we are not talking about a melting pot theory. The Hon. Member knows that, and should realize that. Ethnocultural groups in this country are the best Canadians. We are all from different cultures. The point is that under the previous Government the multicultural policy always tended to ghettoize various ethnic communities. We are trying to reverse that trend or thrust. We are doing it under the auspices that we are all Canadians first and foremost, but that we will allow our culture, heritage, religion, and colour to flourish under the guise of being Canadians first.

MINISTER'S STATEMENT

Mr. Sergio Marchi (York West): Mr. Speaker, this Party and this country are not ashamed of a progressive policy which was undertaken in 1971. This Party also recognizes that we have to be Canadians first and foremost. However, I give the Minister another opportunity to retract the assumption that

ethnic minorities were not Canadians until today, and I challenge him to do so.

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, I am not retracting any assumption which the Hon. Member may make. My answer to his first question still stands. We are proud of what we are doing in this Government, and by God, we are going to do a better job than the Liberals ever thought of doing.

* * *

AGRICULTURE

DUAL LABELLING OF HERBICIDES

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board. It concerns some confusion surrounding voluntary labelling, metric and imperial, of herbicides for agricultural use.

Farmland in the West is laid out in square miles and acres. Chemical containers are metric. Therefore the farmer in the field requires usage instructions in acres per litre. Could the Minister assure the agricultural industry that blended information, utilizing elements of both imperial and metric, can legally be placed on herbicide containers?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, on February 28 the Minister of Agriculture announced that his Department would be changing the regulations to allow for dual and voluntary labelling in metric or in imperial for farm chemicals, fertilizers, and pesticides. That process is well under way, but not yet completed. The Minister has given assurances that in the meantime there will be no prosecutions. In direct answer to the Hon. Member's question, farmers can ask for labelling in litres per acre, or in any other combination they want.

As a result of the policy announced by the Minister of Consumer and Corporate Affairs, the Government is moving away from the heavy-handed and forceful tactics of the previous administration.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of 47, presented by Hon. Members on Tuesday, May 7, 1985, meet the requirements of the Standing Orders as to form.

Certain petitions presented by the Hon. Member for Hamilton East (Ms. Copps), the Hon. Member for Ottawa-Vanier (Mr. Gauthier) and the Hon. Member for York West (Mr. Marchi) on eligibility for spouse's allowance, the petitions presented by the Hon. Member for Hamilton East on the steel industry and employment, and the petitions presented by the Hon. Member for Hamilton East and by the Hon. Member for

York South-Weston (Mr. Nunziata) on nuclear disarmament do not meet the requirements of the Standing Orders as to form.

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NATIONAL DEFENCE

EUROPEAN LOW LEVEL AIR DEFENCE SYSTEM CONTRACT

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I rise on a point of order with respect to an exchange which took place during Question Period. It refers to my response with respect to the low level air defence system. It would appear that some may have heard me use the figure of 7 per cent when I referred to the industrial and spin-off benefits to NATO countries. The figure which I used, should have used or intended to use was a minimum of 70 per cent to NATO countries.

* * *

• (1530)

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise on a point of order in terms of House business to indicate that Friday will be a further allotted day this week.

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PUBLIC SERVICE COMMISSION

REFERENCE TO STANDING COMMITTEE OF 1984 ANNUAL REPORT

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, I rise on a point of order. Yesterday, pursuant to Standing Order 46, the Annual Report of the Public Service Commission of Canada was tabled in the House of Commons and referred to the Standing Committee on Public Accounts. The Report should have been referred to the Standing Committee on Miscellaneous Estimates.

Mr. Speaker: It is understood and so ordered.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

CHANGES TO OLD AGE SECURITY ACT

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I welcome this opportunity today to fulfil my duty as

a Member of this House and defend the interests of my fellow citizens. More specifically, I have a petition signed by the people of the riding of Gatineau, and since their Member is not there to defend them, the people of the riding of Gatineau—

Mr. Speaker: Order, please. I think that since yesterday, the Hon. Member knows perfectly well that he may give just a summary, and I think he knows what I mean.

I am not referring to a summary of the problem, but to a summary of the petition.

Mr. Malépart: Mr. Speaker, this is a very important subject and concerns the elderly.

The people of Gatineau have asked me to table a petition asking the Prime Minister to extend the spouse's allowance to all persons in need who are living alone, whether they are single, separated or divorced.

Mr. Speaker, I have another petition today from the people of the riding of Restigouche in New Brunswick.

They urgently request the Government and all the Members of this House to ensure that the House does not discriminate against the elderly, and they particularly urge the Prime Minister to consider the elderly, in connection with Bill C-26.

Mr. Speaker, I have another petition signed by another group of citizens who live in the constituencies of London East, London West and London North, in Ontario, and who are just as important as the others. In my opinion, the people of those ridings are entitled to voice their views.

They are asking the Government, and more particularly the Minister of National Health and Welfare (Mr. Epp), to consider their representations concerning single, separated and divorced persons, and the petitioners expressly urge the Government to make sure that such persons are not disregarded under the provisions of Bill C-26.

Finally, Mr. Speaker, a request from other very important citizens of Calgary Centre, in Alberta, which is a long way from here.

Those people have asked me to express their viewpoints, to be here to make sure that the Government listens to their representations to have amendments made to Bill C-26 now under committee consideration so that all needy senior citizens aged 60 to 64, be they single, separated or divorced, are eligible for the spouse's allowance program.

GOVERNMENT AID

Hon. Jean Lapierre (Shefford): Mr. Speaker, the residents of Gatineau came to see me too and asked me to present a petition to remind the House, and particularly their Member of Parliament, that needy single, separated and divorced people aged 60 to 64 are among those who most need Government assistance. To those people, it seems unwarranted to assess eligibility for a social program on the strength of the marital status of a person.

To their mind, the Government policy under which eligibility for the spouse's allowance is restricted to needy widows and widowers aged 60 to 64 amounts to discrimination, Mr. Speaker—

Mr. Speaker: Order, please. The Hon. Member is allowed to make a very brief summary, and I think he is perfectly aware of that.

Mr. Lapierre: Thank you, Mr. Speaker.

Mr. Speaker, I might add that there are some more people who have asked me to table a petition, namely the people of the riding of Rosemont, who said they would like to ask the House more or less what the people of Gatineau are asking, but I promised them I would make a special request for the people of Rosemont and that I would inform the House that they also feel that people between the ages of 60 and 64 who are single, separated, or divorced and who are in need, are among the groups that are most dependent on government assistance. Mr. Speaker, the people of Rosemont have asked me to say that the Government's decision to make the spouse's allowance available only to widows and widowers in need between the ages of 60 to 64 discriminates against people in need who are single, separated or divorced and—

Mr. Speaker: Order, please. The Hon. Member knows perfectly well he may give a short summary and that speeches are not permitted at this time.

Mr. Lapierre: Mr. Speaker, I agree, and I am sure that after I have tabled all these petitions, you will agree that the people of the riding of Edmonton South also have a right to be heard here in the House. These people have also asked me to inform the House that it is unconscionable for the Government to limit the spouse's allowance to widows and widowers between the ages of 60 and 64. They feel that those people who are single, separated or divorced are being discriminated against, and these people in the riding the Edmonton South have asked me to advise the House of that fact, Mr. Speaker, and I wish to table a petition on their behalf.

Mr. Speaker, this concern is felt not only in Edmonton but also in Calgary West, Calgary North, Calgary South and Calgary Centre. The people in these ridings also believe that the discrimination that will result from Bill C-26, more specifically with respect to people who are separated, divorced or single, is unacceptable. People in that part of the country have also asked me to request that the Government of Canada extend eligibility for the spouse's allowance to all persons in need between the ages of 60 and 64 who are living alone, whether they are widowed, divorced, separated or single.

[*English*]

CHANGES TO OLD AGE SECURITY ACT

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I wish to present a number of petitions.

I have received a petition from the residents of the New Brunswick federal constituency of Restigouche who wish to petition the Prime Minister to accept the amendments to Bill C-26 so that Canadians aged between 60 and 64 who are single, separated or divorced will be able to reap some of the benefits therein.

I have another petition to present from the constituency of the City of Montreal. Individuals in that area of the Province of Quebec wish to petition the Prime Minister as well with regard to those individuals who are aged between 60 and 64 and are single, separated or divorced so that they too may avail themselves of the benefits which are tied in to the amendments to Bill C-26.

I have another petition from the federal constituency in the great Province of Manitoba of Winnipeg-Fort Garry. Canadians in that province wish to petition the Right Hon. Prime Minister with regard to single, separated and divorced individuals who are between the ages of 60 and 64 availing themselves of the amendments that we have submitted with regard to Bill C-26.

My final petition comes from the great Province of British Columbia where they too are somewhat fed up with some of the stalling tactics by the Minister of Regional Industrial Expansion (Mr. Stevens). This petition concerns amendments applicable to Bill C-26 so that those individuals between 60 and 64 years of age who are divorced, single or separated will be able to have the benefit thereof.

I see that you are waving, Mr. Speaker. I do not know if you wish me to continue on with additional petitions. If you so desire, I can accommodate. If you will give me a few moments, I can go back to my office and retrieve additional petitions, if that is what your body language and motion is exhibiting here.

Mr. Speaker: I was only indicating to the Hon. Member that I presume he was petitioning the House in his petitions. I am sure he would want the House to be petitioned, not an individual.

● (1540)

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I also have a petition from the residents of my riding of Outremont. They are asking me to put pressure on the Government so that the spouse's allowance, which will now be granted to widows and widowers, can be extended to people who are separated, divorced or single.

I also have a petition from the residents of the constituency of Hochelaga-Maisonneuve, who ask me to put pressure on the Government so that the allowance paid to widows and widowers can be extended to single, separated and divorced people between the ages of 60 and 64.

In addition, I have a petition from Richmond, whose residents are asking me to put pressure on the Government to extend the spouse's allowance to people who are separated, divorced or single.

I also have a petition from Chibougamau, in Quebec, asking the same thing. The petitioners urge the Government to change its spouse's allowance policy for people aged between 60 and 64, so that there is no discrimination against those who are single, divorced or separated.

I have another petition from Chicoutimi. It asks the same thing, namely that there be no discrimination against people who are separated, divorced or single, compared with widowers and widows between the ages of 60 and 64.

The last petition comes to me from Lotbinière. The residents of this area also ask me to put pressure on the Member of Parliament for this riding and the Progressive Conservative Government so that there will be no discrimination against those who are single, separated or divorced.

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, at the request of a group of citizens of the City of Saint-Léonard in the constituency of Saint-Léonard-Anjou, I have the honour to present to the House a petition urging the Right Hon. the Prime Minister (Mr. Mulroney) to extend the spouse's allowance program to all needy persons living alone and aged 60 to 64.

Mr. Speaker, I have another petition from a group of citizens of Ville d'Anjou, again in my constituency of Saint-Léonard-Anjou urging the Right Hon. the Prime Minister to extend the spouse's allowance program to all needy single, separated or divorced persons aged 60 to 64.

I have another petition from the City of Montreal in the western sector of my constituency, and the petitioners also urge the Right Hon. the Prime Minister to extend the social security program to all single, separated or divorced persons.

[*English*]

Mr. Speaker: Order, please. I want to know very clearly whether or not the Hon. Member realizes that petitions to the Prime Minister himself are out of order. If he is presenting petitions to the Prime Minister, it should be done at a different place in the building.

[*Translation*]

Mr. Gagliano: These requests to the Right Hon. Prime Minister are addressed to the House.

Mr. Speaker, my last petition is also from the people in northern Montreal. I therefore have the honour of tabling in the House a petition that again asks the Right Hon. Prime Minister to have the Old Age Security program cover all persons in need between the ages of 60 to 64 who are single,

separated or divorced. It states that social injustice and discrimination will be the result for 80,000 people, if the Right Hon. Prime Minister does not make the suggested change in Bill C-26.

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I also have the honour of tabling in the House a petition signed by a group of residents in the federal riding of Victoria in British Columbia, who, with so many other Canadians, deplore the fact that Bill C-26 blatantly discriminates against people between the ages of 60 and 64.

Mr. Speaker, I also have a petition from a group of residents from the ridings of London East, London West and London North in Ontario, who deplore the discrimination with respect to people between the ages of 60 and 64 and more specifically those who are single, separated or divorced. These people would like to see the provisions of Bill C-26 expanded to cover them.

I also have another petition, Mr. Speaker, this time from residents of the constituency of Notre-Dame-de-Grâce-Lachine-East, Quebec, in which the signatories deplore the blatant discrimination against people aged 60 to 64, specifically separated, single and divorced people.

Mr. Speaker, I also have a petition from the constituency of Timiskaming, Ontario, where 18 signatories petition this House to extend the provisions of Bill C-26 to single, unmarried and divorced people in the 60 to 64 age bracket.

A last petition, Mr. Speaker, this time from the riding of Montreal-Sainte-Marie, whose Member is a staunch advocate of the rights of single, unmarried and divorced people, and which stresses once again that unmarried, single and divorced people aged 60 to 64 are discriminated against and unfairly treated. These petitioners, like all the others, strongly protest against such discrimination.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the honour to present to the House of Commons in Parliament assembled, a petition from residents of the constituency of Hamilton-Wentworth, Ontario, who petition the House to take their views into consideration, namely that it seems unjustifiable to determine the eligibility of an individual to a social program on the basis of his or her marital status. They request that the spouse's allowance be extended to every single needy person.

I also have another petition to present to the House of Commons in Parliament assembled, from residents of the federal constituencies of London East, London West and London North, Ontario, who avail themselves of their ancient and undoubted rights to ask this House to extend the spouse's allowance to every single person in need and to amend Bill C-26 accordingly.

Mr. Speaker, I have a third petition to present to the Honourable the House of Commons in Parliament assembled, from residents of the federal riding of Thunder Bay-Nipigon, Ontario, who avail themselves of their ancient and undoubted rights to present a grievance to this House. They are asking that the spouse's allowance program be extended to all single people in need to correct the social injustice and discrimination they are subjected to.

I have a fourth petition, Mr. Speaker, to present to the Honourable the House of Commons in Parliament assembled, from residents of the federal riding of Timiskaming, Ontario, who ask the House to extend the spouse's allowance program to all single people in need and to eliminate any social injustice or discrimination against them in Bill C-26.

I also have another petition, Mr. Speaker, to present to the Honourable the House of Commons of Canada, in Parliament assembled, from the residents of the riding of Peterborough, in Ontario, who are asking that the unfair practice of determining access liability to a social program on the basis of the marital status of the applicant be eliminated in Bill C-26 and that the spouse's allowance program be extended to all single people in need.

Mr. Speaker, I submit that this petition meets the requirements as to form, and as we promised yesterday, we shall continue tomorrow.

[*English*]

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, in the name of the residents of Calgary Centre, I have the honour to present a petition regarding Bill C-26. The residents of Calgary Centre humbly ask Parliament to extend eligibility for the spouse's allowance which has been granted to needy widows and widowers between the ages of 60 and 64 to all other Canadians, whether they are single, separated or divorced, who have identical needs. Some 80,000 people will be discriminated against if the Prime Minister overlooks the proposed amendment.

The residents of Saskatchewan East are also asking me to table in their name a petition to the Government of Canada asking that it include the single, separated and divorced people in Bill C-26.

● (1550)

The residents of North Vancouver, Burnaby, Capilano and Vancouver-Kingsway are asking that the pension benefits which have been granted to widows and widowers between the ages of 60 and 64 be extended to include single, separated and divorced people in this country. If that is not done, 80,000 persons will suffer from that discrimination.

The residents of Thunder Bay-Nipigon, in Ontario, are also asking the Parliament of Canada to extend eligibility of the spouse's allowance, which has been granted to needy widows and widowers between the ages of 60 and 64, to all other Canadians who are either single, separated or divorced, who have the same needs.

Mr. Speaker: Presentation of Bills.

[*Translation*]

Mr. Robichaud: Mr. Speaker, I have some petitions to present to the House.

Mr. Speaker: I have not seen the Hon. Member rise before. For now, the Hon. Member for Westmorland-Kent (Mr. Robichaud) has the floor. He is the last one I saw and was the last one to rise.

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have the honour and duty to present to the House, and I thank you for your patience and understanding, a petition signed by residents of Barachois, Robichaud Office and Shediac, who deplore the injustice that will be done to 80,000 people if Bill C-26 is introduced without the suggested amendments.

Mr. Speaker, I have yet another petition, signed this time by residents of the charming town of Bas-Cap-Pelé, who also demand that Bill C-26 be amended so that all needy people between the ages of 60 and 64 are extended the benefits of that Bill.

Mr. Speaker, I have the honour and duty to present a petition signed by some good people from Haute Aboujagane and Scoudouc, two beautiful towns in my own riding who also demand that Bill C-26 be amended so that people between 60 and 64 not included in this Bill will not be treated unfairly if it is passed without amendments.

Mr. Speaker, without abusing your good disposition, I have still another petition from residents of Moncton, New Brunswick, who deplore indeed the injustices that will be done to some 80,00 people if Bill C-26 is not amended.

Mr. Speaker, here is another petition signed by residents of Shemogue and Shediac who also humbly ask that the spouse's allowance be extended to needy widows and widowers between the ages of 60 and 64 years.

Mr. Rossi: Mr. Speaker, I have a petition—

[*English*]

Mr. Speaker: No, I indicated that that was the last Member I had seen rising on petitions. I am sorry. I indicated that no one else had risen and I proceeded to Introduction of Bills. The Hon. Member for Westmorland-Kent (Mr. Robichaud) said that he had risen and I agreed to recognize him.

[*Translation*]

Mr. Rossi: Yes, Mr. Speaker, but still, I rose when there was not even—

[*English*]

Mr. Speaker: I am sorry, the Hon. Member did not rise when I said "Introduction of Bills".

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I simply want to—

[*English*]

Mr. Speaker: The Hon. Member did not rise, nor did the Hon. Member for Saint-Jacques (Mr. Guilbault).

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Saint-Jacques on a point of order.

[*Translation*]

Mr. Guilbault (Saint-Jacques): On a point of order, Mr. Speaker.

[*English*]

Mr. Speaker: Let's not bother with it. I realize what is going on. The Hon. Member for Saint-Jacques on petitions.

Mr. Guilbault (Saint-Jacques): I rise on petitions, Mr. Speaker, but all I am trying to do is—

Mr. Speaker: Is the Hon. Member rising to present a petition?

Mr. Guilbault (Saint-Jacques): No, Mr. Speaker, I am rising on a point of order.

Mr. Speaker: What is the Member's point of order?

[*Translation*]

Mr. Guilbault (Saint-Jacques): I rise on a point of order, Mr. Speaker.

I appreciate that the Chair, at the swift pace at which it is proceeding, may have had difficulty seeing my colleague from Westmorland-Kent (Mr. Robichaud), but he was allowed to present petitions just the same. The Hon. Member for Bourassa (Mr. Rossi) must wait until the previous speaker is through before presenting his own petitions.

Therefore, since we are still on petitions, I simply submit that the Hon. Member for Bourassa has the right to present petitions, and besides—

[*English*]

Mr. Speaker: I interrupt the Member with great respect, but there is a limit to my patience. When petitions are called, Members should be in their place and ready to present their petitions. Members who arrive later—in fact, 20 minutes later—it would seem were not in their places when petitions were called.

I indicated that I did not see the Hon. Member for Westmorland-Kent, but I know he was here. He rose. I am prepared to recognize the two remaining Members who have indicated that they have petitions to present. I will recognize the Hon. Member for Saint-Jacques and the Hon. Member for Bourassa (Mr. Rossi).

Mr. Guilbault (Saint-Jacques): I rose after.

Mr. Speaker: The Hon. Member is not listening to me. If I call something in this House, whether it be statements or whatever, Members must rise and indicate their intention to the Chair. Members who have not risen when I say "Introduction of Bills", which I have already said once today, cannot later inform the Chair that they wish to present a petition.

Mr. Gauthier: Yes, they can.

Mr. Speaker: No, they cannot. The petition must be presented before Introduction of Bills is called. Members who have not risen prior to Introduction of Bills being called are in some difficulty. I am now willing to accept petitions from the Hon. Member for Saint-Jacques and the Hon. Member for Bourassa. However, I suggest that in the future Members who wish to present petitions ought to be in their place when petitions are called. I will recognize the Hon. Member for Bourassa, then the Hon. Member for Saint-Jacques and those are the last petitions I will receive today.

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I have a petition from a number of residents of the federal riding of Rosemont, in Quebec, who oppose the government's decision to restrict eligibility for the spouse's allowance to widows and widowers between the ages of 60 and 64. They believe it is a social injustice toward the people who are single and they ask that the Government extend eligibility for the spouse's allowance to all needy people between 60 and 64 living alone, who are either single, separated or divorced.

Mr. Speaker, I also have a petition on the same subject from the residents of the federal riding of Restigouche, in New Brunswick, who ask the Government of Canada to extend eligibility for the spouse's allowance to all needy people living alone, who are either divorced or separated.

Mr. Speaker, I have another petition from the residents of the federal ridings of Calgary West, Calgary North, Calgary South and Calgary Centre, who ask the Government to extend eligibility for the spouse's allowance, which has been restricted to widows and widowers, to all Canadians who are either separated or divorced.

Mr. Speaker, I have a petition from residents of the federal riding of Saskatoon East who exercise the same right and ask that the spouse's allowance be granted to all Canadians who are either separated or divorced.

Mr. Speaker, I have a petition which comes from residents of the federal ridings of North Vancouver-Burnaby, Capilano and Vancouver-Kingsway, who ask the Government to extend eligibility for the spouse's allowance to all needy people between 60 and 64 living alone, whatever their marital status.

Mr. Speaker, I have a petition which comes from the federal riding of Rosemont, in Quebec asking the Government of Canada to extend eligibility for the spouse's allowance to all needy people between 60 and 64 living alone, irrespective of their marital status.

I can see the Minister of Finance making faces, but we shall see what he does May 23, which is Budget night.

Mr. Speaker, I have a petition from Thunder Bay-Nipigon, in Ontario, asking the Government to extend eligibility for the spouse's allowance to all needy people between 60 and 64 living alone, irrespective of their marital status.

Thank you, Mr. Speaker.

• (1600)

Mr. Lapierre: Point of order, Mr. Speaker.

Mr. Speaker, I am sorry, but I listened carefully to what you said earlier regarding the point of order, as well as to your response to the point of order raised by my hon. friend from Saint-Jacques (Mr. Guilbault) when you said . . . What I am asking, Mr. Speaker, is whether or not I can ask for information. My point of order is . . . You stated that—

Mr. Speaker: A Member is not allowed to make comments on a point of order on which the Chair has already ruled.

Mr. Gauthier: Point of order, Mr. Speaker.

Mr. Speaker: What is the point of order raised by the Member for Ottawa-Vanier (Mr. Gauthier)?

Mr. Gauthier: Mr. Speaker, my point of order is that the Member, according to you, must be in the House at all times if he wants to speak on a motion, on a speech or on anything else. This is absolutely—

[*English*]

Mr. Speaker: Is the Hon. Member pushing? If Hon. Members want some clarification of what I have indicated, they have the right to come and see me about it. I invite them to do so.

[*Translation*]

Mr. Gauthier: I will push if it is necessary.

[*English*]

Mr. Speaker: They cannot come and see me until I leave the Chamber. I cannot leave the Chamber until the petitions are finished. It is up to Hon. Members.

The Hon. Member for Saint-Jacques on petitions.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, if the House could be quiet, I would draw to its attention a petition from residents of the Montreal area who want to exercise their ancient and undoubted right to present a grievance to Parliament.

Those people humbly state that single, separated and divorced individuals in need, from 60 to 64 years of age belong to the groups most dependent on government aid and therefore call upon the government of Canada to extend the spouse's allowance program to all needy persons 60 to 64 years of age living alone, whether they are widows, divorced, separated or single.

I have another petition also from the Montreal area, more specifically from the constituency of Hochelaga-Maisonneuve whose petitioners state that they think it is unjustifiable to determine the eligibility for benefits under a social program on the basis of marital status. Those people maintain that the government decision to grant the spouse's allowance exclusively to needy widowers and widows 60 to 64 years of age is a social injustice and discriminates against the single, separated and divorced persons with the same needs and belonging to the same age group.

I have here another petition from the Montreal-Sainte-Marie riding in which the petitioners state that needy people between 60 and 64 years of age, either single, separated or divorced, are among those who are most dependent on government assistance, and that they consider it totally unacceptable that the eligibility of an individual for a social program should be based on his or her legal status.

I have another petition, this one coming from my own riding of Saint-Jacques, whereby the petitioners exercise their right to present a grievance to the House, with the assurance that the House will remedy the situation.

These petitioners claim that the government's determination to extend eligibility for spouse's allowance only to needy widows and widowers between 60 and 64 years of age is discriminatory and socially unfair to people within the same age bracket and having the same needs who are single, separated or divorced.

These petitioners humbly call upon the government of Canada to extend eligibility for spouse's allowance to all needy people who are single, irrespective of their legal status.

Those are the petitions I had to present today, Mr. Speaker.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 68 and 100.

[*Text*]

SOLICITOR GENERAL—INDEPENDENT ADVISORY BOARDS

Question No. 68—**Mr. Nunziata:**

1. In the Department of the Solicitor General, what specific independent advisory boards exist and how many members are on each board?

2. For (a) 1983-84 (b) 1984-85, what were the expenditures including salaries of each board?

Hon. Elmer M. MacKay (Solicitor General of Canada): 1. The following lists the Ministry's independent advisory boards which report directly to the Solicitor General:

Advisory Committee to the Solicitor General on the Management of Correctional Institutions (Carson Committee). There are six members (one chairperson and five members under contract). Expenditures in 1983-84 were nil; 1984-85, $350,000.

Dangerous Offender Consultation Committee (15 members, including officials and private citizens). Expenditures for 1983-84 and 1984-85 were $30,000 each year. There are no salaries or honoria paid to the private citizens. The only expenses of the committee are the annual travel and living expenses.

National Advisory Council on Firearms (25 Members). The Chief Provincial and Territorial Firearms Officials are ex-officio members. This is not a salaried council. Each member is reimbursed travel and living expenses while absent from his/her ordinary place of residence while on official duty for the council, in accordance with the Treasury Board Directive on duty travel in the Public Service.

2. (a) and (b) See above.

SSEA—STATIONERY

Question No. 100—**Mr. Deans:**

1. Did the Secretary of State for External Affairs order special gold embossed stationery and, if so, what was the cost over and above standard House of Commons issue?

2. Has any other Minister ordered such stationery and, if so, how many and at what additional cost?

Hon. Ray Hnatyshyn (President of the Privy Council): 1. It has always been the standard practice for the Department of External Affairs to provide Ministers with gold embossed stationery.

2. To date, seven Ministers including the Prime Minister are using new or existing gold embossed or thermographic printed stationery.

Furthermore, please refer to the most recent directive from Treasury Board issued under Circular No. 1984-74 dated December 21, 1984.

[*Translation*]

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

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

Some Hon. Members: Agreed.

[*English*]

MOTIONS FOR PAPERS

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

Mr. Speaker: Should all Notices of Motions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BRETTON WOODS AGREEMENTS ACT

MEASURE TO AMEND

The House resumed from Tuesday, May 7, consideration of Bill C-30, an Act to amend the Bretton Woods Agreements Act and to repeal the International Development Association Act and amend certain other Acts in consequence thereof, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs; and Motion No. 2 (Ms. Jewett).

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the Bill before us today, Bill C-30, an Act to amend the Bretton Woods Agreements Act and to repeal the International Development Association Act and amend certain other Acts, is a very serious matter in the development field. The Bretton Woods Agreements, of course, arouse all of our highest expectations for aid by way of loans to the developing world. We are dealing today with an amendment which attempts to deal with some very serious problems in the actual functioning of world credit agencies at the present time.

The motion before us that Bill C-30 be amended in Clause 7 would require the Minister of Finance (Mr. Wilson) to provide a detailed review of Canada's participation in lending as a member of the World Bank group and the International Monetary Fund and, in particular—and I want to go through this in some detail—there are four criteria which would add considerably to the functioning of the World Bank group in order to have it achieve the objectives which were certainly set out in spirit for it. These criteria are: (a) Canada's use of its voice and vote to promote internationally recognized human rights; (b) Canadian initiatives to promote the use of loans to meet the basic human needs of the poorest and to provide for an equitable distribution of income in recipient countries; (c) policy actions taken by Canada to protect the neutrality and multilateral character of the World Bank group and International Monetary Fund and to resist the excessive pursuit of rigid bilateral policies by other member nations; and (d) Canadian initiatives to promote financial adjustment policies that do not impose additional hardship on the poor.

Why are these amendments needed, Mr. Speaker? Let us go to the issue of human rights. Canada's record on this issue is not particularly good. We have not opposed, for example, a loan to Chile, to a very repressive military dictatorship there, when even the United States Government abstained. Chile has one of the most atrocious records but even in this extreme case we failed to speak up on human rights issues. The demand here is that Canada use its opportunity and its vote to speak on these crucial loans in order to give better recognition to human rights issues.

Let me be clear as to what is meant by "internationally recognized human rights". We are not talking about an elaborate and difficult test of democratic rights. This is getting down to what is very, very minimal. Let me refer to what the Interchurch Task Force on the Churches and Corporate Responsibility have proposed as internationally recognized human rights. There are three points: freedom from arbitrary arrest, detention and execution; freedom from torture or cruel, inhumane and degrading treatment; and freedom from internal or external exile.

These are all perfectly obvious and it is quite clear that we are not talking about the imposition of certain democratic traditions or certain cultural expectations by our country on countries which do not have them and which, nevertheless, have their people in need of development aid and loans.

● (1610)

The second criterion is Canadian initiatives to promote the use of loans to meet the basic human needs of the poorest. It is necessary to specify this because, unfortunately, the very poorest countries are sometimes unable to get loans, and sometimes loans are used to divert resources and develop aspects of the economy which profit the better-off members of the country rather that the poorest. We must provide for an equitable distribution of income in recipient countries rather than merely promoting the strength of powerful groups within those societies, assisting them to get economic advantages which further entrench their power.

This money comes from public funds to which all Canadians have contributed. Canadian standards of decency and sharing should be respected in the according of loans, in so far as that is possible. I would like to make it very clear that the recommendation is that even in countries with bad human rights records, where the money is for the purpose of meeting basic human needs such as food and shelter, it should go to all people. Otherwise we should be demanding and encouraging respect, at least for these very basic human rights.

The third criterion deals with the issue of politicization. We do not want these funds to be politicized in any possible way. The amendment reads in part, "Policy actions taken by Canada to protect the neutrality and multilateral character of the World Bank group". This amendment arises from a number of very specific examples of abuses in the management of these funds. I refer particularly to American pressure to stop a loan to Nicaragua. This is in furtherance of American policy, which is an affair of the United States. However, the

International Monetary Fund and the World Bank are international multilateral agencies which gave different economic criteria. If those economic criteria are respected, that loan should have gone through.

If one is going to argue, as the United States has, that Nicaragua's abuse of human rights is so excessive that it should not get a loan, then we must ask why El Salvador, Honduras and South Korea are getting loans. Should there be a number of different standards depending upon the politics of the regime in question? If these countries can get loans it demonstrates that the human rights standards are not very good. To bar another country from getting loans by applying different standards is absolutely unacceptable. I am sorry to say that Canada did nothing to object to the dropping of the Nicaraguan loan. Canada did not protest.

The fourth matter, Canadian initiatives to promote financial adjustment policies that do not impose additional hardships on the poor, comes once again from hard experience. We have a number of recommendations from the Task Force on Churches and Corporate Responsibility. They refer to the long history of the International Monetary Fund imposing very severe conditions on debtor countries. The debtor countries must then cut back on Government expenditures. They may cut back on social, health and food expenditures. They have often been required to increase food prices. The result is great hardship for the poorest members of those countries.

The Interchurch Task Force recommended that social impact criteria be an integral part of the adjustment measures that are negotiated. In other words, when negotiations are ongoing, the country should be asked very specifically how different groups within that society would be affected by the various cut-backs that would be required. This process would ensure that the burden not fall as much as it has in the past on the poorest members of those countries. Unfortunately, this has not been the case before. These criteria must be spelled out concretely in order for them to be taken into account.

One of the results of the imposition of very severe measures in a country is that people resist. There have been food riots and other kinds of disturbances as a result of these repressive measures in very poor countries. Governments then have to react to that and there is an escalation of repression as a result of the imposition of what was supposed to be a measure of aid to the country in question.

The Task Force on Churches and Corporate Responsibility, which appeared before the standing committee, made a number of comments and very good recommendations on these various points. I would like to quote from their testimony on these basic issues. They refer to the social tensions which in turn have given rise to repression on the part of the state. The testimony reads in part as follows:

> Where debtor countries are already ruled by repressive dictatorships, repression is often severely increased and potential for a return to democracy is diminished.
>
> We therefore recommend to the members of the standing committee—

—and I recommend in turn in passing on these remarks, that the economic analyses and adjustment recommendations should include a projection of the distribution relative to the income distribution of the debtor country.

The testimony continues:

> Where such projection indicates that the main economic burden will fall upon those with the least income, adjustment measures should be revised to correct the balance and to safeguard the living standards of those most vulnerable.

These are extremely relevant words of counsel, Mr. Speaker. We want humane policies. We need specific criteria to change the rather sorry record we have had. I hope Hon. Members will support this motion of amendment to bring provisions into effect which would respect the humanitarian concerns that we all share.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to support Motion No. 2 of the motions put before the House by the Member for New Westminster-Coquitlam (Ms. Jewett). This set of amendments is designed to bring about more openness in government and to provide the recognition of parliamentary control of spending.

Motion No. 2 would make the permanent requirements part of the annual report. The annual report of an agency such as this is quite important because it presents the opportunity for the provision of a great deal of information about the agency and about the way in which Canada's role is being carried out in supplying moneys to the World Bank group, the International Monetary Fund, and related agencies. This amendment requires the annual report to spell out four or five definite items which would be reported on annually.

Some of the Government Members who spoke on Motions Nos. 1 and 2 seemed to think that the purpose of the motions was to provide an opportunity for Opposition Members to hold up the amendment of the Bretton Woods Agreements Act each time it came before Parliament. On the contrary, Mr. Speaker, this amendment would provide a series of pertinent information in an annual report. In that way Members of Parliament would have that information available to them and would not have to use the guise of a parliamentary debate to attempt to get information concerning this particular agency. We would not have to force it into committee so that witnesses could be called and information could be gathered.

In addition to the information required by the amendment of the Government, our motion would require the inclusion of a small report on the use of Canada's voice and vote to promote internationally recognized human rights. That is something that coincides with international funding. Many cases have been outlined during this debate where the influence of some countries on the boards of these financial institutions has meant that moneys end up going to Goverments with repressive regimes that do not live up to the international requirements for the recognition of human rights. However, money is granted to those countries in any event. Therefore, I think it only fair that Canada should annually report its stand with respect to votes regarding loans to those kinds of regimes.

● (1620)

It is my hope that Government Members have seen the light, will understand the importance of annual and full reports and realize that it reflects their commitment to an open government that will keep citizens and parliamentarians fully informed.

Therefore, in terminating this debate, I hope Hon. Members will support this amendment so that information may be made available through an annual report rather than forcing the Opposition Parties to bring the Bretton Woods Agreements Act before committee to obtain this information at committee stage each time it comes before Parliament.

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: The question is on Motion No. 2 standing in the name of the Hon. Member for New Westminster-Coquitlam (Ms. Jewett). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

That being the last motion for debate, the House will now proceed to the taking of the deferred divisions at the report stage of C-30. The first vote will be on Motion No. 1. Ms. Jewett, seconded by Mr. Murphy, moves:

Motion No. 1

That Bill C-30, be amended in Clause 6 by striking out lines 12 to 20 at page 3.

Call in the Members.

The House divided on the motion (Ms. Jewett), which was negatived on the following division:

(*Division No. 23*)

YEAS

Messrs.

Althouse
Berger
Blaikie
Boudria
Broadbent
Cassidy
Copps (Ms.)
Deans
de Corneille
Dingwall
Fulton
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Isabelle
Jewett (Ms.)
Johnston (Saint-Henri-Westmount)
Killens (Mrs.)
Langdon
Lapierre
Malépart
Manly
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Penner
Pépin (Mrs.)
Prud'homme
Riis
Robichaud
Robinson
Rodriguez
Rompkey
Skelly
Tardif (Richmond-Wolfe)
Tobin
Waddell
Young—44.

NAYS

Messrs.

Attewell
Beatty
Belsher
Bernier
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Brisco
Cadieux
Caldwell
Champagne (Champlain)
Clark (Brandon-Souris)
Clifford
Clinch
Coates
Collins (Mrs.)
Comeau
Cook
Cooper
Corbett
Côté (Lac-Saint-Jean)
Crofton
Crosby (Halifax West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duguay
Edwards
Ellis
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gérin
Gervais
Gormley
Graham
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Jacques (Mrs.)
James
Jardine
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Leblanc
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Mantha
Marin
Mazankowski
McCain
McGrath
McInnes
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Price
Redway
Ricard
St-Julien
Schellenberg (Nanaimo-Alberni)
Scott (Hamilton-Wentworth)
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Suluk
Tardif (Mrs.) (Charlesbourg)
Thacker
Toupin
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
White
Wilson (Swift Current-Maple Creek)
Witer—140.

Mr. Speaker: I declare the motion lost.

Mr. Deans: Mr. Speaker, I rise on a point of order. I believe if you were to test the House, you might find a disposition to have the vote that was just recorded similarly recorded for the next motion, which also stands in the name of the Hon. Member for New Westminster-Coquitlam (Ms. Jewett).

Mr. Speaker: I take it there is a disposition with the addition of one Member rising who chooses to ask that his vote

be added to this vote. There are two. There was one on this side. The Clerk will note that. There are three Members to be noted by the Clerk. It is assumed that they are voting in line with their friends.

Some Hon. Members: Hear, hear!

Mr. Speaker: The next question is the following one: Ms. Jewett, seconded by Mr. Riis, moves:

That Bill C-30, be amended in Clause 7

(*a*) by striking out line 32 at page 3 and substituting the following therefor:

"including the resources and lending of the International Monetary Fund and the".

(*b*) by striking out line 36 at page 3 and substituting the following therefor:

"goods and services and also including a detailed review of Canada's participation in the lending activities of the World Bank Group and the International Monetary Fund, with particular attention to: (*a*) Canada's use of its voice and vote to promote internationally recognized human rights; (*b*) Canadian initiatives to promote the use of loans to meet the basic human needs of the poorest and provide for a more equitable distribution of income in recipient countries; (*c*) Policy actions taken by Canada to protect the neutrality and multilateral character of the World Bank Group and International Monetary Fund and resist the excessive pursuit of rigid bilateral policies by other member nations; (*d*) Canadian initiatives to promote financial adjustment policies that do not impose additional hardship on the poor."

I take it there is agreement on the way the motion shall be tabulated.

Some Hon. Members: Agreed.

Mr. Speaker: It is so ordered.

The House divided on Motion No. 2 (Ms. Jewett) which was negatived on the following division:

(*Division No. 24*)

YEAS

Messrs.

Althouse
Berger
Blaikie
Boudria
Broadbent
Cassidy
Copps (Ms.)
Deans
de Corneille
Dingwall
Finestone (Mrs.)
Fulton
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Isabelle
Jewett (Ms.)
Johnston (Saint-Henri-Westmount)
Killens (Mrs.)
Langdon
Lapierre
Malépart
Manly
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Penner
Pépin (Mrs.)
Prud'homme
Riis
Robichaud
Robinson
Rodriguez
Rompkey
Skelly
Tardif (Richmond-Wolfe)
Tobin
Waddell
Young—45.

NAYS

Messrs.

Attewell
Beatty
Belsher
Bernier
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Brisco
Cadieux
Caldwell
Champagne (Champlain)
Clark (Brandon-Souris)
Clifford
Clinch
Coates
Collins (Mrs.)
Comeau
Cook
Cooper
Corbett
Côté (Lac-Saint-Jean)
Crofton
Crosby (Halifax West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duguay
Edwards
Ellis
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gérin
Gervais
Gormley
Graham
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Jacques (Mrs.)
James
Jardine
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Leblanc
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Mantha
Marin
Mazankowski
McCain
McGrath
McInnes
McMillan
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Price
Redway
Ricard
St-Julien
Schellenberg (Nanaimo-Alberni)
Scott (Hamilton-Wentworth)
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Suluk
Tardif (Mrs.) (Charlesbourg)
Thacker
Toupin
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
White
Wilson (Swift Current-Maple Creek)
Witer—142.

Mr. Speaker: The motion is therefore lost.

Mr. Hnatyshyn (for the Minister of State (Finance)) moved that the Bill be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to.

Mr. Speaker: When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Speaker: There is consent that the Bill be read the third time.

Mr. Hnatyshyn (for the Minister of State for Finance) moved that the Bill be read the third time and passed.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I would like to say that this is really a very sad day. This is the last time, the last day that this Parliament will have an opportunity, as it has had today and yesterday, to engage in a debate on the activities of the World Bank group and the International Monetary Fund. We lost the power to debate the other financial institutions here in the House a year or so ago. Now we have lost the power to debate the International Monetary Fund and World Bank activities. We have lost the power to add any new criteria for them. I only want to commemorate this as the last day on which we will be able to do this and to say to all Hon. Members that when the New Democratic Party forms the Government of Canada—

Some Hon. Members: Oh, oh!

Ms. Jewett: —we will restore the authority of the Parliament of Canada.

Some Hon. Members: Hear, hear!

Mr. Tobin: Mr. Speaker, I just want to make a short comment. I want to know what members of the NDP are having for breakfast these days as it is affecting their ability to think clearly.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to and Bill read the third time and passed.

* * *

MEAT INSPECTION ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-33, an Act respecting the import and export of and interprovincial trade in meat products, the registration of establishments, the inspection of animals and meat products in registered establishments and the standards for those establishments and for animals slaughtered and meat products prepared in those establishments, as reported (with amendments) from the Standing Committee on Agriculture.

Hon. Ray Hnatyshyn (for the Minister of Agriculture) moved that the Bill be concurred in.

Motion agreed to.

Mr. Speaker: When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Hnatyshyn (for the Minister of Agriculture) moved that the Bill be read the third time and passed.

• (1700)

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I would like to take this opportunity to speak very briefly on this Bill. The House will recall that when we discussed this issue some time ago, the Parliamentary Secretary to the Minister of Agriculture (Mr. Blais) made an address to the House indicating that he was informing Hon. Members that Canada had one of the finest meat inspection systems in the world. Hon. Members on all sides of the House acknowledge that. At the time this issue was discussed previously, one Hon. Member across the way insinuated that Liberal Members were not of that view. Of course, that was utter nonsense. Liberal Members do in fact acknowledge that the meat inspection system in this country is indeed excellent.

In the speech he made, the Parliamentary Secretary to the Minister of Agriculture seemed to describe this Bill as though it contained a major new discovery and a major new area of policy. However, most of the things contained within this Bill are simply to ensure that the Act will conform to the Charter of Rights and Freedoms. If one were to have read the speech as it was made by the Parliamentary Secretary without knowing better, one would have thought that the greatest thing ever to happen to agriculture would be the passage of Bill C-33.

When discussing in this House the entire issue of meat inspection, I think it is incumbent upon us to remind the Government across the way of what it is doing regarding inspection fees as they relate to the agricultural sector. The Minister of Agriculture (Mr. Wise) and, more particularly, the Minister of Finance (Mr. Wilson) are perpetrating an increase in these fees on the people of the country.

We all know that the agricultural industry is indeed in very serious difficulty. It is suffering and in general has fallen on very hard times. I see many Hon. Members across the way who are members of the Agriculture Committee as I am. Lately, the Finance Committee, which at the time was composed of most of the members of the Agriculture Committee, met in order to discuss the problems of farm financing. At that time we discovered that the farming industry is indeed in bad shape. I bring this to the attention of the House to indicate that the farm community is least able now to support major increases in inspection fees.

The Minister of Agriculture has told us that he has finally succeeded in coming to an agreement with a few commodity groups though not all of them. I frankly wonder how the Minister of Agriculture managed to come to this agreement. I suppose he probably said to the farmers: "You either take this agreement or you will not get anything else," and the farmers had to agree with him. I know that the farmers would have preferred seeing no increase in fees and no implementation of fees where they did not already exist. That is what the farming community really needs.

While discussing meat inspection, I think we must also seize this opportunity to talk about the whole problem not only of meat inspection but of meat imports. I see that the Minister of State for Small Businesses (Mr. Bissonnette) is sitting across from me. I know he is quite involved in agricultural matters

and I am sure the farmers of his constituency, like the farmers of my own, have discussed with him the very important issue of meat imports from the European Economic Community and, more particularly, those from Denmark and Ireland. These imports will very shortly be invading the Canadian market again at below the fair price.

Over the last three or four days, I have been receiving calls at the rate of about a dozen a day from the beef producers of my riding, each one asking me to voice the message to this Government that the beef farmers need to be protected. Of course, Mr. Speaker, you will probably tell me that that does not directly relate to the subject at hand, and perhaps you would be correct in so stating. However, we are discussing agriculture, the meat sector and inspection fees. I wonder if the Government would not consider a whole variety of measures to ensure that there is no unfair competition in the Canadian market-place caused by the subsidized imports invading our market. This unfairness is now compounded by the fact that Canadian farmers will have to pay higher inspection fees, thus making it more difficult for them to compete with imported products.

When we spoke of this Bill previously, I asked some questions regarding it. I hope I will still have the opportunity to find out about the state of certain clauses of this Bill and, more particularly, those that apply to the penalties for infractions against this piece of legislation. I hope that the Parliamentary Secretary will be able to tell us exactly what penalties will be imposed upon those who choose not to respect this new law.

As the Bill was originally drafted and presented in the House, offenders against the legislation would not have been subjected to jail terms, and that was specifically stated in the Bill. The concern that I had at that time, and that I still have to a certain extent, was the fact that the Bill almost contained an advertisement saying: "If you do not respect the law, do not worry about it because we cannot put you in jail anyway". I cannot help but feel that that is not a good signal to send out. It does not provide the kind of motivation necessary to ensure that the very good and stable reputation that our Canadian meat inspection system has enjoyed throughout all these years will continue.

I am not saying that all people who are in the meat processing business are not trustworthy. That is not the case. Of course, most of them are good business people. The ones who are good business people want to ensure that the law is strong and powerful and that it protects them in case people entering the business are not as trustworthy as they are.

Again, we want to be assured that the law protects our good meat processing plants and mostly that the law protects the inspection system. The inspection system is what retains credibility in the fine products produced by our farmers and, more particularly, in the meat products that are stamped and have enjoyed throughout the years a high degree of credibility.

Those are the words I wished to put on the record regarding this Bill. To reiterate what I said in the beginning, I would like to remind the Parliamentary Secretary of the very lengthy and decided speech he made when this legislation was introduced. In his speech, he almost claimed that he had written this legislation himself and that he had saved the farming industry by changing the meat inspection system to make it adhere to the Charter of Rights. Of course, the Bill does not do all the things the Parliamentary Secretary said it would do. However, we want to ensure that the Bill is as good as it can be in order to retain and protect the valuable and trusted meat inspection system which we have enjoyed in Canada for many years. Hopefully, we will enjoy that for many years to come.

• (1710)

Finally, I hope that the red meat industry, and more particularly the beef industry, will still be there. There will not be much to inspect unless the producers are protected from the foreign imports which I described a few minutes ago.

Mr. Deputy Speaker: Are there questions or comments?

Mr. Althouse: Mr. Speaker, I would like to complete very briefly the parliamentary activity on this Bill. What we have with this meat inspection legislation of 1985 is a combination—excuse me, Mr. Speaker.

Mr. Deputy Speaker: Does the Hon. Member wish to speak on debate?

Mr. Althouse: Yes.

Mr. Deputy Speaker: Does anyone have questions or comments on the speech of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria)?

Some Hon. Members: No.

Mr. Deputy Speaker: Very well, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) on debate.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, what the House is doing today is the last parliamentary step in making the new meat inspection legislation of 1985 law. After this, it will simply have to be proclaimed by the Government and signed by the Governor General.

This Bill did nothing terribly radical. In fact, only one or two minor changes were made in this Bill that was taken from the three old Acts. The only difference is that it is now easier for people to check the law because it is written on one piece of paper. The new activity is not very radical. It simply spells out the procedure which a meat inspector will have to go through if he wishes to enter a dweiling house in order to get evidence or inspect meat which he feels is within his ambit. The inspector will now be required under the Charter of Rights to obtain a warrant for such an activity. That is a very minor change and probably it would have been upheld under the Constitution without the change being made to the legislation. Basically, we are left with a peice of paper which contains three laws.

The process did not receive a lot of debating time, nor did it deserve a lot of debating time. Members of Parliament, farmers, meat packers, processors and consumers are convinced

that we have the makings of a very good meat inspection system. If it is not the best in the world, it is certainly among the best in the world.

We heard witnesses in committee who were inspectors and we heard witnesses from the Canadian Meat Council, which represents 70 or 80 of the 530 or 540 meat processors whom we have in Canada. The Canadian Meat Council generally represents the larger of those operations. We also heard from departmental officials whose responsibility it is to carry out the inspection service.

In second reading debate it was noted that this law provides, in very broad terms, the power to the Ministry of Agriculture, and to the Minister of Agriculture in particular, to make regulations. It is the Minister of Agriculture and the Cabinet who will ultimately set out the regulations which will decide whether the high standards in the meat inspection service will continue or whether they will be downgraded. The Minister of Agriculture (Mr. Wise) will decide whether the frequency of the inspection level program, which began under the last Minister of Agriculture, will continue, and whether the attitude under that program, which allows plants some discretion in the amount of time in which they will be inspected, should be extended further, or whether inspection periods should be relaxed.

The legislation gives responsibility to the Minister of Agriculture and the Cabinet to set the fees and charges for inspection services, whether the product is being imported or whether it is being inspected at the first slaughter or at the processing level. It also gives the Minister of Agriculture the responsibility to designate the various categories of plants and the establishment of standards for those categories.

Likewise, this Bill sets out who is the operator. In the process of hearing witnesses before the Standing Committee on Agriculture, we did not receive a particular definition of who would be considered to be the operator. That becomes very important with the new levels of penalties and fines which can be put into effect by the Minister of Agriculture. It begs the very serious question as to who is responsible if an inspector finds that someone in a plant is breaking the law. Is it the responsibility of the plant's management or the plant's ownership? How does the inspector trace whether the worker was simply carrying out a verbal order from head office or whether he was acting of his own volition? We will not know the answers to those questions until such time as inspectors take the cases to the courts. I hope the Minister of Agriculture and the Cabinet will tighten up those definitions in such a way as to permit the meat inspection regulations to be carried out so that the operator and owners of the plants will be made responsible for the way in which they instruct their workers to behave in those plants.

Basically, we have the same framework and guidelines which were set forward by Parliament for the meat inspection service to operate. We have given, and continue to give a great deal of discretionary powers to the Minister and the Ministry. I hope they continue to carry out those responsibilities in a fair manner and in the best interests of the farmers, processors, workers in the processing plants and ultimately, the consumers who eat the meat. We are vesting a great deal of responsibility with the Minister of Agriculture. Parliament is passing the responsibility to the Minister and I wish him well in carrying out those responsibilities. I hope that he will continue, as have previous Ministers, to carry them out in the best interests of all Canadians.

Mr. Deputy Speaker: Are there questions or comments on the Hon. Member's speech? If not, I will recognize the Hon. Member for Western Arctic (Mr. Nickerson).

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I would like to make a couple of points concerning the difficulties which people in the Territories have experienced with meat inspection in the past. One problem which has occurred is the difficulty of shipping meat, particularly beef, from northern Alberta into the southern Territories. For instance, there were no federally-regulated slaughterhouses in the High Level area. Federal plants are located in the more southerly part of the province. So if one wanted to bring meat into the Territories across the provincial border, one had to bring it in from southern Alberta rather than from northern Alberta. That is a problem which caused us some concern.

Another problem was what to do with wild game products, particularly musk-ox. There is a lot of interest in the commerce in musk-ox meat, in buffalo, in reindeer and in caribou, and it is not possible in many circumstances to comply fully with the requirements of the Department of Agriculture. But there is no reason why that type of trade should not be engaged in. Of course, there has to be a system of some kind of inspection. Everyone knows that. But we might not be able to do that in a plant which meets all of the special requirements.

• (1720)

So I am pleased that in the Bill with which we are dealing today there is, in subsection 20(r), a provision for the exemption of certain of the requirements. I am sure that many of my constituents will be pleased to see that that provision is there and that the Governor-in-Council can make regulations pertaining to these exemptions so that in the future we will be able to bring in beef from northern Alberta and we will be able to encourage the trade in wild game meats.

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I also welcome this opportunity to take part in the debate, and I shall, if I may, express to the House a certain number of concerns. First of all, I think everyone will agree that our Canadian meat inspection system is one of the best if not the best in the world. Over the years, Canada has acquired an enviable reputation in this area, and the legislation before the House today may affect this well-deserved reputation, a reputation that has taken years to build up.

Everyone will also remember that not very long ago we had a rather embarrassing and even dramatic situation in Quebec,

and quite recently, the Quebec Minister of Agriculture, Mr. Garon, said:

> I do not see why some people insist on having "Canada inspected" beef, since Quebec's inspection standards for beef are just as strict if not more so than Canada's.
>
> When people think that "Canada approved" means that the standards are stricter, they are wrong. Standards are actually stricter in abattoirs built according to Quebec regulations.
>
> We must have these standards to make a good product. We start with the proper conditions. We cannot produce a good product in a shack.

I think this is a rather significant statement that shows even the Quebec Minister of Agriculture acknowledges the enviable reputation of our inspection system.

The purpose of the Bill may be entirely praiseworthy, and I support its objectives in principle, but practically speaking, I think the Bill is going to make for a relatively confusing situation and will, in the final instance, make the Canadian consumer feel pretty insecure. There may be something behind all this, and it is probably the Government's resolve, which it has demonstrated several times, to reduce spending, which in itself is important and entirely praiseworthy, except that I think I would like to consider for a moment what the consequences might be. I think that our reputation on local, provincial and foreign markets has gained ever wider currency over a number of years. This sector makes a very significant contribution to the Canadian economy. I would suggest that anything at all to do with inspection must remain under Government jurisdiction, and I find it hard to believe that our inspection system will ever so slowly be dismantled piece by piece so that it will eventually be taken over by private interests.

The ultimate aim of this inspection process would likely become rather fuzzy if people were to question our objectivity, and I think that consumers and buyers of our products would rightfully express doubts about our standards, which in turn would be considerably lessened. That is why I fail to see the rationale behind a measure such as Bill C-33 which, in a way, will lead to insecurity and confusion, when we are talking about a sector that is running very smoothly and that has gained wide-ranging acceptance.

The private sector is here to stay, of course, it has earned its laurels and, oftentimes, private enterprise will give much better results than will any public agency. But when we are talking about security and consumer protection, I do think that the Government must play a leading role and resort to every means at its disposal to improve consumer protection mechanisms.

I am not at all sure that, from a structural standpoint, results will not be short of disastrous. If I may, I should like to mention some of the consequences which, I think, might result from the implementation of this Bill. What guarantee do we have that this will not result in an inadequate control over quality inspection and appraisement of meat and meat products? I am almost certain there will be an immediate reduction in inspection standards. Probably, there will also be a definite drop in the quality of all food products, especially meat products. Most certainly, there will also be a lowering of sanitary conditions in industries. Clearly, there will also be inadequate control over meat and meat product receiving or shipping. I am not sure there will also not be inadequate monitoring of the preparation of processed meat products. There will certainly be a quality decline in the production of processed meat preparations, a lack of control over the export of meats and meat products.

I could go on and on and show that our success on the markets has been due definitely to the reputation we developed over the years, our excellent reputation in terms of extremely drastic standards. At this important juncture, where we do have as great a need for our agro-food economy as ever, it seems to me both ill-advised and extremely dangerous to tamper with anything that has proven effective.

Let me tell you that meat processing is the major manufacturing industry in many provinces, and the fourth one nationally in terms of shipping value. This in itself is the most convincing proof that here is an industry that is vital to the Canadian economy.

Also, the Canadian Government has contributed over these last few years to the expansion and growth of this industry, not through direct intervention on the market place, but rather by supporting the infrastructure that links the various components, which allowed Canada to enjoy a respected worldwide position as a supplier of meat.

The help provided by Agriculture Canada in the carcass grading system also served Canadians well in the industry, because it has provided them with a quality product that is still envied in the world at large.

Such are my concerns, Mr. Speaker, and I very sincerely believe that Bill C-33 could threaten the objectivity of a system that has proven itself over the years. The whole aspect of consumer protection, the concern for consumers has been left aside. In other terms, they have been completely ignored, although the vivid recollection of past experience still raises fears, and I am referring of course to the situation we have experienced in Quebec. Under the circumstances, it seems to me very dangerous to give the Minister absolute, unrestricted control over an area as important as our meat market.

• (1730)

Mr. Deputy Speaker: Questions, comments, debate. The Hon. Member for Shefford (Mr. Lapierre).

Hon. Jean Lapierre (Shefford): Thank you Mr. Speaker. I also welcome this opportunity to take part in the debate on second reading of Bill C-33, respecting meat inspection in Canada. I am especially pleased to see the Parliamentary Secretary to the Minister of Agriculture (Mr. Blais), in the absence of the Minister, because the Parliamentary Secretary

made a very eloquent speech, and I would like to ask him to congratulate the public servant who wrote it for him. However, I must add that the officials who wrote this elegant prose may have forgotten to inform the Parliamentary Secretary that Bill C-33, which was based on very worthy principles—and who is not for virtue and motherhood—and I think the Minister of State for Small Businesses (Mr. Bissonnette), who, I am sure, is very familiar with this area, could tell us that the objectives of the Bill are praiseworthy, and I think that Hon. Members on both sides of the House agreed that the Bill, also thanks to Hon. Members on the Standing Committee, is well drafted.

I think the Minister of State for Small Businesses is referring to the Committee on Agriculture, and of course as the critic for external trade, I do have other obligations and I have to rely on the experts. Unfortunately, I am just a country lawyer, and I have not had the honour and the privilege of being involved in the agricultural industry like the Minister of State for Small Businesses. However, Mr. Speaker, I do know that under all the praiseworthy principles, the reality is not as rosy. With all its principles, the Government is in fact undermining the intrinsic value of the Canadian inspection service.

It is common knowledge that as a result of a policy referred to as the reduced inspection system or inspection frequency, the Government is undermining the whole credibility of "Canada Approved". This concern is shared by the inspectors themselves, who have to live with the practical implications of Bill C-33. I would like to remind the Parliamentary Secretary and the Minister that even the Canadian Meat Council said not long ago, I think it was on June 13 last year, that Canadians depended on Agriculture Canada's help in providing a system of carcass grading, and so on, and the Council said: Although we understand that the Federal Government is going through a difficult period financially, and that it is looking at every way it could possibly save money, we must also understand that meat inspection, grading services, and the like, are in the national interest and must continue to be financed from the public purse.

This is the reason why, Mr. Speaker, I would like to stir up the interest of my good friend, the Parliamentary Secretary, and congratulate him for his work. Nonetheless I would like to obtain his assurance that once this legislation is passed it will not be shelved but that indeed it will be enforced and even extended if possible. It would be terrible to alter among other things the various groups, the A, B, and C assessment system advocated for processing plants for example, when we know that the Department wants to compel all plants in the C group to pass in the B group thus reducing inspection services and in the short term to compel all plants in the B group to move into the A group thus reducing the inspection. In the end, the industries are entrusted with the responsibilities of sanitation and inspection. In fact, the concern which has been expressed, especially by inspectors, is that this could pose a very serious danger for the Canadian public. I would like the Parliamentary Secretary to assure us that this Parliament is not being used only to pass a Bill which will not be actually implemented. I know very well, Mr. Speaker, that you would not be happy yourself to witness passage of a Bill which would not be actually implemented. As you know, we all feel very safe when we see the "Canada Approved" stamp on a cut of meat, and if this stamp were to be used without any effective control, it could become very worrying for consumers. The inspectors therefore met last weekend to express their concerns to some of our colleagues, and they took due note of the absence of 25 of the 26 Progressive Conservative Members they had invited. I think there will be other opportunities in the next few weeks to hear the same inspectors express their concerns and I hope that, before asking us to agree to this Bill, the Parliamentary Secretary will take all their grievances into consideration. They are the most knowledgeable in this area. For our part, we can certainly talk about the principle of the legislation, on which everyone agrees. However, as far as the actual administration of the act is concerned, the revelations of Agriculture Canada inspectors are disquieting, Mr. Speaker. For instance, they say that, if this policy is pursued, the quality control and assessment of meat and meat products through inspection will be inadequate. They say that inspection standards are about to be lowered. They even say that the quality of all food products, especially meat, will be lower. I know this is of particular concern to the Minister of State for Small Businesses.

I am convinced that the possibility of lower health standards within the industry is also of concern to the Parliamentary Secretary. Should the lack of control over the shipping and delivery of meat and meat products not give the Parliamentary Secretary something to think about? I think that no one would tolerate a lack of control over the preparation of processed meat. Mr. Speaker, who would accept lower quality control in the production of processed meat preparations? It is therefore my view that no one would agree to any lack of control over the export of meat and meat products.

Mr. Speaker, I think—the Minister of State for Small Businesses is telling me I have said that three times already—I will have to repeat it again and again in order to get him to understand. This is worrying all those involved in the area of inspection. They know very well that the Minister of State for Small Businesses, despite all his good will, did not understand their brief.

Mr. Speaker, I feel that inadequate control over imported meat products is also a genuine concern for inspectors. Worse still, they are telling us that this could lead to no control at all on stamped meat and meat products. If this were to happen, I think our stamp would lose much of its credibility, for it is now well looked upon not only across Canada but around the world. We are even warned about a sharp decline in the nutritional

value of meat and meat products. Imagine that! I hope there is nothing in that legislation that could bring about such nefarious results.

Mr. Speaker, there is even the prediction of a significant increase in black market operations. I know that no Member of this House could support such practices.

Of course, we are told consumers should be on the alert, we are told that if the process is allowed to continue, there may be a significant increase in the volume of meat and meats products on the market unsafe for human consumption.

Mr. Speaker, we have all lived through the times when tainted meat was sold openly, we were very concerned about the findings of some Quebec commissions of inquiry, and nobody would like to see a return to such dark days in the history of Quebec's food industry. Unfortunately, those incidents were attributed to the private sector, which the Minister holds in such high esteem.

Mr. Masse: They were Liberals.

Mr. Lapierre: I think the Minister of Communications (Mr. Masse) should continue to read his documents instead of indulging in petty politics, it would be of great help to him when he has to answer questions.

Mr. Masse: A flashback to history.

Mr. Lapierre: You know, Mr. Speaker, the Minister of Communications keeps interrupting me because he knows that if any such thing were to happen again he would be blamed for failing to take part in today's debate.

Meat inspection services are of course reduced and finally we are informed by meat inspectors of the danger of the situation because the Canadian public is less protected in an environment described as open to fraud. And I know that the Parliamentary Secretary would never want that to happen. Therefore, Mr. Speaker, I would like the Parliamentary Secretary to dispel all those concerns before we have the final vote on this bill because we . . . This bill was not drafted by people who were unaware of the situation; this information came directly from the inspectors involved. This is why I am anxious to get assurances from the Parliamentary Secretary before a vote is called on a bill of such significance to the Canadian consumer.

Mr. Deputy Speaker: Questions. Comments. The Hon. Member for Richmond-Wolfe (Mr. Tardif).

• (1740)

Mr. Tardif: Mr. Speaker, I wish to confirm what was said by my colleague, the Hon. Member from Shefford (Mr. Lapierre). During the weekend, I attended a meeting in Notre-Dame-du-Bon-Conseil with about forty people who work in areas covered by this legislation. Forty persons who wanted to meet with their elected representatives, something quite normal in my opinion. They wanted to meet the members from ridings which are mostly rural.

To my surprise, Mr. Speaker, out of 26 invitations, including the Hon. Member for La Prairie (Mr. Jourdenais), the Parliamentary Secretary, the Hon. Member for Trois-Rivières (Mr. Vincent), only one Conservative showed up. This is an important question, and the people working in the field, who have the best possible knowledge and expertise of the application of such a legislation, wanted to meet their elected representatives to inform them of the possible, or even probable, consequences of the legislation. They were told that it is none of their business. All they wanted to do was warn the Members of the possible dangers of such legislation. That is the attitude of the Minister of State, the attitude of the Parliamentary Secretary. They draft a bill which, in theory, might be excellent, but which is in fact very dangerous for the Canadian consumers.

Mr. Deputy Speaker: Debate. The Hon. Parliamentary Secretary to Minister of Agriculture (Mr. Blais).

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it will take me 30 seconds to reply to my hon. colleague. Instead of having lunch with the meat inspectors in the Quatre Saisons Motel in Drummondville, the Hon. Members for Shefford (Mr. Lapierre) and for Richmond-Wolfe (Mr. Tardif) would have been better advised to appear before the Standing Committee where I heard representatives of the meat industry as well as representatives of their party and of the New Democratic Party who did agree with me.

But I am now somewhat surprised to see that they seem to have changed their minds this afternoon. You may be sure, Mr. Speaker, and the opposition can be sure as well regarding the main concern of the meat inspectors whom the hon. members met but who actually invited me 48 hours in advance. I am not sure that they sent a letter of invitation to everybody for their meeting and even though I am not such an important person, I still expect to receive my invitations early enough. As I said, they had the opportunity to state their concern and they suggested that they were worried about their jobs. We provided them with figures showing that their jobs were not at stake at all and that we were simply streamlining the industry, something that has not been done since 1905. I believe now that at this very moment everybody supports that legislation and that we must go ahead with it, Mr. Speaker. I suggest that meat inspectors will carry on their work so as to preserve a reputation that Canada has had for years in that area and that we will continue to enjoy for years to come.

Mr. Lapierre: Mr. Speaker, I would like to say briefly to the Parliamentary Secretary how pleased I am that he was able to assure us that no jobs are at stake, that in fact it is strictly a matter of streamlining the industry and that inspection standards will be as good as they have been since 1905.

However, I would like to point out to the Parliamentary Secretary that he should not blame Hon. Members for not sitting on the Standing Committee of Agriculture. The Parliamentary Secretary should understand that within our party, we have a right to speak whatever the opinion of our colleagues may be. I can assure him that nobody could prevent me from making representations on the floor of the House on behalf of the constituents of my riding of Shefford. I know that the Hon. Member has not enjoyed the same kind of right since he entered politics, Mr. Speaker. The Parliamentary Secretary should know that on this side of the House, even when we were sitting on the other side, we were never afraid to express our views on behalf of our constituents, and that is my main concern, not the commitments of the Parliamentary Secretary.

[*English*]

Mr. Althouse: I have a question for the Parliamentary Secretary. While we are not able to ask questions directly of him or of the Minister, I have a question that arises from the testimony during the committee process. This matter has disturbed me since before the committee process when the new frequency of meat inspection was instituted approximately a year ago.

The Parliamentary Secretary will know that under that program the meat inspector is responsible for the stamp that goes on the meat carcass. However, with the new frequency of inspection, employees in some plants are apparently applying those stamps under the aegis of the inspector even though he may not be there because of his responsibility for inspecting several other plants.

Should the meat that bears the stamp be found wanting at a future date, who is responsible? Is it the plant operator, is it the employees, or is it the inspector? It is our understanding that the inspectors will be held responsible, but their instructions from the Department make it virtually impossible for them to be on hand to inspect the use of those stamps. Is the Department proposing any regulations to make this procedure more fair to the inspectors as well as to the consumers of Canada?

Mr. Blais: Mr. Speaker, it is a question of liability. My hon. friend knows that this problem was dealt with in the standing committee. Dr. Anzengruber had the responsibility of answering for the Department on this question.

It is impossible to say what will happen in a month or two if such a problem arises or to know exactly who has the responsibility.

● (1750)

[*Translation*]

We will see at that time. It is a very hypothetical question for which we had no answer and Dr. Anzengruber answered the best way he could at that time.

As our colleagues, the Hon. Members for Shefford (Mr. Lapierre) and for Richmond-Wolfe (Mr. Tardif) have indicated earlier, we have trusted for many years our inspectors and our inspection system. We cannot either solve all the problems of the world, today, but we will attempt to respond—

Mr. Boudria: What kind of response is that?

Mr. Blais: Of course, had he been present earlier, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) would perhaps know. I cannot start over again every five minutes, each time someone enters the House. All I can say is that the Government will take on its responsibilities in this area as it did in the past and should a particular problem occur and should we have to determine whether the inspector or the company is responsible for some damage, we shall investigate and the responsible person or organization will pay the bill, which I suggest, is the normal thing to do.

Mr. Tardif: Mr. Speaker, we had a reputation of passive spectators but we are now faced with representations of very silent mummies when it comes to defending the consumer's interests.

I have a question for the Parliamentary Secretary. If this legislation is so open, why did 26 members of your party refuse to meet with those people who work in the field? That is the first question.

Second, should an institution which is now controlled seven hours a day, five days a week be controlled one hour a day, five days a week, because in my opinion, inspection means control, and when there is less control, there is less inspection as well and we are now substantially diluting the meaning of "Canada Approved".

Mr. Deputy Speaker: The Parliamentary Secretary has the floor.

Mr. Blais: Regarding the first question asked by the Hon. Member for Richmond-Wolfe (Mr. Tardif), he could put it directly to the 26 members when he meets them. As for me, I said why I was not there. I had been invited two days in advance and I had the opportunity to meet those inspectors here in Parliament when they had the opportunity to explain their position.

As for the second part of the question, Mr. Speaker, I cannot make an analysis of the hundreds and the thousands of businesses working in the meat sector in Canada today; it is absolutely impossible to take specific cases, and my honourable friend knows it full well. The departmental officials have answered all the questions, to the satisfaction of the Hon. Member for Algoma (Mr. Foster), one of your colleagues and a member of your own party. He expressed his agreement on the legislation, on the guarantees given to him by the departmental officials about the follow-up to this Bill. I cannot elaborate further today, I refer hon. members to the guaran-

tees given in committee. It is pointless to set up standing committees and have them sit for days to study a legislation if we are to take up the whole debate again in this House, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Richmond-Wolfe (Mr. Tardif) on a supplementary question.

Mr. Tardif: Mr. Speaker, as far as I know, when we have to pass legislation, it is here in this House of Commons that it is to be done. I would like to ask the Hon. Parliamentary Secretary a question since he claims to be on top of the issue. Could he tell this House how many packing plants and processing plants there are in Quebec? Since he knows all the facts of the matter, those are figures he must certainly know—

Mr. Deputy Speaker: The Hon. Parliamentary Secretary.

Mr. Blais: My hon. colleague can put his question on the Order Paper. I will enquire and I give him an answer in the next few days, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) on a question or comment.

Mr. Boudria: Thank you, Mr. Speaker. If I recall, the Parliamentary Secretary indicated earlier, in answer to my colleague, the Hon. Member for Richmond-Wolfe (Mr. Tardif), when he asked to what extent the system would be damaged by the fact that inspectors would not be on the premises as often as previously, that he could not deal with that hypothetical question at the present time, and that he would deal with the case when an infraction occurred. However, would he not agree with me that for instance when there are fewer inspectors in the field, when the inspectors are not on the premises all day long as most of them are presently, it is much more likely, or if you will, there are many more opportunities to break the law? Does he not think that the inspection system, which he praised in his recent speech, saying that it was very good, which it is, does he not think that it will be damaged by the action of the government?

Mr. Deputy Speaker: The Hon. Parliamentary Secretary.

Mr. Blais: Mr. Speaker, on this particular matter, again, if the Hon. Members who just spoke, the Hon. Member for Richmond-Wolfe (Mr. Tardif) and the Hon. Member for Shefford (Mr. Lapierre) had been there, they would know that the figures show that, in the last year alone, there were 32 more person-years than the previous year, strictly at the inspector employment level. Thus, far from decreasing, the maximum standards for the protection of slaughterhouses and meat inspection have increased.

[*English*]

Mr. Deputy Speaker: The period for questions and comments is now over.

Is the House ready for the question?

Some Hon. Members: Question.

Motion agreed to and Bill read the third time and passed.

* * *

AGRICULTURAL STABILIZATION ACT

MEASURE TO AMEND

Hon. Don Mazankowski (for the Minister of Agriculture) moved that Bill C-25, an Act to amend the Agricultural Stabilization Act, be now read the second time and referred to the Standing Committee on Agriculture.

Mr. Dick: Mr. Speaker, I rise on a point of order. Although Bill C-25 is the next order of business planned for the day I see that it is about 5.57 p.m. I presume we can call it six o'clock and take up this Bill at the beginning of the next day.

Mr. Deputy Speaker: Is there unanimous consent to call it six o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being 6 p.m., the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 5.58 p.m.

HOUSE OF COMMONS

Thursday, May 9, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—CANADIAN ARTS COMMUNITY

Ms. Lynn McDonald (Broadview-Greenwood) moved:

That this House condemns the Government for its failure to support the Canadian arts community, specifically by,

(1) cutting funding to independent cultural agencies, leaving artists in poverty;

(2) compromising the arm's length principle in relations between Government and funded agencies; and

(3) increasingly bringing arts funding under direct ministerial control, and making partisan appointments to cultural agencies.

She said: Mr. Speaker, this debate we are holding today on the failure of the Government to support the arts community reflects a growing recognition of the importance of the arts community to Canada. It reflects a growing strength in the arts organizations which came *en masse* to Parliament Hill to lobby for the arts, and it reflects a growing disgust on the part of the Canadian public at Government policies, at broken election promises and at the unmitigated gall of this Government in its appointments to arts agencies.

[*Translation*]

Today we are launching a historic debate on the situation of the arts and the plight of artists in Canada. For the first time, Government policy with regard to the arts is the subject of a full day's debate in the House. The New Democratic Party moves that the House condemn the Government for its failure to support the arts community. Specifically, we condemn the Government for its budgetary cut-backs; we condemn the Government for failing to live up to its election promises; we condemn the Government for interfering with agencies which are supposed to be independent; we condemn the Government for its policy under which reductions are imposed to independent agencies with a view to giving the Minister greater control over the purse strings; and we condemn the Government for outright patronage in appointments to agencies. On the contrary, we advocate the appointment of artists and public representatives of every political stripe who are knowledgeable in the arts, not only those of the Progressive Conservative Party.

[*English*]

We have in Canada an arts community of which we can be proud. In all parts of the country music, dance, visual arts, theatre, writing, film, cartoons, crafts, are flourishing in the sense that good work is being done. It is increasingly being appreciated by Canadians who buy the works and attend concerts and performances. The paradox is that while the arts are thriving, very few artists are. They are still living in poverty. Why?

• (1110)

When the Canada Council began in 1957 it had enough money that roughly an eighth of the applicants could obtain grants. It was not a large number, but it was very competitive. A large number of artists could expect, fairly often, to obtain grants from the Canada Council. Now the odds are one in 40 or one in 50 that artists will obtain support. The Canada Council is just not supporting the vast majority of our artists due to lack of funds.

The money available to the Canada Council has decreased in real terms over the last number of years. This decrease began with the Liberals, but the point here today is that the Conservatives have continued this trend, indeed entirely contrary to specific promises to keep up funding at least with the cost of living during the election campaign. Instead, money is going into funds under the Minister's control. If we look at the proportions, they are very large; over $30 million in arts funding. This is not much for national defence but a great deal of money for the arts under the Minister's direct control without specific criteria, without guidelines, without accountability to the arts community, with a jury system. The Canada Council itself has roughly $70 million. The amount of money available for patronage expenditures is increasing and is sizeable, compared with what is available to regular cultural agencies.

This Government in opposition promised support for traditional agencies and the arm's length relationship. Let me quote what its Members said at the time of the election:

We are committed without question to the arms length principle ... The cultural agencies and councils are more able than politicians and bureaucrats to assess the needs identified by the cultural sector, and must be assured adequate resources to respond effectively—

We say "Amen". They continued:

We are convinced that the agencies and councils must be independent from shifts in political perspective ... We are prepared now to translate our efforts in opposition into action, through implementation of five-year financial plans, formal structures for advice from agencies and councils, and legislation which embodies the arms length principle without question.

However, what has happened? The arm's length principle has been eroded. The lottery money which goes into cultural initiatives is at the discretion of the Minister. It does not come

from general tax revenues; it is from lotteries. How could it best be spent? I proposed that it go to the Canada Council directly so that it would come under the jury system and there would be some accountability.

Let us look at the proposal which the Conservatives made while in opposition. They said:

> We will consult with the agencies, councils and cultural community to determine whether there is a better way to allocate these funds.

Yet when I raised this matter in committee only last week, the Minister said that it would be undemocratic to have more funding go to the Canada Council because it was not under his control. He got elected, he is the Minister responsible, and therefore somehow that makes it democratic. In other words, respecting Conservative election promises would be undemocratic. That is how ridiculous that is. Surely the essence of democracy is that voters know for what they are voting and that there is respect for promises after the election campaign. The Minister tells us that he has a different plan. It is not that he is against the arts or artists; he has another idea on how to make it work, that is, the private sector. Unfortunately we have no evidence to believe that the private sector will ever give away enough money. There is not that philanthropic tradition in canada which other countries have. Unfortunately, if we give it more tax incentives, it means the public would be paying indirectly but the private sector would be getting veto power over what is actually produced.

I suggested that the Minister ought to be advancing the promises and finding more funding as was recommended in the Applebaum-Hébert report. These were discussed subsequently in committee. The Minister's response to these positive recommendations was: "Well, they are not in the Bible. Election promises are not the Bible". One would hope they would have more respect for their own election promises. To continue with his notion that the alternative is a better one, that the election brought in a Government devoted to the private sector, and that that is really what counts, I will quote what the Minister said in committee last week:

[*Translation*]

> Under the new course we are recommending, there would be more measures designed to promote and spur private sector investment in arts and culture.

● (1115)

[*English*]

It is quite clear what they want. Let me point out that this investment in the private sector has been tried. It has been the response over the decades. A lot of money has gone into capital expenditures. We have had tax incentives for films. People have certainly made money. We have had lousy films. Canadian performers have received very little of that money which comes out of general tax revenues. The quality of the product has been bad. They have not been Canadian films. They have been money-making schemes.

In broadcasting, we have an average of 33 per cent returns, according to the CRTC, in the private sector. They are making money. The plant is there. The artists are still starving. The majority are still living under or at the poverty line. We have had an enormous expansion in the capital plant for culture in Canada. Let me quote George Woodcock from his book on the arts and Government called *Strange Bedfellows:*

> Often the arts, as distinct from the artists, seem to be flourishing financially. The last 20 years have seen the building of fine theatres and resplendent art galleries in many Canadian cities, so that the performing and the visual arts often have palatial house-room.

That is true. We have palaces. A lot of that has come out of public funds. We have palaces for the arts and the artists have been reduced to beggars.

Those who make a living in the arts are the investors, administrators and art consultants, not the artists. The corporate investor buys a piece of art when it is cheap and the artist is starving. It accumulates in value. The investor gets the money, not the artist. Technicians make more than the writers and playwrights whose works are being performed. All of the people in these industries depend upon the creative work of artists. They live off of it, but where do the profits go? Not to the artists. We have not had concrete measures from this Government to address the problem of the poverty of artists, their desire to work and make a contribution. Artists in Canada are poor while the arts are thriving.

Canada Council appointments, as other Conservative appointments, have reflected an even greater concern and devotion to the patronage principle than the Liberals had, and that was a tough act to follow. We have seen some scandalous appointments. There have been very few appointments of artists. Recommendations from the Canada Council have not been respected and have not gone through. I might point out that I put in my own recommendations from the arts community, non-political people with a lot of experience. They did not go through. Instead, political supporters of the Minister and the Prime Minister (Mr. Mulroney), Tory bagmen, people with political connections, have been appointed.

The Canada Council chairperson was not even consulted on the appointments. To add insult to injury, in the case of some appointments, she found out second-hand who they were. The result is that we have members who are not sufficiently knowledgeable about the arts. In some cases they are hostile to the agencies. They are not advocates for the arts but are defending Government policy and not speaking up for the artists, something they should be doing.

I do not say that the Canada Council is perfect. I would like to see its theatre programs changed. I would like to see Canadian theatre promoted and more money going to individual artists. Roughly 12 per cent of the budget has been allocated for individual artists. All kinds of changes could be made. These are not the questions being addressed. New groups are not being funded. I suspect if they had more funding, they could be addressing and solving the real problems of artists instead of having to figure out where to make cuts that will cause the least hurt.

[*Translation*]

In a sense, the arts are an industry which provides employment for an ever increasing number of people. An investment in cultural endeavours will create six times as many jobs as the

same amount invested in manufacturing. Even at that, the arts cannot be considered only as an instrument of economic recovery, for one needs the arts to gain insight into oneself and enjoy living. Chances are some arts will never be financially self-sustaining, just as financial success will never be known in certain arts fields and by certain artists. Even those artists who are now in the limelight had a hard time in their lives when their works did not sell. Mozart was destitute when he died, but today's musicians and record stores are making money because of him.

Financial success therefore does not reflect the merit of an artist. We must face the fact that certain things will never be profitable, yet humanity as a whole cannot do without them. The arts need our support, but not for commercial purposes. Unfortunately the Government has shown an almost total lack of understanding in that respect. We do not live by GNP alone.

• (1120)

[*English*]

My call today is for an end to crass political patronage appointments, an end to ministerial empire building and an end to ministerial control over important arts funds that should go through the traditional agencies with their systems of accountability. My call today is for vigorous new policies of support for our artists and arts agencies. We do not live by GNP alone. Justice for artists and support for the arts must continue to be a concern for the Government and the House.

Mr. St. Germain: Mr. Speaker, first I would like to clarify matters by saying that I am absolutely certain that our Government is not hostile to the arts. The Hon. Member for Broadview-Greenwood (Ms. McDonald) made reference to the private sector. She said that she did not feel that the private sector could provide what is required in the way of assistance to the arts. The private sector has traditionally played a role in supporting the arts and I am thoroughly convinced that the private sector, which gains so much from this country and is prepared to recognize the benefits it receives from our resources, just to mention one particular sector, is prepared to put something back into this country by way of supporting the arts, the sciences and the varied cultures of this country.

Several artists have appeared at my constituency office. They have said that the form of assistance they want is for the Government to create tax incentives in order that people will buy art so artists do not necessarily have to live on what they call government hand-outs. I think this is the way we should involve the private sector. I believe that the Hon. Member should not exclude the private sector from supporting the arts. I honestly believe that as we evolve as a nation and as we deal with the economic plight of meeting the needs of the poor, we are going to have to look to the private sector for more participation in supporting the arts.

Very early in this debate, I would like to set the stage by saying that the private sector has an important role to play in supporting the arts. There are numerous ways of attacking this question. I am sure that the Hon. Minister who is responsible can speak for himself. However, I think the Government is saying that the private sector has a role to play.

From the Hon. Member's presentation this morning, I felt that she was excluding the private sector. I would hope that she would be prepared to recognize that it most likely has the largest role to play in the future development of the arts in Canada.

Ms. McDonald: Mr. Speaker, I welcome the chance to clarify that point. In a 20-minute speech, one does not have the opportunity to deal with everything in detail. Certainly there is a role for the private sector to play. I am concerned, though, that it is used as a cop-out for public expenditure. When the Conservative Party was in opposition, it made it very clear that it would stimulate private donations for one thing but that it would not hold back public expenditures. It indicated that public expenditures on the arts would at least keep up with the cost of living. Now we have seen cut-backs and the excuse is that the private sector should do more.

Of course the private sector should do more, but it should not do so by way of grants which, in effect, mean a reduction in taxation which in turn means that the public is putting a great deal of money into this, thereby giving a veto power to the private sector. We should not have additional incentives for that to happen because that is already a factor. We should not be moving in that direction because it gives control to companies, and this control would mean that companies would not have to support something that they did not like. In effect, it would give them too much interference in the artistic decisions which would be made. I believe that would be wrong.

• (1125)

I would very much support tax measures which would not involve government interference, but would provide a means of obtaining public expenditure. One proposal suggested that there should be a tax credit for the purchase of Canadian concert tickets, books and periodicals. That would leave the decision as to which ones were worth buying with the public and not the agency. If there was a measure to provide a tax incentive for the purchase of Canadian products, I believe that would be good.

Another measure which I have proposed a number of times is that the Government should engage in a more vigorous purchasing program. Both federal and provincial Governments should purchase books, periodicals and films for school systems, public institutions, hospitals and other places in which they could be used. If that were done, there would not be a need for subsidies. If the sales were adequate, a book publishing company would not need a subsidy to pay for the run. It could count on those sales. I believe that that measure would be very welcome to the arts community.

Mr. Schellenberg: Mr. Speaker, I would like to compliment the Hon. Member for Broadview-Greenwood (Ms. McDonald) on her impassioned plea for Canadian culture. However, I do

not agree that a cut of 2.9 per cent to 3 per cent across the board means the end of culture in Canada.

Her attitude seems to be that if we did not cut the funding, everything would be well. We could look at it on a per capita basis. In the United States, approximately $10 per person is spent on cultural funding. In Great Britain it is approximately $20 per person, and in Canada it is approximately $30 per person. Could the Hon. Member tell us what is the magical figure in Canada? How many dollars per person should we be spending on Canadian culture before we see a Canadian Dickens, Hemingway, Alexander Korda, Cecil B. de Mille or Mozart? How many dollars will it take to achieve the goals which she has outlined?

Ms. McDonald: Mr. Speaker, I would not want to put a dollar value on how much it would cost. I would suggest that in some fields, particularly writing, we certainly have people of the calibre which has been mentioned and we do not have to wait for them to appear.

The cuts in percentage terms, depending upon what denominator we use, are not very large. But to a community which has been starved for a long time and has not received real increases in funding for a number of years, those cuts are very significant. That cut in a big budget would not mean the same thing. I believe that it is unfair for the arts community to be cut back in a time of restraint when that community never enjoyed the times of non-restraint. The people who profited from expansion are the people who should be cutting back. The arts have not profited. Those people are still at the same poverty level at which they were 20 years ago.

Mr. Gormley: Mr. Speaker, I would like to ask the Hon. Member a brief question. I would like to echo the thoughts of my colleague with respect to the comments on culture which the Hon. Member for Broadview-Greenwood (Ms. McDonald) raised.

I noted with some regret her comments about the nature of political partisanship and appointments. I think the House would agree that the Minister of Communications (Mr. Masse) has been renowned thus far for his appointments of competent and capable Canadians to positions within the arts community.

Some Hon. Members: Hear, hear!

Mr. Gormley: I believe the Minister should be lauded for that. I can think of his appointment which was made yesterday and the announcement of the broadcasting task force. He appointed one Gerry Caplan. In the Member's opinion, is Mr. Caplan another Conservative at the trough?

• (1130)

Ms. McDonald: Mr. Speaker, I did not say that all the people who were appointed were incompetent and that all the appointments were political patronage appointments. I said too many are. I said that is a tendency which is increasing. Let me point out in the case of Mr. Caplan, who I think is a good appointment, that to have one member out of seven members of a task force—

Mr. Masse: Give us one name.

Ms. McDonald: —as a New Democrat—one out of five Canadians vote New Democrat—is not excessive. The record of the Conservative Party with respect to appointments is atrocious.

Mr. Masse: One name?

Ms. McDonald: I have asked the Minister to specify the political affiliation of the appointments so that we can see the percentages.

Mr. Masse: Give us one name which is not good.

Mr. Keeper: Mr. Speaker, if the dogs would stop barking perhaps I could put a question.

I would like to have the Hon. Member's comments with regard to the economic impact of the cuts in the arts. Clearly that has had a devasting impact upon arts in Canada and upon artists. For every public dollar which goes into the arts, there is a creation of employment. I understand that dollars invested in the arts create more employment than dollars spent in other sectors of the economy. The Government said it was committed to employment when it was running in an election campaign, and then it cuts funding to the arts, which is also having a detrimental effect upon the economy and upon the employment of people. I wonder if the Hon. Member could comment on that.

Ms. McDonald: Yes, Mr. Speaker, investment in the arts is a very good way of creating jobs because—and this is a very sad fact—wages and salaries in the arts are so low that a job can be created for very little money. With most of the arts it does not require a great deal of capital expenditure. There is a ripple effect from the cut-backs we have seen. For example, Radio-Canada fires people but it also cuts back on its contracts. So that free-lance artists have been very badly hit by these cut-backs and that is not quite so visible because they are not in actual positions in an agency. We have had a terrific outcry from artists because they are suffering as a result.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments are over. Debate. The Hon. the Minister of Communications (Mr. Masse).

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I am particularly anxious to speak to the motion before the House today because, and this will come as no surprise, I intend to deny the allegations made in the motion moved by the Hon. Member for Broadview-Greenwood (Ms. McDonald). The substance of this motion is to condemn our Government for failing to support the Canadian arts community.

Mr. Speaker, first of all, I cannot agree at all with the three allegations which I find exaggerated and unfounded, the very shaky foundation, as it were, of the motion before the House today. However, I do find some satisfaction in the realization that this motion marks the first time the issue of the arts has been placed on the agenda of the House for an Opposition day. I sincerely hope it is not just a premiere, and that in future, the Opposition parties will contribute further by giving more consideration to the arts and that in doing so, they will follow the example of this Government and show that they are prepared to use the means at their disposal, in other words, to bring the debate into the House of Commons and give this question the consideration we believe the arts and culture community deserves.

Mr. Speaker, to get back to the substance of the motion, the argument used by the Opposition to buttress its motion is the allegation that this Government has reduced funding to cultural agencies, leaving artists in poverty. I agree that on the face of it, nothing would seem more logical than to proceed along the lines of cause and effect, especially to the New Democrats whose causes, as we all know, are many, their effects earnestly hoped for but fortunately, in the opinion of many Canadians, the results are very scarce.

It is of course accepted practice to accuse the Government of breaking its promises, and when no attempt is made to look at all aspects of the question and to judge fairly, as is the case with the motion before the House today, Mr. Speaker, it may seem easy to shout "haro sur le baudet", to look for a scapegoat, but of course my hon. friend opposite is not La Fontaine far from it. Must I remind him, Mr. Speaker, that as in the fable, the pest was wiped out last September?

Mr. Speaker, the New Democratic Party has raised the issue of election promises several times. Well, we know what the New Democratic Party's election promises are worth, because in any case, there is a very wide gap between what they promise and what they can deliver, if they are ever in a position to do so.

When the Progressive Conservative Party made its commitments during the election campaign, in my sector as in others, it made commitments to be met within its term of government, and that is the spirit in which these commitments were made to the people, who knew perfectly well that after the election, the government would have the usual term within which to govern, that is four or five years, according to our parliamentary tradition. The people know perfectly well that a government needs a certain amount of time to apply its policies, that it needs a certain amount of time to prepare legislation, and that it needs time to introduce the technical and administrative measures that will implement its election promises. It was with this in mind that the Government, the Progressive Conservative Party, committed itself, and I can give the House the assurance that at the end of our term, the people of Canada will realize that the Progressive Conservative Party was able to deliver on the commitments it made to the Canadians.

Mr. Speaker, it really takes the mentality of a socialist party, and we in the Western world know what that means, to believe it is possible to turn Parliament upside down, to upset bureaucratic traditions and to impose—as I am sure they would if they ever came to power in Canada, which would be a catastrophy for this country—to impose their dictatorship on this country's government and administration. That is the vicious philosophy behind the motion of the Hon. Member, that smacks of the habit socialist parties have of wanting to impose their ideology on a population that refuses to accept it, Mr. Speaker.

We know that the socialist party, with its grand speeches in support of the union system . . . show me a country where they did not abolish unions as soon as they came to power! It has been like that everywhere in recent history, and Canadians know exactly what to expect from the proposals, projects, programs and ideology of the socialist party, Mr. Speaker. That is why in a country like Canada, they object to bringing in the private sector to help the arts community.

The barking dogs are on the other side now.

They are part of an ideological tradition that most Western countries will not accept because they know full well that to apply their socialist theory would diminish our freedom, and Canadians know that, Mr. Speaker.

The Government has made commitments to the people of Canada, and it will respect those commitments, and it will do so for the benefit of the people and not in order to diminish their freedom as the case would be with the New Democratic Party's program if that party ever came to power in this country, Mr. Speaker.

Mr. Speaker, this Government set its priority from the very beginning, and Canadians knew what that priority was, and that is why the Progressive Conservative Party was able to obtain such a high percentage of the popular vote. The Government's first priority was to regain control over the budget deficit. Our ever increasing indebtedness has taken alarming proportions and is a load which the Canadian people can no longer carry. Barely ten years ago Canada's public debt service cost only one-eighth of each dollar collected by the State. It has since soared to one-third. The budget deficit is growing so fast that expanding our whole economy would and will not by itself solve the problem. The public debt went up 22 per cent last year, whereas real economic growth was barely 4.7 per cent. Such administration of public funds is therefore irresponsible. Getting a handle on the deficit is not an objective in itself, Mr. Speaker, it is only a way to reach our goal, which is the sustained creation of jobs and wealth. All Canadians must do their fair and equitable share to set the economy back on the right track. Mr. Speaker, all of us have benefited from the fallout of the higher deficit, so all of us must now make fair and equitable sacrifices to restore order in public financing.

• (1140)

Over the past few months I explained what I intend to do in those sectors which fall under my Department's jurisdiction. I am firmly committed to promoting the development of artistic and cultural activities. But as Government policies must be fair to all Canadians, we also have to come to grips with economic realities. In my opinion, the State must nurture the arts community and do its share to create the climate and infrastructure which artists and creators require. More specifically, Mr. Speaker, we are trying to create an environment in which the cultural sector will thrive, thus supporting the development of an economic environment where the arts will indeed rest on a sound base. Mr. Speaker, I can assure you that I will take every initiative to make better use of public funds.

It was therefore in the challenging context I have just described that budget restraints became the order of the day, including everything within my responsibilities and under my jurisdiction. Anything less would have been unfair to all Canadians. I want to explain the full scope of those budget reductions.

While during the 1984-85 fiscal year cultural agencies had a total funding of $1.347 billion, for the 1985-86 fiscal year the Main Estimates will allow them a total of $1.317 billion. This is a $30 million reduction, or something like 2.2 per cent of the total funding for cultural agencies. I have had no pleasure implementing those cuts. However, I must indicate to this House that on the average, these are much smaller than the cuts applied generally to other Government services and portfolios. Again, I have felt no pleasure implementing those cuts. I am aware that the impact on the cultural community will be severely felt, just as implementing budget cuts where farmers are concerned has been severely felt in the farming industry. It is the same story throughout Canadian society. Indeed, the vulnerability of the cultural and artistic industry was taken into account when I asked agencies to cut overhead in order to reduce as much as possible the impact of budget reductions on their programs.

Agencies do not exist for their own sake. The cultural bureaucracy does not exist for its own sake, but first and foremost for the purpose of satisfying the needs of the artistic and cultural community. It is in that spirit that I have undertaken, in co-operation with my colleagues and my provincial counterparts, a number of initiatives likely to bring a significant and sustained improvement in the opportunities for the future and the development prospects of the cultural community because of our national make-up. Ours is not a centralized or monolithic nation. We are a nation which is made up of provinces and with a national government. If there is one industry in which the dialogue is essential, in which co-operation is essential, it is first and foremost the cultural industry. I have always recognized, and maybe the NDP never did, that Canada is a nation made up of provinces and that the latter have an essential, important, basic and specific role in the area of culture. This the Canadian Government must recognize not only in speech but in deeds. It is in that spirit that as early as September, we entered upon a positive dialogue with the Provinces, because within the very principles of the Canadian reality, compounded with the current economic difficulties, it is essential that we improve our own management of cultural activities, and in that sense, the Provinces are a basic component.

I do not believe there is any need for me to try and convince you of the importance to this Government of the artistic and cultural community, because you are aware of it, Mr. Speaker. For each and every Canadian, the collective, cultural life is essential to the very existence of this nation. Modern technology enables us to transmit in a few seconds thousands of data, and this is also a part of my portfolio which I have to look after. But that transmitting speed can never outdo the wealth of the message that may lie in a poem, a novel, a painting, a concert or a play, for instance. And I have stressed over these last few months the economic impact of artistic and cultural activities. In terms of income, culture is the eleventh largest industry in Canada. It is the fourth largest supplier of jobs, it also has the fourth biggest bankroll. On the basis of the most recent statistics, between 1971 and 1981, according to the latest census, the number of jobs in that industry had even increased by 74 per cent, nearly twice the growth of the general labour force.

I am quoting those figures to prove two things: first, the economic significance of the cultural industry, and, second, the fact that the Government recognizes it. When the Prime Minister convened the Economic Conference Summit in this country, we made sure for the first time that the cultural and artistic community would be represented, because in this Government's view, that industry does not rank second in the nation's activity, but is at the very heart of the nation's activity and thinking.

The artistic and creative community already is considered by this Government as a full-fledged partner in our society. Such an approach has always been productive. There was the Cultural Affairs Ministers' Conference, which had not met for years because of the frustration and distrust that existed between the Provinces and the Canadian Government. That conference was held; there will now be another one in Halifax. That conference went along in an absolutely normal way in a spirit of co-operation, but we have agreed on the importance of the economic aspect of artistic and cultural activities, and we have shared the cost of an in-depth study of the issue of economic spin-offs with my provincial counterparts.

Several ministers and government members have agreed to take part in the dialogue and to have some input in cultural activities, either in the area of tourism, in the area of employment and immigration together with the Minister of Employment and Immigration (Miss MacDonald), in the area of

taxation together with the Minister of National Revenue (Mr. Beatty), or in the area of regional spin-offs together with the Minister of Regional Industrial Expansion (Mr. Stevens). We have made sure that members of our cultural community can avail themselves of the whole range of government programs and are not limited to a definite sector of the government bureaucracy, that for all practical purposes they can participate fully in a multiplicity of programs, because I feel very strongly, contrary to the socialist party, that the multiplicity of sources in the cultural area increases creativity. I am not sure that the New Democratic Party believes in this approach to the organization of the state, and that is why we have opened, multiplied and will continue to multiply the provenances and sources. It is with this objective in mind that we are going to review the Canadian tax system, for I believe that such a review will allow us, through imagination or comparison with other countries, to make the necessary improvements to our tax system which will make it possible for Canadian creators not to depend entirely upon a single source, but to count on a multiplicity of sources throughout the provinces, through governmental departments, private corporations or individuals, that this multiplicity will increase freedom and reduce red tape in the area of subsidies, so that our creators will spend less time filling out applications forms and more ensuring the development of culture in this country.

Mr. Speaker, I want to assure the House that this government is very much interested in the cultural and artistic sector, that this government has been elected to bring about changes, that this government will make sure that changes do take place in co-operation with the provinces—as the reality of this country will have it—and private corporations—as the reality of our economic philosophy will have it—while respecting existing institutions, something to which the Prime Minister has committed himself. I would remind my hon. friend opposite that the Progressive Conservative party created the CBC as well as the Canada Council.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Broadview-Greenwood (Ms. McDonald).

• (1150)

[*English*]

Ms. McDonald: Mr. Speaker, I have a couple of comments and a question to put to the Minister of Communications (Mr. Masse). I noticed that most of his speech was rhetoric. He moved quickly from defending the arts, without spending much time there, to spending most of his time on Conservative ideology.

He made remarks about the multiplicity of funding sources and quite misrepresented the position of my Party and myself. We are entirely in favour of using Employment and Immigration, Tourism and Taxation so that there will not be bureaucratic control. Where we differ is that these should not be in place of funding for the traditional agencies but in addition to it, which was the promise of his Party.

He made very rude remarks about socialist governments. Let me note that we have one in Canada at the provincial level in Manitoba. It increased its spending for the arts, even though it is going through the same tough times as every other province. It made promises in its election campaign to the artists and kept those promises. We have had the experience of NDP Governments in Saskatchewan as well. Saskatchewan would be a very good model for the Minister who is so concerned about the deficit. We had the pioneering of social programs in Saskatchewan and arts programs operating in Saskatchewan without a deficit. We have shown that it can be done and we can show good government.

The Minister did not reply to one of the major parts of my motion concerning appointments. He did not deny that the Canada Council proposals for appointments and proposals from the arts community and other persons have been refused. Would he confirm that he has refused all of the appointments coming from the Council and from the arts community itself? Will he undertake to consult the Canada Council and make a substantial number of appointments of artists who represent the arts community and are nominated by arts agencies?

[*Translation*]

The Acting Speaker (Mr. Paproski): The Hon. Minister of Communications (Mr. Masse).

Mr. Masse: Mr. Speaker, obviously, we have not been able to deal with all the issues during the 20 minutes or so set aside for our reply. Naturally, I would have preferred having more time to show how the Minister of Communications answers for the agencies. The Hon. Member keeps saying that the agencies are everything in the arts world, but the provinces have also an important role to play, as well as the Department of Communications, which has to establish contacts with the arts world and promote a continuing dialogue because its first responsibility is to develop the policies of this Government. I feel that the Hon. Member finds it hard to distinguish between a democratic system and an agency, which is a bureaucratic body. The Government has the democratic responsibility to develop policies. The agencies are responsible for implementing the directions and policies developed by the Government and the Department of Communications.

The Hon. Member also praised those government appointments with which he agrees and generally commented on them. I would like to inform him that the law of the land, which we must respect since we live in a democracy, provides that the Government shall make those appointments. It is in this spirit and in compliance with the law that the Government makes those appointments. Since this debate started, the Hon. Member has had a great deal to say about Government appointments, but I would like him to mention a few cases where he disagrees on the ability of the appointees to do their job.

We took steps to appoint people from all sectors and all regions in Canada, and I hope that they will be able to fulfil their responsibilities on these boards, which are, first, to act for the Canadian population in managing these public funds, and second, to make recommendations to the Department and the public on behalf of the cultural sector. The system works both ways. The agencies are not lobbies putting pressure on the Government. They are part of a system of public funds management, and to my knowledge, the directors of these agencies act within their responsibilities and with great ability to protect both the cultural sector and the tax dollars of the Canadian public.

Mr. Malépart: Mr. Speaker, I was not in the House, I was in my office when I heard the Minister of Communications (Mr. Masse) make his astonishing speech. I am not here to defend the New Democratic Party, the socialist party, but I must say I found the Minister's attitude more than a little amazing. The Minister comes from one of the old parties which Quebec has banished from the political scene, the Union nationale, a party of which Quebecers were ashamed. He was a member of a party that was declared corrupt and he has now come to the Progressive Conservative Party to help make it go the same way.

Mr. Speaker, the Minister said that he would meet his commitments. Earlier, the Minister asked the author of the motion to name names, in referring to the appointments. The Minister hid hypocritically behind the laws of this country, saying that the appointments were perfectly legal. May I also remind the Minister of Communications and all Hon. Members that it is absolutely shocking to see how the Hon. Member for Lac-Saint-Jean (Mr. Côté) and the Hon. Member for Drummond are walking around to make sure they are on TV. They are not even in their seats. In fact, it seems to be their sole occupation in this House.

I wish the Minister would inform the House why he has not asked the Right Hon. Prime Minister (Mr. Mulroney) to keep his promise that a committee of the House would make these appointments. And I also want to ask the Minister why he is so reluctant to have Mr. Sherman appear before the Committee on Official Languages. After all, as a Member from Quebec, the Minister is well aware that the directors of the CRTC are very important people. He also knows there was a time in Quebec when there were more licences for English-speaking radio stations in the Montreal area although the majority of the population was French-speaking. He knows perfectly well what the consequences could be of appointing a person who took the position that he did on the language question in Manitoba, considering the potential impact on the province of Quebec. I wish the Minister would tell us why he is so reluctant. If he has nothing to hide, if he is being honest with himself, the Minister would have to answer: Yes, Mr. Sherman will appear before the Committee on Official Languages; yes, you may question him and you will see his views are not what everyone believes them to be. However, if the Minister continues to say no, I will maintain what my colleagues, the Hon. Members for Saint-Denis (Mr. Prud'homme) and for Ottawa-Vanier (Mr. Gauthier) said, which is that Mr. Sherman is prejudiced against Francophones and that, nevertheless, the Minister appointed him to that position.

• (1200)

Mr. Masse: Mr. Speaker, there are two points in my colleague's statement which I would like to bring out. In the first place, in connection with the political history of Quebec, I would like to remind him, in case he is unaware of it, that historians think the most corrupt political party ever in power in Quebec was the Liberal party under premier Taschereau. That is what I was taught.

Some Hon. Members: Hear, hear!

Mr. Masse: Unity was made in the province in order to get rid of that corrupt party which was in power during some 20 years. You should know your history better before throwing mud. The Union Nationale Party, although this may be neither the time nor the place to defend it, had an autonomist, constitutional, social and economic position which allowed the Liberal Party under Jean Lesage to build on a good budget and a sound economic policy which allowed it to adopt a certain number of policies, Mr. Speaker.

The Acting Speaker (Mr. Paproski): This is the end of the period for questions and comments. The Hon. Member for Saint-Denis (Mr. Prud'homme).

[*English*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, for a Government that talks about national reconciliation, I must admit that I am very disappointed at the tone of the debate, especially the tone of the reply of the Hon. Minister to the Hon. Member who proposed today's motion.

I cannot do otherwise but recall that in 1958 to 1962, under the very great Prime Minister, the late Right Hon. John Diefenbaker—and I say "great" Prime Minister—the Province of Quebec sent 50 Members to this House. The tone of the debate I have heard today is exactly the same tone I heard then when I was student president at the University of Ottawa. I watched from the gallery, and I remember very clearly how apprehensive and how almost devoid that group of Quebeckers were of anything that had to do with the arts. They used to be called leftists. They were all leftists.

The unbelievable speech I have just heard against the danger of socialism in Canada has made me very sad. I am not a socialist. I am a man of the centre. I cannot defend them but I must object categorically to that kind of tone on the part of a Minister of a Government that talks about reconciliation in this country. I am sad, I am disappointed and I am sure the Minister did not address the real question today of what his

role is as a Minister responsible for culture in Canada. I see the Minister is leaving, probably for a smoke, but it is all right.

Is the Minister's role to communicate to the arts people, to the cultural community of Canada, the messages of gloom and doom of the Minister of Finance (Mr. Wilson)? Or is the Minister's role to be a defender, a hero? The Minister talks about his great past. We all know he is highly cultured. I give him credit for that. He always quotes people such as Pope Jules II, Francis I and Louis XIV of France. That is not what the people of the artistic community want to hear today. They want to know if they have in this House a spokesman, a defender—

[*Translation*]

. . . a champion, as we so aptly say if there someone in that government understands what the Canadian culture is all about? I know that the minister understands quite well what is involved in the survival of the French culture in Canada. However, does he really understand the fear, the distress of the Canadian artistic community, more especially of the English-speaking artists? Does he understand the great danger which our English-speaking friends and compatriots have to face as much as Quebecers—

[*English*]

—as well as our English-speaking compatriots who have to face the danger of Americanization. The role of the Minister is to defend in this House and to fight in Cabinet to make sure that those who contribute the most to this country, those who cost the least to this country, will have a spokesman in this Government. We believe that is the role of the Minister.

Mr. Scott (Hamilton-Wentworth): We have, Marcel.

Mr. Prud'homme: We only received this motion last night, Mr. Speaker. We worked all night and this morning. We could quote what the artistic community is doing for our Canadian identity. We could be on the same level as the Right Hon. Prime Minister (Mr. Mulroney). We could be a friend. He wants to create jobs, jobs, jobs. The Minister of Finance wants to reduce the deficit. He wants to have less unemployment. But don't the Conservatives realize that in this country those who cost the treasury the least are the artists? Those who produce the most and those who create the most jobs are the people who work to make us proud to be Canadian—

[*Translation*]

—artists, authors, ballet and theatre companies that create jobs, those people take almost nothing out of the Canadian economy and they want an advocate, they want someone to defend them within the cabinet, because they are almost helpless. Surely, the Canadian bankers are quite able to fend for themselves, Mr. Speaker, because they have a lobby.

[*English*]

Surely the oil and gas people have their champion and their lobby. The very important Chamber of Commerce of Canada has its lobby. The Chamber is well defended. But who can speak for these little people in the Maritimes? Who can speak for these people in Halifax who wanted a spokesman, a defender? I have letters here. I will not read them, but I could put them at the Government's disposal. I have received over one thousand letters. I have not had time to reply to them and I apologize publicly to those who have written to me. I have taken samples from Nova Scotia, Manitoba, Alberta, Quebec, Prince Edward Island, New Brunswick, B. C., Saskatchewan, Ontario, and Newfoundland. These were not only from the CBC but from playwrights, the national president of the music for children association, the president for the western Canada Art Association—

[*Translation*]

—the general coordinator concerning the cuts, Mrs. Hélène Dumas, from Quebec, the President of the Saint Thomas Aquinas Society, our friends from Prince Edward Island who need every day the little amounts which are cut off. Mr. Speaker, those are the people who create jobs. I wish I could read these letters, but I will not.

My hon. friend—I am trying to respect the dignity of the House—said a while ago: What is 3 per cent, a mere 3 per cent? It is not much.

• (1210)

[*English*]

Yet it was easy to find $50 million in new money to deploy an additional 1,200 soldiers to Germany. If it was not new money that money could have been directed to the arts. It was easy to find $50 million this year.

[*Translation*]

—$100 million next year and every year after that. This year, $50 million to increase by 1,200 the number of our military personnel in Europe. That is very important.

[*English*]

I believe in defence. I believe in what we stand for in the western world. They found $50 million. My hon. friend, the ex-Minister of National Defence, fulfilled his promise. I stand by saying "my hon. friend" because he is a friend. He said: "We will fulfil our promises". He fulfilled his. He found the money for new uniforms.

[*Translation*]

Hon. Bob Coates, the former Minister of National Defence, once said: "We fulfil our promises". They have found the money they needed. It will cost $35.1 million this year. It will cost $22 million more next year. Some $55 million for new uniforms to satisfy a number of individuals who feel nostalgic about the past. Well, Mr. Speaker, if they could find money for that, I wonder why a colleague of ours asked: "What is a mere 3 per cent?" That is what I am trying to understand and to convey to the Hon. Member as politely as possible under the British Parliamentary system which encourages sharing, listening and trying to convince. It is not an all-out attack against the Minister. I regret his attitude. I regret his inability

to understand. I am sorry that what he said is the repetition of what I had heard as a student.

[*English*]

Do you know, Mr. Speaker, who answered these 50 members from Quebec who arrived here and started saying: "Cut the CBC"?

[*Translation*]

—they are socialists or leftists, as they were called when I was a student.

[*English*]

It was the late George Nowlan. If my memory serves me well, he was the then Minister of National Revenue. He was like the tutor of the CBC. He turned around to his own people and he said: "Don't ask me to be the censor of the CBC, do you hear?" He understood the concept. He understood what the words "arm's length" meant. They mean hands off. Is that clear? That was the spirit. I am talking about a great gentleman, the late George Nowlan. I hope the Conservatives will at least agree with that part of my speech. He was a gentleman. I was a friend of his. I used to spend a few evenings socializing with him. He was the father of our distinguished colleague, Mr. Pat Nowlan.

The Acting Speaker (Mr. Paproski): Order, please. It is "the Hon. Member for Annapolis Valley-Hants".

Mr. Prud'homme: Thank you, Mr. Speaker; I should have said the father of the Hon. Member for Annapolis Valley-Hants. He understood the words "arm's length". He understood that we must not intervene. I will not deny the right of the Hon. Minister to know what they do with the money. Certainly, certainly, but he should not go as far as to say that he will appoint someone to tell them what to do. Jacques Lefebvre was appointed as the new vice-president of the Arts Council. Instead of defending the arts and defending the rights of these people, what did he do? I repeat again that these people do not cost much. They give me my pride in being Canadian. I say it in English, and I will repeat it in French.

[*Translation*]

It is thanks to these artists that I am proud to be a Canadian and to maintain my French identity in this country. Helping these people would cost almost nothing. There is a Mr. Jacques Lefebvre whom I do not have the pleasure of knowing. No sooner was he appointed to the Canada Council that he acted as a spokesman for the Minister of Finance and told us to lower our apprehensions. If cuts have to be made, they should be made at the right places, Mr. Speaker. The government should not claim that a 3 per cent cut across the board is fair, that it is not much, that every Canadian should do his or her part to help our economy recover. That seems logical.

[*English*]

It seems logical to say that it is only a little 3 per cent, that it is only a little amount. However, it is only a little for artists who cost so little and create so much. They create many jobs. I would like to have the time to read all the letters, pathetic letters, which ask: "Do you understand what we are trying to do for the country?"

[*Translation*]

To conclude, Mr. Speaker, I should like to emphasize two points which people do not seem to understand: at a time when the Right Hon. Prime Minister of Canada (Mr. Mulroney) is advocating closer economic ties with the United States to create more jobs—

[*English*]

Canadians have chosen a new Government. The new Government says that we will have a very close relationship with the United States, that that is the only way to recover and to have jobs, jobs, jobs. I respect the point of view—and Canadians have spoken loud and clear—that it will give us a chance to renew ourselves. However, they must understand that the closer we are economically to the United States, in the hope of possibly having jobs, the more careful we should be culturally. The closer we want to be on one hand, the more careful we have to be on the other hand.

[*Translation*]

The closer we get to the United States, and this is the choice made by this newly elected, strongly elected Prime Minister, and I respect that Canadian choice because I believe in democracy, but I urge the Minister to realize that he has a mission, which is in the first place to use his influence with his colleagues, with the Minister of Finance (Mr. Wilson) and with the Prime Minister, to be doubly cautious because our culture and identity are threatened.

Mr. Speaker, as I said in committee when the Minister appeared on May 3, I urge my colleagues to think twice. I have no inclination for partisan politics, but I want us to reflect together on this. The average Canadian watches television 23.4 hours every week, the average American 40.4 hours. The average Canadians spends more time before his TV set than in the movie theatre, attending sports activities and so on. Are we aware that a child between the ages of two and twelve over his lifetime will be watching TV for 12,000 hours? Of those 12,000 hours, 10,000 will be spent watching American programs. How do we expect to create a Canadian identity that will be different?

[*English*]

Children from two years of age to 12 years of age will watch 12,000 hours of television, 10,000 hours of which will be American programming. I have nothing against American programming. I watch it. It is well done. However, there is a danger of Americanizing our culture in Canada. For English children from two years of age to 11 years of age in Canada, 80 per cent of the drama they watch is American. French Canadians are privileged. I know the Minister is a great protector of the French culture. He will understand that we are more protected because we speak French. Only 50 per cent of French Canadian children from two years of age to 11 years of age will watch American programming.

[*Translation*]

Mr. Speaker, I think I have . . . I realize I have been carried away, but I have so much faith in Canada. And why am I sitting here as a Member? And why is the Minister here in his capacity as a Minister responsible for protecting, sponsoring culture? I want to help him not to fight the Government, for fighting achieves nothing, but to convince the Government that culture is different from agriculture. The Minister has referred to onions and other things. Culture is important for its art, its influence. This must be understood by the Cabinet, by this House and by Hon. Members. If not, why are we fighting to build a country?

[*English*]

Why am I so proud to have voted for the Canadian flag which was raised for the first time on February 15, 1964? My first vote as a young Member of Parliament was on the Flag in 1964. I was proud because it was a Canadian flag. I am proud of the Canadian identity. When Mr. Pearson was Prime Minister, I sat on the committee to choose a national anthem. We recommended *O Canada*. The Hon. Member for Dartmouth-Halifax East (Mr. Forrestall) and I are the only two survivors of that committee. We recommended that in 1965-66. It was proclaimed in 1980. Why did we fight vigorously and democratically under the British parliamentary system, which I like, respect and will defend? Together we defended a new Charter of Rights and Freedoms, the right of having our Constitution amended in Canada. I wish the Prime Minister (Mr. Mulroney) good luck in getting Quebec in.

• (1220)

Why are we doing all that? Because we believe we are Canadian. I am not here as a French Canadian or an English Canadian. I am a Canadian.

Some Hon. Members: Hear, hear!

Mr. Prud'homme: However, I am proud of my French culture.

[*Translation*]

I am French-Canadian, but here I am a Canadian. And what is in my view the first duty of a Canadian? It is to have an identity. How can we have an identity? By having a culture. And how can we have a culture? By protecting it, fostering it, Mr. Speaker.

Therefore, it is my hope—

[*English*]

Mr. Crosby: There are 1.5 million unemployed.

Mr. Prud'homme: My friend says there are 1.5 million unemployed. If he does not understand that we have to protect the arts, we will have more unemployed because these people create the most. The facts are there to prove that. These people cost less—

Mr. Crosby: Put the facts on the table.

Mr. Prud'homme: I do not want to quarrel with the Hon. Member. I want to try and convince him. If I yell at him, I will not convince him. I will try kindly to convince him that he and I should join our efforts to convince this Minister to be the champion, and not the Minister of Finance. We should convince him that he will have our support. He will have my support, and my colleagues in the Liberal Party better follow me on that or they will have to find another critic on culture. He will have my support if he wants to become the champion and tell his colleagues that the little bit of money that it costs for keeping our Canadian identity is nothing compared to the good it will create to save these people.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. the Minister of Communications (Mr. Masse).

Mr. Masse: Mr. Speaker, I would like to take a few minutes to comment briefly and say at the outset that I thank the Liberal Party critic for his support and co-operation. I hope both of us will be able to look favourably upon certain aspects of the cultural policy so as to improve this sector of our national and economic activities, and even to a certain extent, of our civilization.

I should like to remind him that, on February 5, 1957, the House was considering the creation of the Canada Council and I said earlier that our Party then had supported Prime Minister Saint-Laurent's proposed establishment of the Canada Council. The Leader of the Progressive Conservative Party at the time was also Leader of the Opposition—he became Prime Minister a few months later—and he had this to say:

[*English*]

I certainly am in favour of the setting up of this council. It is needed. The work it will do is necessary for Canada and its prestige; but there is no need, however beneficial the organization may be and will be, to set aside parliamentary control.

This is very important.

[*Translation*]

Then as now, the Conservative Party gave its full support to the creation of one agency among many others, namely the Canada Council. I might remind the House that the same Party had also created the CBC. But we do not see parliamentary control in the same light as the Liberal Party.

The Liberal Party now has words of praise for the agencies, but perhaps it has no more faith in its future than memories of its past, Mr. Speaker. Indeed, the same Party was then under the direction of Prime Minister Trudeau who, not at all pleased by certain remarks made by the CBC, had publicly threatened to lock up the place and show a Chinese urn on TV screens as the symbol of the CBC.

I have the impression that the Hon. Member forgets the history of his Party. He forgets that, last June, the most vicious attack against cultural agencies was launched by the

Liberal Party and that, thanks to our current Speaker, to the Minister of National Revenue (Mr. Beatty), the Minister of Employment and Immigration (Miss MacDonald) and others, the Government was forced to backtrack, and we now have a system which remains independent while still being accountable to Parliament. It is within this framework that, as Minister of Communications, I intend to make sure that agencies will be accountable to Parliament while remaining autonomous, Mr. Speaker.

I might also add, if need be, that the Minister of Communications is the person responsible for and, whichever way you want to put it, the defender of the cultural sector.

[*English*]

Ms. McDonald: Mr. Speaker, I rise on a point of order. I understand that this period for questions and comments is to allow a number of Members to take part. It seems that we are getting another speech.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): When the Minister rose there was only one other Member that I could see.

Ms. McDonald: I rose.

The Acting Speaker (Mr. Paproski): Order, please. The Parliamentary Secretary rose at the same time. I recognized the Minister because I thought the exchange would be proper. I will recognize other Members. There are still three or four minutes remaining. I am sure the Minister will allow questions and comments.

[*Translation*]

Mr. Malépart: Mr. Speaker, the fact is you said that when you recognized the Member, only the Minister of Communications and the Parliamentary Secretary had risen, but I want to confirm that I had risen and the NDP Member—

[*English*]

The Acting Speaker (Mr. Paproski): That is not a point of order. The Minister has the floor. If he would like to complete his comments and ask a question, I will recognize him.

[*Translation*]

Mr. Masse: I am trying to come to a speedy conclusion, Mr. Speaker, and in doing so I will ask a question as provided for in the rules.

Does the Hon. Member not believe that a Government is first and foremost a team rather than a coalition of interests? In that spirit, as Minister of Communications, I am just like the Minister of Finance, of the same team, and in that sense we decide on Government policy and we implement it in our respective departments. We are a Government working as a team rather than a coalition, and does he not agree that this is the way any Government should do? Within that mandate, I can give the Hon. Member the assurance that I have acted and that I will act to the end of my responsibilities as a champion, the champion of those I have a responsibility to serve in my portfolio.

[*English*]

Mr. Tobin: Mr. Speaker, I would be remiss, and I know that all Members of this House share the feeling I am about to express, if I did not state that I have just witnessed the most eloquent and passionate speech by my colleague, the critic for the Liberal Party on communications, that I have ever heard in this House.

Some Hon. Members: Hear, hear!

Mr. Tobin: I have not been here that long, only five years. What was particularly appealing about the Hon. Member's speech is that somebody spoke to us not from a script, but from his heart. We had somebody talk about the importance of the arts not from an economic point of view. That is where the whole matter has got off the rails. The artists themselves, perhaps with good intentions, tried to communicate with this Minister and this Government and talked about their value from an economic point of view, $7 billion in 1981; but that is not the issue. It was refreshing to hear somebody speak in this House of his passion and his identity as a Canadian, his love of this country and his appreciation for the people who communicate what we are as Canadians, those who do it every day of their lives, those who work eight hours so they have enough money to live and then work eight hours at night so they can portray and paint the image of this country. Those are the artists of this nation. Their value cannot be measured purely in dollars and cents. That is why we rise today in their defence.

• (1230)

I would like to say to the Hon. Member that I appreciated his comments. They indeed moved this debate beyond a debate regarding dollars and cents and beyond a debate regarding how many jobs will be created, to a debate regarding the fundamental understanding that if we do not have a vibrant, healthy, alive artistic community in this country, then we do not have the kind of identity and pride in being Canadian that will allow us to distinguish that border that runs from the Maritimes all the way to Vancouver. We do not deserve to feel the pride that comes with being a citizen, the pride that comes when we see the flag going up and hear the singing of our national anthem. That is what our artistic community means to us. The Hon. Member has said that in such an eloquent and passionate way that I myself, seldom eloquent and passionate, was moved to rise to express my thanks.

Mr. Duguay: Mr. Speaker, I wanted to react to the concept of national reconciliation. I am a Manitoban and a Franco-Manitoban. I would like to point out to my colleagues opposite that their constant reference to the appointment of Bud Sherman does very, very little for national reconciliation.

Mr. Keeper: What did Bud Sherman do for national reconciliation in Manitoba?

Mr. Duguay: We in Manitoba have entered a period of healing and of national reconciliation which is not at all helped by the reopening of old wounds.

The gentleman opposite has referred to Manitoba. Perhaps he would like to talk about Manitoba's contribution to the arts. The deficit of the Government of Manitoba has increased incredibly in the last four years and the appointments to the arts in the Manitoba community are such that that Party opposite has no lessons to teach anyone when it comes to patronage.

[*Translation*]

Mr. Speaker, when the Hon. Member opposite refers to the community needing a hero, a defender of the arts, let me make it quite clear that this Government and this Minister are so convinced of that that we refuse to waste today's money to ensure the future failure of the arts.

To conclude, Mr. Speaker, I would like to ask a question. As we know, in the United States direct Government per capita expenditures in the cultural industry are much less than in Canada. A few estimates suggest indeed—they are not perfect estimates—that in the United States in 1983-84, those expenditures amounted to $3.00 per capita while on the other hand, in Canada, in 1981-82, they were $32.00. Looking at this, I certainly believe this is due to the fact that in the United States the private sector is contributing tremendously more than in Canada, because over there they get income tax credit. I wonder if the Hon. Member for Saint-Denis (Mr. Prud'homme) has any practical suggestion for encouraging Canadians to support the arts themselves rather than always relying on their Government.

[*English*]

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I would like to put on the record that I have not heard a speech from any Liberal Member that I appreciated more and with which I agreed more than the remarks of the Hon. Member for Saint-Denis (Mr. Prud'homme).

Some Hon. Members: Hear, hear!

Mr. Scott (Hamilton-Wentworth): I listened for the second time with great interest in committee the other day to the statistics regarding the number of hours that children spend watching television. I do not believe there are any greater defenders of Canada's distinctive cultural identity in this House than the Hon. Member for Saint-Denis and my Minister. I feel exactly the same way.

I hope the Hon. Member will remember as far back as yesterday when the Minister set up a task force to review the whole system of Canadian broadcasting. One of the prime mandates of that task force is to preserve and protect the Canadian cultural identity. I hope that the Hon. Member, along with his colleagues, will participate in presenting their views to that task force to ensure the kind of distinctive Canadian cultural identity that we all wish to see and will cherish.

Mr. Prud'homme: Mr. Speaker, may I first say that I was very happy to receive a question from my distinguished friend, the Hon. Member for St. Boniface (Mr. Duguay), because when I was young I served in the Canadian Armed Forces COTC in Shilo, Manitoba, as a cadet officer in the provost corps.

[*Translation*]

I think that you have asked an excellent question. The public sector obviously has a role to play, but I am very apprehensive about your always harping on about the private sector, but God knows that it suits your Government! It has gotten to the point where my hon. friend, the Minister for Fitness and Amateur Sport (Mr. Jelinek), says that the private sector should do more. My hon. friend, the Minister of Agriculture (Mr. Wise), says that the private sector should do more. We could discuss this at length, but everything cannot be left to the private sector. With regard to cultural matters and Canadian identity especially, the Federal Government has a role to play, and the Provincial Governments certainly have also, but they all have the same approach and want to cut back on everything. What I want to tell the Hon. Member is this: Why not co-operate on a national information campaign for the Canadian people who readily make scapegoats of artists without seeing all the consequences of such an approach? I would be willing to co-operate with the Hon. Member and all those who would like to come with me and my hon. friend, the Parliamentary Secretary, whom I want to thank, which happens rather rarely in this House. However, this is the type of politics that I like and I would like to thank him very sincerely.

[*English*]

I wish to thank him very sincerely for his good words.

[*Translation*]

The Acting Speaker (Mr. Paproski): I am sorry, but the period for questions and comments is over. Debate. The Hon. Member for Winnipeg North (Mr. Orlikow).

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to begin my comments by dealing with a point made by the Minister of Communications (Mr. Masse) during his speech. Unfortunately, I was not present to hear it as I was at another meeting. However, I was given a summary of one of the points he made and I think it is incumbent upon me to set the record straight.

The Minister apparently accused my Party of being a socialist Party and I accept that as a fair definition of our position. However, he went on to imply that socialists believed in controlling everything and that if we were in office, we would insist on controlling all or most facets of the arts and cultural activities. I do not know about what kind of socialist the Minister was thinking but I would like to tell the Minister, in case he does not know, that there is a Labour Government in Australia and a Labour Government in New Zealand at the present time. There is a socialist Government in Spain, a

socialist Government in France and a Social-Democratic Government in Sweden. There has been a Social-Democratic Government in Germany recently and many times there has been a Labour Government in Great Britain. Those Parties are all socialist or Social-Democratic Parties and the Governments which they lead or led administered their countries and dealt with arts and cultural communities without imposing their will on them and without giving them orders. Those Governments that are not now in office but will be in the future will not do those things.

I say to the Minister that when there is an NDP Government in Canada, as there has already been in three provinces, the arts and culture community will be free. It is free under those provincial Governments and has received a great deal of support from them. I do not mind that the Minister criticizes or attacks us when he feels there is a legitimate reason, but I would hope that he would at least be fair.

• (1240)

This Government said before it took office, and continues to say, that the people of Canada ought not to depend entirely or to a large extent on Governments for the support of arts and other activities. The Government feels that we ought to expect and receive more support from the private sector. I wish that was possible.

In many cities in the United States there are museums, concert halls and art galleries which were built by a private individual, or some foundation such as those established by the Gettys, the Rockefellers or the Fords. I must ask the Minister: Where can we find a comparable situation in Canada? We have the Roy Thomson Hall and one or two others, but that is about it. I have to say that I would not count on as much support from the private sector for arts and culture as does the Minister, because we are getting very little from the private sector.

I would like to put on the record what is happening in the United States and quote from an article which appeared in *The New York Times* on April 22, 1985. The headline is "Private Contributions to the Arts Increase", and the article reads in part:

> Eugene R. Wilson, president of the Atlantic Richfield Foundation in Los Angeles, said, "The endowment is a benchmark for us to help establish quality"—

It continued:

> —his foundation had decided in 1979, when it gave a total of $13 million, to substantially increase its philanthropy. His foundation's expenditures showed a steady growth—with $35.8 million given to various organizations in 1984, including $6.1 million to the arts—

The article continued:

> Chemical Bank estimated recently that such total private giving, which includes some for the humanities as well as the arts, had doubled from $2.7 billion in 1979 to $5.4 billion in 1984.

I could go on citing examples from the article, but I would say to the Minister that if he and his Government believe that the private sector should do more, then I wish the Government would convince the private sector in Canada that it is not doing enough.

It is the view of this Party that it is essential for a country like Canada to give special consideration and assistance to arts and culture. Canada has a population of 25 million people. Canada is situated next door to the largest and most powerful country in the world. The United States is ten times our size in population. Fortunately, or unfortunately, we speak the same language in Canada as they do in the United States. Consequently, what is done in the United States flows over the border into Canada. I am not saying that is bad, but U.S. television, radio, newspapers, magazines and books pour into Canada. Unless the Governments of Canada, federal, provincial and municipal, do a great deal more than they have done, we will drown in American production and become a country without a culture.

There is another problem about which the Minister knows better than I. Canada has a substantial francophone population. There are six million French-speaking people living on a continent which has 250 million people. Unless Governments are ready to support, maintain, develop and improve the francophone culture and arts community, it will not survive. The Government must do much more than it has done in the past.

Canada has lost much of its economic sovereignty. That appears to be accelerating as the advocates of free trade with the United States gain ascendancy in the federal Government. As free trade develops, the free flow of arts and cultural activities will come with it. If that happens, arts and cultural activities in Canada will be in peril.

I would like to compare the promises of the Conservative Party when it was in opposition to the actions of the Conservative Party now that it is in government. In the years preceding the last election, the increase in assistance which was given to arts and cultural activities in Canada by the federal Government was less in real dollars than earlier increases. The increases for culture and arts never matched the increase in the cost of living. The arts and cultural organizations were getting less in real money, in the three or four years before the last election, from the Liberal Government.

What was said by the Conservative Party about that during the election campaign? I remember attending a forum in Winnipeg at which the present Minister of State for Multiculturalism (Mr. Murta) spoke on behalf of the Conservative Party. He said that a Conservative Government would maintain the funding at the current level and that the funding for arts and culture would be increased each year to match the increase in the Gross National Product. Speaking for the NDP, I said that was not good enough. However, that was the commitment which was made by the Conservative Party during the election campaign.

The Conservative Party also said that cultural agencies would be free from government interference. It also said that a five-year spending plan would be developed for arts agencies, and that separate incentives would be developed for private investment in the arts. Those promises sounded good. They

were modest, but positive. The linking of the increase in arts funding to the GNP, for example, would not break the private banks, nor would it break the Government's bank.

• (1250)

Let us look at what has actually happened since the Conservative Party won the election and formed the Government. Let us look at the present spending estimates for the cultural agencies which the Government has under its direct control and see how many of them received increases for the coming year equal to the projected rate of increase in the Gross National Product as promised. The Canada Council budget increase is close to the GNP projected growth. The Canadian Film Development Corporation's increase is well above the GNP projected growth. The Canadian Broadcasting Corporation had its budget decreased from the 1985-86 GNP growth rate. But we know that the Canadian Broadcasting Corporation was cut by $75 million and I think another $10 million for a special fund. So instead of getting the same money plus the increase in GNP, the Canadian Broadcasting Corporation received a very substantial cut. The National Film Board, the National Museums, the National Arts Centre and the CRTC received decreases. So in fact, Mr. Speaker, of the eight agencies which the federal Government funds directly, five will have either cuts or very small increases in their 1985-1986 budget. This is hardly what the Canadian Council of the Arts had been led to believe would happen and, further, it sets the example for small increases or cuts to other arts activities.

I know the Government tells us it has a huge deficit and we cannot afford that but, Mr. Speaker, the deficit was not unknown at that time. The Conservative Party knew that the Government of Canada had a deficit. The Conservative Party had task forces working in all of these fields and if it believed that the deficit, which it knew about, was so serious that funding for arts and culture would have to be cut or its increases minimized, then I say that it had no right, and it was, to say the least, less than honest, to make the kind of promises and commitments which it did in every part of this country.

The second commitment made by the Conservative Party was that it, as the Government, would not interfere with the day-to-day operations of the cultural agencies. That is a worthy principle. The Conservatives were right in espousing that principle along with Hon. Members of the New Democratic Party when both of our Parties were in opposition. We attacked the former Government very strenuously with respect to a Bill which was going to change the system so that Crown Corporations and agencies were administered much more closely by the Government, along with the Canada Council. When representatives of the arts and cultural community mounted a very strenuous attack on that proposal by the then Liberal Government, they were joined in that criticism by Hon. Members of both the Conservative and New Democratic Opposition. They were right and we were right then, Mr. Speaker. But what has happened now? What has happened to the principle espoused by the Conservatives now that they are in government? As I have said, the Conservatives joined in opposition to Liberal attempts to control more directly those Crown Corporations which were involved in cultural activities. But that was when they were in opposition. It has proven more difficult for the Conservatives to keep to that commitment now that they are in government.

There is scarcely a day goes by where there is not another example of the Government's interference. Today we learned that the Government no longer consults with the head of the Canada Council on senior appointments. This has already been roundly condemned by those in the arts community and by my colleague, the Hon. Member for Broadview-Greenwood (Ms. McDonald). We have as Chairman of the Canada Council one of the most distinguished artists in this country, Maureen Forrester, who has an international reputation. She has been acclaimed in almost every part of the world, not just for her ability to sing but for the work she has done in support of artistic endeavours and for teaching younger people. Does Miss Forrester deserve the kind of treatment she is apparently receiving? I am told that her advice is not only ignored but is no longer even sought. I don't know what words I could use which would adequately convey the feelings of so many Canadians, particularly those who are involved in the arts in this country, when they learn that such a wonderful human being is being treated in the way in which she is by the Minister in charge of culture. I say that that is a disgraceful situation.

We might ask ourselves, Mr. Speaker, what this means, because the snubbing of Miss Forrester is not the only example with which we are dealing here. We have seen questionable appointments which dramatically shorten the arm's length relationship which was promised by the Conservatives when they were in opposition and which should exist between the Minister and the cultural agencies. We are seeing grants being made out of the Department of Communication's cultural budget which would be much better handled by the Canada Council. For example, the grants for the Stratford Festival tour of the United States is a perfect example of the Department of Communications serving as the patron to the company when really this should be a function of the Canada Council.

What this says to me, Mr. Speaker, is that the Minister of Communications (Mr. Masse) really wants to do exactly what he suggested and implied we would do if we were the Government. He suggested that we would want to control the arts and communications efforts. But it is pretty obvious to me that what the Minister wants is to be the czar of culture in this country. It seems to me that it is no accident that the cultural affairs budget was increased by more than 4 per cent, and I suspect that it will be much larger by the time the supplementary estimates for 1985-86 are in. He will then have the personal power and resources to fund the cultural causes in which he happens to believe, not what the arts and cultural community believe in and desire.

The Acting Speaker (Mr. Paproski): Questions or comments?

[*Translation*]

Mrs. Champagne: Mr. Speaker, since the Hon. Member for Winnipeg-North (Mr. Orlikow) referred to me in his speech, I would like to comment. I do not think anyone would deny my attachment for the arts in this country, anymore than I could ignore a career of nearly 30 years in this field.

I have always stood up for the rights of artists, and I think they realize today that they have both rights and responsibilities. As the Minister said earlier, this Government is trying to make available to artists funding never available to them before through other departments. I can name several. We are working very hard on this.

I realize I have very little time, but I would like to take this opportunity to say that in my department alone, during international youth year more than $2 million will have been distributed to cultural groups across the country, whether francophone, anglophone or multicultural, but in any event, cultural groups, and I think that is one example of what the Minister of Communications (Mr. Masse) has in mind. After all, culture is not the preserve of the Minister of Communications. It involves every single one of us, as human beings, as Ministers, and as Members of this House. We have been here for less than a year, and I think that instead of constantly criticizing the tremendous efforts being made to give artists access to funding they were never eligible for before and to open new doors, the Government should get credit for its efforts and be given a chance to implement all its plans, and I think that in the weeks and months—

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member might want to reflect on the Minister's comment and reply to it when we resume debate. He will have eight minutes left as far as questions or comments are concerned.

[*Translation*]

Order, please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

GREAT LAKES WATER QUALITY AGREEMENT—CUT IN FUNDING TO UNITED STATES MUNICIPALITIES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, a United States Senate Committee has voted to cut up to $175 million in grants to municipalities bordering the Great Lakes for the construction of sewage treatment facilities. Mr. Gotlieb, our very capable ambassador in Washington, has protested the committee's action and stated that the change "could jeopardize the U.S. ability to meet its commitments under the 1978 Canada-U.S.A. Great Lakes Water Quality Agreement". But that is not enough. The Prime Minister (Mr. Mulroney) has boasted about his special relationship with President Reagan. Therefore, he should personally intervene by calling the President with a strongly worded request that the Senate Committee proposal be rejected.

The Great Lakes are not a septic tank. They are a vital resource for 35 million Canadians and Americans. The proposed cuts by the Senate Committee are a threat to the health of people and wildlife who depend on clean water. The time has come for the Government to fish or cut bait in protecting our natural environment, since any cut would lead to greater water pollution. That in turn means there may be neither fish nor bait for the Government to deal with, if it continues to dither.

It is an accepted fact that the U.S. is the greatest contributor of pollution to the Great Lakes. It is up to this Government to make it clear, in the strongest possible terms, that Canada expects our shared waters to be protected.

* * *

MINES AND MINING

FIRST PRODUCTION AT HEMLO GOLD MINE

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, recently the first thousand ounce gold bar was poured at the Hemlo gold mine in northwestern Ontario. This was an historical occasion for the Canadian mining community. When the mine reaches full production, one of these thousand ounce bars will be produced daily.

This new mine, discovered just three years ago, with construction and development starting two years ago, is coming on stream with state of the art plant, equipment, and mining techniques. From discovery to production in three years for a world class mine is a feat rarely achieved. This mine is the biggest gold discovery ever made in our country. Ore reserves are estimated at 23 million tons, grading 0.3 ounces per ton. Within the year the Teck-Corona mine will come on stream, to be followed later by the biggest of them all, the Lac Minerals mine.

What is of particular importance to all Canadians is that the Hemlo mine will be among the most efficient gold producers in the world. Some 3,000 new jobs will be created, and all of this has been done without government funds or subsidies.

I join my fellow Canadians in applauding Noranda's initiative and Canada's mining expertise. It is a splendid example of free enterprise, and is what Canada is all about.

Some Hon. Members: Hear, hear!

* * *

MARINE TRANSPORT

CN MARINE—REPORTED LEASING OF VESSELS FOR FERRY SERVICE

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, last November the Minister of Transport (Mr. Mazankowski) assured the House that CN Marine would build another three vessels in Canada which it needed for Atlantic service. Now we understand that CN Marine officials, including President Rupert Tingley, are in Europe considering leasing existing vessels. The Canadian shipbuilding industry is facing its worst crisis in half a century, with plunging order books, so the Minister should stick to his word and guarantee these vessels will be built in Canada.

CN Marine and the Tories must be taken to task. They pulled the same stunt under Joe Clark when several Swedish-built ferries were imported into Canada rather than being built here. This Crown corporation has a duty to seek Canadian-made vessels and not slip foreign vessels in through the back door. The Government must make good on its commitment to the Canadian shipbuilding industry, and the promises the Tories mouthed during the last federal election.

* * *

POLITICAL PARTIES

WORLD WAR II—CCF PARTY'S POSITION

Mr. Paul Gagnon (Calgary North): Mr. Speaker, during the past 10 days this House has heard much about the liberation of the concentration camps and the termination of the European war. It is interesting to listen to the pious statements of the NDP. However, historical accuracy demands that the true record be stated.

Mr. M. J. Coldwell and Mr. J. S. Woodsworth both spoke against the 1939 declaration of war. Mr. Woodsworth was the leader of the CCF Party, the Co-Operative Commonwealth Federation, predecessor of the NDP. His associate, Mr. Coldwell, would have supported the declaration of war if Canada's assistance was limited to economic aid only.

When one listens to the NDP today, one feels that they were leading the fight against fascism and oppression. But the record shows that they did not want to fight; they wanted to

allow Hitler to ravage Europe. That, Sir, is the hypocrisy of the NDP.

Mr. Skelly: On a point of order, Mr. Speaker, what rubbish! Have that man sit down.

Mr. Speaker: The Hon. Member for Saint-Michel-Ahuntsic.

Mr. Domm: History hurts.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

CREATION OF NUCLEAR WASTE DUMP IN VERMONT

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, last week, several Quebec residents of the Stanstead and Sherbrooke area went to West Charleston, in Northern Vermont, to advise the American Energy Department representative that they do not want nuclear waste to be buried in their region.

Mr. Speaker, the problem is that those responsible for the American project cannot guarantee that there will be no danger for the neighbouring population. They have tried to calm down the public by telling them that the project will not begin before the year 2002. However, as early as next November, the number of possible sites will have been reduced from 236 to about 15. In 1991, the selection will be made from a short list of three sites and the President of the United States will make the final recommendation. The governor of the state selected will have a right of veto which may only be overruled by a majority vote in both Houses of the American Congress.

Mr. Speaker, we of the Liberal Party ask the Government to follow closely all the steps taken by the American Government to locate a nuclear dump in Vermont. The Canadian Government must oppose any project likely to threaten the life of Canadians in this and future generations.

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[*English*]

CANADIAN ARMED FORCES

PRESENCE OF SNOWBIRDS AT LONDON, ONT. AIR SHOW

Mr. Tom Hockin (London West): Mr. Speaker, the London, Ontario, International Air Show, held each June, is one of Canada's biggest air shows. It brings together displays and aircraft from all over the world, and especially from Canada. It serves as a showcase for skill and science in the air.

For many years the Canadian Armed Forces crack air touring team, the Snowbirds, have been one of the major features of this show, impressing everyone with their skill and precision. There have been concerns that they might not fly at this year's show, and I want to thank the Minister of National Defence (Mr. Nielsen) for his assistance in assuring that they

will be flying. This is great news for all of us in southwestern Ontario, and a symbol of our Government's commitment to the Air Command and to the London Air Show.

* * *

LABOUR RELATIONS

ANTICIPATED SETTLEMENT OF EATON'S STRIKE

Mr. Rod Murphy (Churchill): Mr. Speaker, I rise to speak about the tentative agreement between Eaton's workers, their union, and the company. Many of the workers in that company are middle-aged women who are underpaid, who receive unfair benefit packages, and who face retirement with inadequate pensions.

I think this House, regardless of political affiliation, should congratulate the workers at Eaton's stores for finally obtaining a chance to have a say in their own future so they can ensure that the middle-aged workers and part-time workers of Eaton's will not have to face the problems they have faced when dealing with a family run firm which has shown absolutely no concern for the future and livelihood of its own employees.

* * *

NATIVE PEOPLES

USE MADE OF ALLEGED CABINET DOCUMENT

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, the recently leaked document, so called, dealing with native programs is being treated as gospel by our communications networks in the Northwest Territories. I find it disturbing that the opposition Parties would use the native people to try to undermine growing understanding and co-operation with the present Government, thereby creating an indirect form of racial tension.

Having recently returned from South America and a convention on trade in endangered species, I have seen how pampered we native people, indeed all Canadians, are by our Government. This attempt to exploit the ignorance and gullability of some people is, to me, repulsive, and something which was rejected by the Canadian people last September.

Some Hon. Members: Hear, hear!

Mr. Suluk: Coming from a region of Canada where the majority of the population is supported by government programs and services, and listening to accusations based on leaked documents alleging cut-backs in services to native people, is like telling your children that you are cutting off their candy supply. In the end, it causes tooth decay. This is what too much government has done, not only to native people but to many Canadians who make a living by biting the hand that feeds them.

• (1410)

I urge all native people in Canada to change with the times; ignore figments of radical reporters' imaginations and opposition disruptive tactics, and work with us instead to tackle problems plaguing native communities.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

FEDERAL DEVELOPMENT BANK

DANGER OF DISSOLUTION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): For the past week, Mr. Speaker, various Quebec newspapers have been reporting the Quebec people's concern about the possible dissolution of the Federal Development Bank. The government would have a hard time justifying the dismantling of the Bank. As of March 31, the Federal Development Bank had granted some $85.3 million to 4,571 customers.

Moreover, the Bank will be holding a series of six seminars between April 30 and June 4. These seminars, which are intended for operators of small- and medium-size businesses, are very practical in nature and deal with business administration, personnel hiring and tax issues. As Jean-Louis Roy was commenting in the April 22, 1985 issue of *Le Devoir* daily, and I quote:

> Those who favour the dissolution pure and simple of the Federal Development Bank will have to establish clearly the connection between this dissolution and the economic objectives of the Mulroney government. They will have to provide alternative solutions to small- and medium-size businesses which, for whatever reason, cannot secure financing from the private sector, and make sure that they are not left high and dry, doomed to stagnation and extinction, and forced ultimately to lay off their personnel.

* * *

[*English*]

PENSIONS

PLIGHT OF ELDERLY SURVIVOR OF HALIFAX EXPLOSION

Mr. Howard Crosby (Halifax West): Mr. Speaker, our Canadian society and Parliament will be judged by how we treat those in need who deserve assistance. I want to take you back to 1917 when there occurred in the City of Halifax a gigantic explosion which caused the deaths of some 2,000 people and injured 9,000.

The world responded by creating a relief fund, which was then used to assist victims of the Halifax explosion. But shortly thereafter, in 1920, a young lady was asked to sign over her rights to relief for the gigantic sum of $400. The Halifax Relief Commission then went on to provide thousands of dollars worth of housing assistance and other kinds of assistance to victims of the Halifax explosion.

Today, that lady, Mrs. Bertha Robar, lies in a nursing home bereft of all government assistance. She is 97 years old, and was partially blinded in the Halifax explosion. Our government officers in the Canada Pension Commission will not

move to help her. If that isn't a deserving case, I don't know what is. So I enlist the assistance of all Members of the House of Commons to come to the aid of Bertha Robar and insist that the Canada Pension Commission seek changes in the law that will allow such a person to be helped, notwithstanding that she signed over her rights as a young lady in 1920. If we can't solve a case like that, we can't solve any cases.

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AIR CANADA

ISSUANCE OF FREE FLIGHT PASSES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, Air Canada's ticket agents are currently walking picket lines as the airline is attempting to replace full-time workers with part-time help.

The airline is claiming that it must destroy people's lives as a cost cutting measure, yet at the same time that Air Canada is crying poor it is giving out free first class airline passes to any part of the world where Air Canada flies, to failed Liberal hacks and flacks and party bag persons appointed by the previous Liberal Government.

This Government has reached new heights in patronage and it has given new meaning to severance pay arrangements when free air flights are also included when these hacks are booted out. The Government has failed to clip the wings of the high flyers on the Air Canada board of directors, and has instead chosen not to ruffle a few feathers. I urge the Government to suspend the free passes, and instead give these hacks free "Rat Pack" T shirts.

ORAL QUESTION PERIOD

[*Translation*]

THE ECONOMY

WAYS FOR GOVERNMENT TO REALIZE ECONOMIES

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, yesterday the Deputy Prime Minister refused to reveal the recommendations made by his task forces. In fact, he himself invited me to submit our own ideas and suggestions on how the Government could save money. Well we have lots, Mr. Speaker, and it will be a pleasure to submit them.

[*English*]

Since he has invited these suggestions, why does the Deputy Prime Minister not arrest the haemorrhage of hard earned taxpayers' dollars in Ministers' offices; $3 million to $4 million on the Chiefs of Staffs which have been put in place; $2 million to $3 million on the Prime Minister's office; millions of dollars in patronage, and millions and millions on ministerial

jet and Challenger air travel. These aircraft are plying the skies not only of Canada but of the entire world.

Some Hon. Members: Question.

Mr. Johnston: Today there is an expensive investigation by the RCMP into a leaked secret documents which the Deputy Prime Minister himself could not recognize yesterday as even existing. If the Government spends this kind of money on non-existent documents, what will it spend on real documents?

Will the Deputy Prime Minister use his legal and moral authority to arrest this haemorrhage, to rein in his colleagues, and stop this shameful squandering of millions and millions of taxpayers' dollars?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, indeed we do intend to replace with moral judgment that area which was left in a total vacuum by the previous administration.

The $3 million to $4 million that he mentioned with respect to ministerial staffs—I can recall the Member for Winnipeg-Fort Garry having reached that amount almost entirely by himself in one Minister's office.

With respect to the use of jet aircraft, that which had been totally out of control is being brought under control. At least it will be our sincere endeavour not to have the same situation arise as did under the previous administration when three Ministers arrived in three separate aircraft, within one hour of each other, in the city of Winnipeg.

With regard to the matter of routine inquiries that are made with respect to documents, the Hon. Member, who is a former Minister, knows that that process is routine. When he speaks of a specific document, I still have been unable to decipher the mish-mash that was passed to me yesterday, the quality of the reproduction of which—

Mr. Speaker: Order, please. Could questions and answers now become shorter, please?

* * *

GOVERNMENT EXPENDITURES

AIR TRAVEL BY MINISTER OF COMMUNICATIONS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the skies were never as dark with JetStars and Challengers as they are today.

Some Hon. Members: Oh, oh!

Mr. Johnston: Even grounding le courant d'air national, the Minister of Communications, would save taxpayers hundred of thousands of dollars.

Perhaps the Deputy Prime Minister will not ask the Minister of Communications to explain that waste—

[*Translation*]

—I would like to ask him myself. The Minister of Communications, who, for instance, roundly criticized the National Arts Centre for buying flowers for performers, a custom that is much appreciated . . . In fact, the Minister took a JetStar or Challenger to I do not know where, and that cost us $60,000. So how does he intend to justify this waste of taxpayers' money?

Some Hon. Members: Fly, fly away!

[*English*]

Mr. Speaker: I am not quite sure what everybody had for lunch today.

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, this morning I had occasion to say, in another debate, that the party opposite is a party that has no memory of the past and no hope for the future. I think the same comment is appropriate at this point, since their references are irrelevant to the story, which I could tell when circumstances permit. Now seriously, on January 24 of this year, Mr. Speaker, the vice-president of Northern Telecom asked the Canadian Government, through the Department of Communications for which I am responsible, to accompany them on a trip to promote Canadian trade and industrial interests, which meant travelling to Algeria and Saudi Arabia. The projects in these countries included an Algerian request to the CBC for an investment—

● (1420)

[*English*]

Mr. Speaker: I appreciate the interest of the Minister but his answer is now becoming a Statement on Motions.

Does the Hon. Member have a short supplementary question?

[*Translation*]

PROGRAM REVIEW TASK FORCE REPORTS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the answer was totally irrelevant to the question. But in any case, yesterday I put a question to the Deputy Prime Minister.

Mr. Masse: You do not want an answer!

[*English*]

Mr. Johnston: He said in his speech, which I have read three times: "Canadians have a right to know that these programs are administered to the satisfaction of the new Government".

In the name of open government and accountability, those things in which the Deputy Prime Minister believes, are Canadians entitled to know what are in those recommendations? Are they not entitled to know, unless of course the recommendations are so extreme that national security is at stake, which is suggested by the RCMP investigation into the non-existent document of yesterday?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, with respect to information in the form of advice to Cabinet, the Hon. Member, who is a former Minister, knows the answer to that question.

With respect to a definition of the programs themselves, there is a very excellent publication put out by the Department over which my colleague, the Minister of Supply and Services, has jurisdiction, listing all of the government programs that are available. I am sure if the Hon. member would take the time to read it, he would find it extremely interesting.

In addition to that, there is a further publication put out by FBDB which lists all of the programs that are available to small businesses and others in the country. If the Hon. Member wished to seek the information, all he has to do is a little more reading. If he wants an index, I would be very happy to supply it to him.

* * *

NATIVE PEOPLES

DISCLOSURE OF ALLEGED CABINET DOCUMENT—RCMP INVESTIGATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the important matter of openness and frankness in government. The Party now in government promised change, if elected, and to put an end to the old cover-up practices of the previous Liberal administration.

For the past three days we have been trying to get the Government to admit, specifically the Minister to whom I am putting this question, that his Department was responsible for a certain document. Considering that for the past two days, including, during that period, the submission of the document to the Minister himself, the Government has done nothing but evade the truth, and considering that now the RCMP has begun an official investigation into the documents in two Ministers' offices at least, will the Deputy Prime Minister come clean and acknowledge that the document in question was produced by his Department, and acknowledge that he himself is certainly responsible for it?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member and his colleagues are past masters at the art of evading the truth.

Some Hon. Members: Oh, oh!

Mr. Nielsen: Perhaps he has expertise in that. They have another skill as well, that is, total distortion of the facts in any given instance and in any given case.

With respect to what he calls "the document", I presume the Hon. Member means the document which the Hon. Member for Skeena brought across here yesterday.

Mr. Orlikow: Right.

Mr. Parry: Everyone else has one.

Mr. Nielsen: I still have been unable to decipher it.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Get the original.

Mr. Nielsen: If the Hon. Member would have a look at the quality of reproduction, he would agree that it is indecipherable.

As to identifying that document, I am unable to do that for him.

Mr. Rodriguez: That is why you have the RCMP. Call in the boys.

Mr. Nielsen: The Hon. Member mentions an investigation. As I responded to the Hon. Member for Saint-Henri-Westmount a moment ago, if there have been any documents that have found their way into unauthorized channels, it is a matter of a routine inquiry that follows any such event—

Mr. Speaker: Order, please. I invite the Deputy Prime Minister to complete his answer under Motions.

IDENTIFICATION OF DOCUMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister once again is evading the truth. I say to the Deputy Prime Minister that the Conservatives promised change. It is about time they delivered it. It is about time they delivered some openness.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The Deputy Prime Minister said yesterday, and I will quote with reference to the document that was given to him by my colleague, that he would "have to take the opportunity to examine it". Does the Deputy Prime Minister seriously want the people of Canada to believe that in the interval between yesterday and today he was unable to read that document, and unable to verify whether or not it was produced by his Department?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Yes, indeed, I do expect the people of Canada to believe that, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Nielsen: —notwithstanding the fact that I get rid of routine business in my office and other business which still keeps me here until the late hours of the evening. I can tell the Hon. Member, despite the fact that I arrived here at eight o'clock this morning, my entire morning was taken up with a Cabinet meeting and other urgent matters of business. I have not yet had an opportunity of examining in detail the document which was supplied to me yesterday. If the Hon. Member cannot understand that, he cannot understand a damn thing.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, if the Minister expects the opposition Parties on this side of the House to believe that, he would also expect the people of Canada to believe that the moon is made of green cheese. That is how much credibility the Minister has with that answer.

REASON FOR INVESTIGATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to ask the Deputy Prime Minister another question. Considering he has just said that a document that in a fundamental way really cuts into the rights of the native people of Canada, that says it has been endorsed by eleven Departments within the Government, has not been investigated by him, all I can say to the Deputy Prime Minister is that he has been ignoring his responsibilities—

Mr. Speaker: Order, please. Does the Hon. Member have a supplementary question, please?

Mr. Broadbent: Yes, Mr. Speaker. Since the Minister has not taken the trouble, so he tells us, to examine the document himself, why was an investigation ordered by the RCMP into this document if there is no such document missing from the Minister's office?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I guess the Hon. Member was not listening, Mr. Speaker. He mentioned blue cheese and the moon. It is not the moon that is made of blue cheese; it is his mind.

Some Hon. Members: Oh, oh!

Mr. Nielsen: If he cannot understand, and he has been around here long enough to understand that it is a matter of routine procedure—

Mr. Crosbie: His mind is curdled.

Mr. Nielsen: —if any document gets into improper hands—

Mr. Broadbent: Oh, there is a document?

Mr. Nielsen: The Member says "Oh, there is a document". I am not saying that at all.

Some Hon. Members: Oh, oh!

Mr. Nielsen: When any document—

Some Hon. Members: Oh, oh!

Mr. Nielsen: I am trying to explain to the dense Leader of the New Democratic Party that it has been procedure around this place for years that when any document finds its way into unauthorized hands or improper channels, routine inquiries are made in every instance.

* * *

[*Translation*]

THE SENATE

INQUIRY WHY GOVERNMENT WISHES TO PROCEED WITH RAPID CHANGES

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have a question for the Minister of Justice.

Having introduced his motion aimed at turning the Senate into a reading club, the Minister of Justice told the media that the Government would push ahead with Senate constitutional reform before launching discussions with Quebec with a view to having the province sign the 1982 Constitutional Agreement.

Mr. Speaker, that is an insult to Quebecers whose Government has publicly indicated it intends to unveil, before the end of May, its proposals designed to straighten out its constitutional position within the Canadian Confederation.

Here is my question. Considering that job creation is the first concern of all Canadians, what emergency prompts the Government to proceed so quickly with changes which strike at the root of Canadian institutions, even before negotiations have begun with Quebec to set its constitutional status straight?

● (1430)

[*English*]

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the complaint from the Province of Quebec is the insult which they suffered from our Liberal predecessors in 1982 when the Constitution was adopted. There is no complaint from the Province of Quebec with respect to any of our constitutional discussions. They have engaged themselves in discussions on aboriginal matters. I believe them to be sympathetic to our position on the Senate resolution. They are not for an unelected group of Liberal hacks in any other legislative body being in a position to checkmate the elected House of Commons.

The Government of Quebec has no sympathy with the hon. gentleman's position, but it does not wish to take part in the constitutional amendments because of the way it was treated by the Liberal administration of Mr. Trudeau, whom the hon. gentleman also represents today.

[*Translation*]

POSITION OF MINISTER OF JUSTICE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I put that question to the Minister of Justice knowing full well the answer he was going to give me. It is too easy. The one thing which the Minister of Justice forgets is that, last January, the Quebec Government made a complete about-face and now wants to set aside its separatist option and sign the Constitutional Agreement. I want to know whether the Minister of Justice shares the view of his colleagues, Senators Asselin and Flynn, who claim that the proposed reform is quite superficial, and that no negotiations or discussions should take place before the Quebec constitutional problem has been settled.

[*English*]

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I might remind the hon. gentleman that the constitutional resolution in 1982 was adopted unanimously by the House.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The negotiations were conducted by the hon. gentleman's Party, which apparently trampled on the rights of the people of Quebec, according to the Parti Québécois Government. With respect to this resolution, because of the fact that the Senate majority wilfully, and with no reason whatsoever, caused a long delay in a borrowing authority Bill, made necessary by their profligate ways when they were in government last year, before we took over, costing the people of Canada $15 million, we have to meet the issue now. We cannot wait any longer to deal with this question of senatorial Liberal obstruction.

* * *

PUBLIC SERVICE

EXECUTIVES OFFERED EARLY RETIREMENT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the President of the Treasury Board. It concerns the early retirement incentives which the Minister is offering to senior managers and executives in the Public Service. Of the 400 retirements which the Minister is seeking, only 200 positions will be filled. The other 200 will disappear. Does the Minister have quotas for these new appointments—so many from the Public Service and so many from outside? Is this program another Tory job-creation program for Tory sisters, brothers, aunts and uncles—relatives? Is it the Archie Bunker program *All in the Family*?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am amazed at the question of the Hon. Member, amazed that it would come from someone who has been around the House for so long. It accuses the Public Service Commission, the agency of Parliament which is

responsible for staffing, of becoming a patronage institution. No, Sir. The jobs which will be filled will be filled according to the normal policies of the Public Service Commission, not by the Government as the Hon. Member would like all Canadians to believe. This is a management initiative which will follow the law.

REQUEST THAT OFFER BE EXTENDED TO OTHER GROUPS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the Minister just told us that there will be no Governor in Council appointments. I do not believe that.

[*Translation*]

The Minister is holding out a carrot of $25 million to senior officials in the Public Service. Is he prepared to extend the same program to public servants in the administrative support and professional categories, so that these people will have a chance to take early retirement, or are they going to have to wait until May 23 when the Minister wields "the big stick" and eliminates their jobs.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am not going to answer the Hon. Member's hypothetical questions. But I do want to respond to the statement he made in his preamble. Just so everyone . . . Why don't you listen? You might learn something . . . The program applies to 747 members of the senior management group and to 26 employees appointed by order in council. For those Hon. Members who were not aware of the fact, deputy ministers are appointed by order in council and will continue to be appointed by order in council. I can inform the House that the program is a management program, that it is fair and that it was introduced to open up new horizons to many of our younger employees in the Public Service.

* * *

[*English*]

NATIVE PEOPLES

PREPARATION OF ALLEGED CABINET DOCUMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns his memorandum to Cabinet, which on page 9 indicates:

> The analysis was carried out by a mixed study team, with input from program managers, federal economic development co-ordinators, deputy heads, and the Private Sector Advisory Committee to the Task Force. Additional input came from limited consultations with selected client groups and with senior deputies in selected provincial Governments.

Is the Deputy Prime Minister expecting the public and the House to believe that this document was prepared with the involvement of those officials and not a single member of Cabinet?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, to which document is the Hon. Member referring?

Some Hon. Members: Oh, oh!

Mr. Nielsen: Let me explain the process. As the Hon. Member for Skeena goes at it, and as his Leader, the Hon. Member for Oshawa, goes at it, I would urge them to harken—

Mr. Broadbent: Tell the truth.

Mr. Nielsen: I will tell the truth. I always tell the truth, and I cannot say the same for that Hon. Member.

Some Hon. Members: Hear, hear!

Mr. Nielsen: The inference behind that sort of a heckle, which was sufficiently loud to be heard by *Hansard*, is repugnant and repulsive to me.

Mr. Broadbent: Touching.

Mr. Nielsen: He would do better, as he plays his imaginary violin, to listen to the words of the Hon. Member for Nunatsiaq who put his finger directly on the motivation and the purpose of this kind of question by those Hon. Members.

POSITION OF MINISTER

Mr. Jim Fulton (Skeena): Mr. Speaker, I have a supplementary question. Referring again to page 9, it indicates: "The purpose of this Memorandum is to ask Ministers to approve recommendations". There is one Minister in the House who has in fact already approved the recommendations, and that is the Minister of National Health and Welfare. I would like him to rise because he is quoted in the document and is known around the House as being an honourable person. In part the document reads:

> —Mr. Epp has concerns about the means supported to control costs of non-insured medical benefits.

The Minister has dealt with it. Will he rise in the House and tell Hon. Members, members of the native community, and Canadians generally, whether he has seen this document and whether he has been involved in it? Yes or no.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will tell the Hon. Member that Cabinet documents which come to me are just that; they are confidential to me as a Cabinet Minister. Until they are made public, that is how they stay.

* * *

[*Translation*]

IMMIGRATION

ALLEGED IRREGULARITIES CONCERNING SUPPOSED ILLEGAL IMMIGRANTS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Solicitor General of Canada.

We have learned today that the RCMP has prosecuted and laid charges against an immigrant who had taken advantage of

the amnesty made available to illegal immigrants under a program in effect for two years. Now, there is a contradiction between the statement made by the RCMP that it has acted upon the request of the Immigration officials and the statement made by an official of the Department of Employment and Immigration who assures us that the RCMP has acted against the instructions and recommendations of his department. Now could the Solicitor General explain how such a blunder could be made and what orders are given to those officers investigating illegal immigration cases?

● (1440)

[*English*]

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I can tell my colleagues that if this is the case of which I believe she is speaking, the charges will be withdrawn. The information did not emanate from a program that would be affected by the amnesty. I believe my colleague, the Minister of Employment and Immigration, may wish to elaborate.

[*Translation*]

REQUEST THAT HARASSMENT OF IMMIGRANTS GRANTED AMNESTY BE STOPPED IMMEDIATELY

Mrs. Lucie Pépin (Outremont): I should like to put a supplementary question to the Minister of Employment and Immigration, Mr. Speaker.

I think that the situation reported in the newspapers this morning shows that the Progressive Conservative government has betrayed the immigrants who have filed in good faith their applications under the amnesty program. Can the minister assure us that the harassment and proceedings against amnestied immigrants will immediately come to an end?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member is totally wrong in her information, as she so often is. I would like to inform the House that the individual in question, Mrs. Ellis, had her case come before the illegal migrants program during the time the Liberal Government was in office. It was this Government that granted amnesty to Mrs. Ellis. I can also assure the Hon. Member that there was no information that was passed from the illegal migrant program to the RCMP. That is the policy of this Government.

* * *

NATIVE PEOPLE

ALLEGED CABINET DOCUMENT—RCMP INVESTIGATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Deputy Prime Minister. Earlier in the Question Period, with regard to the document that we provided to the Deputy Prime Minister yesterday, he stated that it is routine when a document falls into the wrong hands for the RCMP to launch an investigation.

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

Mr. Deans: Whether he used those exact words or not, that certainly was the intent of what he said. I ask the Deputy Prime Minister whether in fact the RCMP would launch an investigation into a leaked document, attempting to find the source of the leak, without first determining whether or not that was a Cabinet document.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I suppose that would be a first step. The hon. gentleman, when he puts this question to me, should not do me the disservice of assuming what I said is what he intended I should say. What I said, and I said it three or four times already, was that it is a matter of routine inquiry whenever any document finds its way into unauthorized hands or finds its way out of the system. That is routine. It has been going on around this place ever since I have been here, which has been a few years.

ORIGIN OF DOCUMENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, far be it from me to try to misquote the Deputy Prime Minister. Is it reasonable now to conclude that the document that the RCMP are investigating, with regard to where the document came from and how it got into the hands of people in this Party and others, is in fact a document that belonged to the Government of Canada and that was in fact a Cabinet document? If the answer is no, why then are they investigating?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is the hon. gentleman and his colleagues who have been telling the House that the RCMP is investigating.

Mr. Broadbent: The RCMP announced it.

Mr. Nielsen: Well, if the RCMP have announced it, I have not heard that announcement.

Mr. Broadbent: We did.

An Hon. Member: Where have you been?

Mr. Nielsen: I am asked where I have been. I say, for the fifth or sixth time, that I would expect the RCMP to make an inquiry. It is a routine inquiry with respect to any document that finds its way into unauthorized hands or outside of normal channels.

[*Translation*]

THE AUDITOR GENERAL

ALLEGED HIRING OF TWO FORMER LIBERAL MEMBERS OF PARLIAMENT

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I have a question for the President of the Privy Council. It was reported yesterday in *La Presse* that the Auditor General of Canada had hired Mr. Pierre Deniger and Mr. John Evans to make a study of the format for submitting Government financial statements. Those are two former Liberal MPs who were defeated in the last election. Can the Minister give us some information on such an incredible story, can he provide further details?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, this is somewhat incredible in my view. To continue in English, Mr. Speaker—

[*English*]

—I am surprised at this revelation. I know nothing of this. The Auditor General, of course, should be able to carry on an independent operation. He should not only be independent, but be perceived to be independent. I find it passing strange that these people would be employed. I will inquire of the Auditor General and report back to the House at the earliest opportunity.

* * *

MARINE TRANSPORT

CN MARINE—CANCELLATION OF SERVICES TO NEWFOUNDLAND COMMUNITIES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, it is absolutely incredible to witness the spectacle of the Deputy Prime Minister wasting the taxpayers' money by having the RCMP investigate his staff.

Some Hon. Members: Louder.

Mr. Speaker: Order.

Some Hon. Members: Louder.

Mr. Speaker: I do not know how much louder I can say order. I do not know what has happened to the House today. It seems appropriate that I at least, if nobody else wants to, should be able to hear both the question and the answer. Question?

Mr. Tobin: Mr. Speaker, my constituents did not send me here to be a meek and mild mouse like the back-benchers on the government side.

Some Hon. Members: Hear, hear!

Mr. Tobin: The Government is engaged in a policy that deliberately and soberly seeks to destroy a way of life that is unique and distinctive in this country. My question is directed to the Minister of Transport. The Minister knows that, effective May 1, CN Marine has cancelled passenger and freight service to five isolated communities on my provinces' south coast, Hermitage, English Harbour West, Belleoram, Pool's Cove, and English Harbour East. Did CN make those cutbacks, that cancellation of passenger service and freight service to those five isolated communities, with his approval?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, it is true that there has been some reduction in services in the area to which the Hon. Member has referred. On examination, and I am sure the Hon. Member will want me to point this out, some of these points are served by provincial ferry services. In fact some 90 per cent of the traffic in some cases is handled by provincial ferries. In other cases these services can be provided by highway. I also want to inform the Hon. Member that there is a re-examination of some of the services, particularly the one respecting Hermitage. That is under review at the present time.

REQUEST FOR RECONSIDERATION

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Minister's answer indicates that he is beginning to understand the very severe hardship that these cut-backs are imposing on these communities. He knows that the so-called road service to those communities is impassable in winter, and nearly impassable in summer under the best of circumstances. He knows that the provincial Government cannot be counted upon. In the name of avoiding a forced resettlement out of those communities and a forced abandonment of a way of life that is unique in this country, will the Minister reconsider and instruct CN Marine to restore passenger and freight service to the people who live in those isolated communities on Newfoundland's south coast? I ask him that in good faith.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I hope the Hon. Member will not ignore some of the facts that I presented in response to his earlier question. I think they are accurate. On the second part of the question, I will take his question as a representation. As I have indicated, there is reconsideration of the service to Hermitage. We are taking a second look at it. However, I do not want to create any false expectations, because the fact is that most of those areas are well and adequately serviced by provincial service.

Mr. Tobin: No way. We won't be quiet until you restore the service.

Mr. Mazankowski: Furthermore, this Government just signed an ERDA highway subagreement which will do very much to improve the highway service within the Province of Newfoundland.

DIVORCE

PROPOSED CHANGE IN WAITING PERIOD

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I have a question for the Minister of Justice concerning the proposed changes in divorce legislation. I wholeheartedly endorse many of the excellent proposals, such as stronger enforcement of support and custody orders. My question, however, concerns the proposal to reduce the waiting period when there is a marriage breakdown from three years to one year. Would the Minister consider meeting with interested groups about this one major area of concern so that other alternatives could be examined?

● (1450)

Hon. John C. Crosbie (Minister of Justice and Attorney General): Mr. Speaker, if the House adopts the legislation proposed at second reading, it will be referred to the Standing Committee on Justice. I know anyone interested in this subject will be able to make their views known there.

The principle of the legislation is not to make divorce any easier but to make it easier for the parties involved, and particularly their children, who are innocent parties, to bear the consequences of marriages which have already broken down irretrievably, and to allow them to sever their legal relationship with as little stress and acrimony as possible. I think that is a very worthy objective for the legislation.

* * *

NATIVE PEOPLES

"OPERATION BUFFALO JUMP" INQUIRY

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Deputy Prime Minister. The code name used in the report prepared by the Deputy Prime Minister's task force was "Operation Buffalo Jump of the 1980s". Is the Deputy Prime Minister aware of the meaning of this term and its symbolism? Could he tell the House whether or not he thinks that this term is an appropriate one for a paper describing government policy for native people in 1985?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, to my knowledge there are no code names used in any of the work that I and my ministerial colleagues are undertaking regarding program review. Any code names are the product of the rather overactive imaginations of the members of the Party opposite.

MINISTER'S POSITION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. Is he denying categorically that the term "Operation Buffalo Jump of the 1980s" was used in the report? I would like to read the following and ask the Deputy Prime Minister whether or not he would confirm it.

The analysis was carried out by a mixed study team, with input from program managers, federal economic development co-ordinators, deputy heads, and the Private Sector Advisory Committee to the Task Force. Additional input came from limited—

Mr. Speaker: Order, please. Order. The Hon. Member has asked his question. I simply cannot allow him to read into the record a great deal more material. The Hon. Member has asked his question.

Mr. Manly: May I ask the Deputy Prime Minister whether or not he will categorically deny that that phrase was used?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that sounds suspiciously familiar. I believe it was included in the terms of reference that were made public preceded by an over-view to the terms of reference which were given to the study team which we asked to undertake the work. Again, the Hon. Member is reading from a document, a copy of which he might wish to provide to me so that I could make the same kind of comparison in which I said I would engage, in my response to the question put by the Hon. Member for Skeena yesterday.

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CANADA POST CORPORATION

WILDCAT STRIKE AT OTTAWA TERMINAL

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I will try not to be too meek or mild, and I will not shout either. My question is addressed to the Minister of National Revenue who is responsible for the Canada Post Corporation. As we all know too well, the country is continually plagued by postal disruptions. Last Friday's wildcat strike at the Alta Vista postal terminal was no exception. Is the Minister prepared to investigate what disciplinary action may be taken against those who were involved in the strike?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I too will try not to be too meek or mild, nor will I shout. I can indicate to the Hon. Member that the people who did not report for work at the Atla Vista plant will be docked a day's pay for not appearing. In addition to that, I can certainly indicate that from the Government's point of view all parties in the Post Office, both labour and management, have a responsibility to the people of Canada to provide a service. The Government is deeply disappointed whenever that service is not provided.

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MARINE TRANSPORT

FERRY SERVICE BETWEEN NOVA SCOTIA AND MAINE

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Transport

and concerns the reduction in service by the *Bluenose* ferry from Yarmouth to Bar Harbour. As the Minister is well aware, this reduction in service impacts negatively on the economy of Nova Scotia, so much so that the Premier has used the figure of $30 million. Could the Minister indicate to the House whether or not he has done a cost benefit study and, if so, will he be tabling that study before the Standing Committee?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, yes, there has been an assessment done by a party commissioned by Transport Canada. It certainly does not bear out the figure to which my hon. friend alluded. I should also inform the House that I met with the Premier of Nova Scotia this morning to discuss this very important issue, and I am quite confident that there will be a satisfactory conclusion brought about with respect to the future of the *Bluenose* ferry. The Premier of Halifax—of Nova Scotia—

Mr. Tobin: You got it right the first time.

Mr. Mazankowski: The Premier of Nova Scotia has indicated that together, in the spirit of federal-provincial co-operation, we will be able to ensure that adequate service will be maintained.

IMPACT OF SERVICE REDUCTION

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I remind the Minister of Transport that this reduction in winter ferry service will be harmful to fish processors, textile manufacturers, and Christmas tree shippers. Is it fair that the citizens of that part of the country must sustain further economic hardship when the Government has piled in excess of $1.3 billion on the multinational oil companies?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am indeed aware of the economic impact and that is why we are taking all these matters into consideration. The fact of the matter still remains that we should not be precluded from trying to be cost efficient and cutting out waste in order to provide a sustainable, viable, and economic service. That is precisely what we are determined to do.

* * *

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF ALLEGED CABINET DOCUMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Solicitor General. Earlier today the RCMP announced that they are carrying out an investigation into the ways and means of a document being routed into unauthorized hands. I would simply ask the Solicitor General who requested that this investigation take place.

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, under the circumstances I intend to follow the suggestion made by the Leader of the Opposition last November when he reminded me that it was a tradition in this House not to comment on details of investigations unless and until changes are laid.

INQUIRY OF DEPUTY PRIME MINISTER

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. Did the Deputy Prime Minister request that this investigation take place?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the same answer pertains as that which has already been given. I do not think that it would be in the public interest to be announcing to the House of Commons every single investigation that is undertaken. If results of any investigation—

Mr. Broadbent: You're hiding.

Mr. Nielsen: I am not hiding anything. It is simply common practice in this place to make any such announcements if and when charges have been laid as a result of any investigations.

* * *

FISHERIES

OVERFISHING BY WEST GERMAN FLEET

Mr. George Baker (Gander-Twillingate): Mr. Speaker, in the absence of the Prime Minister my question is directed to the Secretary of State for External Affairs. On Monday, May 6, the Prime Minister advised the House that he took a very strong position in discussions with an EEC member country concerning blatant overfishing under the Canada-EEC fishing agreement, on the East Coast of Canada. In view of the fact that this overfishing is still going on and that these boats were still there as of yesterday, I would like the Secretary of State for External Affairs to tell the House what strong words were used, and what strong position was taken that had such little effect.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I hope the hon. gentleman will not mind me answering his question as the Acting Minister of Fisheries. I am delighted that, after eight years, that hon. gentleman is finally speaking up and asking questions in the House of Commons about fishery matters in Newfoundland. I congratulate him on his new-found awakening.

The Minister of Fisheries met yesterday with Mr. Kiechle, who is the Minister of Fisheries for the Federal Republic of Germany, and underlined to him the very serious way in which Canada takes the overfishing that occurred on the nose of the bank. Unfortunately, the nose of the bank is not within the Canadian 200-mile economic zone. So, we have no legal powers to act on the nose of the bank. But we have left no doubt in the minds of the German authorities that this kind of action, if continued, will have serious consequences with

respect to fishing inside the Canadian zone. I would also tell the Member that under—

● (1500)

Mr. Speaker: Order, please.

FRENCH AND BRITISH LICENCES

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Minister should know that, before the Minister of Fisheries and Oceans left to meet with the EEC, he issued another licence, this time to the French fleet. They started fishing today in the same zone, and under the same quota. The U.K. has applied for a licence and it has been told that a licence will be granted. Where is the strong position which this Government is taking? Or does it have a magic formula to multiply the fishes, something which has not been done in 2,000 years?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, as a fellow Newfoundlander I am proud of that dramatic performance. Erle Stanley Gardner would have been proud of you, lad.

The United Kingdom and France have quotas remaining which total 1,530 tonnes. The United Kingdom is not Germany. France is not Germany, unless something has happened lately and they have amalgamated. Therefore, we will have to deal with the Federal Republic of Germany and hold it responsible for its actions.

When it comes to negotiating European quotas, we will certainly keep that in mind.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Wednesday, May 8, 1985, meet the requirements of the Standing Orders as to form.

The petition which was presented by the Hon. Member for Shefford (Mr. Lapierre) does not meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader the customary question about the business which he is proposing for the coming week.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, as the Hon. Member will know, I have been attempting to sit down and identify what items of business we can make progress on. There have been certain discussions and, I understand, undertakings with respect to progress. We were a bit disappointed yesterday that we did not get as far as I had been led to believe. I think we will continue with those discussions. There are still some matters which I must discuss with my colleagues.

We have a requirement to deal with a number of Allotted Days to give the opposition Parties an opportunity to consider and put forward resolutions which may be on their collective minds. For the present time, and until further notice, I would designate Monday as an Allotted Day. I will bring the business for the rest of the week to the attention of the House at the earliest possible date, once we have been able to obtain a clear understanding of our ability to make progress.

ROUTINE PROCEEDINGS

[*English*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE

Mr. Bruce Halliday (Oxford): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Health, Welfare and Social Affairs, in both official languages.

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

* * *

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 64(1), I am honoured to table a Notice of Ways and Means Motion to amend the Income Tax Act.

* * *

[*Translation*]

PETITIONS

SPOUSE'S ALLOWANCE

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I am pleased at this point to table a petition that is very important to all Canadians. It is signed by a very important group, the Executive Committee of the Canadian Action Committee on the Status of Women.

Mr. Speaker, all the members of that group representing all Provinces of Canada, all regions and all walks of life are

urging the Minister of National Health and Welfare (Mr. Epp) who is in this House to extend the spouse's allowance benefit to all persons living alone whether single or separated.

AUDITOR GENERAL

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have the honour to present a petition signed by the students of Laval University. This petition deals with the first part of the auditor General Act, Chapter 34: the Auditor General has the right to audit all the public accounts of the Government.

[*English*]

SUPPORT FOR CLOTHING FOR HANDICAPPED ORGANIZATION

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, I am pleased to present a petition which was signed by some 7,000 Canadians, many of them constitutents of the riding of Nepean-Carleton, encouraging Government support for On the Rise Association Inc., an organization which designs and manufactures clothing for handicapped and physically disabled persons.

CHANGES TO OLD AGE SECURITY ACT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a petition from the great riding of Glengarry-Prescott-Russell, from the citizens of Clarence Creek, Ontario. The petition was signed by 77 people—

[*Translation*]

—and this petition expresses the disagreement of the population of Clarence Creek with the discriminatory provisions of Bill C-26.

Mr. Speaker, I also have a petition signed by the electors from the village of Casselman. It is signed by 61 residents of the village of Casselman who also protest against the discriminatory provisions of Bill C-26 as imposed by the government.

Mr. Speaker, I have a petition signed by 33 residents of the senior citizens club, Le Réveil, of Fournier, Ontario; those people also express their disagreement with the discriminatory provisions of Bill C-26.

[*English*]

Mr. Speaker, I also have a petition which was signed by 15 residents of Lefaivre, Ontario. They, as well, are expressing their extreme displeasure with the discriminatory provisions of Bill C-26.

[*Translation*]

Mr. Speaker, I have a petition signed by 22 residents of the village of Curran, in the federal riding of Glengarry-Prescott-Russell who, like the others, want to express their disagreement with the discriminatory provisions of Bill C-26. You have guessed it, Mr. Speaker.

Petitions

[*English*]

I also have a petition which was signed by 52 people from the great village of Cumberland, in the riding of Glengarry-Prescott-Russell. These people, as well, would like to express their displeasure with the discriminatory provisions of Bill C-26.

Mr. Speaker: Order, please. I believe the Hon. Member now knows the tradition and I suggest that if he has any other petitions on the same matter he may want to table them. He may, however, have other petitions which he wishes to present on different subjects.

[*Translation*]

Mr. Boudria: Mr. Speaker, all the petitions come from different villages; therefore, I will present the others some other day because they are not all the same and, as I said, they are clearly indicated and come from different communities; it is not the same petition. However, if you think that no more than a certain number of petitions should be presented every day, I reserve the right to present the others another day.

[*English*]

Mr. Speaker: The Hon. Member knows full well that he has the right to stand in the House and say that he has petitions from a number of counties, and simply read the names of the counties, and table the petitions. That is one way of presenting them.

PROPOSED CANCELLATION OF CBC PROGRAM

Mr. Norman Warner (Stormont-Dundas): Mr. Speaker, I have the privilege to present a petition on behalf of over 200 concerned parents, students and teachers of Rothwell/Osnabruck School, Ingleside, Ontario. The petitioners are expressing their regret over the proposed CBC cancellation of the valuable program *Reach for the Top*, which has become an example of educational excellence for the participants, the school body and the entire community.

[*Translation*]

REQUEST TO AMEND BILL C-26

Mr. Alain Tardif (Richmond-Wolfe): I also have a petition which a group of residents from the riding next to mine, the federal constituency of Drummond, has presented to me to protest vigorously against the present provisions of Bill C-26. Those people too would like to see the provisions of Bill C-26 extended particularly to those people between the ages of 60 and 64 who are single, separated or divorced.

I have a second petition from the riding of Drummond, signed by some 40 people who draw my attention to the fact that it is totally unfair and definitely unjustified to exclude single, separated and divorced people between the ages of 60 and 64 from the provisions of Bill C-26, and who would like to benefit from those provisions.

Petitions

● (1510)

[*English*]

CHANGES TO UNEMPLOYMENT INSURANCE ACT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour and privilege of presenting a petition signed by hundreds of individuals in the Windsor and Toronto area, in which they protest the severance pay changes which will affect their collection of unemployment insurance benefits. The petition calls upon this House to make sure that all laid off employees who receive severance pay will be able to keep their severance pay and also collect their unemployment insurance benefits without the one affecting the other.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I too have a petition signed by residents of Ottawa Centre dealing with the effects of the proposed changes to the unemployment insurance contributions which will treat returned pension contributions as income for the purpose of determining eligibility for unemployment insurance benefits. The petitioners point out the hardship this would cause and request that this action be reconsidered.

CHANGES TO OLD AGE SECURITY ACT

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have another petition which concerns Bill C-26. It is also signed by residents of Ottawa who would like to see the extension of spouse's allowance to all single persons in need. They point out that it is discriminatory to limit it to widowed people and that there are many people between the age of 60 years and 64 years who are also in need of similar provisions.

CHANGES TO UNEMPLOYMENT INSURANCE ACT

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have a further petition signed by Ottawa residents which concerns the recent administrative changes which treat severance pay as income for the purpose of determining eligibility for unemployment insurance benefits. The petitioners point out that this causes severe hardship, particularly in areas where laid off workers have no hope of finding work easily and they request that this decision be reconsidered.

[*Translation*]

REQUEST TO AMEND BILL C-26

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, once again today, I have the privilege of presenting a petition from the people of the towns of Barachois and Scoudouc, in New Brunswick, who are requesting changes to Bill C-26.

[*English*]

THE CONSTITUTION

AMENDMENT RESPECTING POWERS OF SENATE

On the Order: Government Notices of Motions:

That:

Whereas the Prime Minister of Canada is committed to convening before the end of 1987 a constitutional conference composed of the Prime Minister of Canada and the first ministers of the provinces to consider proposals for the reform of the Senate;

And whereas it is expedient, at this time, that the powers of the Senate with respect to bills that are passed by the House of Commons be limited;

And whereas sections 38 and 42 of the Constitution Act, 1982 provide that an amendment to the Constitution of Canada may be made by proclamation issued by the Governor General under the Great Seal of Canada where so authorized by resolutions of the Senate and House of Commons and resolutions of the legislative assemblies as provided for in section 38 thereof;

Now therefore the House of Commons resolves that an amendment to the Constitution of Canada be authorized to be made by proclamation issued by Her Excellency the Governor General under the Great Seal of Canada in accordance with the schedule hereto.

SCHEDULE
AMENDMENT TO THE CONSTITUTION OF CANADA

1. The Constitution Act, 1867 is amended by adding thereto, immediately after section 54 thereof, the following sections:

"54.1 (1) Where a money bill, having been passed by the House of Commons, is presented to the Senate at least thirty days before the end of the session but is not passed by the Senate without amendment within thirty days after it is presented, the bill shall, unless the House of Commons directs to the contrary, be presented to the Governor General for assent, whether or not Parliament is then in session, and when assented to shall the same force and effect as if passed by the Senate.

(2) There shall be endorsed on every money bill when it is presented to the Senate and when it is presented to the Governor General for assent the certificate of the Speaker of the House of Commons signed by the Speaker that it is a money bill.

(3) A certificate of the Speaker of the House of Commons given under subsection (2) shall be conclusive for all purposes, and shall not be questioned in any court of law.

(4) In this section and section 54.2, "money bill" means a public bill that, in the opinion of the Speaker of the House of Commons, contains only provisions dealing with the following:

(*a*) the imposition, repeal, remission, alteration or regulation of taxation;

(*b*) the imposition for the payment of debt or other financial purposes of charges on the Consolidated Revenue Fund or on money provided by Parliament, or the variation or repeal of such charges;

(*c*) supply;

(*d*) the appropriation, receipt, custody or issue of public money;

(*e*) the raising or guarantee of any loan or the repayment thereof; or

(*f*) subordinate matters related to any of the matters set out in paragraphs (*a*) to (*e*).

54.2 (1) Where any bill, other than a money bill, having been passed by the House of Commons, is presented to the Senate at least forty-five days before the end of the session but is not passed by the Senate within forty-five days after it is presented, the bill shall, unless the House of Commons directs to the contrary, be presented to the Governor General for assent, whether or not Parliament is then in session, and when assented to shall have the same force and effect as if passed by the Senate.

(2) Where any bill, other than a money bill, having been passed by the House of Commons and presented to the Senate, is passed with amendments by the Senate, and the House of Commons does not concur in the amendments within fifteen days after the bill is passed by the Senate, the bill, in the form in

which it was presented to the Senate but with such amendments made by the Senate as are concurred in by the House of Commons, shall, unless the House of Commons directs to the contrary, be presented to the Governor General for assent, whether or not Parliament is then in session, and when assented to shall have the same force and effect as if passed by the Senate.

54.3 (1) In every bill presented to the Governor General under section 54.1 or 54.2, the words of enactment shall be amended by striking out any reference to the Senate.

(2) Any alteration of a bill to give effect to this section shall be deemed not to be an amendment of the bill.

54.4 Any law made pursuant to section 54.1 or 54.2 shall be deemed, for the purposes of any other provision of the Constitution of Canada, except Part V of the Constitution Act, 1982, to have been made by and with the advice and consent of the Senate and House of Commons.

54.5 For greater certainty, nothing in sections 54.1 to 54.4 shall be construed as amending Part V of the Constitution Act, 1982.

54.6 Nothing in sections 54.1 to 54.4 diminishes or qualifies the rights and privileges of the House of Commons."

2. The said Act is further amended by adding thereto the following heading and section:

"XII.—REFERENCES

148. A reference to this Act shall be deemed to include a reference to any amendments thereto."

CITATION

3. This Amendment may be cited as the Constitution Amendment, year of proclamation (Powers of Senate).

Mr. Speaker: Pursuant to Section (2) of Standing Order 25, the Notice of Motion standing on the Order Paper in the name of the Minister of Justice is transferred to, and ordered for consideration under, Government Orders later this day or at the next sitting of the House.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Question No. 235 will be answered today.

[*Text*]

GRANTS TO NEW BRUNSWICK

Question No. 235—**Mr. Howie:**

Since January 1, 1984, did the Department of Consumer and Corporate Affairs make any grants to persons in New Brunswick and, if so, to whom and in what amounts?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): The Department of Consumer and Corporate Affairs does not award grants to individuals but rather to consumer organizations at the beginning of a given fiscal year. For the period January 1, 1984 to January 24, 1985, which encompasses two fiscal years, grants were awarded to the following consumer organizations in New Brunswick:

Supply

1983-84	Comité d'action sociale, Projet de justice sociale, Brantville, N.B.	$3,000
	Oromocto Information Service Centre, Oromocto, N.B.	$4,000
	Family Enrichment and Counselling Services, Moncton, N.B.	$10,000
1984-85	Comité d'action sociale, Projet de justice sociale, Brantville, N.B.	$4,000
	Oromocto Information Service Centre, Oromocto, N.B.	$4,000

The UFFI Assistance Program make payments to home owners in respect of dwellings insulated with urea formaldehyde foam insulation. For the period January 1, 1984 to January 24, 1985 a total of 2,535 home owners in New Brunswick received assistance payments. The average amount for an individual claim in this province is $4,939 and the total amount of assistance paid for the period in question is calculated to be $12,503,026.

Metric Commission Canada

Metric Commission Canada had no mandate to provide grants. However, under the Commission's Assistance Program—Worker's Metric Tools, contributions were made to 353 individuals in New Brunswick, for a total of $155,418.04, during the period January 1, 1984 to January 24, 1985.

[*English*]

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

Mr. Speaker: The question as enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—CANADIAN ARTS COMMUNITY

The House resumed consideration of the motion of Ms. McDonald:

That this House condemns the Government for its failure to support the Canadian arts community, specifically by,

(1) cutting funding to independent cultural agencies, leaving artists in poverty;

(2) compromising the arms-length principle in relations between Government and funded agencies; and

(3) increasingly bringing arts funding under direct ministerial control, and making partisan appointments to cultural agencies.

Mr. Speaker: I am given to understand there are eight minutes remaining in the question and comment period. I

believe the Hon. Member for Winnipeg North (Mr. Orlikow) is replying at this point to a comment or question.

Mr. Orlikow: Mr. Speaker, in the course of my short speech, I made reference to the Minister of State for Youth (Mrs. Champagne). I want to make it clear that nothing I said or intended to say should be taken as any criticism of the Minister of State for Youth. I mentioned her name because in the previous Parliament when you, Mr. Speaker, and myself were part of a sub-committee looking at the problem of the taxes of artists, writers and musicians, the present Minister of State for Youth was one of a delegation which appeared before us. I knew that before she became a Member of Parliament the Minister had worked in the artistic field. So what I was trying to point out was that she understood the problems of artists and writers.

The Minister of State for Youth suggested that not all of the funds available for arts and culture came through the Minister of Communications (Mr. Masse). That is true. She suggested that, for example, her Department was responsible for the funding of some artistic and cultural activities. I know that is true. And I say to the Minister that when we have all of the reports and have seen the final figures, if the allocations for arts and culture from all Departments and agencies actually equal the amount expended last year, plus the increase in the Gross National Product, I will be the first one to stand and congratulate the Government for meeting the pledges it made. But I do not believe that will happen and I think all of the figures we now have prove that that is not going to happen.

Mr. Keeper: Mr. Speaker, I know the Hon. Member was not here when the Minister of Communications (Mr. Masse) made his speech, but I was here and the Minister of Communications went into a tirade about socialism. He criticized the New Democratic Party and said that the NDP in government, or socialism, would lead to a loss of liberties.

I would like the Hon. Member to comment on the history of this Party as it affects civil liberties; for example, with regard to the Japanese. Could he comment on which Parties in this House stood up for the Japanese historically with respect to the War Measures Act? It was this Party which stood against the War Measures Act and a piece of legislation which, when activated, did great damage in the Province of Quebec, the province of the Minister of Communications. It was a piece of legislation which was used in an arbitrary fashion to harass people from all sectors of society. I would like to hear my colleague's comments with regard to the Minister's claim that our Party represents a loss of civil liberties.

Mr. Orlikow: Mr. Speaker, I have already dealt with the charges of the Minister when I pointed out to him that Parties such as ours in Great Britain, Sweden, Norway, Holland, Belgium, Australia and New Zealand, are social democratic Parties, and they, like ourselves, belong to the Socialist International. Freedom is alive and well in all of those countries in which Parties such as ours are the Government or have been the Government.

• (1520)

It is easy now to wax eloquent about what happened to the Japanese in Canada during World War II. The fact is that it was a Member from Vancouver—I cannot remember the riding—Mr. Angus MacInnis, who, despite the fact he knew about the feelings in British Columbia against the Japanese, made it very clear that they were being mistreated, harassed and moved just because they were Japanese and their colour was different from that of the rest of us.

In so far as the War Measures Act is concerned, there are Members on the Government side who I am sure know better than I do that hundreds of people were arrested and incarcerated on the orders and by the direction of the then Liberal Prime Minister. They were not permitted to see a lawyer and not one of them was ever charged, let alone convicted, of having been disloyal to this country. We were the only ones who spoke up against that.

Mr. Stackhouse: Mr. Speaker, I listened with interest to the remarks of the Hon. for Winnipeg North (Mr. Orlikow). Early on he referred to the erection of Roy Thomson Hall in Toronto as an example of what the private sector can do. However, he looked upon that as a rare, even isolated example, and invited us to suggest others.

Taking him up on that invitation, I jotted down a few which are within walking distance of the Roy Thomson Hall, and which have been constructed either partially or wholly with private funds. For example, the O'Keefe Centre; the St. Lawrence Centre, which received public money but also contributions from a very large number of private donors; the Gardiner Ceramics Museum which recently opened in central Toronto; the Sigmund Samual Canadiana Museum and the Sigmund Samual Library. These are examples of what the private sector can do.

Again, we need to recoginze that, properly stimulated and encouraged, the private sector can be a source of much vitality in the arts community, as it has been in the past and can be in the future. Many of the institutions to which I refer represent a combination of public and private money, and surely that is demonstrated in the policies of the present Government. In spite of today's debate, which implies that there will be no money given by this Government to the arts community, massive contributions will be made. On top of that, surely it is right that we encourage much more participation in the development and encouragement of the arts by private donors.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, it is indeed a great honour to follow the Hon. Member for Winnipeg North (Mr. Orlikow) in the debate on this motion. Although we share a table in the Standing Committee on Communications and Culture, I have not yet had a chance to tell him that when I was growing up in Winnipeg in the 1950s he was my Member of Parliament. So that makes me either very young or him very old, I am not sure which.

The motion put forward by the Hon. Member for Broadview-Greenwood (Ms. McDonald) suggests that our Government is cutting funding to cultural agencies and leaving artists in poverty. That is based on the assumption that we may be throwing out the bath water and leaving the baby struggling to survive. Well, if one wanted to agree with that assumption, one would have to assume that the baby, the Canadian cultural community, is healthy in the first place, and I submit that it is not.

In my earlier intervention this morning, I mentioned that we in Canada spend more on culture per capital than the British and Americans combined. What is the result? A strong publishing industry with a gallery of artists of international renown? A thriving motion picture industry which dramatically reflects our nation's identity? Plays and poems and artists who can stand on their own? Or simply survive on the Government teat, continually demanding more and more money just to survive?

The situation is ridiculous. We have to send 40 CBC employees to the Cannes Film Festival to peddle our cultural product. That tells you a lot about the quality of that product. I submit that the world film community would come to us if we simply produced a better product.

In my view, the reality of restraint gives us a unique opportunity to address afresh, systematically and creatively, the issues which face us in the broad arenas of communications and culture. As a fiscally responsible Government we cannot afford to throw money at the problems. It did not work in the past and it will not work now. Most important of all, we owe it to the people of Canada to give them value for their tax dollars. You do not necessarily produce a better product by throwing more taxpayers' dollars at the cultural community of this nation.

Right now in Vancouver, British Columbia, a movie called "Rocky IV" is being produced. They have recreated Russia in the PNE Agridome. There is absolutely nothing Canadian about that production except for the fact they are throwing a few dollars our way. It is a ridiculous situation. How many times have we seen a Canadian film or television program where they change even the licence plates on the automobiles so that the poor viewer does not confuse Vancouver or Toronto with New York or Los Angeles? Our theatres are owned and controlled by Americans showing excellent films which are not Canadian.

We had our chance to change that 40 years ago. The Liberal Government of Mackenzie King saw the problem and decided to act. It wanted to restrict the number of American movies which were coming into our nation, and try and build up, in the National Film Board, our own national film industry. But they were wined and dined by the Hollywood moguls and the decision which was eventually arrived at was if Gary Cooper or Jimmy Stewart every now and then mentioned Canadian geese in a western flick, then it was all right and the film could be shown in Canada. We sold ourselves short. We sold our National Film Board short and we sold our artists short as well. That was a watershed in Canadian culture, the 1940s, and that was when the bath water and the baby were thrown out, in my opinion.

So we have a 2.9 per cent cut in funding to Canadian cultural agencies, and Pierre Berton is going to starve. That is absolute nonsense, Mr. Speaker. The real shame, the real crime, is that we have so many good stories to tell and we are not telling them. The intense drama and tension of the life of Louis Riel; the incredible discoveries of Simon Fraser, David Thompson and Alexander Mackenzie; the saga of our Indian peoples, or the miracle of Steven Fonyo's run. From the struggles of our forefathers to create this nation, to the high level adventures of an astronaut, our first astronaut being Marc Garneau, we have so much to share with each other and we are just not doing it through Canadian cultural activities.

The lack of a distinctive Canadian culture is particularly evident, as my friend the Hon. Member for Saint-Denis (Mr. Prud'homme) mentioned earlier, in English Canada where I come from. English Canada is threatened, and it is a real threat, with inundation by American culture. The simple and straightforward solution is to cut along the 49th Parallel and float away. Or we could jam the skies and keep out those alien satellite signals which are inundating our homes in Canada. The most difficult solution for us as a government and people is to create some sort of incubation system to help our artists along, to learn from the best and to create the best. I do not care if you call the agency Culture Canada or the National Film Board or the Canadian Identity Agency, but what we have been doing up till now has not been working and we have to change the mechanism. We have to involve the public and private sector and the artists of Canada in order to produce a better product.

Let us acknowledge right here that the *Beachcombers* cannot compete with *Dallas*, so let us not try to compete dollar for dollar. Let us try and do what we do well: animation, documentaries, television drama. We cannot compete with American or British productions dollar for dollar. Therefore we should try to find a way to tell our story well and not prop up an inferior product with more and more money that has to be borrowed in the first place.

• (1530)

Time is critically important. The skies are full of satellite signals that are entertaining and informing Canadians. They are entertaining and informing my children and others. But the majority of those signals are not mirroring the interests, the concerns or the desires of our fellow Canadians.

As the mover of this motion stated earlier, we have artistic palaces all over the country while our artistic community struggles to survive. Therefore, I suggest that we must change the delivery system. That is why our Minister of Communications (Mr. Masse) has criss-crossed the nation to learn the best way to bring about change. The same kind of Conservative Government that created the CBC is now going to initiate a new mandate for the Canadian cultural community.

It will not do so at any cost. It is not doing it in the old way by throwing money in the hope that it will stick somewhere.

Rather it is doing it through a new incubation system to do what we should have done decades ago. We should fertilize the field and build a better product that people will buy, and we will encourage our best to create the best. Only then will our artistic community as well as our national culture survive.

One suggestion from the Applebaum-Hébert report and from some independent producers as well is that CBC drama production should be taken over by the independent production centre. That is an interesting idea that has not been acted upon.

Another concept of which I am more aware is the Shakespeare Plus Festival in Nanaimo. This concept came from the grass roots when someone thought it would be a good idea and acted upon it. Local artists are encouraged to take part, and now that festival provides a fair monetary return to the community in tourism.

This was not an idea of CBC in Toronto, but simply a case of a group of people from my community who saw a cultural need and answered it. That is the kind of cultural endeavour that we should be encouraging as a Government.

With these kinds of opportunities for our artists, people like William Shatner, Robert Goulet, directors like Norman Jewison and Ted Kotcheff, actors like Margot Kidder, Lorne Greene and, dare I say, Leslie Nielsen, and writers like Arthur Hailey and Bernard Slade would all stay in our nation.

Mr. Epp (Provencher): What was that name?

Mr. Schellenberg: Leslie Nielsen. You may recall the name, Mr. Minister. These people would stay in our community in order to produce the product that we need.

On March 20, the Hon. Member for Saint-Denis (Mr. Prud'homme) said in this Chamber, "I am convinced that the Government is prepared to preside over a massive erosion of this country's impressive cultural achievements". I submit that just the opposite will prove to be the case. To paraphrase the former Leader of his Party, "Just watch us".

Ms. McDonald: Mr. Speaker, the Hon. Member has made a number of apt remarks about the film industry and its sorry history in Canada. While I heartily agree with him, by and large he has not really debated the motion. Indeed, he has made throw-away comments that quite misrepresent the point that I was trying to make. He made allusions to the proposition in the motion that artists have been left in poverty by the Government's policy. I meant "left in poverty" very precisely and clearly. Many were in poverty before, and it is not that this is something new. Artists have been living in poverty under previous Governments' mismanagement and they are continuing to live in poverty. It is not that the changes are so radical that suddenly artists who were not poor before are now poor; it is that the Government has failed to act to improve their situation, having promised to do so.

I did not suggest at any point that all artists are poor. Obviously, that would be a preposterous assertion. Pierre Berton and a number of other artists do very well. Nevertheless, the average income of full-time writers in Canada is $7,000 a year. That is an average which means that many writers are earning much less. For example, poets are earning very much less.

Is the Hon. Member satisfied with those results and content just to make the throw-away statement that Pierre Berton is not suffering, as if that were supposed to cheer up those who do not have the same kind of advantages as Pierre Berton?

Finally, the Minister of Communications (Mr. Masse) has not only criss-crossed the country to talk to provincial ministers of culture, he has criss-crossed Europe to go to Madrid, Athens, Algeria and many other places.

We are not entirely sure why he has visited those places but it has cost a lot of the taxpayers' money to send him there in a private jet. It is not clear if this has advanced Canadian culture or served the ends of consulting the Canadian arts community.

Mr. Schellenberg: Mr. Speaker, I am sorry that my hon. colleague misunderstood my remarks. I was addressing the larger question. I was not agreeing with her supposition that the decrease in funding to the cultural agencies results in poverty or has increased the poverty of our cultural community. I am saying that we have an idea which will let us do what we can to build a better product that will sell so that our artists do not have to come continually to the government trough in order to survive. We would raise that $7,000 to the $20,000 or $30,000 that the American artists make because they are building a better product.

There are ways for the Government of Canada to encourage this. Previous Governments have done this by throwing money at the problem, and I disagree totally with that concept.

The Hon. Member commented on the fact that the Minister of Communications has travelled throughout the country talking to ministers of culture, Conservative or otherwise. May I remind her that he held the first meeting of ministers of culture in this country in over three years. That is something the previous Government could not even attempt to do.

The Acting Speaker (Mr. Paproski): Further questions or comments? Debate.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, when the Tories came to power in Ottawa last fall and slashed the budgets and grants to the arts and entertainment industry, slammed the CBC and intimidated the media, they did so under the guise and in the name of economy. They said that it was done in order to economize and cut out the fat. However, we know that there was far more to their agenda than that.

We know that what the Government did was grave and serious. It caused consternation, sorrow and confusion in every quarter of every province. We know that this has been so in the entire cultural and arts community.

After listening to the comments of the Minister this morning and watching his reaction of apparent surprise at all this concern in this resolution, as well as listening to the comments

of the Hon. Member for Nanaimo-Alberni (Mr. Schellenberger), one would think that we were debating something about mouse traps.

However, we know that this is far more serious than that because mass meetings have been held in a way that has never occurred in the history of this country in the arts and cultural field. Never before has there been such an expression of spontaneous outrage in place from British Columbia to Halifax. I suggest that the Government is playing at pretense when it acts surprised that there is some kind of problem here. It is not taking seriously the issue that has been put forward today, the issue about which the public is concerned and, above all, about which the industry and its people are concerned.

The outrage goes beyond the entertainment industry and to the public because finally it is beginning to dawn upon the average Canadian that what we are seeing here threatens each and every Canadian, not merely the people in that industry.

The more people realize what is happening, the more they realize that this is not just simply a discussion about fat cats, power struggles or a group of 40 people who went to the Cannes Festival. It is not about wealthy performers and dilettantes. Canadians are beginning to realize that what is increasingly at stake is not only the survival of a few jobs or even an industry, but our entire nation as a culture and its survival.

National survival is at stake. I suggest that successive Liberal Governments over the decades have worked arduously to free Canada from foreign captivity, to overcome the doubt and confusion as to whether we are American, British or both. We have had to affirm that proud though we are of our heritage from Britain and France, and pleased though we are to be friends of the United States of America, we are neither French, British nor American, but Canadian.

We have had to battle enemies from within and from without. We were able to defeat separatism from within our nation by a referendum. We assured a large part of the population that they were not part of Britain or the United States but part of a nation called Canada, free and independent, a country where francophones could play a significant role. While we are a small nation we assured them that they had a part in it, and a significant part in it.

● (1540)

We also had to beat the reactionaries who wanted to cling to the past. Over the years the Tories persistently personified that reaction with their constant and sometimes hysterical resistance. As my colleague said so well this morning, there was a flag debate and we were finally able to get a Canadian flag. Then there was the battle with the Tories over *O Canada*, which would become our national anthem. Bit by bit the Tories retreated, and finally as the forces of Canadianism advanced, they allowed a Canada Day after some resistance. Their last battle was the Constitution and the Charter of Rights, a battle that was interrupted by rather noisy bells at times. I happened to be part of that debate but while a real rear-guard resistance was made, we made Canada a nation that had its own Constitution housed in Canada and its own Charter of Rights. We established the principles of a nation based on multiculturalism.

I suggest that Liberal Governments fought step by step to move us toward a Canadian identity. It is what the people wanted.

A Canadian identity demands Canadian independence. Unless we are masters of our own economy, of our own environment and our own way of life, free from external blackmail, bribery and takeovers, we cannot call our souls our own. That is why we moved as Liberals, to try to encourage Canadians into the energy field and we increased Canadian ownership of the oil fields from 25 per cent to 50 per cent. That is why we established FIRA to set up standards to make sure that foreign investment would not be detrimental to Canadians and would encourage a Canadian presence in business conducted in Canada.

When you realize that Canada, as Mel Hurtig has testified and proven, has a higher percentage of foreign ownership than any other nation, it is no wonder that we took steps to try to correct that imbalance.

Yes, we are a small nation and we are vulnerable because of our size. That does not mean we have to succumb.

While Canadian independence and Canadian survival depend on our ability to prevent encroachment and subservience to foreign domination, whether it is military or financial domination, the most critical area of all is our ability to maintain our cultural identity. Culture means not only music and fine arts. It also means media, entertainment, radio, television, books, journals, cable TV, advertising, and everything and anything that reaches the ears, the eyes, the senses and the minds of our children, of our seniors, of our young, and of our middle-aged alike. That is where our identity and our national soul is reached. That is true today even more than before.

Some people think we are making too much of some cuts to the CBC and cuts in grants to the National Film Board and the Canada Council, as well as cuts in grants to individuals and groups of artists across the country, but these cuts are cutting into the morale, the infrastructure and the survival of an industry with a great potential for the future both here and abroad. Broadcasting, media entertainment, information, art and culture make up the fourth largest industry in this nation. It has an important export market as well, one that is highly labour-intensive.

Contrary to the stereotypes that people have of rich actors, directors, fat cat bureaucrats, what the Tories have hit are the lowest paid in the economy, our artists and entertainers. Two hundred and seventy-three thousand Canadians identified themselves as holding cultural arts related occupations in 1981. The number being hit by this Government's policy is far greater than 273,000. This Minister of Communications (Mr. Masse) has destroyed jobs, not created them. It is not only the jobs that are being destroyed, but the industry itself. If you tear away such basic structures as the CBC, you tear away the infrastructure needed to maintain a viable, modern Canadian

system of communications. When this infrastructure starts to weaken, this solid base, individuals panic or despair. They look elsewhere for other occupations or they leave for other countries. They leave the industry. This creates still further panic. It has a terrible domino effect. One job loss creates the next job loss. Worse yet, the damage is not only to the present generation, but it menaces the future. Young people who are considering a career in communications and culture look at what this Government is doing and witness the trembling of this infrastructure. They consider either going to some other country or not developing their talents at all. We saw this phenomenon take place once before when the Tories pulled the plug on the Avro Arrow airplane. It also was billed as an economy measure.

Yes, many interesting things are done in the name of economy. That was billed as an economy measure. Not only were thousands of Canadians thrown out of work then, but those people went to the United States or to Great Britain. A large proportion ended up in the American space industry and were part of one of the basic groups that formed NASA, all because we economized on the Avro Arrow rather than developing our own aeronautical industry. You need to have foresight Mr. Speaker, to be able to see that an industry has value. You need to have foresight, and rather than cutting back on it, you should increase it. You should put more into it because it has a future.

There cannot be many Members of Parliament in this House, Conservatives, Liberal or NDP, especially those from the larger population centres, who have not had letters and phone calls in their offices from people concerned about their future. A young woman expressed doubt in a phone call to our office about carrying on in the field of music because she depends on part-time work to help her while she studies and further develops her musical talent. Another one doubts whether she can stay in Canada and study here because if she starts out in Baltimore or Los Angeles she can grow up in the industry and be where the jobs are. A middle-aged couple are worried because if they encourage their children to pursue their artistic talents here, it will mean the certain loss of their children to the United States.

Those cuts are not measures that affect some closed system of bureaucracy; those cuts are measures that have a domino effect that hit jobs in a very labour-intensive industry, shearing away the infrastructure of that industry. This destroys morale, causes hurt, creates confusion, doubt, and pessimism, and discourages the development of talent.

You cannot underestimate that, Mr. Speaker. While it is not something tangible and able to be measured, it is a very real factor regarding the future. This is a time when in certain sectors, especially entertainment, information, and the media, we should be going forward, expanding and believing in the future. We should be investing also in research and development in the technical end of the communications industry. Hand in hand with that our entertainment industry should grow. We will then have not only a domestic market, but also external markets. We should think of our great Canadian artists, our bands, our orchestras, our painters, our television productions and our ballets. Canadians have excelled in many fields. We are proud of them. However, while we say we are proud of them, we allow the Government to cut back on the very forces which gave life to those institutions.

• (1550)

Tory times are times when we see regression. They are not times of venture or adventure. They do not have the minds of venture capitalists. They always want to shrink everything down to the size of their vision and mentality. It is regression, withdrawal and pessimism. Those are Tory times. As we lost the aeronautical and the space industries, we are now to lose the communications industry.

As I said in my speech in the House on February 1, 1985, the greatest danger of this Tory policy on communications is the loss of our identity, the loss of our soul. Three-quarters—and in large metropolitan areas it is as high as four-fifths—of our television time is taken up by American programming. The protection of FIRA is being ripped away by Bill C-15. The Americans will be able to invade not only our airwaves but will be able to take over many of our companies dealing in communications and culture. At a time when our identity as Canadians is most threatened, we should spend more money, not less.

It appears that the Tories have mesmerized many people with the seductive appeal that to obtain more jobs we should sell out, attract more American investment and more multinationals to Canada. They tell us that we should be more patient and quieter with the Americans about our ecology, our environment and our foreign policy, that today it is "in" to favour being part of the great American continent and enjoying the fruits of American continentalism. That is Tory policy.

As I said at the outset, a great deal is at stake. Down through the years, until now, Canadians of all Parties agreed that it would cost a premium for Canada to remain a sovereign nation. In the past there was always a temptation to sell out to the colossus to the south. However, we know that our history has been one of resistance to that seductive, simplistic solution. I believe Canadians are prepared to pay an additional $10 or even $20 each per year to invest in our culture and our communications once they understand what is at stake. When they understand what is at stake, they will be prepared to pay far more per person to stop the Tory policy of cuts to that basic industry. Canadians will believe that it is worth paying the extra price, a premium, to remain independent and free.

Mr. Boyer: Mr. Speaker, does the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) realize that he just advocated an additional tax of $500 million? Does he really think that Canadian citizens are ready, willing and able to pay that?

Mr. de Corneille: Mr. Speaker, I was actually being facetious, in a way, in pointing out that the average Canadian, for the paltry few dollars required to make up the $80 million which was cut,—and it would really mean about $4 per Canadian—would rather have that than the kind of Tory

policy which is slashing away at the very infrastructure of Canadian culture and an industry which is Canada's fourth largest. That is my first point.

My second point is that Canadians must understand the gravity of the situation which has been created by the Tories. By undercutting FIRA, by eliminating the protections to our economy from foreign investments and takeovers, for example, the takeovers of some of our companies in the communications field, Canadians should realize that we are facing very dangerous times and that perhaps we require some extra investment to overcome what the Tories have done by their policies. They have handed over to the multi-nationals, to the seven sisters, that which was reserved as an opportunity for Canadians at last to invest in their own country. When Canadians begin to understand the ramifications, they would rather give a few bucks more than allow the destruction of their soul.

Mr. Boyer: If the Hon. Member was being facetious when he made that point with great vigour and seriousness showing on his face and in his words, was he also being facetious, or was he just misinformed, when he referred to the change in the foreign investment review legislation? He paraded before the House his view that there will no longer be any protection for cultural agencies in this country. Over the past many weeks has he not familiarized himself adequately with the new legislation our Government brought in which requires special protection in the case of communications agencies from foreign takeovers?

Mr. de Corneille: I said that I was being facetious when I used the figure of $10 because $4 would do it. I am sure the people would be willing to spend quite a bit more per person if they realized that their Canadian survival was at stake.

Mr. Boyer: $20 per person?

Mr. de Corneille: Regarding the Investment Canada Bill, Bill C-15, it does not guarantee any protection of the cultural industry. It indicates that the Government may review it. When we see the size of the loopholes, through which a truck could drive, for foreign companies to enter into the field and take over Canadian companies, it seems as though there was no sincerity in terms of trying to prevent foreign investment and takeovers of Canadian firms, which might result in the loss of huge numbers of jobs to foreign investors who might take them elsewhere.

Ms. McDonald: Mr. Speaker, I have a comment, followed by a question. Indeed there is a great deal of evidence that Canadians are prepared to pay more to support public expenditure in the arts field. However, Canadians underestimate what is needed in that field. Because they always hear about hand-outs, they think that in fact more is going to artists than is the case. When they hear how little it is, they are prepared to pay a great deal more. A lot more could be done along those lines.

The Hon. Member made a number of eminently sensible remarks in his speech, but I think he evaded one of the main points of the motion before us. I am very critical of what the Conservative Government has done for the arts, but let us be very clear that it is a slippery slope. We see the Conservatives behaving in a manner that is worse than the Liberals. The Liberal record is not very good either. Would the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) care to comment on that? Under the Liberal Government, federal spending for the arts declined in real terms in the last 10 years. The Liberal Government did not do any of the practical things he suggested which might help artists. Now that he is in opposition he sounds very nice when he supports artists. But where were they when it counted?

Mr. de Corneille: Mr. Speaker, I would like to add to the comments and the question of the Hon. Member for Broadview-Greenwood (Ms. McDonald). If we calculate how much $4, $5 or even $10 per person would be, we would realize that it is the cost of a couple of movie tickets. We realize how much we benefit from the CBC and from Canadian artists. Canadians are prepared privately to pay quite a lot for a seat in a movie-house, a seat at a baseball game and so on. In fact, such a small amount to salvage or save our industry would be well worth spending. I believe Canadians will make it known to their Members of Parliament, especially to those on the government benches, as they understand more clearly what is happening, that they want better from them than cut-backs in an important industry which is so vital to Canada's identity.

• (1600)

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I have one brief comment and a question for the Hon. Member for Eglinton-Lawrence (Mr. de Corneille). The comment is that it is almost beyond belief that we have an Opposition Day today and we have one, two, three New Democrats present, one member of the Official Opposition present, the Member who has just spoken—

Mr. Angus: Mr. Speaker, it is my understanding that it is inappropriate for a Member to make reference to those in or out of this House.

The Acting Speaker (Mr. Paproski): Order, please. If he did say it, he should not have said it.

Mr. Scott (Hamilton-Wentworth): Thank you, Mr. Speaker. I should not have said it.

Mr. Parry: Mr. Speaker, I rise on a point of order. I just want to point out to the Hon. Member that the count is four New Democrats and one Liberal.

The Acting Speaker (Mr. Paproski): Order, please. I have said this once before. Members should know very well, particularly those who have been here for quite a while, not to reflect on who is in the House and who is not in the House.

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I promise not to get into the numbers game in any further comments. I

would, however, happily record the fact that the numbers have swelled in the last minute by about 25 per cent.

The Hon. Member for Eglinton-Lawrence said quite correctly that mass meetings concerning the arts have been held right across this country. He is absolutely correct. I would call them Marcel Masse meetings with the cultural community. I have attended such meetings. I am wondering if the Hon. Member for Eglinton-Lawrence will give some credit to my Minister for being the very first Minister in a long line of Ministers of Communications to sit down with his provincial counterparts and map out Canada's future policy on the arts and culture, or does the Hon. Member still adhere to the old Liberal Government philosophy that the provinces do not count and that they should not be consulted?

Second, will he agree that, while the arts and culture community in this country is extremely fragile and susceptible to any cut-backs in funding, no sector of the Canadian economy can be exempted from this necessary attack on the Government's deficit? It is fine when people say, "Let's tackle the deficit, but don't touch me. Anybody but me." I just wonder if the Hon. Member will realistically consider the fact that the message has got through to my Minister, to me and to the Minister of Finance (Mr. Wilson). We know how susceptible and vulnerable the arts community is, and I would like him to explain how you can exempt any one sector of Canadian society when you have to launch an all-out offensive on trying to reduce this deficit.

Mr. de Corneille: Mr. Speaker, I am very interested to hear that now through the eyes of the Tories they see a lynch mob as being a tea party. First of all, when the Minister visited, those visits followed mass meetings of protest. There was a need for him to find out and to show his presence. It was a good idea to let people know that he was actually concerned about the fact that in his own area there were mass meetings for the first tie in the history of that community at which people raised protests and expressed their anger at the situation that had developed. I would not call a lynch mob a tea party.

There is a second part to the question which has to be addressed. The Hon. Member asked whether we should be addressing ourselves to the future. I believe it would be a very good idea for us to address ourselves to the future, but the present cuts are cutting into the people. He asks whether every group should not have to suffer. Does the Hon. Member believe that those in the oil patch who are benefiting, the large oil companies with their sudden huge findings of windfall money, should not also pay through the nose? Why should the little people earning $7,000 a year or less have to pay when they don't have those profits?

The Acting Speaker (Mr. Paproski): I regret but the Hon. Member's time has expired. Questions and comments are now terminated.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Don Valley East (Mr. Attewell)—Young Offenders Act—Request for comprehensive review; the Hon. Member for Trinity (Miss Nicholson)—Canada Deposit Insurance Corporation—Committee study; the Hon. Member for Drummond (Mr. Guilbault)—Textile Industry—Government position.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—CANADIAN ARTS COMMUNITY

The House resumed consideration of the motion of Ms. McDonald:

That this House condemns the government for its failure to support the Canadian arts community, specifically by,

(1) cutting funding to independent cultural agencies, leaving artists in poverty;

(2) compromising the arms-length principle in relations between government and funded agencies; and

(3) increasingly bringing arts funding under direct ministerial control, and making partisan appointments to cultural agencies.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I am tempted to react to the Hon. Member opposite who pointed out the number of New Democrats in this House. I do not want to do that. It would be wrong for me to point out that percentage-wise there are—

The Acting Speaker (Mr. Charest): Order, please. I think that whole issue was dealt with by the previous Speaker a couple of minutes ago.

Mr. Keeper: I will not mention that proportionately there are fewer Conservatives.

I welcome the opportunity to enter this debate. It is good that we have Opposition Days in this House. Otherwise the question of culture and the arts would not come to the attention of the House of Commons. The priority that has been placed on culture and the arts by the Government is so low that the only way we can have a serious debate about culture and the arts in this House is through the vehicle of an opposition motion. The Government has moved to cut public expenditures in the field of arts and culture. We have yet in this debate to hear a credible reason for the cuts it is carrying

out in culture and the arts. In the absence of a credible reason from the government side, I will have to pose some questions as to why the Government might be cutting in these fields.

For example, have Canadians been demanding cuts in the arts and in culture? Have Canadians been saying to the Government that we are spending too much on arts and culture? We should examine a few facts. We should look at the attitude of Canadians with regard to the arts. Something like 82 per cent of Canadians believe that it is important to promote, encourage and develop talent and artistic activities, and 78 per cent of these Canadians think that federal dollars should support the arts.

Does the policy adopted by the Government that means cuts in spending for arts activities reflect the attitude of Canadians? Quite clearly, no. This is sad. When the members of the Party opposite ran during the election and sought the confidence of Canadians, they promised to be more sensitive to public attitudes, to listen to people and to do what the public wanted. They contrasted their promises with what the previous Government did. Now that they are in office, they are doing just the opposite of what Canadians desire as it affects arts and culture.

Mr. Epp (Provencher): What percentage of the vote do you have?

Mr. Keeper: I had enough to get here, and I intend to stay here.

Mr. Epp (Provencher): By Stanley Knowles' skirts.

Mr. Keeper: In no way would I be ashamed of Stanley Knowles' skirts. I hear the heckling from across the way. I am tempted to react to it, but I will restrain myself.

The Government should realize that Canadians are strong supporters of the arts. They illustrate this not only in their attitudes and desires, calling upon the Government to spend and support the arts, but with regard to their activities and attendance at activities. For example, the attendance at cultural events from 1971 to 1980 increased by 121 per cent. That shows a broad support among Canadians for cultural and artistic activities. In fact, more people in this country attend cultural events in a year than attend sporting events. The Government should respond to the priority of Canadians rather than cutting back on it.

• (1610)

What other reason could there be for the Government to make cuts when it comes to arts and culture? Perhaps we are already spending too much on arts and culture. Perhaps the federal budget for arts and culture is too large and needs to be cut back. Let us examine a couple of facts in that area. In 1982-83, federal expenditures on the arts were 1.8 per cent of the total federal budget. That does not mean a great deal by itself, but when that is compared to defence spending which was 10.6 per cent of the federal budget, we begin to see that the priority the Government places on arts is much less significant than the priority the average Canadian would place on arts. Consider that we spend 10 times as much on defence than we do on arts and cultural activities.

Mr. Holtmann: That's not a good comparison.

Mr. Keeper: I hear from across the way that that is not a good comparison. It is an objective comparison and these are facts. In the absence of a rational reason for the Government to cut spending, I present these facts and challenge the Hon. Member opposite to enter the debate and to put forward his reasons for cutting expenditures on arts and culture. Could he justify the feeling that we are spending too much on arts? I say that when we spend 10 times as much on defence spending as we spend on arts, there is no objective way we can say we are spending too much on arts.

Between 1971 and 1980, government support to the arts in constant dollars, taking into account inflation, declined each year. Spending on the arts over that decade has already declined. How can one put forward the notion that we are spending too much on arts? Why would the Government be cutting if we were not spending too much?

I would point out to my colleagues on the right that the years 1971 to 1980 were years in which the Liberal Party was in office. While I hear my Liberal colleagues rise in the House to criticize the Government sharply for cutting spending in the area of arts, and deservedly so, I must question the sincerity of Members who so recently were in office and Members whose own Government, throughout a decade, decreased public spending on the arts.

What other possible reason could there be for the Government to be cutting in the area of the arts and culture? Would it describe arts and cultural spending as being a waste or a mere luxury? When government Members were running for office, they said that they would cut the waste out of public spending. Is that what this means now? Does it mean that when cutting back on the arts and culture, they are cutting out the waste? Let us examine spending in the area of the arts from the point of view of its value and from the point of view of investment. I would make the argument that spending on the arts is a good investment rather than a poor one, and I will back that up with facts.

Spending in the arts sector directly increases government revenues. It increases revenues through sales taxes, property taxes, income taxes and unemployment and health insurance premiums. It increases government revenues in an amount which equals or exceeds grants to the arts. How could spending in the arts sector be considered a waste or a luxury when it increases government revenues?

Looking at economic activity in the arts, in 1982, for the 136 theatres which were related to the Canada Council, there were something like 5.5 million spectators and total expenditures of some $67 million. Keeping in mind that every time there is a dollar spent on ticket sales for artistic endeavours, at least another dollar is being spent on related items such as drinks, food, babysitters and parking, then public spending in the arts becomes a very good investment rather than a waste or a luxury.

We should remind the Government that when it makes grants to the arts and culture, these grants result in local expenditures of up to 10 times the amount of the grant itself. By any objective measure, money spent on the arts is a good investment. It not only affects the domestic economy but it also affects our balance of trade. As our arts and cultural activities gain greater international recognition, there is then a greater capacity for exports in this area.

What other reason could there be for the Government to cut back on grants and public expenditures to the arts? If we look at the arts as being an industry, we have to realize that it is an important industry. When members of the Government were seeking the confidence of the public, they said they would deliver a new economy. Have they delivered such a great new economy that they can abandon the arts as an industry? We need to remind government Members that arts and cultural industries are very important. They accounted for something like $7 billion within the Canadian economy in 1981. Relative to the 20 largest industries in the country, the arts industry is largest in terms of employment. It is sixth in terms of salaries and wages and eleventh in terms of revenues.

It is very important for us to take care of the arts industry because the arts industry is an important sector of our economy and has a lot to do with the over-all health of the Canadian economy. Every time the Government cuts its own expenditures to the arts, it is damaging the Canadian economy.

It is important to remember that the arts are also important as an employer, because unemployment is still our number one economic problem and is still at historically unprecedented levels. Arts and cultural agencies spend most of their revenues on employment. Arts-related employment in the Canadian economy is nearly as large as the labour force in the agricultural sector of the economy. As an employment creator, it is very important to us as Canadians. The labour force in the arts sector has increased over the decade from 1971 to 1981 by some 74 per cent, and that is just about twice as fast as the increase in the labour forces of other sectors of the Canadian economy.

In the performing arts sector, 66 cents out of every dollar it receives goes to salaries and wages. Most of the money that goes into the arts goes to the creation of employment. In manufacturing industries, the comparable figure is 20 cents per dollar. The reason that most of the dollar in the arts field goes to employment as opposed to other aspects of arts activities is that artists are paid a very low wage. While it makes a great deal of sense for artists to be paid a more just wage, given the present circumstances in which artists find themselves in our community, it would make more sense to support artists by giving them grants so that they can carry out their artistic activities rather than to reduce the spending in this area, thereby forcing them on to public assistance. Since we pay so little to the artists to do their creative work, if one looks at it in economic terms, it makes more sense to support them in their artistic activities than to cut them off, by cutting back on public spending, and force them on to welfare. Welfare can be very debilitating to a person, but carrying on activities as a professional artist can lead to personal self-fulfilment and a richer community.

• (1620)

I would like to talk about the impact which these cuts have had on specific Canadian agencies. For example, the Canada Council is losing something in the order of 5 per cent of its budget. That means that less money will be available for grants which could be given to individuals and different cultural agencies. We need more money rather than less money for Canadian artists.

The cut-backs are damaging the Canada Council in another way. A toll-free telephone service has been available through the Canada Council. With the cut-backs, that service will be gone. That means that it will be much more difficult for any artist who lives outside of the Ottawa area to deal with the Canada Council. It is unfair to most artists who live across the country.

The Canada Council has also provided fund-raising advice to various artistic organizations. The cut-backs have meant that a decreased amount of advice will be given to the organizations. Of course, that will mean fewer private sector dollars in the arts, not only the loss of public sector dollars.

In addition, the CBC has been hurt by the cut-backs. For example, the CBC has lost 1,500 jobs. As well, the CBC has lost in the order of $15 million in programming money. That money would have been used to produce Canadian programs. Canadian programs are crucial at a time when Canadian airwaves are mostly dominated by American programs which are very easily dumped into the Canadian market. It is very difficult for Canadians to compete with that.

There have been a couple of program cuts in the CBC which I find particularly disturbing. One of them is *Our Native Land* and the second is the program called *Identities*. Those programs have been very important to native Canadians and Canadians of ethnic origins. The programs worked to increase understanding and tolerance in our society. The cuts which the Government has made in the area of arts and culture have led to the cuts of these programs.

I do not know how the Government justifies the cuts. I do not know why the Government is making these cuts. The Government has said that it needs to reduce the deficit. That is the only argument which I have heard for the cut-backs in these areas. When cuts in the name of reducing the deficit result in fewer jobs in the economy and less revenue for the Government, I suggest that rather than reducing the deficit, the cuts in the arts area may lead to an increase in the deficit. The artists who will find themselves unemployed will be forced to go on welfare. They will be supported publicly. The reduced arts activities will simply mean that there will be reduced public revenues. Every time that a public dollar is cut, the private dollars which go along with that public dollar are lost. In the arts field there is a very high ratio between public dollars and private dollars. So a lot of economic activity and wealth is lost when cut-backs are made in the fields of arts and culture.

I could think of other areas in which the Government could choose to cut back that would make more economic sense and allow us to continue to support the artists in this country, that would allow us to benefit from their creative talents and the richness which they provide to our culture.

In conclusion, I would like to challenge Members opposite to explain why these cuts are being made. I have heard no rational reason that could be backed up with facts for making cuts in the arts field.

Mr. Caldwell: Mr. Speaker, I listened very attentively to the Hon. Member's speech. Very near the end he mentioned the fact that he could suggest several other areas in which the Government could cut back. He said that 78 per cent of the people want federal money for the arts and culture. Of course, the majority of the people of Canada said that they wanted a cut in the deficit. Is the Hon. Member suggesting that we should cut into our social programs, that we should default on paying off the debt, or that we should not give any more money to higher education? In which areas is he suggesting the cuts should be made?

He also pointed out that 1.8 per cent of the budget goes toward culture. It should be noted that the agricultural area, although it employs more people than the arts and culture fields, receives a lesser percentage of the budget. Can the Hon. Member tell us where he would make those cuts in federal programs in order to leave the culture budget as it is?

I should also point out that $75 million of that money went toward the CBC cuts. The CBC indicated that 1,500 people would have to be laid off when the original cut was announced. However, fewer than half that number have been laid off. I believe the CBC has done a commendable job in ensuring that as few people as possible have been eliminated.

Where does the Member see the great gaps which are being created in our cultural mosaic? Where does he think we should make the cuts?

Mr. Keeper: Mr. Speaker, I would like to deal with a couple of points which the Hon. Member raised. First, he said that Canadians asked for a reduced deficit. If I remember accurately what went on during the election campaign, the Conservatives said that the deficit would be reduced by cutting out waste. The Conservatives said that they would not cut any useful programs or worth-while activities. That is the kind of deficit reduction for which Canadians voted. Now that the Conservatives are in office, they are cutting into very valuable public spending which affects the quality of life in Canada and the level of employment. That is not what the Conservatives promised when they were running for office.

The Hon. Member asked where we should cut. We could examine the tax expenditures which take place in Canada. How much money goes out by way of tax write-offs to large corporations, in the name of economic development or job creation, which are effective and result in the corporations' stated objectives? We could examine that area. We could also examine the whole question of the oil industry, which continues to receive windfall profits and grants from the Government. What about the money which was spent on new military uniforms? Was that a necessary expenditure? Was that expenditures preferable over cuts in the arts?

Mr. St. Germain: Mr. Speaker, I have a great respect for the Hon. Member for Winnipeg North Centre (Mr. Keeper), being a Manitoban by birth. However, it always bothers me when NDP Members rise in the House and fail to recognize fiscal responsibility. If the NDP and the Liberals had continued with their coalition programs of fiscal irresponsibility, there would be no arts in this country. There would be absolute devastation as far as the economy is concerned.

• (1630)

Those Hon. Members are continually saying that they want to tear down the successful to build up we don't know what. They advocate an equal distribution of nothing. The arts in this country have not and will not be neglected by our Party. We will stand front and centre in support of them, but we have to be responsible. The type of irresponsibility which has led us to the brink of financial disaster could totally destroy any possibility of a future for any Canadian, let alone the future of the arts.

I don't know why the Hon. Member—and I would like him to respond to this—and his Party are so afraid of the private sector, of private people becoming involved. This great country evolved and developed not because of socialistic ideas or government involvement, but because people had a hope and a dream.

Mr. Keeper: What about the CPR?

Mr. St. Germain: The Hon. Member cites the CPR. The CPR operates, as he well knows, on the basis of a free enterprise system.

Mr. Keeper: That was public funding.

Mr. St. Germain: I ask the Hon. Member why he and his Party are so afraid of ordinary Canadians, ordinary people, building businesses?

Mr. Keeper: Give me some time to answer the question.

Mr. St. Germain: I'll give you a chance to answer the question. I would love to. Why are you afraid of the private sector?

Mr. Keeper: Mr. Speaker, I will deal with the question asked by the Hon. Member as to why we are afraid of the private sector. We are not afraid of the private sector. We believe in a mixed economy.

Ms. Copps: That's us.

Mr. Nunziata: That's us.

Mr. Keeper: Let me say this about public spending in the arts field: the reason that cuts in public spending are damaging both to the economy and to any deficit reduction is that

spending in the arts is a private and public mix. Every dollar we put into the arts creates $10 in the private sector as it turns over through the economy. Spending in the arts is a statement of faith in the private sector. So we on this side of the House are saying, let the Government support private sector activities, and it can do so in the arts field by continuing public spending. But if it cuts back on public spending, it is going to lose the private sector activity in the arts field.

The Hon. Member talks about fiscal responsibility. How can it be fiscally responsible to cut back on valuable activity which is in fact an investment in the economy? If we cut back on public dollars in the arts field, we also lose the private sector investment which would otherwise be there. As a result, we lose revenues and we might end up with a higher deficit and higher unemployment than we have now. Fiscal responsibility means that we have to look at the over-all economy and not just at a balance sheet for the federal Budget.

The Hon. Member took a swipe at equal distribution of income. One of the ways we can have a healthy economy in this country—

Mr. St. Germain: I said equal distribution of nothing is what you advocate.

Mr. Keeper: The Hon. Member calls it "equal distribution of nothing", but he took a swipe at equal distribution, Mr. Speaker, and let me say that one of the ways we can have a healthy economy is to have a rough equal distribution of income in this country, in other words, that people have enough to meet their basic human needs. When we have that, we are going to have a stronger economy.

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I enjoyed the remarks of the Hon. Member for Winnipeg North Centre (Mr. Keeper). I don't agree with them all, but I listened attentively. There is one thing I would like to make clear for the record. As much as I disagreed with the cutting of *Our Native Land*, and I hear almost daily from my colleague, the Hon. Member for Ottawa-Carleton (Mr. Turner), about the cutting of *The Friendly Giant* on CBC, neither of those programs was a victim of government cuts. The corporation had announced the cuts of those programs before the budgetary deficit manoeuvres made by this Government. I just want to make sure that the Hon. Member knows that it had been decided that those programs would be cut by the President of the CBC and his officials prior to the November announcement of the budgetary cut-backs. The President of the CBC said that before the Standing Committee on Communications and Culture last week.

I would like to ask the Hon. Member a question. Given the fact that somehow we had to trim the fat from these expensive Crown Corporations and agencies in this country, but that we could not tell anyone, particularly the CBC, where to cut back on their budgets, does the Hon. Member seriously suggest that we should now become involved as a government in terms of deciding about programming cut-backs? Does he think we should tell the CBC want programs to eliminate and what to keep? Does he not consider that that would be a pretty dangerous role for the Government to play in terms of instructing a publicly owned corporation what it should or should not be able to broadcast?

The Acting Speaker (Mr. Charest): The Hon. Member for Winnipeg North Centre (Mr. Keeper) has 30 seconds.

Mr. Keeper: I would point out, Mr. Speaker, that the CBC managed to reinstate *The Friendly Giant*. Why could it not also reinstate *Our Native Land*? Thirty seconds is not enough time to deal with the complex issues raised by the Hon. Member. It is an important issue and I do not want to give it short shrift.

[*Translation*]

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, I welcome this opportunity to speak to the Opposition motion before the House today. In the course of the day, and especially this morning, I was able to listen to what my Hon. colleagues had to say, and especially the formidable speech made by the Hon. Member for Saint-Denis (Mr. Prud'homme), who styled himself the defender of arts and culture. In fact, the Parliamentary Secretary acknowledged as much.

Ms. Copps: Such talent!

Mr. Hamelin: The Hon. Member has made himself out to be the great defender of arts and culture in Canada. In fact, he spent a lot of energy expressing his desire to promote our Canadian identity.

Mr. Gauthier: Excellent!

Mr. Hamelin: He even accused the present Minister of failing to stand up for arts and culture—

Mr. Gauthier: True, true!

Mr. Hamelin: —so much so it made me wonder if this heroic role of champion of arts and culture was his and his alone. Surprisingly, as was in fact mentioned several times by the Hon. Member for Broadview-Greenwood (Ms. McDonald), in all the 20 years the Liberals were in power, the Hon. Member for Saint-Denis did not get his act together as the defender of the arts since, as the Hon. Member for Broadview-Greenwood indicated, the situation for artists had deteriorated during this overly long Liberal regime. It was rather astonishing to hear all this from the Hon. Member from Saint-Denis. Are we also supposed to consider today's motion, not its form but its substance, as a plea to defend arts and culture in Canada? I think that all of us here are defenders of arts and culture.

• (1640)

I am from a rural riding where arts and culture play a major role, where painters and writers and other artists have a

vitality all their own. Charlevoix has often provided a background, both literally and figuratively, for very substantial works of art and it has presided over the birth and development of some truly exceptional painters and artists here in Canada.

As Members of Parliament and representatives of our ridings, we are supposed to defend not only arts and culture but also health, agriculture, finance and regional development. We have those mandates as well. And we could expatiate on those subjects as well. We could do so and it would be our right to do so. All of us here, Quebecers and Canadians, are defenders of arts and culture, and we have all noticed how difficult it is to promote our identity and our culture. It is difficult for us Quebecers, and it is even harder for the anglophone community, against 220 million Americans who are also English-speaking. We understand. We also know that our governments have spent considerable sums of money to try and promote this collective resistance and affirm our identity as Canadians and Quebecers.

Like many regional Members, I represent one of the smaller, distant ridings. I suppose I could make a fuss and roundly criticize what is wrong with cultural development, regional development and health services. If we just consider our major Government agencies, for instance Radio-Canada, in my region, we do not have the resources, in spite of the Corporation's $800 million budget, to cover regional news adequately. We are being subsidized piecemeal, with a part-time reporter and a part-time team who work more or less freelance as events come up. For years we have been asking for a small fraction of the Canadian Broadcasting Corporation's $800-million budget. We have yet to receive it.

Often what our Government is asking us to do about communications, arts and culture is that a more rational use be made of the resources made available to these large agencies. It is a pressing issue, because in my riding, which covers a vast territory but has a population of only 75,000, we have not had what we feel we are entitled to in terms of communications, arts and culture. We would probably be the first among the Members of the Quebec caucus and in fact among many other Members in Canada to criticize and to ask for more. We are as much in favour of arts and culture as the next person. There is an insatiable need generally and especially in our region for resources which are unfortunately very limited. And our Government has asked the various departments to participate in an exercise to rationalize their spending, and this applies to all the departments, including Health and Regional Development, and this exercise in rationalization applies both to staff requirements and the way resources are used.

We are also interested in developing our culture and in safeguarding and affirming our identity. We certainly are. Unfortunately, we are faced with the very pressing need to reorganize Government finances. We are facing, as several Members said before, a deficit of astronomical proportions which, if left to grow unchecked, would leave us no arts or culture or communications or agriculture or health to talk about. We would be absolutely incapable of carrying out our responsibilities in these areas.

I think that we should consider this motion moved by the opposition as a way to re-affirm the important contribution of the arts and culture industry in Canada. I agree with the dear colleague the Hon. Member for Broadview-Greenwood and the other members who have insisted on the need to promote both arts and culture in Quebec and elsewhere in Canada, but I think they went a little too far when they blamed the government for not supporting the artistic community in Canada. They quoted some figures concerning the workers within this industry, indicating that writers apparently earn an average of $7,000 a year, poets of course earn even less, and some song writers maybe a little more or a little less, but we could quote other figures concerning other categories of workers, the tinplate workers for instance, and end up with equally distressing results. I think that the problems we are faced with in the area of job creation affect Canadian workers generally, both men and women, and not specifically those who are involved in the arts and culture industry. On the other hand, I think that the individuals who are involved in this industry and who demonstrate a very high level of creativity—the real artists and communicators—will usually resist excessive government assistance. They will insist on the need for them to protect their freedom, expression, initiative, leadership and creativity. Together with several of my colleagues, I feel that the very small cut which the government has decided to make maybe one of those that will hurt the least throughout all departements generally. I think that this effort of rationalization must apply also to the communications and culture community. It does not mean that we are against arts and culture. On the contrary, during the forthcoming year, we are going to ask the Canadian people to make an extraordinary effort of rationalization in the best interests of arts and culture and all the other areas of economic life in Canada. Mr. Speaker, I suggest that we should not consider this motion as one of censure, but rather as an effort on the part of the opposition parties to emphasize the importance of the arts and culture industry in Canada. Such a motion I could heartily support. We, on the government side, also believe in the promotion of this industry. Some have insisted on the need to fight as Canadians and Quebecers to preserve our identity. I think it is a never ending fight. However, I believe that it is not a fight that can be won merely by throwing money at the problem or by having automatic or statutory subsidies. This is a responsibility we must assume both individually and collectively. And should we measure our interest in an issue on the unlimited amounts of money we are willing to spend on it? I do not think so, and that is the source of our creativity and strength in Quebec and elsewhere in Canada, I mean, the need to resist outside overwhelming influences and especially to promote the best and most beautiful things we have.

I feel, therefore, that this motion of the opposition goes far beyond its objectives, and probably like most of my colleagues, I am not prepared to support this proposal.

To conclude, Mr. Speaker, may I say that state patronage in the area of arts and culture is highly desirable, but it will have to be critically examined in the best interests of those men and women it is meant to support.

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Hamilton East (Ms. Copps).

• (1650)

Ms. Copps: Mr. Speaker, the Hon. Member for Charlevoix (Mr. Hamelin) said that the artists have insatiable needs. Could he tell us whether an artist who, according to what he said himself, earns about $7,000 has insatiable needs or makes insatiable demands? Considering how much we earn in this House, it is ridiculous to tell the public that an artist is insatiable if he wants to make $8,000 or $9,000 instead of $7,000. I would ask him to explain what he means.

Mr. Hamelin: Mr. Speaker, of course, I said: when the needs are insatiable. I would like, my dear colleague, to tell you about the dozens of grant applications I personally receive from cultural groups of all kinds and from artists who ask my Government and the Department for all kinds of subsidies. I certainly do not think that $7,000 is enough for a writer, a poet, a musician, or another artist who tries to live on his work. That is not what I meant. What I want to say is that, in this field, like in any other, in spite of the best of intentions, we are short of resources. If we keep on borrowing on the future at interest rates of 12, 15, 20 or 22 per cent, as you did yourselves, we shall be mortgaging the future of tomorrow's artists, writers and other Canadian workers.

Ms. Copps: Mr. Speaker, the Hon. Member for Charlevoix would also have us believe that he understands the problem of anglophones in Canada. As an English Canadian, I would not presume to say that I understand completely the language problem in Quebec. However, I can tell the Hon. Member that the province of Quebec, its culture, the French Canadian culture has a major advantage over English Canadian culture which the Minister of Communications (Mr. Masse) does not seem to understand. Our problem is that we are so close to the United States. I myself live about 45 kilometers from the border. There are six million people living around what is called the Golden Horseshoe in southwestern Ontario. These people are bombarded day and night with the so-called American culture. I do not know whether William Shatner and Lorne Greene are true culture symbols, but people like them have gone to the United States to work on television, on radio, and so on. Because of the unique situation of Quebec, of which the Minister of Communications and the Quebec Members are aware, it is much easier to promote French culture and language throughout Canada because you are a tight-knit group, and linguistically, you are the only ones who can protect yourselves in North America. English-speaking Canadians, however, have to fight not only to protect their language, but also to put some distance between themselves and the United States. I would like to ask the Hon. Member for Charlevoix how he can claim to understand the situation of English-speaking Canadians who live so close to the United States when his situation is quite different.

Mr. Hamelin: Mr. Speaker, I feel the same as you do. You know our problems as a French-speaking community. In Quebec, I would point out that we are just as much invaded. We are a just a tiny community of six or seven million people as against 200 or 250 million giants, and our own Quebec also is invaded by American programs because of the cable communication explosion, a normal and desirable phenomenon in itself. We have in Montreal, in Quebec City and elsewhere dozens of TV stations which night after night are bearing down on us and foisting a culture that is foreign to us. I easily relate the problems that are experienced, even though our language is helping us protect our culture—

[*English*]

I know that our language protects us against this powerful mass of an English community.

[*Translation*]

But you will admit that I can also claim to appreciate the difficulties faced by Canadians living very close to American cities, near the 40th parallel, and who are constantly under American influence. I also appreciate the importance to the English-speaking community of maintaining close links with the French-speaking and other communities because Canada is a mosaic and of course we should stick together. This attempt at rationalizing must also obtain on the fiscal level, so that Government agencies can redirect their objectives, reconsider their actions and ensure that they maximize the objectives we both share.

Mr. Keeper: The Hon. Member has suggested that the arts and culture sector is less affected by cuts than other areas of the economy. Is he aware that on the average, there are 5 per cent cuts in the arts, while in other areas, the figure is 3 per cent? How can he say that the arts are less affected than other sectors, when they have to cope with heavier cuts?

Mr. Hamelin: Mr. Speaker, I think that an analysis of the figures and the new budget that should be tabled . . . because actually, reference is made to a number of rationalizations that are forced upon some departments, I think the next budget will clearly establish the extent of the effort that will be requested from each department, in every area, and we can then make comparisons, favourable or otherwise, with the arts and culture sector.

[*English*]

Mr. Caldwell: Mr. Speaker, my question is more of a follow-up to those posed by the Member for Hamilton East (Ms. Copps). Does the Hon. Member's area feel threatened by the actions of the Government in the field of arts and culture?

[*Translation*]

Mr. Hamelin: Mr. Speaker, I think that our area, under the previous Government, never did receive much of the Government's generosity in terms of arts and culture development. And even the CBC never carried out its mandate or played its role. But along with you, I will go on fighting with the Corporation, and I am doing so in order that finally, after that attempt at rationalizing its budget, its staff, it can provide a small permanent information team.

Of course there are other departments which helped me recently, with the Minister of Employment and Immigration (Miss MacDonald); very little seems to have been invested, some $70,000 in a music school that will operate all summer. And, of course, I also accept, my dear colleague, the rationalization effort that is requested from every level of this Government, so that later on we may in Charlevoix and elsewhere maximize Government initiatives in favour of arts and culture.

[*English*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have hundreds of files. I believe a number of Hon. Members have spoken about the economics of supporting the Canadian cultural community but I can say that the question of arts funding and the question of cut-backs is far more fundamental.

• (1700)

The Hon. Member for Charlevoix (Mr. Hamelin) asked us whether we should mortgage our children for the sake of the arts. I can tell you, Mr. Speaker, that if this Government continues to pull out the financial rug from under cultural organizations and individuals, there may simply be no country on which to take out a mortgage. That is the basic issue. It is an issue which has unfortunately escaped the Minister of Communications (Mr. Masse).

I would like to take a few moments to read from some notes for a speech made by the Hon. Minister of Communications when he was looking at his own Department's performance. Just read through the plan, Mr. Speaker. It says that the arts and culture sector investment strategy is an indicator of sound management; that support for artistic and cultural activities should take a new direction; that through regulation a climate favourable to economic growth can be restored; that a return to basic objectives is one of the Government's economic priorities. Throughout this discussion we have heard about the Government's economic priorities.

I would like to speak for a moment as an English Canadian living very close to the border of the United States. When I see suggestions in national newspapers by economists and others, whom I would have thought had a stake in this country, that we should sell our water to the United States to encourage the U.S. to get into a free trade deal, or that we should throw in our lot with the United States because, after all, we are all really one and the same, one big happy family, that makes me uncertain, uncertain not only about my future but about the future of my country. If there is one instrument, one tool, one resource to which we Canadians can look for the ability to fashion our own future, it is the cultural and the artistic community.

The Prime Minister (Mr. Mulroney), when he went to Bonn, sold himself as the great negotiator and spoke about the unique Canadian heritage which allowed him to speak to Mr. Mitterrand in French, to Mr. Reagan in English and to play the role of the third party as it has so often been played in Canadian international affairs. That kind of heritage and culture is under severe threat as a direct result of this Government's attempts to abort the kind of financial initiatives that we will need to secure the future of the artistic community, in particular the artistic community within English Canada.

I have had an opportunity to speak with artists from coast to coast. They have begged the Minister of Communications to look not only at the situation and the cultural integrity of the Province of Quebec but elsewhere. I believe the situation of Quebec is unique, and I think the people of Quebec are very lucky because their language allows them to provide a buffer between themselves and that most populated country to the south of us. We in English Canada do not share that buffer. One of the government Members stood up and cited Canadian culture through William Shatner and Lorne Green. I thought I would have heard about Paul Anka and all of those other great Canadian artists who have made their fortunes through Americanization and who have gone to live in the United States. As a Canadian, I do not see our being in competition with *Dallas*. A reference was made earlier today in the House to the fact that the *Beachcombers* can compete with *Dallas* any day. I do not want my country and my culture to be in competition with *Dallas*.

I think we have a very unique culture which has been developed as a mixed approach of public and private sector intervention. We can get mired in financial arguments. I have made them and other Members have made them. We have said what kind of intensive job-creative potential the cultural industry has across the mosaic of Canada. We know through the development of tourism that this country has the capacity to compete on an international scale for tourism dollars. These dollars come into Canada because of our cultural mosaic. But it is more important than that. It is the very heart and soul of what has made this country great.

A reference was made earlier to the Canadian Pacific Railway and the lines that forge this country from coast to coast. Canada does have a unique history which has allowed us, through a mixed economy and a mixed approach of government intervention and private sector involvement, to build along the rail lines, along the lines of communication. But now we see a Government that says it wants to privatize. It says, "We do not believe the public sector and the Govern-

ment have a lead role to play". We have a Minister of Communications who said in his own statement in his annual report that he is not interested in fighting for the people he should be representing, namely, the cultural community of Canada. He is too busy justifying the Government's initiatives in the area of deficit reduction, which was certainly not made clear to the Canadian people before September 4.

When the Prime Minister was the esteemed Leader of the Opposition, he was asked by the cultural community to comment on his Party's initiatives if and when the day comes that the Tories should form the Government. We heard then statements of cultural intent and principle, principle which, I believed as did other Canadians, the Prime Minister would stand by. I believe principles still mean something in politics. When I look at the principles endorsed by the Conservative Party before September 4, it is a shocking about-face.

The job of the Minister of Communications by definition, just as it is our job on this side of the House as Her Majesty's Loyal Opposition to oppose, is to speak first and foremost in Cabinet and to fight for his constituents. You saw the Minister in the House the day that the cultural communities from across Canada came to plead their case, Mr. Speaker. They asked and the Hon. Member for Saint-Denis (Mr. Prud'homme) asked the Minister whether he would speak for the cultural communities. In fact, the Minister refused to reply. I am not surprised that the Minister refused to reply. If you look at the statement and declaration of principles of the Conservative Party, it is clear, as it is clear with so many of its other "statements of principle" that they are not worth the paper they are written on.

The Tories talk about the Applebaum-Hébert report. What about their statement, "We will begin immediately to consult with groups and individuals in the cultural sector on all aspect of policy development"? Did the Finance Minister (Mr. Wilson) consult with the cultural community when he moved in with cut-backs that were going to justify the very survival of public broadcasting in this country? No, the Minister of Finance moved immediately in a wholesale and arbitrary fashion. Not only did the Minister choose to allow the major cut-backs to impact on the arts, but he also said that the art community was not capable of cleaning up its own house and that he was going to appoint his own hit men to go and clean up in organizations such as CBC.

Mr. St. Germain: Hit men? I do not remember the Minister saying hit men. Let us keep the record straight.

Ms. Copps: The Progressive Conservative Party of Canada believed in the arm's length approach to the arts community. The Hon. Member says he does not recall the Minister saying hit men. He didn't say hit men. I said hit men.

Mr. St. Germain: You said he said that.

Ms. Copps: The reason I said hit men was because the Conservative Party said it was going to maintain an arm's length approach to the arts, and directly upon the Finance Minister's cut-backs, he appointed his own team of hit men to go in and clean house in the CBC. That was in direct contradiction to the expressed statement of principle in which they indicated that they were committed to improving the quality and quantity of employment in the cultural sector, in which they were committed to the arm's length principle for the arts, and in which they were committed, according to their own statement, to real growth in federal contributions to this sector. That was the statement of principle of the Progressive Conservative Party before September 4.

• (1710)

However, something strange happened between September 4 and September 5. We have heard it expressed in the House of Commons today. What happened, in the words of the Hon. Minister of Communications, was called economic priorities, departmental priorities. Rather than following through on its promise to maintain an arm's length approach and allowing the arts community to flourish with increased funding, the Government decided that it was more important to cut the deficit than to save Canada's culture. Its members moved in, without consultation, without the kind of discussion promised by the Prime Minister, without the promises which were made in the little PC promise book. One of its campaign promises was that the PC Party was committed to maintaining federal funding for the arts, agencies and councils in line with inflation.

We heard a very impressive plea today from the Hon. Member for Charlevoix who called upon Canadians to understand that it was not only the Parties in opposition who were interested in preserving and aiding the flourishing of Canadian culture, that it was also the government Party. I sympathize with him, sitting over here on this side of the House. Unfortunately, the voice of the Hon. Member for Charlevoix is not being heard. It is not being heard in his Party. It is clear that his own Cabinet spokesman is not prepared to speak out for that constituent group. I am sure the Hon. Member for Charlevoix must be feeling a little down and out, in that the promises which he and his Party made in the pocket planner of Tory priorities did not tell the Canadian people in advance of September 4 what they were telling the Canadian Council on the Arts and artists from coast to coast, that they would keep up their funding in line with the rate of inflation and that they would maintain the arm's length principle. But the moment they were elected they reversed all the principles they espoused with regard to arts and cultural groups across the country. The Hon. Member must be somewhat embarrassed to discover, to his own dismay, that they have succeeded in reversing all the principles espoused during the election campaign.

I am glad the Minister is here because I want to speak to him as an English Canadian, one who has lived in the most populated area of Canada closest to the United States of America. I feel extremely threatened by what his cuts will do to our culture, particularly the culture in the English speaking community in Canada. I am not sure the Minister has an understanding of the kind of assault on Canadian identity which occurs every day through the public airwaves, arts and literature, theatre and all forms of communication to which we

are subjected from the United States of America. In reconsidering his role, which he tends to see as one of fiscal manager, I want to indicate to him that we have a fiscal manager or an alleged fiscal manager in this House. We have the Minister of Finance who brought in his private sector buddies to try to tell him how to clean up his house. We need a fighter, a fighter for arts and culture in Cabinet. There are many people across Canada who are looking to the Minister to provide that leaderhsip. Unfortunately, what we see instead are statements like the one he tabled in the House of Commons Standing Committee on Communications and Culture wherein he indicated that his number one initiative was an expenditure plan reflecting priorities, government economic priorities, departmental priorities.

Does the Minister talk about what it does for Canadians to have a publicly financed, publicly accessible nation-wide broadcasting system? He talked about investment strategy as an indicator of sound management. The Minister himself, not only today in the House but on a number of other occasions, clearly showed Canadians that he is not prepared to apply sound management principles to his own travel practices, yet he expects the Canadians arts community to bite the bullet on $7,000, $8,000 or $9,000 per year. He expects the Canadian arts and culture community to apply for welfare so that its members can apply whatever abilities they have out in the cultural community. He expects the arts and culture community to stand back while Cabinet Ministers are flown from coast to coast and internationally at a cost literally of thousands and thousands of dollars. Yet that same Minister tells the arts and culture community that he will not speak for them.

Who is speaking for those people? Who is speaking for Canadians who feel that the very future of this country is at stake? Who is speaking for those Canadians who understand that it has been through a mix of private and public sector involvement that we have been able to develop national institutions of which this country can be proud? Who in Cabinet will be speaking for those people? Are we merely to follow the line we have seen expressed so ably by the Prime Minister of Canada? The Prime Minister seems prepared not only to sell out our economy but to sell out our culture because, after all, we can watch American television, we can buy American books, we can have that assault of English culture from the United States, we do not need an indigenous Canadian identity in which the Government is used as an instrument of public policy change and the Government plays the lead role in ensuring that Canadian culture not only survives but thrives.

A number of Members here from the Province of Quebec should congratulate themselves. I think they have done an incredible job against very great adds in ensuring the growth and the flourishing of the Francophone culture in Canada. That same capacity or same availability in the English Canadian community is not as apparent. I am frightened as a Canadian that if the Government persists in cutting back and in refusing to play the lead role in the development of Canadian culture in an ongoing process, we will in fact become mesmerized by our neighbours to the south.

The development of massive telecommunications within the last 20 years has played a vital role in allowing Canadians from coast to coast to see and hear each other. I love to listen to *Cross Country Checkup* so that I can hear what is happening, what people are thinking in Newfoundland and what people are saying in Victoria. That program allows me an access to the hearts and minds of Canadians from coast to coast. However, that is not a role which should be played by the private sector. The private sector does not have as its responsibility, as its *raison d'être*, the development, the flourishing and the sustenance of the Canadian culture. The private sector has profit as its first motive, and more power to that sector. Profit is not a dirty word. At the same time, we cannot allow the institutions upon which the country was built and upon which it will flourish, the culture and arts of our community, to be thrown to the wind by saying that the private sector can carry it on. We need to work together. We have had a mixed economy approach and a mixed cultural approach, which I believe have been effective for all Canadians. I believe the Government should support that policy, not the policy of annihilation upon which it has embarked since September 4.

• (1720)

[*Translation*]

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. the Minister of Communications (Mr. Masse).

Mr. Masse: Thank you, Mr. Speaker.

First I would like to tell my colleague that, unlike most Members of the House, I admire her personality to a certain extent. She is energetic and dynamic, but I am not overly impressed by her intellectual honesty and her knowledge of history. I must point out to her that since about 1920, for nearly 50 years, her Party has been responsible for administering this country and I share the concern she has expressed today about the urgency of promoting the cultural interests of all Canadians. Today's concern stems mostly from the leadership of her Party over the last few generations, and if we now find ourselves in a difficult economic situation we owe it primarily to the economic mismanagement of the previous administration. In that context and regardless of the harm that may have been done by the Liberal Party at the economic and cultural levels, it is difficult today to make a fresh start towards more challenging cultural objectives. I can assure you that if our predecessors, the Members of her Government, had been as deeply concerned as I am about the future of Canada's cultural community, she would not have spoken as she did today.

The Acting Speaker (Mr. Charest): The Hon. Member for Hamilton East (Ms. Copps).

Ms. Copps: Mr. Speaker, I would rather not comment on the integrity of this Government because it would take more than ten minutes. Unfortunately the Minister was not here when I mentioned the promises made by his Government this year and last year, over the last seven or eight months, and in their quest for the crown which they finally got with a majority of 211 Members. The representatives of the Progressive Conservative Party did make promises to the cultural community, but who cares about promises now! The Minister himself lacks the courage to speak up in Cabinet and remind his colleagues of the promises made to the cultural community. I am a woman of my word and I will keep my promises. You have no right to talk about integrity, for I have kept my promises, but broken promises is all we have had from the Progressive Conservative Party since September 4.

I can assure the Minister that the Liberal Party is a new Party, but he is not aware of that phenomenon. I know he is old, Mr. Speaker, he is talking about events dating back 60 years, I know he is old. Well, I was born in 1952 and I will tell you about something that has radically changed the image of Canada—the age of telecommunications which began in the 1960-70 decade, that has changed the image of Canada, and it is in that respect that we feel threatened by the United States. It has nothing to do with literature dating back to 1920, as the Minister claimed. I could take it upon myself to suggest that he might review his historic facts before talking about an artistic revolution that began way back in 1920. Indeed the problem created by the American threat began with the advent of television, but I realize he is much too old to appreciate that.

[*English*]

Mr. Riis: Mr. Speaker, what encouraged us today to put forward this motion for debate, which has been an excellent debate from what I have seen and heard over television, was that it had become clear over the years that the state of the cultural community in Canada had been deteriorating. I am not prepared to point fingers at a particular Minister, but I do point them at the Government generally. In the economic statement of November and the general discussion, the cultural community has, by and large, lost any faith it had in the Government in terms of supporting it in any real way. Having said that, I want to direct my comments to the Hon. Member for Hamilton East (Ms. Copps) along the same lines as the Minister.

Over the last five years, I do not know if there would be hundreds, but there would certainly be dozens and dozens of groups of artists of one kind or another who came to Parliament Hill, lobbied and made the case that most of the members they represented were living in a state of poverty. That went on for years and years. I support many of the points the Hon. Member made, but what does she have to say about the fact that it was the Party that she represents today, when it was in government for many years, that had these delegations coming time after time, month after month, year after year, explaining how their members were living in poverty as they tried to develop their artistic talents and to provide the cultural fabric for Canadian society. Does she not find herself to be a little bit hypocritical today by standing up and not accepting some of the responsibility for the fact that these cultural agencies are in such turmoil?

Ms. Copps: Mr. Speaker, I think there are two fundamental issues that the Hon. Member is forgetting. First, the statement which was issued by the Minister of Finance (Mr. Wilson) deals with a direct cut to the artistic and cultural community which is almost double that which is being levelled at other communities across this country. That is the substance of the motion introduced by the Hon. Member's Party and that is the substance in part of what we must address today.

The second issue, one which unfortunately no government Member has had the courage to address today, is the issue of the arm's length relationship which was sacrosanct. Liberal Governments did not interfere with the arm's length relationship between the arts community and the Government. In fact, it was through the initiative of the Minister of Finance that the federal Government is now setting up a hit team to go into the Canadian Broadcasting Corporation to determine where the cuts will be made. That arm's length principle is a principle which this Government guaranteed in its promises to the people before September 4, of which this Party is proud. That is the sum and substance of what we have to discuss today, the arm's length relationship and the Conservative Party's move to make cut-backs to the arts community that are double those he is making to other communities.

Mr. St. Germain: Mr. Speaker, I agree with the Hon. Member for Kamloops-Shuswap (Mr. Riis) that it has been an interesting debate. However, it absolutely amazes Canadians right across this country when somebody like the Hon. Member for Hamilton East (Ms. Copps) gets up and says that her Liberal Party operated at arm's length. I question the integrity of anybody who would make a statement like that. That is irresponsible.

Ms. Copps: Put the facts on the table.

Mr. St. Germain: I was in this House. I saw what happened. I saw the appointments.

Mr. Gauthier: Put the facts down.

Ms. Copps: Put the facts on the table. Don't challenge my integrity unless you are prepared to put the facts on the table.

The Acting Speaker (Mr. Charest): Order.

Ms. Copps: Don't challenge my integrity unless you are prepared to put the facts on the table.

The Acting Speaker (Mr. Charest): Order.

Mr. St. Germain: Mr. Speaker, an arm's length approach is something for which this Party will strive. It will be seen in the near future. It is being seen right now. Let's go back—

Ms. Copps: The only arm's length you know is amputation.

Mr. St. Germain: The Hon. Member for Hamilton East alludes to the fact that whatever happened in the past she is not responsible for. The people you associate with—

Ms. Copps: I am proud to be a Liberal.

Mr. St. Germain: The people you associate with and organize with is what you are judged by. The history of the Liberal Party in this country has totally devastated the economy and that is why this debate is taking place today.

Mr. Gauthier: Tell Frank Miller that.

The Acting Speaker (Mr. Charest): Order.

Mr. St. Germain: Obviously we have hit a sensitive spot. They know how badly they have destroyed the arts and the economy which has supported the arts to a degree and which we are prepared to continue to support in a reasonable—

• (1730)

Ms. Copps: He can't make a statement.

Mr. St. Germain: I can make a statement, Mr. Speaker.

The Acting Speaker (Mr. Charest): Order. May I remind the Hon. Member for Hamilton East (Ms. Copps) that in this very specific case, while she made her speech, no one from either side of the House—

Ms. Copps: He's not asking a question.

The Acting Speaker (Mr. Charest): No, nobody interrupted the Hon. Member.

[*Translation*]

Mr. Gauthier: Mind your own business!

Mr. Rossi: Those are partisan remarks, you have no right to say that.

[*English*]

Mr. Towers: If you can't have respect for yourself, have some respect for the Speaker.

Mr. Rossi: Yes, that's very partisan what he is doing.

An Hon. Member: He's the Speaker.

Mr. Rossi: Never mind, he's not allowed to be partisan.

The Acting Speaker (Mr. Charest): Order. Hopefully it is in everyone's interest that one way or the other, the period allowed for questions and comments is now over. We shall resume debate.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is with pleasure that I rise to support the opposition motion. I would like to touch on two areas. First, I would like to deal with the need for cultural services in the regions of our country, and, second, I would like to deal with the delivery of those services by radio.

Since September 5, we in this House have heard much about the deficit. We do have a deficit; we have a cultural deficit. That deficit is very predominant in areas like northwestern Ontario, the far North and all of the northern parts of our provinces where there are small population groups that do not have the wherewithal to support the kind of things that people in Ottawa, Toronto, Montreal, Winnipeg, Calgary and Vancouver take for granted. My home community of Thunder Bay is sometimes referred to as the "Hogtown of Northwestern Ontario" in relation to how Toronto is seen by others. Thunder Bay is ripe with culture. There is the Thunder Bay Symphony; Magnus Theatre; Kam Theatre; Cambrian Players, an amateur theatre group; the Lakehead Choral Group which I will be seeing tomorrow night; the Vesnyanka Dancers, a local Ukrainian group; and the Lakehead Mandolin Orchestra.

We in Thunder Bay have a lot of the same opportunities as larger cities but the problem that exists in northwestern Ontario, as can be attested to by my colleague, the Hon. Member for Kenora-Rainy River (Mr. Parry), is that the small communities that are 60 miles, 120 miles or 240 miles away from Thunder Bay or Winnipeg do not have that kind of access to the arts. They do not have the opportunitity to see a symphony play. They do not have the opportunity to see a dramatic play or a musical unless they travel great distances and stay overnight in communities like Thunder Bay or Winnipeg.

Instead of cutting back on support for the arts and culture, we should, on the one hand, sustain what we have so that the existing groups and services remain available, and, on the other, we should provide the funding that will do some outreaching. We need funding to take the Thunder Bay Symphony across northwestern Ontario. It has been able to go across northwestern Ontario for a number of years because of Ontario Government funding, but that funding has now been eliminated. Arts organizations should be brought to the schools in Atikokan, Fort Frances, Ear Falls and Red Lake. They should be brought to these places so that our children can be exposed to something other than country and western or rock music.

Mr. Turner (Ottawa-Carleton): What about *Friendly*?

Mr. Angus: We will come to *Friendly*. We should bring our theatre groups, our painters and our sculptors to the outlying areas. Some of the static displays should be put on the road so that they can be made available to people throughout the regions. That is what is important and that is what we should be doing in order to promote our national identity and to make sure that we do not isolate ourselves in our own little bailiwicks.

That, Mr. Speaker, brings me to my second point, which is the question of delivery of services by electronic means. In northwestern Ontario, we have been extremely fortunate for the past 10 years to have had a radio station which is an arm of the Canadian Broadcasting Corporation, namely, Radio

Station CBQ. This radio station is based in Thunder Bay but provides a regional focus. Prior to the Government's massive cut-backs and indirect interference in the operation of the CBC, the services of CBQ were reduced.

At one time, there was a program in the morning that was broadcast throughout northwestern Ontario by CBQ. Simultaneously, there was a program that dealt with the city and the immediate area of Thunder Bay itself. We were able to provide a regional information network that was truly regional at the same time as we provided a Thunder Bay focus. The Corporation, in its wisdom, decided that it had to make some cuts and it merged those two programs. There was a dilution of the services to the region. The time of the announcers, the research staff and the news people had to be spread so thinly that if something was happening in Ear Falls, for instance, it got covered only half of the time.

As a result of the $85 million reduction in the CBC budget, there have been serious reductions in service. These reductions may not equate the kind of reductions we saw in Ottawa, Windsor or Winnipeg, but for northwestern Ontario they are vital. We lost three full-time people and three part-time people at the radio station. In terms of numbers, as compared to 1,500 jobs as we were originally told or 700 jobs as was suggested today, the loss of those six jobs is not that great, but it meant that six services would no longer be available to northwestern Ontario.

In a community that has the only permanent international world-class sporting facility, we no longer have a dedicated sports editor. There are international events which take place in Thunder Bay like the Big Thunder Ski Jump. The whole world pays attention to us but CBC does not have a permanent news person in that community any longer to cover those kinds of events.

One of the things of which we in northwestern Ontario are proud is our ability as a broadcast centre to go beyond our own boundaries and to reach out across the country. We were able to do that through the personality of Arthur Black, an announcer who was not native to northwestern Ontario but moved there a number of years ago. He developed a style and manner that gradually grew to the point at which he was syndicated across the country, and then to the point at which the network finally decided that it made sense to originate network programming from a community like Thunder Bay. Thanks to the CBC cuts, Arthur Black's Thunder Bay and northwestern Ontario show was cut in half and, for a number of reasons, he was in effect forced to go elsewhere. Beginning this summer, he will be based in the Toronto area. No longer will the show have the northwestern Ontario flavour. The longer Arthur Black is away from northwestern Ontario, the less able he will be to continue picking up on the sense of the environment and the people of the area.

My colleagues, the Hon. Member for Kenora-Rainy River and the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) and myself entered into a campaign designed to make sure that the CBC management, the Minister and the bureaucracy of CBC knew that we did not like this tampering with our service. We had well over 1,000 replies to our campaign, and as all Hon. Members know, we tend to measure the importance of an issue by the number of pieces of paper that come across our desks. Very clearly we were gratified by the very wide regional response we received. I would like to read into the record some of the responses we received:

Keep fighting for CBQ, the CBC and Canadian culture. The moment we stop supporting our cultural identity is the moment we start becoming Americans.

● (1740)

We are very disappointed in the cut-back, we live in a rural area and this is the only radio station (Canadian) we can get all the time—

Arthur Black is excellent! Thunder Bay CBC is a well done program given the size or lack of—

Please do not foist a centralized CBC on us! I like to think there is sufficient Northwestern Ontario information to warrant continuing CBQ regional programming!

Over the years we have noted with interest and approval the improvement in CBC radio coverage of events in the Northwest. We are saddened, concerned and somewhat angered by the current cuts as they affect CBQ—

The new Government of Canada is turning into a destructive machine not a constructive unit as the Canadian people had hoped.

We are insulted enough in this area without this cut.

Notwithstanding the popular position Arthur Black holds in our spread out community, we don't want our CBQ station slipping at all! What good would a phone-in program be to us people (in the summer months when we move to our summer homes with no phones). That so-called $75 million saving will most likely be spent on some cock-eyed stunt that will never benefit the people in the North and all.

Those are some examples of what individuals have said to us. I would point out that copies of this material have been forwarded to the Minister, to the President and to CBC officials as well as to the station itself.

We also received correspondence from the Thunber Bay National Exhibition Centre and from the Centre for Indian Art. The letter reads:

We believe that these cut-backs will affect the quality of public programming in general, and as well, will reduce the opportunities which non-profit groups such as ours will have to inform the public of the Northwest about the many government-financed services which our institution provides for this area.

The Senior Citizens Intergroup Council passed the following resolution:

Whereas: CBQ Radio plays a major role in tying together Northwestern Ontario by attempting to provide local information and programming to all parts of the region, and,

Whereas: recent cut-backs in staff and programs at CBQ Radio will impair the ability of CBQ to fulfill this vital role as the voice of Northwestern Ontario,—

Therefore, they oppose the reduction of service. The Thunder Bay Multicultural Association wrote:

We believe CBQ Radio plays a vital role in bringing together small communities by broadcasting regional news, events and activities. Awareness of the history and uniqueness of Northwestern Ontario is increased through such programs as "The Great Northwest", "Radio Noon" and "The 4 to 6 Show" which features profiles of area personalities, histories of communities and other topics of local and regional interest. These cut-backs will hurt Northwestern Ontario by reducing or eliminating regional content.

The Cambrian Presbytery of the United Church of Canada wrote:

The reduction of Radio Noon and replacing this with a direct Toronto feed is contributing further to a feeling of isolation, and being resident of an unimportant part of our country.

The International Association of Business Communicators, a group of people who are not predominantly involved in any one of the communications industries, wrote:

We believe that CBQ Radio has a vital role to play in the geographically large and sparsely populated area of Northwestern Ontario.

We have received comments from co-op housing residents and the Thunder Bay Potters Guild. All of the correspondence we have received indicates clearly the broad-based support which regional radio stations have. We had a furore in the House over the whole question when we heard that the station in Gander, Newfoundland was being closed. We heard about the campaign which was launched to protect that station and to get it back on the air. That campaign was successful, and I am very pleased about that. But that campaign reached into Thunder Bay and northwestern Ontario. People followed that campaign with keen interest. They knew that there was a danger, should members of the Conservative Party who have it in for the CBC continue to get their way, that CBQ in Thunder Bay might become nothing more than a repeater station for network programming. CBQ would then lose the regional aspect and the news-gathering function which it has.

For example, in the recent provincial election in Ontario, CBQ did not do local reporting. It relied on network programming. It sent a person from Thunder Bay to Toronto to cover northwestern Ontario, which is anywhere from 800 miles to 1,500 miles away from Toronto. I realize that electronics are wonderful these days, but I think to have a number of people in a studio in Thunder Bay reaching out to northwestern Ontario for local coverage makes a lot of sense.

The people of Thunder Bay want to ensure that they can keep in touch with each other. By "each other" I mean the communities around northwestern Ontario. So much of what happens to one community happens to another. Therefore, it is important to know what happens.

For instance, five or six years ago the mines were closed in Atikokan. That is being relived today in Ear Falls. That situation will be relived in other communities as the years go by. It is important for those communities to hear what is going on. If there is only a network service with no local programming, the people will not know to the same extent what is happening at the time it is happening. They will feel much more isolated.

There is another danger. There is the danger of the influence of American radio and television which comes into northwestern Ontario. If we do not have the counterbalance of CBQ to ensure that regional programming and information as well as network information are available, we will become closer to the Americans and we will disappear as a nation.

There is a danger also within the context of provinces. A major portion of northwestern Ontario, particularly Atikokan which is on the Manitoba border, receives much of its information from Manitoba and the City of Winnipeg. We in this Party are quite pleased because most of the information that is received is about the NDP Government. However, in the context of Ontario, it is important for those people to know what their elected people are doing and what decisions are being made which affect them.

We know that there are those in the Conservative Party who would like to see the CBC totally dismantled. I hope they never have their way. I believe they are misguided. It can be compared to people who do not like a symphony. They say they will not spend any money on the symphony because they do not like it. However, those people forget that there are a lot of people who enjoy a symphony and need it for their own mental survival in society. I believe that we must recognize the CBC, in the broadest sense, as part of that mechanism which allows us to be sane and to remain Canadians. Private networks cannot do that. Private networks will not do that because they are in the ratings game. Every time the BBM is prepared to do a study, where do the electronic commercial stations turn? They turn to newspaper advertising in an attempt to entice people over to their stations in order to get their points up so they can sell advertising.

The CBC has never been in the ratings game. It is there to provide a balanced service to a cross-section of society. If it was not there for that purpose, we would not have French-language programming in some Ontario communities where the French population is small. However, it is seen as a necessity to provide those links.

We must reverse this trend. We must put the supports in place so that we have the kind of cultural milieu which we need. We must encourage it, not discourage it. Also, we must ensure that our communication tools in the public sector are there so that Canadians will know what is happening all across the land, while at the same time they know what is happening in their communities and regions.

I appreciate the opportunity to speak on this matter and I look forward to questions and comments from my fellow colleagues.

• (1750)

Mr. Hockin: Mr. Speaker, I share with the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) his great admiration for Arthur Black. I like to drive my son to hockey on Saturday when Arthur Black's program is on the radio, and my son learns from it as much as I do. I hope that the Hon. Member is not suggesting that he would like to see the arm's length relationship change in such a way that the Minister of Communications (Mr. Masse) could bring Arthur Black back to Thunder Bay, back to the same program and the same format. I would like to ask the Hon. Member whether he believes in the arm's length relationship? It seems to me that he is essentially asking the Minister to reach out at arm's length and put Arthur Black back into his previous program. That would concern me because that would not be an arm's length relationship he is advocating. So I do want to know the Hon. Member's Party's view on that question.

The previous speaker alluded to the same subject with comments which are far from accurate. I think of the Presi-

dent of the CBC, Mr. Juneau, who was a Minister in Mr. Trudeau's Government and a great friend of his. Is that an arm's length relationship? The head of the National Film Board is a relative of Mr. Juneau's. Is that an arm's length relationship? One of Mr. Trudeau's major aides, Mr. Porteous, was put into an important position in our cultural life in Canada. Is that an arm's length relationship? The granting councils for culture were put on a very short time and planning budgetary cycle in order to keep them in line. Is that an arm's length relationship? I am suggesting to you, Mr. Speaker, that an arm's length relationship never existed with the previous Government.

Some Hon. Members: Hear, hear!

Mr. Hockin: And if we are going to change it—and that is an interesting question, perhaps we should change it—we will at least be honest about it. I ask the Hon. Member what his Party's position is on this particular subject?

Mr. Angus: Mr. Speaker, I appreciate the Hon. Member's question. Let me respond in two ways; first, even if this Government were to put the $85 million back right now, Arthur Black is gone from Thunder Bay. That is one of the unfortunate realities. But I raised the whole aspect as an indication, given the arm's length relationship you talk about, that economic decisions made by the Minister and the Government do create programming decisions. I know that the Minister did not make the decision to cut Arthur Black's show in Thunder Bay in half. Nor did he make the decision that three full-time positions and three part-time positions will be cut. We have to recognize, however, that when decisions are made to reduce or increase budgets, those decisions do affect people. It is a fine line in terms of the arm's length relationship and I appreciate what the Hon. Member is saying. I would love it if the Minister had the power to put Arthur Black back in Thunder Bay, but that is not possible or practical at this point.

Mr. Belsher: Mr. Speaker, I have a comment on the remarks of the Hon. Member for Thunder Bay-Atikokan (Mr. Angus). I believe the Minister should be complimented for the way in which he has adjudicated the cuts which he has had to make within his Ministry. The motion with which we are dealing today talks about the cultural community and the tremendous cut-backs which have occurred, but the Minister has definitely taken a very minor portion of funding from the cultural groups. I think that if the Hon. Member were to look at the principal budget for the arts council, he would find that the cuts are less than 1 per cent. Why would the Hon. Member not think that perhaps that is appropriate because he knows we are in a deficit situation and people are looking for a judicious way of spending one's dollars? I would like to hear the Hon. Member's comments on that.

I would also like to echo the remarks of former speakers with respect to the arm's length relationship. I am sure we would all applaud the Minister for his approach in not interfering with how the CBC makes its cuts.

Mr. Angus: Mr. Speaker, the Hon. Member's question relates in effect to the need for cuts. The Hon. Member pointed out the small reduction in terms of percentage. But I would suggest to him that his Government per se, and not just the Minister of Communications (Mr. Masse), has not looked at the areas it should have started from. One appropriate example, given the fact that we have been talking about the communications services in northwestern Ontario, and keeping in mind the price tag of the cuts, is that Great Lakes Forest Products Limited, a company whose major owner is Canadian Pacific Investments, owes the Government in deferred taxes $125 million. Surely some of those taxes could have been brought into the public Treasury in order to prevent, at the very least, the reductions in the CBC budget. I know the Hon. Member cannot respond to me, but I ask him rhetorically whether or not that would be a more appropriate way of getting our house in order?

Mr. Stackhouse: Mr. Speaker, I have enjoyed listening to the Hon. Member for Thunder Bay-Atikokan (Mr. Angus), especially because, like other Hon. Members, I am a fan of Arthur Black. I want to point out to the Hon. Member, however, that Arthur Black is moving to Toronto. He is not really leaving Canada. Toronto is still part of this country. The loss is really not of the enormity suggested by the Hon. Member, and it is not unique. Larry Zolf is in Toronto and not in Winnipeg because he is another example of a success moving to a larger market. Pierre Burton is in Toronto and not in the Yukon. It is characteristic in any country that artists who succeed in one place may well move to where there is a larger market or audience for them.

Second, I want to say that the suggestion that members of our Party want to dismantle the CBC ignores the fact that the CBC was established by a Conservative Government. It has been substantially financed whenever a Conservative Government has been in office. The Conservative Party, under the Diefenbaker administration, for example, steadfastly defended the independence of the CBC in the face of many who suggested that the CBC was showing a political bias against the Government. All that is a part of history. The present Prime Minister (Mr. Mulroney) has recommitted his Party and his Government to the continuation of the CBC as part of the cultural fabric of Canada. But I think we should face the reality and the logic that it is inconceivable that the various institutions, Departments and agencies of the Crown should be asked to take reductions in their expenditures, so that we could at least begin to address the deficit crisis, but that we should not ask the CBC to take a modest reduction in its expenditure. Indeed, it was much lower than it might have been. I think that in itself, plus the fact that, under this Government, the CBC will be receiving a subsidy approaching $1 billion, indicates the commitment of the Government and of this Party to the ongoing work of the CBC and what it contributes to Canada. I respect the intentions of the Hon. Member as one who values the CBC. I join him in that respect. But let us face the facts and draw conclusions which are upheld by logic.

[*Translation*]

The Acting Speaker (Mr. Charest): The Minister of Communications (Mr. Masse) on a point of order.

Mr. Masse: Mr. Speaker, I should like to take advantage of this point of order to thank those who took part in the debate, to acknowledge the quality of the speeches and to apologize for having been away during a few hours, because I had to testify before the Standing Committee on Communications and Culture. I had to introduce a government bill on copyright which is, you will agree, a very important question for Canadian artists and cultural industries.

I hope that parliamentarians will have more opportunities of this kind to state their views on the Canadian cultural policy and that from those proceedings will emerge some directions which the Government will be pleased to follow.

The Acting Speaker (Mr. Charest): Order please. It being six o'clock, it is my duty to inform the House that in accordance with Standing Order 62(11), the proceedings on the motion have expired.

• (1800)

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

YOUNG OFFENDERS ACT—REQUEST FOR COMPREHENSIVE REVIEW

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on May 7 I asked the Solicitor General (Mr. MacKay) a question pertaining to the Young Offenders Act because I am concerned about some aspects of this legislation. As of April 1, 1985, the minimum age for trial in an ordinary or adult court was raised to 18 years. Previously, under the Juvenile Delinquents Act, the minimum was 16 years. One of the serious consequences of this revision is that a person aged perhaps 17 and a half years who killed a person would, under the Young Offenders Act, only be sentenced to a maximum of three years. This is indeed disturbing news. Not only am I concerned about this situation, but in conversation with law enforcement officers I find my concerns are shared.

I am aware that Section 16 of the Young Offenders Act provides a safety valve for dealing with difficult cases, especially where public protection is the key issue. That section provides that, in limited circumstances, with the interests of society in mind, a young offender could face having his case transferred to an ordinary court. It is my understanding that a request for such a transfer could come from the youth court on

application of the young person, his counsel or the attorney general or his agent, but not a private prosecutor. A judge may not initiate such an application on his own. The young offender, the parents and the attorney general must first have the opportunity to be heard. If the court was of the opinion that in the interests of society, and having regard for the needs of the young person, that young person should be proceeded against in an ordinary court, then the young person would be tried in an ordinary court and treated as an adult.

What disturbs me, Mr. Speaker, is what happens to those cases where the young offender should be tried in an ordinary court, yet no application for a transfer is made? For example, recently a woman was brutally and viciously raped by a 17-year-old. The offender pleaded guilty and is awaiting sentence. It is anticipated that, in accordance with the Young Offenders Act, he will likely be sentenced to the maximum of three years. Part of this process apparently includes a mandatory requirement for a review of the sentence every six months or every year. Therefore, it is possible that through such review the victim could be recalled. Is it really fair to the victim to initiate all over again the pain and suffering he or she experienced during the commission of the offence? I hardly think so. If this case was tried in an ordinary court, could there not be different results and a different process?

Another point I would like to raise concerns the young offender who is under the age of 12 years. According to the Act, a child under the age of 12 is not subject to prosecution. Let me illustrate my point with an example which occurred in my home city of Toronto. A 10-year-old was caught in a high speed car chase. Because of his age, and in recognition of the Young Offenders Act, there was literally nothing the law could do to him. Perhaps his behaviour could be attributed to a one time occurrence of mischief. However, just this morning the same "child" was caught pulling a fire alarm without reason. The child has admitted that he is aware that because of his age there is nothing the law can do to him; the most he will receive is a slap on the hand.

• (1805)

In Toronto, the Young Offenders Act has left the Toronto Police unable to deal with over 300 cases of burglary, arson, sexual assault and assault because the suspects are all under the age of 12. Apparently, the frequency of violence in this age group is increasing, according to police. This is most distressing. The police feel that their hands are tied.

I am not suggesting that impressionable under 12-year-olds should be detained with older youths, but my question then is how can we deal more effectively with these children without our hands being tied by the Young Offenders Act? It seems to me, though, that there is a great possibility that these child criminals can easily grow up to be hardened street-wise, vicious adult criminals if all they get now for criminal behaviour is a slap on the wrists.

I realize that some changes in the Act were necessary to achieve consistency with provinces where different age catego-

ries existed. However, we must be concerned with protecting individuals in society against crime and violence.

We must also treat younger offenders with the greatest care and concern possible. That does not mean we should be too passive or indulgent. We all know what the overly permissive society of the 1960s and 1970s brought us, and I do not think we did that generation any favour.

In summary, my question is to the Solicitor General, asking him to agree to implement a review of the Young Offenders Act, taking into consideration the points I have raised now and the points that colleagues have also brought to his attention.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, I appreciate the genuine concern of the Hon. Member with this very important matter and I congratulate him for expressing his interest.

The Young Offenders Act, proclaimed in force on April 2, 1984, constitutes a major reform of the juvenile justice process in Canada. The most fundamental reform, in my opinion, is its clear recognition that young people are responsible for their conduct and thus should be held accountable for their criminal transgressions. The Act also recognizes, however, that young people should not be treated the same as adults; that because of their immaturity and dependence they require specialized services and dispositions that allow for flexibility and compassion, if the situation necessitates it.

In establishing the uniform maximum age of under 18, the Act clearly recognizes that young persons can commit serious crimes. Although three years is the maximum sentence possible under the new legislation, Section 16 allows for the transfer of young persons aged 14 years or older to the ordinary courts where they are subject to the full sanctions of the Criminal Code.

The Young Offenders Act requires that the youth court consider a number of factors in determining whether to order a transfer to the ordinary court, including the seriousness and circumstances of the offence, the background and criminal record of the accused, the capacity of the adult system as opposed to the juvenile justice law and system to deal with the accused if a transfer is ordered and submissions made by the Attorney General. As such, the Act contains a "safety valve" for the handling of serious offences. In short, it enables the Youth Court Judge, with full knowledge of the circumstances surrounding a specific offence, to select court procedure which will most appropriately balance the needs of the community and those of the accused.

• (1810)

I believe that the Young Offenders Act is a positive, not a negative, step which has balanced the rights and responsibilities of young people with a full and clear recognition of the rights of the victim and the community at large. In stating this, I do not preclude the possibility that future changes to provisions of the Act may be required. In January 1985 the Solicitor General (Mr. MacKay) met with the provincial ministers responsible for the administration of juvenile justices. It was agreed that our respective governments would establish a continuing federal-provincial mechanism to carry out a variety of co-operative tasks, including the consideration of amendments to the Young Offenders Act which the Hon. Member requested.

To aid in this process, the Ministry of the Solicitor General is, on an on-going basis, evaluating the effectiveness of the new legislation.

As the Act is thoroughly tested and new provincial programs and statutes are fully implemented, the information needed to assess the effectiveness of our new juvenile justice legislation will become available. Where problems are clearly identified and solutions become known, amendments will be brought forward for consideration. In this way, the best interest of young people, the community and the administration of justice will be served. I am sure the Hon. Member for Don Valley East (Mr. Attewell) will continue to be a part of the process.

CANADA DEPOSIT INSURANCE CORPORATION—COMMITTEE STUDY

Miss Aideen Nicholson (Trinity): Mr. Speaker, recently I addressed a question to the Minister of State for Finance (Mrs. McDougall) about the Canada Deposit Insurance Corporation. The Minister had appointed a private sector firm to review the corporation and to make some recommendations for change. I asked whether these recommendations would be in our hands soon, because with two recent financial institutions having made heavy demands on that corporation it seemed important that we get on with making whatever changes are necessary before we are further overtaken by events.

The Canada Deposit Insurance Corporation, which is generally known as the CDIC, was established in 1967. All chartered banks and federally incorporated trust, mortgage and loan companies must be members. In addition, provincially incorporated trust and loan companies can apply to be members. The main purpose of the corporation is to maintain an insurance fund as a protection of savings of Canadians held in member institutions.

At the end of 1983 there were 137 federal member institutions and 51 provincial member institutions. By law members of the corporation have to remain members; if they are undergoing a difficult time they simply cannot withdraw.

The CDIC now insures savings to a maximum of $60,000 per depositor per institution, that ceiling having been introduced in the last Parliament in response to failures of trust companies in Ontario. Since this enactment in 1967 the CDIC has stipulated that deposit instruments for periods of longer than five years are not protected by deposit insurance. One situation arose recently when some depositors who had certificates with a six or seven year term thought they were insured and found to their distress that they were not.

The by-laws of the CDIC stipulate that uninsured instruments should be clearly marked on their face: "This is not an insured deposit as defined by the Canada Deposit Insurance

Corporation Act". Unfortunately, the Act does not impose any penalty for non-compliance with the by-laws.

• (1815)

Member institutions contribute to the insurance fund based on the amount of insured deposits they hold. This has created some tension among member institutions in recent years. The banks complain that they make the largest contributions, while the trust companies create the problems that result in a drain on the insurance fund. For example, when the Government of Ontario took over three Ontario-based trust companies—Crown, Greymac and Seaway—the CDIC decided to wind the companies down slowly instead of closing them and liquidating their assets. As a result, some deposits were insured over the $60,000 limit. As I said earlier, the limit in fact went from $20,000 to $60,000 precisely in response to that situation. In the case of those three Ontario-based trust companies, the CDIC made loans of almost $950 million, and the losses from that were somewhere around $650 million.

On March 25 there were further demands on the CDIC because of the bail-out of the Canadian Commercial Bank. The CDIC contribution to that rescue package was $75 million. Because of the legislation governing the CDIC, there is no threat to its ability to guarantee savings deposits, because the corporation has what amounts to a $1.5 billion line of credit from the federal Government.

In winding up my remarks, may I say that I have pointed out two problems with the CDIC which need to be addressed rather quickly, the question of premiums and the question of membership. The Minister appointed a private sector committee in January which has been examining it, as well as the question of disclosure requiring member institutions to disclose accurately to customers what is insured. Since January we have also had the failure of Pioneer Trust with further demands on the CDIC.

The Minister has said that she received the committee's draft report and that she hopes to table it soon. I would like to express the hope that we have that report in our hands as we begin our study of the green paper on regulation of Canadian financial institutions. It seems to me that the two documents will have to be considered together.

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, in answer to the question raised by my colleague from Trinity (Miss Nicholson) concerning deposit insurance, I emphasize that the Minister of State for Finance (Mrs. McDougall) has appointed a private sector committee to review the Act and the operations of the Canada Deposit Insurance Corporation.

Mr. Robert Wyman of Vancouver, Chairman of the Board of Pemberton, Houston and Willoughby Inc., will head the committee. The other members are Mr. Colhoun, National Victoria and Grey Trust Company Vice Chairman, of Toronto, and Mr. André Bédard of Montreal, First Executive Vice President of the National Bank of Canada. Mr. Hugh Brown of Toronto's Burns Fry Ltd. will assist the members of the committee.

Mr. Wyman has many years of experience in the financial market sector. He is also Chancellor of the University of British Columbia. Mr. Colhoun is the former Chairman of the Board of the Trust Companies Association of Canada and outgoing Ontario Heart Foundation President. Mr. Bédard is quite knowledgeable in the financial market sector and sits on the boards of many companies.

The terms of reference of the committee will be to examine the current deposit insurance system with respect to the CDIC's increased workload and its relations with insured depositors, member financial institutions and provincial administrations. The committee will undoubtedly look into the matter of existing deposit insurance coverage.

As to Pioneer Trust customers who claim that they were aware their deposits were not insured, as it was mentioned in the House earlier today, the Minister of State for Finance has specifically instructed the committee to consider measures that might be taken to make sure that depositors are adequately informed.

The Hyman committee is expected to complete its final report within a month, and the Minister of State for Finance has given the assurance that it will then be tabled in the House.

In the meantime, the Minister has also asked the CDIC to give priority to the implementation of communications with member institutions and their customers so that depositors know which deposits are insured and which are not. I know that the CDIC has already taken action in that respect.

Finally, I can only repeat the remarks of the Minister, namely that every aspect of deposit insurance will be fully discussed once the Wyman committee report has been tabled.

• (1820)

TEXTILE INDUSTRY—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I seek the floor today on a question that was raised in this House on May 1st, 1985, during the Oral Question Period, and that was addressed to the Minister of Regional Industrial Expansion (Mr. Stevens). It dealt with my concerns about the viability of the textile and clothing industry, not only in the Provinces of Ontario and Quebec, but in my own city of Drummondville. Right now, in May 1985, the primary textile and clothing industry is in a critical situation. It can even be said without exaggeration that the very survival of the industry is in jeopardy, as are the major investments made over the last ten years and the thousands of jobs in that industry.

The situation is extremely critical. Since 1974, Canada has lost nearly 35,000 jobs, of which 15,400 were in primary textiles and 19,000 in clothing. Over the same period, plant

shutdowns were too numerous to be counted. This is due to the chaos in world economy, the structure of which is undergoing a mutation. There has been a significant redistribution of industrial power to the benefit of the Pacific Rim exporting countries. In brief, the race for competitiveness has accelerated, while global economic growth has receded.

To fight that kind of dysfunction, it is essential that there be a sound utilization of macroeconomic policies, in order to create an environment in which the private sector may confidently plan and invest. This is what the Canadian textile and clothing industry is in need of during these difficult times. The industry is asking for restrictive import measures. Let us not forget that each hour of each day of every year, 27,000 pieces of clothing are entering Canada. Such special border protection is needed to plan industrial reorganization in such a way as to lessen the problems linked with that process and to prevent exaggerated social and community disruptions.

Over the past few years, we can see the efforts made to negotiate a reduction of agreed levels of clothing imports, better control of import movements and a tightening of provisions concerning over-exports from the four major suppliers, China, South Korea, Taiwan and Hong Kong.

Although those efforts have failed, Canada is applying restrictions on imports from low-cost supplying nations under the international textile trade arrangement (AMF) negotiated under the General Agreement on Tarifs and Trade (GATT).

On the basis of that agreement, it has become possible to reach bilateral agreements or take unilateral action on reducing the disruptions on our domestic market caused by the influx of imports. That separate agreement, the Multifiber Agreement (AMF III), will expire in July 1986.

Mr. Speaker, after outlining the general problems, I would like to come to specifics by supplying factual empirical data.

First, let us point out that the textile and clothing industries are not declining, unproductive and obsolete industries. So much for the myths. These industries are interdependent. In fact, some 40 per cent of the total textile industry production is going to the clothing industry.

● (1825)

This sector has always been a key industry in the Canadian and Quebec economy at least in terms of employment. Thus in Quebec there are 22 communities where the textile and clothing industry provides between 20 and 75 per cent of all jobs in the manufacturing sector. In addition, there are 55 constituencies in Quebec where the textile and clothing industry is present. In 1983, some 170,000 persons had jobs in the textile and clothing industry. Moreover, it is estimated that those industries also indirectly provide some 275,000 additional jobs. In 1984, the production value was over $12 billion in both sectors. During the last decade, more than $2 billion have been invested in the upgrading of plants so that the textile industry uses the most advanced technology. Indeed, the Canadian industry is as well equipped in that respect as any other textile industry throughout the world. Between 1970 and 1980, the productivity gains of the textile industry were higher than those of the manufacturing sector. Moreover, that industry requires substantial investments. To create one job in this sector now requires an investment of $250,000. In addition, every year except one between 1977 and 1981, investments per worker in the Canadian textile industry were higher than those in the American industry.

In closing, I would like to deal with matters related to the textile and clothing trade policy. The current system of bilateral restrictions has not been very successful in preventing low cost textile and clothing imports from entering Canada, even though 7 per cent of all textile imports and 80 per cent of clothing imports are subject to restrictions. Imports in these sectors represent over 60 per cent of the domestic market, in spite of the multi-fibre agreement. A major, efficient and productive sector of the Canadian industry is being threatened by uncontrolled imports from countries offering low wages which disrupt markets. Many jobs have been lost and others will certainly disappear if the present situation continues. The thing to do would be to stop the erosion caused by foreign producers in the Canadian textile and clothing markets, but also to recover the share of the market taken over by imports. To do this, we have to reduce present import levels immediately and in the short term.

On the other hand, I suggest that the Canadian Government take a firm position on extending the multi-fibre agreement after July 1986, improving it and including fibres such as silk, ramie and linen, as well as retaining the special protection measures until December 31, 1996, and I also suggest that, in the future, special protection measures be applied with a maximum of effectiveness to take full advantage of the international rights enjoyed by Canada in this matter.

Mr. Speaker, these are the conditions required to ensure the survival and the long-term development of the Canadian textile and clothing industry, which is very dear to my heart, as I worked in this industry for 13 years myself before becoming a businessman.

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, to answer the question put by the Hon. Member for Drummond, I would first like to go back to the main instrument and measures that constitute the operational framework for the Government's present policy, which expires in 1986.

The GATT Multifibre Agreement, under which all restriction agreements are concluded, is now being reviewed by all member states, with official negotiations starting in July to determine the future form of this important instrument. A new agreement will inevitably have a vital impact on the development of our national industry. The financial assistance meas-

ures and bilateral restriction agreements now in effect will also expire in 1986.

In view of possible changes affecting the economics of these sectors, the Department of Regional Industrial Expansion has asked the Textile and Clothing Commission to review the situation in these two industries and to report by the end of October. The Department has also had meetings in recent weeks with representatives from the textile industry to discuss the present situation, to hear their views on the main aspects of the policy and also to prepare a development agreement aimed at promoting stability in the industry in both the short and long term. Since the present operational framework and implementation techniques will be reviewed and options for a new policy are to be considered during these discussions, the result will be increased co-operation among the main parties concerned.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 2(1).

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Friday, May 10, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

MUNICIPAL AFFAIRS

PATRONAGE IN CHARLEVOIX CONSTITUENCY

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Hon. Member for Charlevoix (Mr. Hamelin), who is a past master at this sort of thing, has brought an entirely new dimension to the patronage system in his riding.

The Hon. Member is refusing to negotiate with the municipal representatives elected by the people of the North Shore, and letting political organizers decide which municipalities may benefit from federal grants.

These organizers not only decide which municipalities are going to get the grants, they also oblige these municipalities to hire staff from a list of names they provide, the point being that the grants will be withdrawn if they do not comply.

Mr. Speaker, needless to say, the mayors in Charlevoix heartedly disapprove of the Hon. Member's approach and have sent him a letter to that effect, and I quote:

> In recent months, since your election as the Member for the riding of Charlevoix, it has been noted by the mayors that the political organizers in each municipality, meaning those belonging to the party in power, take precedence over municipal representatives who, like yourself, were democratically elected.

I would be curious to know how many ridings in Quebec are seeing the same patronage game being played by the Progressive Conservatives.

* * *

[*English*]

FORESTRY

SEPARATE DEPARTMENT ADVOCATED

Mr. Jim Fulton (Skeena): Mr. Speaker, in tribute to National Forestry Week, the New Democratic Party fully recognizes the importance of our forests to our economy and our communities. Canada's forests generate an industry worth $23 billion and contribute to our country's trade balance more than agriculture, mining, fishing, and petroleum combined. One in every ten jobs is dependent on our forests, and over 300 communities are solely dependent on the forests. On a world scale, Canada has more than 10 per cent of the woodland resource.

Despite the overwhelming value of our forests, through government neglect they are in a state of crisis. They are being mined rather than harvested. They are being attacked by acid rain. They are not being rejuvenated through replanting and intensive silvaculture. The federal Government spends less than a nickel on our forests for every dollar it extracts in taxes. We are like robbers looting our own bank account.

If the Government is ever to recognize the importance of our forest resource, it will appoint a full Minister of Forests rather than continue to bury the Canadian Forest Service somewhere deep within the Department of Agriculture. The New Democratic Party demands that the Government immediately embark upon broad-based consultations with the industry, communities, and workers that depend on our forests, and create a national forestry Act.

A national forestry Act would give a legal guarantee to all Canadians that our forests will be replenished so that they may flourish for future generations to enjoy and use. A national forestry Act would consolidate the federal responsibility that is now spread out among a dozen government Departments. A national forestry Act would address the needs of private woodlot owners, loggers, environmentalists, the industry, and communities which have no other economic base. A national forestry Act would ensure that Canada—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

CANADA POST CORPORATION

IMPACT OF PROPOSED POSTAGE INCREASES ON PHOTOGRAPHY INDUSTRY

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it has come to my attention that there is a gaping and dangerous loophole in the proposed postal increases as they appear in *The Canada Gazette*. The photography marketing industry in Canada could be devastated if third-class mail is replaced by first-class restrictions on packages measuring over two centimetres thick. The current mailing charge of $1.15 will soar to $4.19 or more to send a 35-millimetre film and have the photos returned.

This price spells disaster in an industry mailing packages with a billed price of between $6 and $9. Some 6,000 Canadians are employed in this $600 million a year industry, and

roughly $100 million of that is mail order business. The Photo Marketing Association International estimates that 500 jobs will be immediately wiped out if the mail increase for packages is approved. The crippling price hike would also give a great advantage to foreign mail order photo finishers who need not pay Canadian federal sales tax or customs duties.

The Government is committed to making life better for Canadians, not worse, so we must abort these cruel measures as they pertain to the photo marketing industry.

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BANK OF CANADA

CAFETERIA PRICES—SUBSIDIZATION OF EMPLOYEES

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, in December I rose in the House and asked the Governor of the Bank of Canada to end the practice of subsidizing staff cafeterias at Bank of Canada offices across the country. The Bank's out of date pricing policy at these cafeterias has cost Canadian taxpayers over $2 million in the past five years.

I have since discovered that the prices in these cafeterias have doubled since April 1. However, I have also learned that Bank of Canada employees have been given a $250 raise to compensate for this price increase. This clearly defeats the whole purpose of raising the prices in the first place. In effect, any savings from any increase in cafeteria prices are going in one pocket and out the other.

This indirect subsidy to Bank of Canada employees will cost Canadians almost $500,000 per year. I urge the Governor of the Bank of Canada to stop this deplorable practice. I wish to remind him that it is not up to the people of Canada to ensure that Bank of Canada employees are well fed.

* * *

CHARTER OF RIGHTS

SUPREME COURT'S RULING ON REVIEW OF CABINET DECISIONS

Mr. John Nunziata (York South-Weston): Mr. Speaker, the Canadian Charter of Rights and Freedoms has seen its finest hour. Since 1867 our constitutional development as a nation has been shaped by numerous court cases which have had a dramatic impact on our society. Federal-provincial relationships, economic development, human rights, language, and culture have all been profoundly affected by court cases such as *Russell v The Queen*, *The Queen v Drybones*, and *The Attorney General of Quebec v Blaikie*. Yesterday a decision was handed down by the Supreme Court of Canada which places a very significant limitation on the use of executive power in Canada.

The Court ruled that the Charter of Rights and Freedoms is supreme and that Cabinet decisions are reviewable by the courts. The Charter's supremacy is now unquestioned. This landmark decision has blazed a constitutional trail which helps define the relationship of the citizen, the state, and the Constitution.

• (1110)

This is a victory for Canadian civil liberties and a victory for Canadian civil rights. In every sense it is a victory for all Canadians. Operation Dismantle should be congratulated for its courage in challenging the Government of Canada, thus allowing the Supreme Court to render this momentous decision.

This organization now faces a substantial legal bill which threatens its continued existence. Because this court decision benefits all Canadians, I call on the Government of Canada to pay the legal costs in this case. It is indeed a small price to pay for what every Canadian has gained.

Mr. Speaker: Order. The Hon. Member's time has expired.

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THE SENATE

CALL FOR ABOLITION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, to no one's surprise we have recently learned that there were no responses to a questionnaire circulated in the Senate by one of their own concerning the duties of a Senator. The invitation to justify their existence was met with, to quote the Senator who sent it around, "unanimous silence". All the more reason to abolish the Senate.

What the Government currently proposes is that the Senate be reduced, through limiting its power, to its essence, i.e., a house of political patronage. Gone will be the facade of real political power. Only the pork barrel will remain. Also gone will be anything left on which to justify the continued existence of the Upper Chamber, except the uses the Prime Minister (Mr. Mulroney) has for it in making political pay-offs.

Perhaps the Prime Minister would be induced to abolish the Senate if we agreed to let him use it as his personal lounge. Given his recent refusal to stay in a hotel that was good enough for Cabinet Ministers but not for him, the presidential style of this Prime Minister is on the verge of becoming monarchial. The Senate Chamber would make a perfect place for the Prime Minister to retire in the evenings to enjoy his delusions of grandeur, a place where so many have been deluded by so little for so long.

Some Hon. Members: Hear, hear!

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THE ECONOMY

REDUCTIONS IN INTEREST AND MORTGAGE RATES

Mr. Don Ravis (Saskatoon East): Mr. Speaker, in the last few days we have seen the Bank of Canada rate fall below 10

per cent, a six-year low, and the Governor of the Bank of Canada is suggesting the possibility of much lower interest rates if the deficit is reduced. We have also seen, for the first time in decades, the reintroduction of mortgages with terms of seven to ten years. Our unemployment rate has fallen below 11 per cent, and we have had a significant increase in our trade surplus. In the first quarter of 1985 the Canadian economy grew at twice the rate of the United States.

On November 9 last, the Minister of Finance (Mr. Wilson), on behalf of the Government, put forward the agenda for economic renewal. Many decisions that have been taken in the past seven months have not been easy ones. There are no simple, quick solutions to a legacy of financial ineptitude. There will be further hard decisions made in the upcoming Budget. The balanced approach to reducing our debt will be fair and equitable to all regions of Canada. Less debt means more jobs.

The country is responding with confidence to the leadership of the Government. Confidence is growing, confidence that through the principles of the work ethic and less government hand-outs, economic recovery can be achieved, at the same time being confident that this can be achieved while ensuring that those in need are cared for. This is what the Progressive Conservative Government is all about.

* * *

[*Translation*]

THE AUDITOR GENERAL

HIRING OF FORMER LIBERAL MEMBERS OF PARLIAMENT

Mr. François Gérin (Mégantic-Compton-Stanstead): Thank you for recognizing me, Mr. Speaker. My remarks are directed to an official of this House whose behaviour astonishes me and, as I see it, belittles his important responsibilities. According to the Auditor General Act, the Auditor General shall report annually to the House of Commons and its Members on the work of his office and on whether, in carrying on the work of his office, he received all the information and explanations he required.

He must discharge his duties respecting fully our laws, our customs and our Canadian traditions.

Resorting to the courts without such specific instructions was definitively not the best nor the cheapest approach Mr. Dye could have taken to fulfil his duties. His personal decision to hire former Members to lobby through elected Members of this House, and the fact that these are Liberal Party members add insult to injury since the latter are not particularly conversant with accounting principles. The Auditor General truly overstepped his authority. In so doing he may have shown a propensity for grand-standing and sensationalism, or wanted to challenge openly the Conservative Government. Most certainly, such action lessens the confidence of the House in this official and, by the same token, undermines the institution he represents.

Just before graduating from Montreal's École des hautes études commerciales—

[*English*]

Mr. Speaker: Order. The Hon. Member's time has expired.

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THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, this being Friday, it gives me great pleasure to proclaim the PAW award, the Patronage Award of the Week. The envelope, please. The nominees for the PAW award are Doug and Wendy Lawson, Peter and Marcia Clark, and Bud Sherman. And the winner is—it is a joint award, Peter and Marcia Clark. They may pick up their award this week, next week, or the week after, in my office. The prize is a Rat Pack T-shirt.

• (1115)

ORAL QUESTION PERIOD

[*English*]

CANADIAN BROADCASTING CORPORATION

COST OF TELEVISION GALA AT QUEBEC SUMMIT

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister. The Prime Minister deliberately excluded the Governor General from his meeting with the President of the United States in Quebec City last March on the grounds that it was only a working meeting. What work was being done at the television gala held during that meeting where the Prime Minister sang along with the President, which justified the Canadian taxpayers paying more than half a million dollars for the bill from the CBC for that television extravaganza?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would like my hon. friend to know that, with the implications of that question, he has offended two million Irishmen in this country. I want that to be known. He will pay a handsome price for that.

We have not received the bill for the event that was put on, or at least I have not seen it, but it involved a showcasing of Canadian talent and young Canadian artists, both French and English, on Canadian and American network television. Every time that we have an opportunity to display such magnificent Canadian talent around the world and encourage Canadian artists, we will do so with great pride.

Oral Questions

REQUEST THAT PROGRESSIVE CONSERVATIVE PARTY PAY COST

Hon. Herb Gray (Windsor West): Mr. Speaker, it is clear that that television extravaganza was put on principally for politically showcasing the Prime Minister and feeding his ego. Therefore I would like to ask the Prime Minister to make a commitment to have the Conservative Party pay the cost of that extravaganza rather than the Canadian taxpayer. Will he make that commitment?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that such a thing is a tradition as, for example, I remember such an extravaganza to which I was invited when the President of the United States came to Canada and the then Prime Minister, Mr. Trudeau, hosted a gala at the Arts Centre. It featured Canadian talent, both English and French-speaking. It was a marvellous display of Canadian talent, in the same way as was the reception for President Reagan in Quebec City. I think that Canadians are proud of their artists, their entertainers, and their cultural communities, and we were honoured to have the opportunity to showcase them in such an international manner.

ORDER PAPER QUESTIONS

Hon. Herb Gray (Windsor West): Mr. Speaker, almost eight weeks ago the Hon. Member for Gengarry-Prescott-Russell raised 20 specific questions regarding the cost of that extravaganza and the cost of the summit meeting with President Reagan in general. Why, after a delay of almost eight weeks, have these questions not been answered? What does the Government have to hide? Is it the cost of the quail, is it the cost of the imported wine, or is it the cost of the caviar that was served to more than 1,800 Tory friends and relatives at functions connected with that extravaganza?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one can see the priorities of the Liberal Party and one can see the line of questioning, because this morning Statistics Canada announced that since we came to office 201,000 new jobs were created in Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Statistics Canada announced that in April, 89,000 new jobs had been created, the largest single monthly increase in five years, and that is what this Government is doing.

Some Hon. Members: Hear, hear!

• (1120)

Mr. Mulroney: While they are talking about rats and rat packs, we are talking about jobs and hope for Canadians. That is what this Government is doing.

Some Hon. Members: Hear, hear!

VISIT BY UNITED STATES PRESIDENT—ASSOCIATED COSTS INQUIRY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I do not know why the Prime Minister deliberately left Newfoundland out when he was flinging around the jobs, because unemployment in Newfoundland has gone up.

I am tempted to move a motion of censure against *The Globe and Mail* for challenging the Prime Minister for throwing Canada's Ambassador to West Germany out of his home. Any Prime Minister worth half a million dollars of warble cannot be expected to stay in the same second-class hotel as Joe Clark and Michael Wilson. There can be no doubt about that.

In addition to the $500,000 cost of showcasing a frustrated young artist named Mr. Mulroney on Canadian television, while all the others have been cut off, what other costs were associated with the visit by President Reagan to Quebec City on March 17?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is true, unfortunately, that unemployment has risen in Newfoundland. We have made an historic effort to counter that by signing, after 13 years of Liberal indecision, the Atlantic Accord which will bring new hope and prosperity to Newfoundland.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Unemployment declined in seven other provinces. I think that is good news for all Canadians. I think that Canadians watching this are wishing that the Liberals would set aside their cheap partisanship.

I know that the Hon. Member, too, is a fine Irish tenor. And I know that he wanted to sing in Quebec City. But, I am sorry, the stage was not big enough. We are here to create jobs, and the significant figure today and every day is that—

Mr. Tobin: We want jobs.

Mr. Mulroney: He talks about jobs. In a comparable period in the previous year, 72,000 jobs were created, and we have created 201,000. That is our commitment to Canada.

Some Hon. Members: Hear, hear!

RESULTS OF MEASURES TO CREATE JOBS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, with an ego that big, no stage would be big enough for another performer anywhere in Canada.

As a good Irishman, as the Prime Minister pointed out, I am sad that the Prime Minister is living the life of Reilly while 32 per cent of the people in my riding are unemployed. I want to ask the Prime Minister a serious question. Has he ever, between mouthfuls of quail or tidbits of caviar, paused to wonder how the poor people of this country are living? Will he quit his presidential style? He is not a head of state; he is the chief executive officer. The people in the country want work

and action. Jobs are created every spring. Quit gloating. Show us some concrete results.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Member quite properly asked for concrete results. This morning Statistics Canada announced that in the month of April we created the largest number of jobs in five years. The Liberal Party does not like good news for Canadians. They like cheap partisanship.

Statistics Canada announced that 201,000 jobs were created, two-thirds of them being full-time permanent jobs, since we came to office. Those are the tens and tens of thousands of jobs which we promised. Unlike the Liberals, we have delivered on our promise.

Some Hon. Members: Hear, hear!

* * *

NATIVE PEOPLES

ORIGIN OF ALLEGED CABINET DOCUMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, one of the promises of the Prime Minister, which he said he would deliver, was to provide more open government. I would like to ask him, in that context, concerning a document which the whole country knows very well came out of the Deputy Prime Minister's office recently, but about which the Government has continued to be evasive and refused to answer questions, has the Prime Minister undertaken an investigation into the origins of that document? Considering that the document refers to the fact that the Prime Minister was consulted on its contents, will he tell the House in a straightforward, open manner, that, indeed, this document was prepared in the office of the Deputy Prime Minister?

• (1125)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have told my hon. friend, and I think he will remember, that the document to which he refers is one which I have never seen myself. It has never been brought to my attention. I do not deny the possibility of task forces or study groups doing work in examining government programs. But in regard to native peoples we set out very, very clearly that, notwithstanding recommendations which may or may not come forward from various study groups, the Cabinet will decide at an appropriate time what the policy will be, and that we shall never do anything which is unhelpful to our native and aboriginal peoples.

REQUEST FOR ACKNOWLEDGEMENT OF ORIGIN

Hon. Edward Broadbent (Oshawa): Mr. Speaker, once again the Prime Minister continues his attempt to treat the proceedings of this House as some kind of charade. He knows, and the whole country knows, that he did not answer the question. I want to ask him again will he live up to what he promised during the summer election campaign on the question of open government. He will have consulted with his Deputy Prime Minister during the last few days, and with the Minister of Indian Affairs and Northern Development and the Minister of National Health and Welfare, all of whose Departments endorse the recommendations which are outlined in this report. Will he now, to use an old phrase, "come clean" with the House of Commons and acknowledge that this document was produced by the Deputy Prime Minister?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know it is hard for the Hon. Member to get over his own self-inflicted sanctimony. I know it is. But I have told him point-blank that I have never seen this document. It has not come to Cabinet, and if and when Cabinet is seized of it and makes a decision, we will tell you in the House. Then it will be government policy.

Mr. Broadbent: Mr. Speaker, I say to the Prime Minister that he is the last person to talk about being sanctimonious. It was he who made himself the white knight on the question of patronage, and then reversed everything he promised once he took office.

Mr. Hnatyshyn: What about Gerry Caplan? He used to work for you.

Mr. Broadbent: Go swallow your red tie.

Mr. Hnatyshyn: I always put it in front of a bull.

Mr. Clark (Yellowhead): Stay cool, Ed.

Mr. Broadbent: If we can get some order, Mr. Speaker, I'll ask the question.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): In this document there are two key elements; first, a whole range of changes in native people's programs involving massive cut-backs and, second, something which pertains directly to the budgetary process which leads us to believe we are going to have one budget on May 23 and the real budget after. I refer to the fact that this document said that there are going to be cut-backs in native programs announced after the Budget, but not in the Budget. Will the Prime Minister acknowledge that the real reason the Government doesn't want to acknowledge the existence of the document is because the kind of duplicity which is involved in native people's programs is going to be carried over into virtually every program affecting every Department in the Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend does himself and the House a grave disservice by that kind of unbecoming attitude. We have indicated that there will be a Budget. The Minister of Indian Affairs and Northern Development and I have made formal statements in the House outlining the principles which will govern our conduct in regard to our native peoples. We were

under the television lights in Canada—the Hon. Member talks about openness—where we conducted ourselves on the aboriginal issue in a manner which I think brings honour to this House. We tried to secure a deal with dignity for the native peoples of Canada. That's the way we feel about our commitment to helping the native peoples, and the Leader of the New Democratic Party does himself a grave disservice by this kind of unbecoming conduct in the House of Commons.

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[*Translation*]

MUNICIPAL AFFAIRS

PATRONAGE IN CHARLEVOIX CONSTITUENCY—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and concerns patronage.

Mr. Speaker, the mayors of the regional municipality on the upper North Shore recently sent a letter to the Member for Charlevoix, accusing him of usurping the rights of municipalities for the benefit of Conservative organizers, and of letting the organizers select grant recipients and the people to be hired for the various projects.

My question to the Right Hon. Prime Minister is as follows. Considering the kind of patronage being indulged in by this Member, by which certain municipalities or individuals are given preference, depending on their political allegiance, could the Right Hon. Prime Minister give the people of Charlevoix, the Members of the House of Commons and people in all ridings throughout Canada that are represented by Progressive Conservative Members, the assurance that this appalling practice will be stopped immediately?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the people of the riding of Charlevoix reversed the previous 16,000-vote majority of the Liberals and voted against a Liberal Minister because of the patronage practised by that party in the past. The people of Charlevoix and all Quebecers know perfectly well that we deal fairly and squarely with all our municipalities and with all Quebecers, unlike the Liberals who favoured their own party followers exclusively, at all times. You are hardly in a position to rise in the House on questions about Quebec. Shame!

• (1130)

QUEBEC—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a supplementary.

Mr. Speaker, I did not expect the Prime Minister to accuse the mayors of the municipalities of Charlevoix of lying.

Mr. Speaker, Canadians found out recently that the Progressive Conservatives were setting up a big blue machine in Quebec. Could the Prime Minister inform the House whether the tactics being used by some of his Members in Quebec will form the foundation of a big blue machine in that province? Is this the kind of tactics the Progressive Conservative Party is going to use to build the power base they utterly lack in that province?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have to admit that the Progressive Conservative Party has not always had an easy time of it in Quebec, and that we had to start from scratch. It took a lot of hard work to build up an organization that includes people from all walks of life in our society. It took a lot of hard work, that I admit, but we have a democratic organization that is highly representative, and the people of Quebec have come over to our side and will continue to do so in increasing numbers, because they are so fed up with your behaviour in the House of Commons. You had better change, because you are going to be in the Opposition for a long time!

* * *

[*English*]

NATIVE PEOPLES

CONTENTS OF ALLEGED CABINET DOCUMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister. There is a certain degree of hypocrisy in the responses coming from him and his Cabinet colleagues regarding this document. I would like to go back to the comment he just made that while he was under the bright lights with the Indian and Inuit leaders of this country, ferreted away in his office was the Deputy Prime Minister producing this document which is repugnant to Indian and Inuit people in this country and that is why the Government is finding it so sensitive.

Will the Prime Minister confirm what is stated in this document, that he met with the ministerial task force on native programs and that he confirmed the recommendations contained in this document?

Right Hon. Brian Mulroney (Prime Minister): That's false.

RCMP INVESTIGATION

Mr. Jim Fulton (Skeena): Mr. Speaker, page 17 of the document says the Prime Minister has been consulted regarding his prerogatives on mandates. It is very clear in the—

Some Hon. Members: Oh, oh!

An Hon. Member: Is that it?

Mr. Fulton: I am not going to quote from the whole of the document. My supplementary is directed to the President of the Privy Council. It is reported today that he or his Depart-

ment has ordered an RCMP investigation into who leaked this document. If it is not a Cabinet document, and none of you will stand up in this House and show some gumption and admit this document has reached the point it has in going to Cabinet Ministers, why have you ordered an investigation into it?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I do not know how many times you have to repeat something for the NDP. Obviously you have to repeat it for one or two days consecutively.

Mr. Broadbent: Tell the truth once.

Mr. Hnatyshyn: The fact of the matter is that if there is any document which comes into unauthorized hands, there is a routine procedure—and this has been repeated by the Deputy Prime Minister—under which the RCMP make an investigation. I am sure the NDP would approve of that; in any province where they have been in power they want to make sure that Cabinet confidences are kept within the Cabinet and no place else.

Mr. Broadbent: So it is a Cabinet document? Thank you very much.

Mr. Hnatyshyn: I just said it was routine procedure.

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THE AUDITOR GENERAL

HIRING OF FORMER MEMBERS OF PARLIAMENT

Miss Aideen Nicholson (Trinity): Mr. Speaker—

Mr. Andre: Don't let the truth get in the way of a good issue, Ed.

Mr. Broadbent: Do another poll on that one.

Mr. Speaker: Order, please. Wednesday came late this week.

Miss Nicholson (Trinity): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. He will know that the office of the Auditor General is conducting a joint study with the United States General Accounting Office to identify needs of users of federal government financial information. The international advisory group includes the Comptroller General of the U.S., the president of the Canadian Institute of Chartered Accountants, and many distinguished academics and public servants. As part of this study two former Members of Parliament, a lawyer and an economist, were hired to help interview present Members of Parliament on their informational needs. The Parliamentary Secretary to the Minister of Finance has been quoted using the term "Gestapo tactics" to describe the project. Will the Prime Minister assure the House that the Parliamentary Secretary's total misunderstanding of the project is unique to that Member and not to be taken as a reflection of government policy or as discouragement of this very important initiative?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, this matter arose yesterday through the Hon. Member for Drummond who asked me to inquire of the Auditor General with respect to the rationale of the Auditor General's position which, as the Hon. Member will know, should not only be independent and accountable to Parliament, but should be perceived as being totally independent from partisan participation by active politicians of any political stripe. I have spoken with the Auditor General and he has indicated that Mr. Deniger had already decided it would be appropriate for him to resign his position.

All I am saying is that I am discussing this matter with the Auditor General who agrees with me that there should be no suggestion of partisanship in the performance of his duties. He is an officer of the House of Commons.

SUMMARY FINANCIAL REPORTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, I find that answer astonishing in view of the fact that a very well respected former Leader of the Opposition in this House, Mr. Robert Stanfield, is a consultant to that project, as is Mr. Huntington, a former Conservative Member of Parliament and chairman of the Standing Committee on Public Accounts, and co-author of the Huntington-Lachance report on accountability.

If we are ever going to get what we want in the summary financial reports, and bear in mind this project particularly gears into the summary financial reports, if we are going to get the kind of information which assists parliamentarians to do their job of looking at government reports, surely former Members of Parliament are the obvious people to be involved, and I am delighted to see Mr. Stanfield and Mr. Huntington involved. But surely the Minister is not saying that only Conservative Members have anything to contribute to this House?

Some Hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, my understanding is quite simply that, with respect to advice the Auditor General received concerning this project, he may have consulted a variety of people on a non-paid basis. Mr. Stanfield and Mr. Huntington were simply consulted, they were not paid $80 or $90 an hour as consultants.

The question is, I suppose, whether or not the Auditor General, who, I know as an officer of the House wants to be completely apart from any suggestion of partisanship—the whole question is whether or not with these people, who are former Liberal Members of Parliament, still active in the Liberal Party, there is a perception that they are paid consultants to the Auditor General, an officer of the House, and whether this is appropriate. The Auditor General is giving that matter consideration, and I expect he will reply to the appropriate committee.

Oral Questions

BONN ECONOMIC SUMMIT

ATTENDANCE OF PRIME MINISTER—USE OF EMBASSY RESIDENCE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Prime Minister. He attended the recent Bonn conference, and in order for him to do so the Ambassador, his wife and daughter, were forced to leave their residence and move into a hotel 30 kilometres away from Bonn. The Hotel Koenigshof was not good enough for the Prime Minister, it was supposedly second class, but it was good enough for the Secretary of State for External Affairs and the Minister of Finance.

• (1140)

Why was it necessary for the Prime Minister to place this inconvenience on a family when the Hotel Koenigshof was good enough for his key Ministers? Why could the Prime Minister not have stayed there as well? Or are we seeing the arrogance of Pierre Trudeau all over again?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I want to rise and defend Pierre Trudeau against that unfair attack from the NDP. In point of fact, Mr. Speaker, the statement is completely false. Government officials in Bonn sought out an area where we could meet with Ministers and with Dr. Sylvia Ostrey and her group nightly, and every morning before breakfast. Such an area was unavailable, given the extreme shortage of hotel rooms.

I had no contact myself with the ambassador, nor did I express any wish one way or the other. However, my understanding is that our excellent ambassador in Bonn offered his residence, which has a large dining room which we used as a meeting room. Security considerations entered into the matter as well. There were security recommendations made.

The situation in Bonn was really so bad that when our team went over there they wanted to instal the Canadian journalists on barges. Only the diligence of Bill Fox and his colleagues got these distinguished journalists from a position on the river into an hotel.

ATTENDANCE AT FUTURE CONFERENCES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in effect the Prime Minister is saying that there was no room at the inn. It is inconceivable that all the other delegations from France and the United States made proper arrangements and had room at hotels for that sort of thing. The Prime Minister should stand in the House and give his assurance that that kind of insensitive action on his part will not be repeated again.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I understand it, most of the other delegations took over entire castles and moved right in. I took advantage of the hospitality of our own ambassador who was kind enough to offer for 48 hours, or whatever it was, the use of the Canadian government residence in that place. He made the offer. I thought I would accept it because, if I were to accept a castle, the NDP would criticize me. I thought they would salute me for being this modest and for saving money in the process.

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CANADA POST CORPORATION

IMPACT OF PROPOSED POSTAGE INCREASES ON PHOTOGRAPHY INDUSTRY

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is directed to the Minister responsible for the Post Office. I have had lengthy conversations with persons involved in the photography business. Five hundred jobs in the photo finishing industry will likely be lost if the proposed postal increases for packages are approved. Bearing that in mind, would the Minister reconsider those increases? While he is doing a reassessment, can he assure Canadian photo finishers that their $100 million a year mail order business will not fall prey to those proposed increases?

Hon. Perrin Beatty (Minister of National Revenue): Finally, Mr. Speaker, a question on the great issues of the day.

Some Hon. Members: Hear, hear!

Mr. Beatty: Mr. Speaker, I want to assure the Hon. Member, who is an inveterate photographer himself, that the corporation will be meeting with representatives of the photo finishing industry to discuss the rate proposals. For the 60 day period following the gazetting of the rate increase applications, Cabinet sits as a regulator. We will be receiving representations from photo finishers and others with regard to their concerns. We will certainly take them seriously. I have encouraged the corporation to meet with all interested people to see whether these concerns can be resolved.

Mr. Speaker: Despite the stoppage of the clocks, may I advise Members that, as usual, Question Period will go until twelve o'clock. The Hon. Member for Notre-Dame-de-Grâce-Lachine East.

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CHARTER OF RIGHTS

LEGAL COSTS INCURRED BY OPERATION DISMANTLE

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, in the absence of the Minister of Justice I will direct my question to the Prime Minister. Yesterday the Supreme Court of Canada rendered a very important and historic judgment making Cabinet decisions subject to the Charter and reviewable by the courts. That important case would not have gone before the courts if it was not for Operation Dismantle, a voluntary, non-profit organization, taking the initiative of bringing that case to the courts.

Unfortunately, in rendering the judgment the court ordered Operation Dismantle to pay all the costs in the case, which could be quite high. Considering the very great value of that important and key judgment to all Canadians, and the fact that this is a voluntary, non-profit organization, would the Prime Minister consider forgiving the costs of Operation Dismantle in that particular case since it is one that benefits all Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Justice is absent, but I will discuss with him the suggestion made by my hon. friend. I am aware of the remarkable significance of the judgment. I take notice of the suggestion made. I will discuss it with the Minister of Justice and report to my hon. friend.

LITIGATION UNDERTAKEN BY VOLUNTARY ORGANIZATIONS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I appreciate the Prime Minister's response. I would ask him also to consider that when voluntary, non-profit groups like this must go to court against the Government of Canada they are going to court against an opponent which is heavily financed by the taxpayers of Canada and whose lawyers are often on full-time staff. I think that if we are going to get the type of decisions that we need, we should not saddle these groups that are involved in important decision-making cases such as this, with expenses. I would ask the Prime Minister to convey that as well to the Minister of Justice.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are involved in a policy review of the progressively litigious nature of our society as a result of the Charter, and the extent to which the Government should and should not properly be involved in some of the funding dimensions. I think it is an important matter. I do not have the answer today. I think it is difficult to anticipate where we might be on these issues in four or five years, given the changes to the Charter. The courts' role will be a progressively important one. We live in the kind of a democracy for which we are all thankful. I will take that up as well with my colleague.

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REFUGEES

REPORT ON METHOD OF DETERMINING STATUS

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. There are 20,000 refugee claimants in Canada waiting for the Minister to decide their fate. I understand that Rabbi Plaut's report on the method of determining refugee status, promised by the Liberal Government for December, by the Minister in her Estimates for January, and again by her five weeks ago for "in a few weeks", has in fact been received by the Minister in both English and French, along with new draft legislation proposed by the Department. Will the Minister table the Plaut report without delay to permit Members of Parliament and the public to respond with constructive suggestions?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can advise the Hon. Member that the report will be made public very shortly. I would welcome his response to it and that of other Members of Parliament.

Mr. Heap: Mr. Speaker, "very shortly" sounds like "in a few days" which I heard from the Minister on March 27, nearly two months ago.

MINISTER'S POSITION

Mr. Dan Heap (Spadina): Mr. Speaker, public debate on Canada's internal treatment of refugees has been stifled for several years by a chain of delayed reports. Is it now the intention of the Minister to delay the Rabbi Plaut report until nearly the end of this session so that she can ram legislation through Parliament without effective public debate, claiming that she has to hurry us up to help the refugees?

Hon. Flora MacDonald (Minister of Employment and Immigration): No, Mr. Speaker, it is not. However, I understand that the Hon. Member always looks on the dark side of things. We want to ensure that those people who are in the refugee determination process are given justice and compassion. That will be the way in which we respond to the Plaut report. I trust the Hon. Member will do the same.

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• (1150)

[*Translation*]

CANADA POST CORPORATION

ALLEGED DISCRIMINATION RESULTING FROM PARCEL WEIGHT CHANGES

Mr. Louis Plamondon (Richelieu): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. The reform undertaken by Canada Post management concerning the weight of parcels, among others things, is outright discrimination against some regional newspapers such as the *Courrier du Sud* in my constituency which is faced with a $24,000 annual increase since all subscribers receive their paper through the mail. I should like to ask the Minister whether he intends to bring pressure to bear on Canada Post management so as to make an exception in the case of regional newspapers which provide information because, should that newspaper cease publication, for instance, Canada Post would lose $150,000 a year.

Mr. Speaker: Order, please.

An Hon. Member: Do not bother to get up unless you have a question to ask.

Mr. Speaker: Order, please. The Hon. Member for Mount Royal.

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[*English*]

EMPLOYMENT

CHALLENGE '85 PROGRAM

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Minister of Employment and Immigration. Given that the Challenger '85 program which the Minister announced was designed to provide jobs this summer for students and that most students have now finished college, CGEP, or university, and given that the Minister knows students need a minimum amount of savings in order to qualify for loans and bursaries, depending on the province from which they come, to continue their schooling this fall, can the Minister explain to the youth of this country, and to this House, why the $30 million loan guarantee student entrepreneur program, which was to allow students to create their own jobs and demonstrate entrepreneurial spirit, is not off the ground as yet across this country?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am delighted to have one of the Members opposite raise the subject of Challenge '85. It is the most successful student program that has ever been introduced in this country.

Some Hon. Members: Hear, hear!

Miss MacDonald: It has provided jobs and is providing jobs for well past the target group that we suggested at the outset of the program. It has brought $100 million in additional funding from the private sector to the program, and some 60,000 additional jobs. That is a program which the Hon. Member should be standing up congratulating us on, and not criticizing.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

YOUTH

STUDENT ENTREPRENEUR PROGRAM—GOVERNMENT POSITION

Mrs. Sheila Finestone (Mount Royal): A supplementary question, Mr. Speaker.

Indeed, Madam Minister, I am glad for young Canadians, but still it is too late for those to whom you promised the entrepreneur program, which has yet to get under way. Please correct me if I wrong. Otherwise, I want to know whether the $7.5 million set aside for this program will be reallocated on a proportional basis to the various provinces where the program was to be implemented.

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I must say to the Hon. Member that the programs are off and running and working well. Just so she will be aware that that is the opinion all across the country, I can tell her that headlines from papers read: "Student Job Picture Brighter this Summer"; "Metro Centre Sees Big Jump in Summer Jobs for Students". Right across the country that is what people are saying. I think the Hon. Member should also recognize that students are finding jobs this summer.

Some Hon. Members: Hear, hear!

* * *

MINES AND MINING

BRITISH COLUMBIA NORTHEAST COAL PROJECT

Mr. Ray Skelly (Comox-Powell River): My question is for the Minister of State for Mines. It pertains to the $1 billion hole in the wrong place, specifically the Quintette mine in British Columbia. It is apparent that the federal Government spent a half a billion dollars on infrastructure for this project against the advice of the chief geologist of British Columbia and against the advice of other prominent geologists.

Would the Minister of State for Mines tell this House whether the federal Government conducted any studies into the viability of the Quintette mine before making the half a billion dollar investment in infrastructure?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, in response to the question raised by the Hon. Member, the growing pains related to the start-up conditions of this mine in B.C. are being monitored by the Government of B.C. and by the industry that has invested in the project.

With regard to the studies that were done by the previous administration, I will make a full review of them and bring them to the Member's attention.

GOVERNMENT'S RELATIONS WITH BRITISH COLUMBIA

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the Quintette mine was predicted to be a complete fiasco. Now that prediction is coming true.

Would the Minister indicate whether this Government intends to deal with the Province of British Columbia in a different way because of the fact the Government was duped into spending a half a billion dollars on a hole in the wrong place? Is there going to be a different way of dealing with that Government if it is going to continue to dupe the federal Government?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, with regard to the investment made in infrastructure, the up-grading of the rail line to the ports and the ports themselves for handling the products of British Columbia, those facilities

are in operation and are handling those products as planned. The full capacity of that mining development has not yet been realized, but there is confidence that it will be.

Mr. Skelly: Get your cue cards. You have the wrong hole.

Mr. Nystrom: He is talking about the wrong mine.

Mr. Layton: With regard to the arrangements and good will that exist between this Government and the B.C. authorities, I can assure the Hon. Member personally, Mr. Speaker, that in my dealings with the provincial Minister of Mines we are very confident the working relationships between our Governments will bring benefits to the citizens of British Columbia.

* * *

[*Translation*]

PUBLIC SERVICE

FEDERAL UNIONS—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the President of the Treasury Board.

Last April 17, the President of the Treasury Board made a major statement in the House concerning four points under negotiation with federal labour unions. He stated there was agreement with labour on a master agreement, a dental plan, a revised pension plan and improved workforce adjustment procedures. Now we learn that the largest union, the Public Service Alliance, simply refuses to endorse the agreements—or to go along with the other unions—and rejects both the revised pension plan and the dental plan.

May I ask the Minister what he is going to do now that the largest union has refused to go along with that decision?

Hon. Robert de Cotret (President of the Treasury Board): As everyone knows, Mr. Speaker, what I announced was an agreement in principle which was to be submitted for concurrence to each union and, in our case, to the Cabinet. Quite obviously one of the 14 unions has revised its position since last month. I therefore intend to sit down with them for a new bargaining round, hopefully to reach agreement on issues raised in recent years which are of interest to our Public Service employees.

[*English*]

PENSION NEGOTIATIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have a supplementary question for the President of the Treasury Board. There are two other items of the four remaining. I take it the Minister is telling us that he is going to proceed with those two items.

On the question of pensions, is the Minister willing to go back to the table now with Mr. Samson and others, Mr. Donegani and the two main unions, to discuss other modalities with them, since they have refused his plan as it is now?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the only answer I can give to that question is that, apparently, one of the unions is experiencing internal problems. I have no intention of getting involved. However, anytime Mr. Samson or representatives of the Alliance want to sit down with me, my door is wide open and they simply have to give me a call—as I told them at the very beginning. I will be pleased to sit down with them to see how things are going.

* * *

[*English*]

INDUSTRY

MITEL CORPORATION—TAKEOVER BY FOREIGN COMPANY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is for the Prime Minister. It concerns Mitel, a Canadian high-tech corporation with a very high international reputation. The Prime Minister will know that tens of millions of taxpayers' moneys have gone into direct grants to develop this high-tech company. Furthermore, tens of millions of dollars in tax relief have gone to support the development of this high-tech company. It is now about to fall into foreign hands. Is the Government prepared to step in and take action, and will the Prime Minister use his supreme authority to stop this particular takeover?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, Mitel is now negotiating. We know what is going on. We are monitoring the situation very closely. The interests of Canadians, the Government's investment in the company, the millions of dollars that have been invested in Mitel, all this will be watched very closely, and we have things under control.

• (1200)

[*English*]

GOVERNMENT POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have a short supplementary question. Is the Minister saying that the Government will not allow the takeover to occur of this critical Canadian corporation which, in a sense, is a world leader in the development of telecommunications technology? Is he prepared to say that the Government will not allow this Canadian company to fall into foreign hands? Be specific.

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, the agreement between Mitel and the Federal Government includes an agreement on non-transferable technology. We know exactly what this agreement con-

tains, we will examine it closely and keep a close watch on developments.

One thing we must not forget is that the agreement is not about who owns Mitel, but—

Ms. Copps: Answer the question!

Mr. Bissonnette: We know what the interests of Canadians are, and we are keeping a close watch on the situation.

* * *

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of three, presented by Hon. Members on Thursday, May 9, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Hamilton Mountain (Mr. Deans) and certain petitions presented by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) do not meet the requirements of the Standing Orders as to form.

* * *

COMMUNICATIONS AND CULTURE

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations among the Parties, and I know you would find unanimous consent for the following motion:

That the first report of the Standing Committee on Communications and Culture be concurred in.

Mr. Speaker: Does the Hon. President of the Privy Council have the unanimous consent required to put his motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise at this point to designate next Tuesday as an allotted day.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

INDIAN PEOPLES

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I have the honour to present a petition to the House today. It pertains to the adequacy of the housing situation for the Nuxalt Indian people of Bella Coola, British Columbia, and reads that whereas the past Liberal Government refused to provide adequate funds and support for proper housing to the Nuxalt people of Bella Coola, B.C., whereas the present Conservative Government also failed to provide the Bella Coola Band with adequate housing funds, and whereas every Canadian citizen—

Mr. Speaker: Order, please. The Hon. Member is reading the petition. Could he just summarize it, please?

Mr. Skelly: Mr. Speaker, basically it calls upon the House of Commons and the present Government to be more responsive than the previous Liberal Government in supporting the Nuxalt people in terms of adequate housing.

I have a second petition to present. It deals with the Sechelt Indian Band of British Columbia. As many Hon. Members of the House know, the Sechelt Band has been one of the leaders in the business of promoting self-government among Indian people. The petition requests that the present Government of Canada be more responsive than the previous Liberal Government in bringing forward legislation which would promote Indian self-government among the Sechelt people of Sechelt, British Columbia, and hopefully thereafter bring forward self-government in a rapid and expeditious manner for Indian people in Canada.

Also I have the honour to present a third petition today. It pertains to the Heltsuk Tribal Council of Bella Bella, British Columbia. Again it points out that the previous Liberal Government failed to support Indian people and that the present Conservative Government—

Mr. Speaker: Order, please. The Hon. Member is making an interesting comment. However, would he please summarize the petition?

Mr. Skelly: In an attempt to summarize the petition quickly, the upshot of it is that the Liberal Government failed to provide any support for them, the present Conservative Government has cut off an $800,000 grant for land claims research, and the Heltsuk people call upon the Parliament of Canada and the present Government of Canada to be more responsive than the previous Liberal Government in supporting native people in the business of developing research on their land claims proposals. They also call upon the present Government to restore—

Mr. Speaker: Order, please. That is more than enough time to summarize a petition. Does the Hon. Member have any further petitions to present?

Mr. Skelly: Yes, Mr. Speaker.

Mr. Thacker: It is an Opposition Day today.

Mr. Skelly: Perhaps I will present the rest tomorrow.

Mr. Dick: That is Saturday.

Mr. Skelly: Hopefully on Monday, then.

[*Translation*]

NATIVE WOMEN

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I have the honour of presenting a petition concerning the registration and and re-registration of native women and their children in my riding who belong to the Abenaquis.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by as asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Question No. 305 will be answered today.

[*Text*]

WESTERN DEVELOPMENT FUND

Question No. 305—**Mrs. Sparrow:**

With reference to the answer to question no. 262, what were the specific amounts assigned to each designated initiative under the Western Development Fund?

Hon. Barbara McDougall (Minister of State (Finance)): Under the Western Development Fund, $345 million was assigned to Native Economic Development, $82 million was assigned to the Agri-Food Development Program, and $60 million was assigned to the Vancouver rapid transit system. Amounts assigned to western grain transportation related initiatives include $1,740 million, up to 1985-86, plus increased future commitments under the Western Grain Transportation Act.

[*English*]

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

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

Some Hon. Members: Agreed.

Mr. Speaker: May I also congratulate the Hon. Parliamentary Secretary on finally getting the bottom of the notice changed after eight weeks. He will know that I could not resist saying that.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—ABORIGINAL PEOPLES

Mr. Keith Penner (Cochrane-Superior) moved:

That this House condemns the Government for its confusing and manipulative approaches to Indian and aboriginal issues in Canada, thereby fostering uncertainty, distrust, cynicism and outrage among native peoples by:

(1) turning the April First Ministers' Conference into an elaborately staged public relations exercise in an attempt to achieve a consensus with the Premiers which ignored the legitimate rights of the aboriginal peoples;

(2) developing strategies such as those outlined in the study known as "The Buffalo Jump of the 1980s", which run contrary to the unanimous report of the Special Committee on Indian Self-Government; and

(3) using the Minister of Indian Affairs and Northern Development as the frontline ambassador of goodwill, while surreptitiously preparing policies which will damage beyond repair the special trust relationship that exists between the Government of Canada and the aboriginal peoples.

He said: Mr. Speaker, I present this motion to the House today with a considerable measure of sadness; sadness because we in Canada have at the present moment a glorious opportunity to work with the indigenous and aboriginal people of Canada—the Indian, the Inuit and the Métis—to show how self-determination and self-government for our original inhabitants can work in a settled federal state such as ours, how self-government for aboriginal peoples can end almost all long-standing grievances that still exist, how self-government can end gross injustices which have been imposed upon the Indian people and how we can chart a new course.

• (1210)

Mr. Oberle: Perpetrated by 50 years of Liberalism.

Mr. Penner: The Hon. Member opposite will have his chance if he is patient. If he stays around for most of the day, we will hear him.

We have to re-establish a very battered and bruised trust relationship and, now that we have the opportunity, end once and for all the totalitarian and colonial regime that has been imposed on Indians by the strong arm of the Indian Act, the federal bureaucracy, the Department of Indian Affairs. Self-government for the aboriginal peoples of Canada is the way that we must proceed. My hon. friend opposite, who was emboldened to interject, was a part of the special committee on Indian self-government helped to make it's report unanimous. For that I give him all the tribute that he deserves.

There are those who say that it will never work. The cynics say it will never work. When they say that, they never give any reasons why it will not work and they never provide any examples. I do not argue that it will work. I say that it does work. There are case histories and models in abundance. They have been mentioned often. There is no time to repeat them today.

Over and above those models and examples there is the historical argument, which is simply that Indian people

governed themselves before explorers and settlers arrived in this so-called new world. When they came, they did not bring with them from Europe, that I am aware, any examples or models that were particularly useful to the new world. They brought with them a history of battles and blood-baths and the blatant abuse of power. That is why so many of these people who came to these shores decided to emigrate from the past and the dismal existence they had experienced there.

There are the skeptics who ask, "Who needs these little postage stamp provinces in Canada scattered from one shore to the other?" Whoever argued for that? Whoever put forward that proposal? What the report of the special committee argued for was a distinct order of government for the Indian people of Canada, not provinces or municipalities but distinct governments.

What form will it take? How often do we hear the statement that we must have every single detail before we can accept the principle? In the 18th century when the American Republic was born or in the 19th century when the Canadian Confederation was put together, did we have all the details? Was it all put together for us? Of course not. They were acts of faith. There were commitments. There was a belief that free people will strive mightily together to build a better future for those who follow after.

Then there is the concept that we hear from the Premiers of the provinces at the First Ministers' Conference that this is nothing but an empty box that is being proposed, that we should fill it up first, tell them what we have in mind and then they might be able to consider it. It is not what we have in mind. It is what the Indian people have in mind for themselves if we will stop stepping on their toes, if we will get off their backs, if we will halt our ceaseless meddling, manipulating, controlling, directing, reordering, rearranging and reviewing. How much longer are we going to persist in this madness?

Then we have those policy people in the Department of Indian Affairs who now say that they have embraced, like a lover that has been absent for some time, the concept of Indian self-government. They embrace it all right, but with great hesitancy. They say not yet, most people do not have enough education, they do not have an economic base and they have insufficient land. Let me ask my hon. colleagues through you, Mr. Speaker, what has been done over the years to correct these inadequacies? Who has been running this educational system except the Department of Indian Affairs? Who has been trying all these wonderful economic development schemes that have come to life? Not the Indian people, but one government Department after the other. Who took away the land? Do you remember Pauline Johnson's poem that she wrote in 1912 *A Cry from an Indian Wife*? I quote:

They but forgot we Indians owned the land
From ocean unto ocean; that they stand
Upon soil that centuries agone
Was our sole kingdom and our right alone.

They never think how they would feel today,
If some great nation came from far away,
Wresting their country from their hapless braves,
Giving what they gave us—but wars and graves.

One noted newspaper columnist believes that all of this concern for aboriginal peoples, aboriginal rights and Indian self-government is based on nothing more than one huge Canadian guilt complex. How irrelevant. Who needs in this important debate another amateur psychologist? I wish he would turn his attention to something he knows something about. The demand for recognition of aboriginal rights, including self-government, is historically based. In denying that recognition, we have stacked up in this country a dismal, dreadful record of failed attempts, attempts to assimilate, to integrate, to absorb into the mainstream, call it what you will, but always to dominate and control.

Our failures have not only been terribly destructive for a minority of people in this country, the original inhabitants, but also frightfully and increasingly expensive, a huge, inefficient bureaucracy wasting millions upon millions of dollars every year. So many of those efforts were so damnably well meaning, but what did they do? They created dependency. They were soul destroying. They crippled the ability of a proud, noble and able people to manage and control and direct their own affairs.

The Nielsen report, also known as "The Buffalo Jump of the 1980s", has as one of its purposes to save the federal Government some money, about $312 million between 1986 and 1988. Let's think about that for just a moment. The Grand Council of the Cree of Quebec who, incidentally, are the only Indian group in Canada to have Indian self-government legislation, indicated by a statement they made that they were not consulted at all during the preparation of the recommendations in the Nielsen report. They have this to say about the Nielsen "Buffalo Jump" report. I quote from a document sent to me by the Grand Council of the Cree:

It is unrealistic to expect the same bureaucrats who have administered Indian programs so poorly over the years to take responsibility for making recommendations to solve the very problems they themselves have created.

The recommendations do not even begin to address the real problems of inefficiency, incompetence and mismanagement that are responsible for the funds now wasted by Government on the administration of native programs.

Let us be clear from what they are saying who is wasting those funds. It is not the Indian people of Canada. It is the inefficient way in which they are administered by government; the way in which those programs are so ill-conceived and have been for a long time.

• (1220)

To conclude, the Cree argue that in the light of the Nielsen report and in the light of its admission that the Government's record in dealing with social and economic problems has been dismal, the conclusions of this report are cynical and racist.

There are also some ill-informed and probably not very interested observers who argue that the proposition of Indian self-government is nothing but a Canadian version of apartheid. Let us clear that off the decks right away. This is not at all so. Apartheid is what we have now, or something akin to it. In Canada now there are some 350,000 people who are governed by the Indian Act, an intolerable piece of legislation to

which no other group of Canadians would submit. If we tried to impose the Indian Act on half a million other Canadians in any part of the country, just think of the demonstrations we would see on Parliament Hill. No group of people would live under a totalitarian piece of legislation like that one.

This all began a long time ago before any of us were around. However, we are the ones who are left with the problems. Perhaps there is a lesson there for Parliamentarians to learn. It would be nice if once in a while we solved a few problems and did not create so many problems for the future. The Parliamentarians of long ago assumed control of Indians and lands reserved for Indians under Section 91(24) of the British North America Act. In so doing, they completely ignored a guideline that was already there. There was a shining beacon telling the Fathers of Confederation, the Parliamentarians and the decision-makers how to proceed, and that was the Royal Proclamation of 1763 which was totally ignored. What was that guideline? It was not very complicated and not hard to understand at all. It was very simple and indicated that Parliamentarians should recognize Indian Governments; they exist already, recognize them. It told Parliamentarians to proceed by way of negotiations leading to agreement on a government-to-government basis. What is so difficult or hard to grasp about that? However, it was ignored.

It is only in this decade, the decade of the 1980s, that we have made even moderate and modest moves to bring the aboriginal peoples of the country into Canadian confederation as partners and as full participants. Is that not what we all want? The patriated Constitution recognized aboriginal rights but did not get around to defining them. The purpose of the constitutional process is to undertake the task of definition. That process too has failed. Why does everything related to aboriginal peoples in this country have to fail? We can succeed in so many other things but if we want to do something right for those people, it is failure after failure.

The last meeting of the First Ministers' Conference held in April of this year, as witnessed by those of us who were present or who watched it on television, was nothing more than a public relations exercise. We have to admit that the aboriginal peoples at that conference were used. They were like props in a play and the theme of that play was, "look how well our new Prime Minister can get along with the provinces". There is nothing wrong at all with getting along with the provinces, but for goodness' sake, don't leave us with the idea that the Premiers are the ones who are running the country. There is nothing wrong with getting along with the provinces provided that something tangible, concrete and useful is arrived at. If the result is nothing more than agreeing that we all love Mom and her cinnamon-laced apple pie, to what avail then is agreement and concord and goodwill?

There may have been some small measure of accomplishment at the last First Ministers' Conference, but if we look at it carefully, we will realize that the accord upon which a number of the Premiers were prepared to agree was so weak and watered down that there was nothing in it of any value or interest at all to the Indian and Inuit peoples and quite rightly they rejected it. Of course they rejected it. As a matter of fact, there are some who argue that it would have been a step backward instead of a small, modest step forward.

The theme of the last federal election was: It is time for a change. That is okay, but a change to what? The Leader of the Progressive Conservative Party who is now the Prime Minister of Canada (Mr. Mulroney) acted like a real estate agent. He went around saying that we should move out of our house and into a different one. Perhaps it is a good idea to do that from time to time but there are a couple of questions that ought to be asked. What will the new structure be like? What plans are there for this new place in which the Prime Minister wants us to live? Incidentally, what are the costs?

During the election campaign, did we know about these plans for change? No, they were either not known by those who were advocating change or they were kept a dark secret. We still do not know the plans for the change but the Canadian people voted for change. Only now are some of the architects and their draftsmen beginning to leak out some of these plans. They are letting the blueprints be known and some of them, I suppose, will end up in jail because of it. That is how we got the Nielsen "Buffalo Jump" report on native peoples.

How different is the mood and temperament of the Nielsen report from the beautiful words of the Prime Minister spoken at the First Ministers' Conference? How different is the emphasis in this document from the responses of the Minister of Indian Affairs and Northern Development (Mr. Crombie), our happy wanderer who moves around the country responding positively to the aspirations of aboriginal leaders? The plans contained in the Nielsen "Buffalo Jump" report are quite different. They are sombre and more like a haunted house than an exciting new structure in which aboriginal peoples can live.

It is time for a change. So far we do not like the plans and blueprints we are seeing. As well we fear the costs. The costs will be made known on May 23, budget day. I would say that we should get ready to pay a lot more for considerably less.

I am sure my hon. friends on the Government benches are construing my remarks as being the negative-minded approach of an Opposition Member. This is not so. Let me refer the House to the press release put out by the Assembly of First Nations, one of the most distinguished of national Indian organizations in this country. A document that it recently released says the following:

> The Prime Minister, along with his government colleagues . . . , has a cynical blueprint for the elimination of the First Nations as unique peoples within the Federation of Canada. This plan is documented in a Cabinet Memorandum of April 12, 1985. The plan is characterized in that document as: "the Buffalo Jump of the 1980's". The Prime Minister stated on April 18, 1985 that he was disowning the Nielsen Report. The actions now being initiated by his government clearly show that he is not withdrawing the Nielsen Cabinet Memorandum.
>
> This Cabinet Memorandum shockingly outlines a strategy to assimilate Indian people beginning with the 1985 budget speech. The "Communications Strategy" outlined in the document indicates that the plan of the government is to tell the Indian people and the Canadian public one thing; and meanwhile to begin to implement the opposite.

A "buffalo jump" was a method of exterminating vast herds of buffalo to make way for colonial expansion.

Elimination of the buffalo was equivalent to elimination of the livelihood of Indian people—an act of genocide. The Prime Minister's initiative to take dollars away from Indian people is proof that the strategy outlined in the Cabinet Memorandum is being implemented. The object is clearly to kill the political effectiveness of the First Nations—to exterminate the "body politic".

The First Nations of this country have undergone tremendous political development over the past fifteen years. First Nations communities, tribal councils, regional and national organizations have steadily evolved to the point where they are beginning to tackle the many problems which beset the Indian people.

The Acting Speaker (Mr. Charest): Order. Could the Hon. Member wind up his remarks in a few seconds?

Mr. Crombie: Give him some time, Mr. Speaker.

Mr. Penner: Mr. Speaker, may I ask the permission of the House to continue? I have only four or five minutes or even less than that left.

Some Hon. Members: Agreed.

Mr. Penner: Mr. Speaker, I thank the House for its graciousness in allowing me to conclude.

I shall continue to quote from the document of the Assembly of First Nations. It goes on:

This political development is graphically exhibited in the success of the First Nations' representatives in advancing their political goals in the First Ministers' Conferences of 1983, 1984, and 1985.

● (1230)

The Prime Minister has said many wonderful things to the public and to the Indian people in support of the unique rights of the First Nations. The initiatives of this Government, intended to stifle the political effectiveness of the First Nations, make a mockery of the Prime Minister's statements.

It is apparent that within the ranks of government Members an ideological struggle is taking place. An editorial in the *The Micmac News* described the Nielsen report as being "outrageous". The editorial read:

It's astounding that such reactionary thinking still exists in the federal Government during a time described by Prime Minister Mulroney as "a new era" in relations between Ottawa and aboriginal people.

The Micmac News editorial continued:

There is a major conflict between the two positions. Are the true colours of the Mulroney Government showing? What is the real position? All questions which demand immediate answers.

In conclusion, I would say to the House that the purpose of my motion today is to have the Government of Canada clarify its position regarding aboriginal peoples. A letter which the Assembly of First Nations sent to the Prime Minister said:

The level of goodwill and mutual trust that has emerged in our relations with your Government has been seriously undermined. The policy approach is in basic opposition to our objectives as unique and self-governing peoples within Canada. As the Assembly of First Nations, we demand a disclosure of the documents and full clarification of the status of the policy approach and recommendations contained in both the Task Force Report and the Deputy Prime Minister's memorandum to your Cabinet.

I call upon the Government and its members today to end the confusion, because it is fostering uncertainty, distrust, cynicism and outrage among the native peoples of Canada. Please stop it. Move with vigour toward solutions which are just and equitable for our first citizens.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Questions or comments?

Mr. Skelly: Mr. Speaker, it is with more than passing interest that I notice the motion which is before the House today concerning native people. I believe that the House will probably be treated to one of the most profound acts of hypocrisy that it has seen in many years. Even the most casual observation would tell a Canadian observing a native community that those communities have been deprived of adequate health care, housing and economic opportunities. In fact, the life expectancy of native people is less than that of Canadians. Their life opportunities are nowhere near those of many Canadians. I wonder how the Official Opposition, the Liberal Party of Canada, which is ultimately responsible for these acts, can stand before the House in open criticism and make these statements. Where was the Hon. Member when the previous Liberal Government was condemned for its failures to meet the needs of native people?

My only comment on what I see before us in the form of a motion, and what I perceive will be the note of the Liberal Party's presentation, is that it is an act of profound hypocrisy.

Mr. Penner: Mr. Speaker, I feel very sorry for the Hon. Member who just rose. His partisan skin is so thin that it is shrinking and disfiguring him in a very grotesque way. He has my sympathy.

Injustices against the aboriginal peoples of Canada have been going on for a century. I praise no Government for its endeavours. We worked hard with one of his colleagues, the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly), for whom I have great respect; a respect which I do not have for the Hon. Member who has just spoken. We worked together to present a unanimous report which the Minister of Indian Affairs and Northern Development called the high water mark, because there is the period before the report and there is the period after the report. So I would ask the Hon. Member to mature, grow up and join with the rest of us in attempting to solve some of these serious national problems. He should get out of his narrow partisan skin, which is shrinking him into a small person, and become larger as a Parliamentarian. We would all appreciate that.

Mr. Skelly: Mr. Speaker, it is interesting to have that deflection from the real issue. It is not an issue of partisanship, it is an issue of the previous federal Government. That Government was in power for approximately 50 years and it failed to meet the needs of Indian people. It played the game of divide and conquer, and it played the game of creating backlashes. It created, in many Indian communities which I represent as well as those which other Members represent, one of the most despicable pieces of Canadian history. I am very concerned. I would exclude the chairman of the committee who produced

the task force report; however, I believe that the previous Government has a despicable record in this matter.

Mr. Penner: Mr. Speaker, of course when we deal with minority rights and the injustices which have lasted for a century, there is very little room for any praise to be given to anyone. I do not recall in my speech that I offered praise to anyone. The fact is that the last Government did start us down a route which we hope will be continued. Aboriginal rights were recognized in the Constitution, although they were not defined. Progressive steps were at least begun, if not completed. What we want to see in the next four years of this Parliament is the continuation of the good endeavours which were begun.

That is the impression which I received from the Minister of Indian Affairs and Northern Development when he began his task, and in the words which he has spoken across the country. Certainly, it is the impression which I received from the Prime Minister when he spoke at the First Ministers' Conference. But it is not the impression I get when I look at the document which was leaked to the New Democratic Party, called the Nielsen report or "The Buffalo Jump of the 1980s". I get a completely different picture, which is more of a throw back. It suggests that the small, modest steps which were taken under the last administration are to be denied.

That is why we need a clarification that the foundation, even though it was not very high and about which none of us can feel very noble, will be continued. At least that foundation was a beginning. We want to build on that to have Indian self-government recognized and to have our aboriginal people become full participants in the Canadian Confederation. Surely, that is the goal of us all. I am not clear as to how partisanship enhances or furthers that to any degree.

Mr. Caccia: Mr. Speaker, I would like to congratulate the Hon. Member for Cochrane-Superior (Mr. Penner) for his fine and vibrant speech. I would like to ask him whether the propensity of the Conservative Party historically to let provincial interests override national interests bodes well for the realization of legitimate rights for aboriginal people.

Mr. Penner: Mr. Speaker, the only evidence which we have in that regard was the accord that seven Premiers agreed to at the First Ministers' Conference. I mentioned that in my speech. It was not an accord which the Indian people could accept, because it did bring into the process, to an unacceptable degree, the participation and involvement of the provinces. We already know from the First Ministers' Conference how frustrating that can be. I think at some point in time, if we want to make progress, we are going to have to move forward as much as we can based on a bilateral relationship. Some day we may have to have a resolution, supported by all Parties in this House, affirming that one of the aboriginal rights in our Constitution is the right to Indian self-government. But that, of course, leads to a very serious omission, that is, how will we do that and accommodate the aspirations of the Métis people of Canada? That is one problem which would be outstanding if we went the bilateral route.

• (1240)

Mr. Allmand: Mr. Speaker, in listening to the comments of the Hon. Member for Comox-Powell River (Mr. Skelly), it occurred to me that none of us in this country, no political Party, has anything to be proud about with respect to our record on Indian affairs. I can recall when I was Minister of Indian Affairs and Northern Development, there were New Democratic Governments in British Columbia and in Manitoba. In Manitoba, that Government flooded eight or ten of the northern reserves, disregarding the aboriginal rights of the people there. In British Columbia the New Democratic Government which was in power, after making a commitment to the Nishga that their claim would be settled, did not do so, and the member of the New Democratic Party from the area, I believe, resigned.

There is no doubt that we have blots on our copy as Liberals. So have all Parties. I think what we have to do today is to learn a lesson. I want to ask the Hon. Member for Cochrane-Superior (Mr. Penner) about the lessons which many of us learned during the process of the Special Committee on Indian Self-Government, of which he was the chairman, when we all travelled about the country for months. I think what we have to do is adopt a completely new attitude, admit that our Parties were wrong in the past and look to the future with a different attitude. I think the Hon. Member for Cochrane-Superior will confirm that in the process we undertook through the committee, that did happen. We saw many people in this House who first doubted the right of the aboriginal people to have self-government come around to a new way of thinking, and that is the way we have to move. I would like the Hon. Member to comment on the process of the committee.

Mr. Penner: Mr. Speaker, when we think of the work of the Special Committee on Indian Self-Government, we not only have to think of the recommendations but of the process itself. The process very simply was non-partisan. During that whole year in which we lived, worked and travelled together, partisanship never entered in any significant way into the work we were doing. In addition to that, we involved the recognized aboriginal organizations of this country who were concerned with this particular issue and they worked along with us.

I believe when people look at the report they will see not only the recommendations, the words on the page, but the process. There is a lesson to be learned there by Parliamentarians and by the Canadian people in general.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am both troubled and enraged to have to participate in this debate today. What I intend to do is to lay out the chronology of what has brought us to today, because I think it is important that the Minister of Indian Affairs and Northern Development (Mr. Crombie), who is going to speak following my remarks and the remarks of the Hon. Member for Cochrane-Superior (Mr. Penner), listen to the three very important parts of the motion before us today.

First, regarding the staging of the April 1 First Ministers' Conference, I don't think you could find an Indian or Inuit

leader in this country who felt that it was anything other than a public staging of that conference. There was no legitimate forerunning of negotiations between the Minister of Indian Affairs and Northern Development, the Minister of Justice (Mr. Crosbie) or the Prime Minister (Mr. Mulroney), to really get the kind of benefits out of such a conference which there could and should have been. That is well known.

Second, I want to deal briefly with the chronology of "The Buffalo Jump of the 1980s", but before I do that I think it is important to put certain things on the record for Canadians, so that they have some understanding of what kind of mentality has been involved in the task force and in the preparation of the Nielsen document.

I was surprised to learn that so few people in the news media knew what the buffalo jump was. Certainly people from the west who have travelled either on the Prairies or on the edge of British Columbia know that historically the Indian people used natural devices, natural forest breaks, or whatever, and either on foot or on horseback—particularly prior to the introduction of firearms—drove the buffalo to cliffs or river banks where they went off the edge and were killed by the fall. One has to try to understand for a moment what kind of mentality and approach was being taken to the 395-page report that the provincial and federal people involved, particularly members of the task force, would use the buzz words "buffalo jump" not only as a coffee table slogan, but actually put it into their report and then into a Cabinet document. One has to stop for a moment and go back in time to the 1969 white paper, which was known as an assimilation document, and various other measures which have been taken in the horrible treatment of our first citizens in terms of extermination policies, such as there were in Newfoundland of the Beothuk people.

We are talking in terms of this document of a kind of mix of assimilation, passing certain powers to provinces, and extermination of many Indian and Inuit cultures around the country. I find almost everything within the Nielsen document to be repugnant. I hope that this afternoon the Minister of Indian Affairs and Northern Development will take the time to respond to the issues I want to raise with respect to this document because we have had no success during a whole week of questioning of the Prime Minister, the Deputy Prime Minister (Mr. Nielsen), the Minister of National Health and Welfare (Mr. Epp), the Minister responsible for housing and the Minister of Indian Affairs and Northern Development himself, in flushing out where they are going in this document.

When one reads the media strategy included in the document, it becomes clear that this process has evolved so far, that the Deputy Prime Minister has exercised so much power in terms of this task force process that it seems unlikely now that the Government will turn back. In fact, the media strategy talks about the possibility of some leaks and how to deal with them and to simply forge ahead and make what I think would be the most reprehensible and wrong-minded decisions on policy which would affect Canada's first citizens.

I would now like to take as a starting point, Mr. Speaker, something which is well known by the Hon. Member for Cochrane-Superior and my colleagues who are here. When we are talking self-government, it is not enough to just put it on a piece of paper and then into the Constitution. Self-government has always existed in this country among the First Nations. If one goes back to the potlatch one finds that that was a parliamentary system. There are transmissions of title. They deal with the states. They deal with every imaginable law including property law, common law and criminal law. It is a very highly evolved process of Parliament which is still in existence. It was outlawed by this Parliament and by provincial legislatures. But I think we have to get down to the nitty-gritty. This document talks about the $3 billion spent by the 11 Departments which deal in one way or another with Indian and Inuit programs. It talks about delaying and deferring negotiations on comprehensive claims which would save $8 billion over the next five years.

We have to understand why the native communities in Canada have the highest rate of suicide, infant mortality, unemployment and the lowest life expectancy. Every negative sociological factor which you could possibly find amongst a minority group anywhere in the world is symptematic in the Indian and Inuit communities of this country. We have to ask ourselves why? They have been deprived of their traditional cultural livelihoods in many areas of the country. The people of Canada have to come to understand that title is the key, giving back to the Indian people their rights to their land. They need a natural resource base because self-government will flow naturally from title and having their rights again over the natural resources in their area. I do not think we should beat around the bush any longer about how to set things right.

I honestly believed the Minister of Indian Affairs and Northern Development when he told me both in the House and outside of the House that he had not read this 395-page leaked document before it was leaked. He has read it now. It is unfortunate that he could not get himself enmeshed in that task force process and slow it down because I am quite confident in my own mind that the process which is now before this House is progressing and it is going to be very difficult for the Minister alone to stop it. It is going to require the mobilization of all of the honest, genuine-thinking Hon. Members of this House to bring pressure on the Cabinet, in order to bring that whole process to a screeching halt.

• (1250)

We have to stand still for a moment in time and ask ourselves how we can honestly deal with this. Not through the Federal Business Development Bank, not by transferring it to the provinces, not by going through a bunch of jiggery-pokery in assimilating Indian and Inuit people into the "mainstream" of Canadian society. There are pillars we can lean on. There is the Calder decision in the Supreme Court of Canada, the Nishga case, where the court split three-three on the issue of title. Half the justices who sat on the case agreed that the aboriginal people hold unfettered title to the land, but this Parliament continues year after year after year to say we will come up with some new programs, we will do this and that.

That is not good enough. Comprehensive and specific claims have to be dealt with up front. They may have to be amortized over a long period of time, but the negotiations have to go forward full force. The Meares Island case is not a joke; the Nuu-chahnulth case, the Gitksan Wet'suweten case, which will be before the Supreme Court of Canada during this term of Parliament, is no joke. It is going to deal with the issue of title and will allow tribal groups in British Columbia, Yukon and the Northwest Territories, as well as other areas of the country, to come forward with injunctive action regarding highways, hydro lines, transfers of property, you name it. The country will then be enraged and hostility will again be directed at Canada's first citizens.

We have a responsibility for once to try and direct that hostility away and keep it under control. That is supposed to be why we are here. That is why I believe I am still here. I get very frustrated at times being here and having to even read documents like "The Buffalo Jump of the 1980s", talking about closing schools, student residences, deferring comprehensive claims, deterrent fees, housing programs only in areas of low unemployment. That is absolutely preposterous and we have to get back to fundamentals and deal with title, natural resources and compensation. We have to go to the Canadian public but not by way of polls, as this document talks about. It says in here that the new Government has done polls which indicate that Canadians generally think it is good that some special rights are being given to Canada's first citizens. But now that there is some chatter about costs attached, people are getting a little nervous. Well, part of the responsibility of the Parliament of Canada is to deal with that. But not by way of polls which show a little bit of nervousness; not by fanning a bunch of partisan MPs out across the country saying that if there is an aboriginal settlement in Penticton, the city is going to have to move, and all that kind of irresponsible crap.

We have to understand the deep spirituality which still exists in the aboriginal communities of this country regarding the land. They do not have the affectations we have for flashy cars and all kinds of other things. They have a very specific, bonded relationship with the land and we are torturing them decade after decade, generation after generation. In what other group in Canadian society could you find 50 per cent of the population under the age of 20? We have to start grappling with what they are asking for and what they are due, not only morally and ethically but what they are due under British common law.

There is no question in my mind, or the minds of many people far more learned in constitutional and common law than I, that the title to the land in places such as British Columbia is the unfettered right of the aboriginal peoples of that province. If we do not start moving in that direction and say yes, the Nishga case has some meaning, and yes, Section 35 is a boxful of rights related to the fisheries and all kinds of things, rights to their own Parliament—and when we talk about self-government, we are not talking about implanting our parliamentary system on to tribal land. What they want is the right to have their own systems re-evolve and move forward.

Since I think I have touched at least briefly on title, let me spend a moment on the chronology of the events which have brought us to where we are today. There was a task force which started last November 8 under the leadership of James Collinson, and that 395-page report was provided to a number of bureaucrats and most Cabinet Ministers. It says it is available to any Minister who wants it. On April 18 that document was basically put back under wraps by the Minister of Indian Affairs and Northern Development and the Prime Minister. They said in effect that there are some good ideas in there, some bad ideas, but that is not government policy and it is out of the way. However, this document, which left the Deputy Prime Minister's office on April 12 and went to at least the 11 Departments listed, is quite different. It has completed the process, as the House will learn from what I put on the record. Eleven Departments have agreed to it, although at least one member of Cabinet, the Minister of National Health and Welfare (Mr. Epp), had some continuing concerns about the effect of deterrent fees on some Indian and Inuit people. But the document is basically underway.

It states definitively that the Minister of Finance (Mr. Wilson) may point out on Budget night that the task force review on native programs is complete. It then goes on to say that that same night, and on into the debate, the Deputy Prime Minister (Mr. Nielsen) will take the lead, not the Minister of Indian Affairs and Northern Development. There is a wholly different strategy taking place here at the highest of levels. The Prime Minister has been involved; that is clear from this document. He tried to play fast and loose with the truth in the House today, saying the statement in this document is false. Well, we will find out quite shortly what exactly is going on.

It is important that the Canadian public understand the chronology involved here because of the "fuzzification" by Cabinet all this week in denying it is a Cabinet document, and then the President of the Privy Council (Mr. Hnatyshyn) ordering the RCMP to investigate. The RCMP have been up to their shoulders in investigations in the Department of Indian Affairs and Northern Development trying to find the leak. They will not find out from me where the document came from, but I can tell you that the implications of this document include the possibility of this document coming forward. It has been a very carefully mapped-out strategy and I think the senior Members of Cabinet and the Prime Minister have said let's keep our heads down, this is part of the Budget process, and we are going to make $312 million worth of "deficit reduction announcements" over the next couple of fiscal years. There are no cuts right now, the Minister and his Prime Minister are correct, but that is not what this document deals with. It deals with how to wind down future costs and transfer most of the processes related to Indian and Inuit people to the provinces and territories.

The executive summary of this document discloses the rationale of this Cabinet process. The first is the potential fundamental change in the relationship between the Govern-

ment and Canada's aboriginal people. It then goes on to say that 25 per cent of federal expenditures for Indian and native people are to meet legal obligations of the federal Government. That is a rather blunt statement, Mr. Speaker. Some 40 per cent relate to what would normally be provincial and largely statutory programs due to the federal responsibility for Indians and Indian lands under the Constitution Act. The remaining 35 per cent is discretionary. That leads on into the departmental position.

I see you are about to rise and perhaps I could continue at two o'clock.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

The Acting Speaker (Mr. Charest): When the House rose at 1 p.m. the Hon. Member for Skeena (Mr. Fulton) had the floor.

Mr. Fulton: Mr. Speaker, I would like to continue with the quotations that I am taking from the memorandum to Cabinet now known across the country as "The Buffalo Jump of the 1980s". The departmental positions are well worth putting on the record. I will not read it in its entirety, but the following Departments were and are in general agreement with the recommendations in the report: Transport, CMHC, Department of Regional Industrial Expansion, Fisheries and Oceans, Solicitor General, RCMP, Justice, Secretary of State, Employment and Immigration, Finance, and Health and Welfare. The final line is worth putting on the record. It says:

> The findings are acceptable to DIAND officials but they have concerns about the anticipated adverse reaction from native people toward any changes in programs.

It is laid out very carefully on the next page who else was involved in this process. I quote from the heading "Background". It reads:

> The analysis was carried out by a mixed study team, with input from program managers, federal economic development co-ordinators, deputy heads, and the Private Sector Advisory Committee to the Task Force. Additional input came from limited consultations with selected client groups and with senior deputies in selected provincial Governments. The Study Team report, a 395 page document informally referred to as "The Buffalo Jump of the 1980s", is available to any Minister wishing further background.

The document goes on to lay out the growth and expenditures within DIAND and then goes on to say the following:

> In addition, it is noted that the backlog in Indian reserve housing alone would cost at least $500 million in today's dollars to catch up to where current annual expenditures could keep up with demand. These figures are exclusive of land claims, both specific and comprehensive (except for some specific claims in an advanced stage of negotiation), which on the basis of average settlements to date could add another $8 billion to total expenditures over the next 5-20 years.

It is statements such as that within this document that the Minister of Indian Affairs and Northern Development needs to respond to this afternoon. On page 15 it says:

> It is important to distinguish between what is being done on the basis of legal obligations of the federal Government and programs grown up over time for social policy reasons so that discretionary expenditures can be evaluated against real need, not regarded as a "right" that must be provided.

I am sure the Minister will want to respond to that in terms of what he and others have said publicly regarding Section 35 of the Constitution. On page 17 it says:

> Devolution of native problems to native communities from the federal Government for resolution through negotiation of local community plans based on community priorities and funded on a multi-year block basis;

I think the Minister must respond to that as well. As I quoted earlier today in Question Period, Section 10 reads:

> The Prime Minister has been consulted regarding his prerogatives on mandates.

The document goes on to deal with financial considerations. It reads:

> Estimated savings from current projections in subsequent years are $133.9 million in 1986-87 and $178.4 million in 1987-88. The important financial aspect of these recommendations, however, is to contain the rapid escalation of future costs that would derive from leaving existing programs unchecked.

The Acting Speaker (Mr. Charest): I regret to inform the Hon. Member that his time has expired.

Mr. Fulton: Mr. Speaker, I have a few more selected quotes which I would like to put on the record if I could get unanimous agreement. I would like to put them on the record so the Minister could respond.

Some Hon. Members: Agreed.

Mr. Fulton: Thank you, Mr. Speaker. I will be as quick as I can. Under the heading "Federal Provincial" is an attempt to devolve what has historically been the relationship between the federal Government and aboriginal peoples of Canada to the provinces. It reads:

> —for defining a comprehensive agreement which would be custom tailored to address the particular needs of each province and territory and which would encompass all original native programs of both levels of Government.

These memoranda of understanding which are about to be negotiated between the Government of Canada and the provinces are being buzzed about the country right now.

Under "Priority Changes for Economic Development" it proposes to:

> —transfer all DIAND business development support and loans and loan guarantee activities to DRIE.

I am sure that Indian and Inuit people will be interested to know that that is a policy priority of the Government. On page 25 it proposes to:

> —terminate the separate Native Economic Development Program—
>
> —terminate support to . . . native economic institutions and administer native economic development programs using standard business criteria—

—decline requests for support for third party native financial or economic institutions—

● (1410)

If we are talking of self-government, how can this same Government at the same time be talking about declining any support whatsoever for native financial and economic institutions? All native loans would be transferred to the Federal Business Development Bank.

Under major resource development, in my area, Mr. Speaker, the Council of the Haida nations has made use of resource development impact funding to evaluate the effects of offshore oil drilling. The Nishga people have made use of these funds to study the impact of Amax on their traditional fisheries. The Gitksan-Wet'suwet'en have made use of that money to study the impact of Alcan's Keman project. Here is what the Government is proposing as a priority change. The Minister of Indian Affairs and Northern Development consolidates the resource development impact program with the northern participation and public review program. The resource development impact study program will go out of the window.

Under "Native Claims", Section 39 says:

—defer the negotiation of comprehensive claims until the Government's position on native self-government and control is determined.

Under Section 42, which is headed "Priority Changes", it reads:

—development funds, now expended on Indian political associations, directly to bands.

Under "Housing" we see one of the ways this approach would be used to force the assimilation of Indian and Inuit people, particularly from rural areas and urban areas, because it is recommended:

—programs apply equally on and off reserves in order to eliminate any incentive through housing assistance to remain in areas of high unemployment.

It is a pretty Draconian housing policy to be proposing to fund housing projects that are in areas of low unemployment only. I suppose all the native people in Quebec are supposed to live in Montreal and all the native people in British Columbia are supposed to live in Vancouver.

Under Indian and Inuit health services there are very Draconian proposals. Let me quote:

(1) reduce the costs of providing non-insured health benefits through deterrence—

(3) close certain Indian hospitals—

(6) and terminate consultation funding to native political associations.

Under Indian and Inuit education, priority change, we find:

(1) terminate federal operation of schools on reserves—

(2) terminate the operation of Indian student residences on reserves.

51.—eliminate the guidance and counselling program—

53.—review federal policy on financing of school construction with a view to providing some type of debenture repayments—

There is an interesting proposal! The federal Government would have Indian and Inuit people borrow money through debentures to construct schools.

Let me add a couple more, Mr. Speaker. We find under the communications strategy and I quote from Section 4:

News coverage has routinely been sympathetic and supportive of native concerns and aspirations. Conversely, the limited polling that has occurred suggests that while sympathetic to the economic hardship of native people and their struggle for cultural identity, most Canadians are not entirely persuaded by arguments for special rights. This reticence can be expected to increase as knowledge of the costs associated with new definitions of rights is brought into focus. News coverage of recent developments to eliminate sexual discrimination from the Indian Act and establish a membership basis for Indian self-government has featured these cost considerations.

It goes on:

—the message has been persistently critical; and it has not been countered publicly with a strong defence of either the role, the interpretation of jurisdiction or the administration of native affairs on the whole or of Indian Affairs in particular.

As I was saying earlier, that is part of the job of this Parliament. It is to get the right message out, not the message in this document but the message that is ethically, morally, and legally correct, rather than continuing to "fuzzify" around. Section 7 reads:

Native people are capable of mobilizing effective and highly-visible demonstrations of objection to change with which they disagree. Such demonstrations could not only impede the Government's action plan for native program changes, but could reflect adversely on the over-all Task Force process.

It goes under the heading "Strategy" to read:

It is especially important that early announcements relate to sectors where there is the strongest public support for change. Analysis in the framework communications strategy suggests that the business community's vigorous expectations for deficit reduction present a starting point—

I find that a particularly startling revelation, When we are talking about Indian and Inuit affairs the bottom line, the starting point, is the business community's vigorous expectations for deficit reduction.

Finally in the communications strategy it goes on:

At Budget time: except for an acknowledgement that the native program review has been completed, no detailed reference would be made to resulting action at the time of release of the pre-Budget "management package".

We do know from this quotation that those who prepared this document to go to Ministers considered that, at the time of the preparation of this document, native program review was complete. They put it in this document.

In the same section it reads:

While the Minister of Finance may make reference to native programs in the Budget speech or other documentation, Ministers whose portfolios are directly affected by the changes would be provided with briefings.

Consistent with the over-all strategy, the Deputy Prime Minister would take the lead in explaining the Status of the Task Force on Budget night and may do so during the subsequent debate. Ministers with a direct interest in native program changes should be prepared to participate in the Budget debate; they will require briefing to field questions from the media and others in the days that follow the Budget, whether or not it contains a direct reference.

I rest my case, Mr. Speaker, in terms of the document. I wish to say how pleased I am that the Hon. Member for Cochrane-Superior brought forward this motion to deal with "The Buffalo Jump of the 1980s", what happened at the April 1 Ministers' Conference and what is being done to the Minister of Indian and Northern Affairs, who I think all Members

of this House would agree is an honourable and hard-working Member of the House.

It appears to be quite clear now as a result of the RCMP investigation, the content of the document and the strategy revealed regarding the Budget, that there is an entirely separate process going on within the Government that has excluded by design the Minister of Indian Affairs and Northern Development. I think one of the most important things we can do to repair that special relationship which we have with our aboriginal peoples is for the Minister to rise in the House today and deal, if he so feels, point by point with what is in the document in terms of a media strategy, in terms of manipulating public opinion. Particularly I think the aboriginal people would like to hear him on the question of title and comprehensive claims, because self-government flows only from title and access to natural resources. If the Minister so wished, I know the Indian and Inuit people would like to hear his views on health matters, education, and what is contained within that document, because the document is a blueprint for probably the most Draconian attack that has ever been proposed to be launched against Canada's first citizens.

Mr. Manly: Mr. Speaker, I would like to ask my colleague, the Hon. Member for Skeena (Mr. Fulton), a question about the memorandum of understanding that is being drawn up with the provinces.

Could the Member confirm that the document he has suggests that responsibility for drawing up that memorandum should continue to rest with the task force itself rather than with the Minister of Indian Affairs? Could he tell the House what the implications are?

Mr. Fulton: I will try to be brief. The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) is correct that the task force has suggested a process for developing these memoranda of understanding which do propose the involvement of a Minister. The Minister who would do it is not named. The document leads into that by very carefully laying out that only 25 per cent of the existing payments, in the neighbourhood of $3 billion, is considered by the task force in its evaluations to be actual statutory obligations. Another 40 per cent in the document is claimed to be related to matters that are provincial. It mentions that it touches in some way on Section 91(24) of the Constitution Act.

I do not know of any Inuit or Indian leaders in Canada who would like to see a tighter relationship with the provinces within which they reside. They look at Canada as country wherein they have a very special and long-standing relationship with the federal Crown. In fact, some aboriginal people look beyond that to having a special relationship with the Crown of Great Britain. What they have made abundantly clear in their movement toward real self-government and the attainment of title and the attainment of their own government structures is that they wish to maintain a relationship with the federal Crown, but they do not want to become municipal-type structures in dealing with all the provinces.

• (1420)

It is clear within this document that one of the thrusts which is under way right now is to design these memoranda of understanding to transfer to the provinces perhaps 40 per cent—and the document does not indicate it specifically—and perhaps a chunk of the 35 per cent which is discretionary. Perhaps as much as 75 per cent of the programs with which they are presently involved would be delegated to provincial authorities through joint federal-provincial memoranda. Again that is the wrong approach to be taken. The devolution of block funding to bands at the tribal council level should go in stages—title must be resolved, access to natural resources, development and sustainability of their own economic institutions, education, health care and so on, and then a continuing relation much like a group of smaller provinces within the country with the federal Crown. That is the approach which aboriginal people hold very dear. I find that thrust to be one of the most negative principles alluded to in the document.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased to be able to speak on the motion before the House today. I had some plans in other parts of the country which I cancelled because the motion of the Hon. Member for Cochrane-Superior (Mr. Penner) provides me with an opportunity to set this Government's response to it fairly, squarely, openly and frankly. Let me read, first of all, the preamble to the motion:

> That this House condemns the Government for its confusing and manipulative approaches to Indian and aboriginal issues in Canada,—

My submission is that if anyone has confused or manipulated Indian issues in the past week, it has been members of the Opposition. At least they are familiar with how our form of government works. They know that Members of Cabinet are not permitted to comment on matters before Cabinet. Cabinet Ministers can neither confirm nor deny. Had the Hon. Member for Cochrane-Superior been appointed Minister of Indian Affairs and Northern Development by the former Prime Minister when his Party was in power, as well he should have been, he would have had to confront pieces of paper held in front of him and would have had to give the same essential response in carrying out his Cabinet responsibilities—"I can neither confirm nor deny". Hon. Members of the Opposition also know that officials in the Public Service draft, redraft and draft again memoranda and documents by the thousands. Some of them are signed by Ministers. Few of them find their way to policy. Most of them find their way to oblivion and most are rejected as government policy.

In our parliamentary system this whole process takes place within the privilege of Cabinet, and Members of Cabinet, whatever Party is in power, are bound to maintain that process in the most stringent and complete confidence. While we in the House are familiar with the intricacies of these parliamentary notions, many people in Canada are not. By using these tactics I hope the Opposition will not be guilty, even inadvertently, of doing the very thing which this motion accuses the Government of doing, that is, causing confusion and manipulating a system in which Cabinet Ministers cannot respond.

Also this motion mentions uncertainty, distrust, cynicism and outrage among native people. In my opinion—and I think it was amply noted by two previous speakers—that outrage, cynicism, distrust and uncertainty is the product of more than a century of bad policies by all Governments and Parties in this country. I hope the action of the past week and a half has not been so scary to Indian people as to make that fragile relationship even worse, when there has been no need to do so. The Hon. Member knows that while I cannot comment on Cabinet matters, I am able as the Minister to state what the Government's policies and directions are and will be. I thank him for his motion, for giving me that opportunity.

During the eight months of this Government, its policy for Indian, Inuit and Métis people has been made as clear as a bell. There are some more things we can do, and more will be done, but after eight months the Government can feel great pride in the manner in which the Prime Minister (Mr. Mulroney), all Members of Cabinet and the caucus have worked hard to make strides and to push forward aboriginal policies which support aboriginal people. Those policies are a matter of public record.

Some Hon. Members: Hear, hear!

Mr. Crombie: There was a First Ministers' Conference in which the federal position—and I say this especially to the Hon. Member for Skeena (Mr. Fulton)—was known in advance and discussed in three meetings prior to it. In that process the Prime Minister stated clearly the policies and attitudes of his Government, aspirations the aboriginal people have waited long to hear. The conference is a matter of public record; it was on television for two days.

Another ministerial meeting is scheduled for the first week of June to have another try at an accord and to discuss a work plan for the next two years which will result in some real accomplishment, in my opinion. It was a privilege to have assisted in this process, along with the Minister of Justice (Mr. Crosbie), and to have the Prime Minister reaffirm the significant initiatives which I have taken on behalf of the Ministry and on behalf of the Government.

The attempt at reaching consensus with the Premiers was done with the consensus and the participation of aboriginal groups. When it was obvious that the best possible agreement still fell short of the mark set by aboriginal groups, the Prime Minister suggested a time for reflection, a space of time to allow for exploration on how to proceed. What Canadians saw from the Prime Minister was a magnificent effort at conciliation and diplomacy which cannot by any stretch of anyone's imagination be termed a public relations exercise. As the Hon. Member's motion indicates, certainly there was a sense of disappointment that a compromise did not emerge at that time. However, none of the aboriginal representatives can doubt, nor do they doubt, the sincerity, energy, effort and intentions of this Government to do so. Indeed, Hon. Members know that I could walk in here and read for an hour the comments made by independent third parties, aboriginal and non-aboriginal, as testimony to the way in which the conference went so well. But I will only bother the House with four lines from the Ottawa *Citizen*. Right after the conference this was said:

● (1430)

For the first time, the chairman of a conference was a man who knows how to negotiate. Prime Minister Mulroney's efforts to find consensus were a refreshing departure from Pierre Trudeau's confrontationalism.

The motion also says that I as the Minister have been engaged in creating goodwill amongst aboriginal peoples while the Government is preparing policies which would be prejudicial to aboriginal interests or to the special relationships which exist between them and the federal Government. Yes, ample goodwill has been created and more, I hope, will be created, not by any ambassadorial abilities which might be mine, but rather by the policies which this Government has begun to strengthen aboriginal communities, to remove obstacles which prevent them from controlling their lives and their destinies and to finally end colonial conditions which have resulted for them, the aboriginal people, in poverty and dependency.

As was announced in this House, the Prime Minister has shown the interest and priority which he attaches to the aboriginal peoples by asking me to chair a Cabinet committee on all aboriginal programs and policies. This committee will begin its work soon. I am sure there will be many items in the work plan, but there are three items on that work plan which I would like to make mention of in the House today and which I can mention specifically.

First on the work plan for the new Cabinet committee will be the Penner report. The Hon. Member for Cochrane-Superior was the author and chairman of the committee that submitted that report. I also note Members in the House today from all Parties who formed the core of that parliamentary task force. The report of that parliamentary task force was tabled in this House in November, 1983. It was carried unanimously by all three political Parties. I am sure the Hon. Member for Cochrane-Superior has recognized many recommendations in that report which bears his name in the actions which have already been taken by this Government. The all-Party report recommended that the federal Government establish a new relationship which would have as a central element a recognition of self-government. He no doubt saw that as the central theme of the First Ministers' Conference.

The Hon. Member heard the Prime Minister mention pursuit of many processes leading to self-government, including developing the bilateral process which the Prime Minister committed his Government to at that conference. I am sure he has heard from his Indian constituents and others about long awaited policy changes which would enhance their community control. He has seen the introduction of legislation which asserts as a basic principle the right of Indian peoples to determine the membership of their own communities according to their own criteria. He has heard about new fiscal arrangements which are being developed leading to block multi-year funding for Indian governmental services so that Indian people can determine their own policies, set their own priorities and hold their own councils accountable.

I am sure the Hon. Member has heard of the review of the claims policy and a specific mandate to examine alternatives to the demand that aboriginal people must extinguish their aboriginal rights, the cornerstone of the policy developed by the last Government which has been so thoroughly condemned and rejected by aboriginal people.

I might add that he has no doubt heard of the initiatives taken by this Government to protect the special relationship between the federal Government and Indian people. The Hon. Member may recall the recognition given by this Government a few months ago, after years and years of waiting, to Indian communities in the Treaty Nine area which extends into the Hon. Member's riding.

Whether it is the issue of twin-tracking in British Columbia, the renovation of Treaty Eight, I have honoured and this Government has honoured its fiduciary obligations to the people of this country of aboriginal origin, and will continue to do so.

There are many other recommendations in the Penner report which I intend to bring before the new Cabinet committee on aboriginal matters and on which there will be, of course, full participation with aboriginal people concerned. I think this list is a better statement, the one I have just gone through, measured by the Hon. Member's own standards of the intentions of my Ministry and the support of this Government, than any document that the Opposition may wish to wave in our face at camera time. I am quite content to be judged by the actions which the Government has taken. The record speaks for itself.

The second matter which will be before the Cabinet committee will be the study team report. That is the matter which I intend to place before the new committee. We will examine it carefully. I assure Hon. Members of this House with regard to the recommendations contained in the report, which was done by a group of outside consultants and officials, that some of those ideas were wise, some were unwise, some were acceptable and some were unacceptable. As the Prime Minister assured the House, all of those recommendations, no matter what their origin, will be subjected to public open discussion with aboriginal people before policy decisions are made. That is the key. That is what has been missing in previous Governments. That is not what will be missing from this Government.

Some Hon. Members: Hear, hear!

Mr. Crombie: Not only the Penner report, not only the study team report, but suggestions from aboriginal peoples will be discussed at that Cabinet committee. In dozens and dozens of meetings that I have been involved in across this country, east, west, north and south, I have been impressed with the considered suggestions which have been given to me regarding changes in federal practice and federal policy. At all of these meetings, which now involves contact with every Indian community, the meetings have been held, the minutes sent out and recorded, and I have instructed officials after each of those meetings to prepare policy options on workable suggestions so that consultations can be further extended and decisions made. That is how we build Indian policy in this Government.

I would like to mention the manner in which we moved on very positive suggestions we received from northerners, particularly northern aboriginal people, on the question of division of the Northwest Territories. I have been urged by northern peoples, particularly aboriginal peoples, to make sure that that debate is held first in the north and by northerners and not in the back rooms of Ottawa where it has been for so long.

When I opened the new legislative chambers in the Northwest Territories earlier this year, I promised on behalf of the Government to be fully responsive to the unique constitutional developments occurring in the north, developments which are important to all Canadians. At that time John Amagolik, president of the Inuit Tapirisat, was quoted in *The Edmonton Journal* as saying that it was "a very historic occasion for the Inuit people". In that same speech, I put on the public record that I accepted the suggestion that development and division should not prejudice land claims. No one can say that this Government has not been open and receptive to the long-standing, long-neglected positive ideas, aspirations and suggestions that aboriginal people have been pressing on the federal Government for generations.

● (1440)

Much more could be said, but I think the time has come when the Opposition should return to its responsibility of examining the actual actions and policies of this Government relating to aboriginal peoples. I welcome that challenge. The critical examination of real policies and real issues is what opposition and government are about. If the Government proposes and the Opposition opposes or criticizes real policies and recommendations, then the magic of the parliamentary system works and will work to the benefit of aboriginal people.

If I could put it in a nutshell, surely that responsible kind of debate is preferable to trying to examine the entrails of policies which have been found in the waste baskets of the bureaucracy. That responsible kind of debate is real discussion.

This Government will not give sympathy nor support to any policy which goes against its general objective of strengthening the communities and cultures of aboriginal people. The policies and principles upon which this Government will act were set out clearly at the constitutional conference and reiterated in this House by the Prime Minister on April 18. I am going to repeat those because they have not been heard. There are four very clear principles.

The first principle is that the special relationship between Canada and the aboriginal peoples will be strengthened. The Prime Minister said that the second principle was that the aboriginal rights and especially the right of self-government shall have constitutional protection. The third principle set out was that current funding levels of programs designed to correct the serious inequities which exist for native people and native communities will be maintained. Last, the Prime Minister set out on the public record the assurance that he would honour the principle that policies regarding aboriginal people

will be made after open, public consultation, particularly at the grassroots level. He went on to say that all these policies are dedicated to enhancing the ability and power of aboriginal communities to control their own affairs. I assure the House that this is my personal agenda as well.

This agenda is important not only to aboriginal people but to all Canadians. If we continue to perpetuate policies which cause aboriginal people to become severed from their roots, policies which permit their communities to disintegrate and lead to the abandonment of their cultural values, Canada as a whole will be the loser. The Government will not let that happen.

Aboriginal people, like all human beings, must have a sense of their own independence, a sense of purpose in their lives, a sense of who they are and a sense of their own self-worth. Those things have been denied them by previous Canadian federal Governments. This Government is dedicated to changing all of that. That is why this Government's record is clear and, if I could be so humble, commendable. We stand ready to look at each Member of this House and at each aboriginal person and to receive their criticism on actual policies, actual procedures and actual implementation of government policies; not on illusions, thoughts, scraps and documents that are lost in a waste basket somewhere.

If I could conclude, what we need is for all Parties to remember that we have the obligation which both the Hon. Member for Cochrane-Superior and the Hon. Member for Skeena made as a charge on the House earlier, and that is the obligation of us all. That is why I think the ideas and notions contained in the motion put by the Hon. Member should be utterly rejected by the House.

Mr. Penner: Mr. Speaker, I have a brief comment to make and one question to ask. I think the Minister understands from what he has heard from this side of the House so far that in fact it is the Minister's agenda that we want to see prevail. We have heard the Minister speak across the country. We have heard him respond to questions put in the House. We know that the reaction to his statements from the aboriginal community has been positive. It is his agenda that we want to see prevail. However, for the Minister to suggest that in some way the Opposition Parties have acted in an unbecoming manner because there came into the possession of one of those Parties a document which calls into question and undermines the Minister's own agenda, and we come to the defence of the Minister in this regard, is not fair. Surely that is a legitimate and fair role for Parliament to play.

The Minister has taken refuge in a system that allows him no comment, a system that allows an RCMP investigation to take place because a document has come into the hands of the Opposition. Surely what is happening here is further testimony and proof that our parliamentary system is desperately in need of reform. The fact that Parliament cannot participate in the formulation of public policy means that Parliament is not fulfilling its role and is not doing what those who elected us to this body wanted us to do. That is why I am delighted to be associated with the Committee on Parliamentary Reform headed by the Minister's distinguished colleague.

If the Parliament of Canada can only get involved after policies have become hardened and firm, when the Government must defend them even when they have inadequacies here and there which the Opposition must attack, there is a never-ending confrontation. No wonder the people of this country are asking what the parliamentary system is all about. The people of this country say that we only defend and oppose. They ask if they will ever see something that is mutually beneficial to a group of people like the aboriginal citizens who desperately need the concern of every Member of Parliament.

Will the Minister not agree that the system that binds him hand and foot by disallowing Parliament to be involved in the process of public policy formulation is wrong? Does he not agree that we ought to do something to change that?

Mr. Crombie: Mr. Speaker, the Hon. Member knows that he has me on good ground. I have been a long and fairly vocal advocate throughout the years I have been in this House for drastic, immediate, boots-up, forever-and-a-day reform of the parliamentary system. My good friend the Hon. Member for St. John's East (Mr. McGrath) is heading the committee on parliamentary reform. He has been making some advances on the matter and when the committee's report comes forward in its totality, I hope that its measures will be adopted by this House.

In answer to the question, quite frankly I do agree that this parliamentary system does indeed need reform. I think that we can do it during this term of office if the recommendations made by the Hon. Member for St. John's East are adopted by this House.

Could I hitchhike on the Hon. Member's question by responding to his comment regarding the Minister's agenda? As I have said in the past to the Hon. Member, I would certainly appreciate any support that he could give me with respect to the agenda and I would particularly appreciate support from him, an Hon. Member who is so well known by Indian people regarding these matters. I want to assure him that the Ministers' agenda is intact. I have exceedingly strong support from the Prime Minister, the caucus and all my Cabinet colleagues. We must ensure that we march forward together, and I appreciate the Hon. Member's willingness to do so.

• (1450)

Mr. Manly: Mr. Speaker, the matter which concerns Members of the Opposition, Indian and Métis people across the country, is the wide divergence between what the task force report said—the 396-page report which was leaked to the press—and what the Minister and the Prime Minister have said. Could the Minister tell the House what types of policy guidelines were given to the task force when it was performing its work? How was it possible for members of the task force to sit down and come up with a report which is completely at

variance with everything for which the Minister and the Prime Minister stand?

I would also like to ask the Minister about the consultation process. He said that no changes would be made without a full and open consultation process. Yet in his press release of two days ago, when he spoke about the new funding formula for political organizations, he said that he would be consulting with Indian chiefs. But the only process which was stated in the press release was:

> The Ministers said letters were going out requesting written proposals addressing the principles of the new policy. The additional suggestions would be added to those Crombie received during an extensive schedule of meetings with chiefs across Canada.

Is the request for written proposals the full extent of the consultation? What process of consultation will be followed in the development of the new land claims policy about which the Minister said he would be very proud when it was released?

Mr. Crombie: Mr. Speaker, with respect to the first question regarding the task force report and its terms of reference, quite frankly, I would have to ask the Member to direct that question to the Deputy Prime Minister (Mr. Nielsen) because I am not involved in that task force. I might say that, at least, it showed that this is not a hidebound Government. We in the Government are willing to entertain a broad range of thoughts and options.

With respect to his question regarding funding, I can assure the Hon. Member that the whole purpose of my office sending out letters asking the Indian organizations to discuss among themselves considerations regarding funding was to elicit their views. The process began some months ago. As the Member will know, I went across the country from reserve to reserve and from assembly to assembly. One of the things about which we talked was the funding of Indian organizations at the band, tribal, regional and national level. That was the second phase. It was to say: "Thanks very much; there appear to be three principles upon which we can all agree". I think the Hon. Member would agree with those three principles which were outlined in the press released. The Indian organizations are to respond to me on those principles.

Following that, I will hold whatever discussions are appropriate. Those discussions may differ from one part of the country to another. For example, in British Columbia there is already a certain practice of band council resolutions, which practice will not be found in other parts of the country. Therefore, there will not be one response from coast to coast. It will very much depend on what I get back. If, indeed, I had already figured out the third part of the process, I would be denying the importance of getting their input in the second phase. I can assure the Hon. Member that nothing will be done until that has been completed. He is aware of that, as are other Members, as are the aboriginal people.

With respect to the third item concerning land claims, as I believe I mentioned in the House the other day to the Hon. Member, I met with claimant groups and we drew up some terms of reference and had some discussions as to whom we would like to have serve on a study group. Therefore. the process is contained in those terms of reference. It will take about six months. It is not finalized, only because we have not yet completed our selection of people. As soon as it is available, I will provide a copy for Hon. Members.

Mr. Moore: Mr. Speaker, what is the Minister's understanding of the legal and moral obligations which he as a Minister has toward the Indian people?

Mr. Crombie: Mr. Speaker, it is tough to answer that question in a minute, but I can say that my first responsibility is, of course, to the Prime Minister and the Cabinet. However, I have an unusual responsibility which I believe is contained both in tradition and probably in law, and that is that I speak as an advocate and have what is known in the law as a fiduciary obligation to aboriginal people to ensure that they are dealt with, both individually and collectively, according to the highest possible standards which this country has.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, the motion before the House today states:

> That this House condemns the government for its confusing and manipulative approaches to Indian and aboriginal issues in Canada, thereby fostering uncertainty, distrust, cynicism and outrage among native peoples—

It goes on to refer to three examples of the confusing and manipulative approaches. It refers to the First Ministers' Conference in April. Then it refers to the leaked document to which we have all referred as "The Buffalo Jump of the 1980s". Third, it refers to situations in which the Minister says one thing, of which many of us on this side approve, about which other individuals in the Government are saying something else.

With respect to the First Ministers' Conference which was held in April, although it started well, that conference was a failure. We must admit that. The documents which were tabled by the Prime Minister (Mr. Mulroney) and the statements which were made by the Prime Minister on the first day were good. As a matter of fact, I put them side by side with the documents which were tabled at the previous aboriginal conference by the previous Prime Minister, and they were pretty much the same. They were not perfect in either case, but they were something with which to work. They were something which the aboriginal people of Canada felt they could use as a base during the conference on which to build and improve. But during the process of the conference, the provinces which did not understand aboriginal rights and Indian self-government attacked the proposals of the Prime Minister and the Government. Those provinces would not give in. Finally, the Government went the way of those provinces.

I was at the entire conference and I watched what happened. Between the meetings, instead of the Government leaning on the provinces which were hesitant to agree, it leaned on the aboriginal groups to accept a weakened version of the proposals for self-government. It was a situation of big, strong, wealthy provinces with lots of resources going against the major aboriginal groups of the country which do not have many resources, but which do their best to get along. Instead of the Prime Minister taking the side of the aboriginal people

and leaning on the provinces, he gave in to the position of the provinces and tried to convince the aboriginal organizations to accept what the provinces wanted in order to get an agreement so that the conference would be successful and the Prime Minister and the Government would look good. I believe that was wrong. It was a case of doing what was expedient rather than doing what was correct. The conference was a failure. It did not achieve agreement and it did not end with the goodwill which it had when it started.

● (1500)

With respect to the leaked report of the Nielsen review committee, or as it is called "The Buffalo Jump of the 1980s", the Minister has just said that those of us in the Opposition who are familiar with the Cabinet system should understand that nothing is government policy until it is finally approved by the Government, and that this was probably one of many documents which was put forward but discarded, remade or whatever. He said that since it was not finally approved, it is not the policy of the Government. He said he did not approve it himself. That may be true, Mr. Speaker, but I served in Cabinet for seven years and I know that the very fact that a document like this got as far as it did, with so much support from various Departments, and that there are so many people within the structures of the Canadian Government who would support this type of document and these types of proposals, is a shocking and shameful thing. I feel that if the document had not been leaked, we would not have had a chance to raise this publicly before it went to Cabinet for final approval and it might well have been approved at least in part. So I think the Opposition did its job in raising this document at the time it did because it cut off at the pass the initiatives of those people in the Government of Canada—perhaps not the Minister—who wanted that kind of policy with respect to Indian people.

When we look at the composition of the task force set up by the Deputy Prime Minister (Mr. Nielsen), we find it included people who, as far as I can see, had no understanding or knowledge of Indian matters. There were no Indians invited to participate in that task force. It certainly was a complete violation of the bilateral process which was set up a few years ago and which was supposed to be the *modus operandi* between the Government of Canada and the aboriginal peoples. There was no bilateral process. And the principal criterion of the people who worked on that task force seemed to be financial savings. There was no human consideration and no social or economic criterion applied.

The question was just asked of the Minister if he had anything to do with the instructions to the task force before it started its work. He said he did not. I find that a surprising admission. Here we have a task force which is dealing with the survival of the Department of Indian Affairs and Northern Development and which is given instructions to examine that Department and make suggestions, but the Minister responsible is not even consulted on what the very basic criteria for the operation of that task force should be. In answering the question he said that it goes to show how open a Government it is. That may be so, but it is the type of thing which does lead to the confusion which is referred to in the motion before the House.

I would like to spend a few minutes speaking about the bilateral process. The bilateral process was started a few years ago by the former Government. It was something which it did not agree to immediately, but about which it was finally convinced. It was a process which was proposed by the Assembly of First Nations and other aboriginal groups, and the proposal was to the effect that changes in policy with respect to the aboriginal and Indian people of Canada should always be made nation to nation, Canadian Government to Indian nations, one on one. Nothing should be done in a unilateral way and then sprung on our native or aboriginal peoples. That was the process, Mr. Speaker, which was carried out at the time of the treaties. At that time the British Government, which preceded the Government of Canada, dealt with the different Indian nations in Canada as nations on a one-to-one basis and negotiated what the arrangements between the Crown and the Indians should be. But that approach disappeared with the passing of the Indian Act and the many other unilateral types of legislation which we have passed in this country over the last hundred years.

We have had in this Chamber hundreds of non-Indians, white men of various backgrounds, making laws which touched the very lives of these Indian people without even consulting with them. After coming to the conclusion that this was not the right way of doing things, we finally had a Government which agreed just a few years ago to the bilateral process. That bilateral process was followed to a great extent by the work of the Special Committee on Indian Self-Government. We had on that committee three representatives of the major native organizations in Canada. While they did not have a vote, they participated fully in the committee. No proposal was put to the committee without their comments, criticisms, and suggestions. Although they did not vote, their views on the various proposals were taken seriously by the members of the committee. I cannot recall members of the committee pushing ahead with any type of recommendation or proposal which was not supported by those three native representatives. We often had a long debate when there was a disagreement, but we worked it out in due course and a consensus was arrived at. That process was started with the Burghardt committee which dealt with Indian women and the Indian Act. I believe three representatives were invited in that case, but only two participated. That was an offshoot of the bilateral process between Canadian Governments and the Indian people.

For the last few weeks, several of us have participated in the discussions with respect to Bill C-31 which amends the Indian Act, especially with respect to Indian women and discrimination. Unfortunately, the way that Bill is being proceeded with is in contradiction to the bilateral process. We are sitting around in the Standing Committee on Indian Affairs and Northern Development with various Hon. Members putting amendments on the table, but there are no native representatives to give us their views with respect to those amendments, and in no way can we adjourn the committee continually in

order to get their views. I proposed several times that we should have proceeded in the same way as the Special Committee on Indian Self-Government and have the main representatives sitting at the table with us, but that was turned down for one reason or another.

The problems we are having with Indian issues in this country are continuing. The same mistakes are being repeated over and over again because there are still too many individuals in the Government of Canada who do not really understand what aboriginal rights mean, and who do not really understand what Indian self-government means. When I say there are "individuals" in the Government of Canada, I do not mean only the elected Members; I mean senior officials, bureaucrats, some elected people and some Ministers. There are still too many of them. If we did not have so many of them, we would not see the kind of document which was leaked the other day. We also would not have the confusion where we get acceptable statements by the Minister on the one hand and the type of proposals in the task force document on the other.

I would like to repeat myself, Mr. Speaker, because I believe it has to be repeated over and over again. People ask what aboriginal rights are, what they mean in the way they are now recognized in Section 35 of the new Constitution. As far as my understanding of it is concerned, they are all those rights which the aboriginal peoples had on this continent prior to contact with the Europeans, related to their lands, languages, social and economic structures, customs, religion and Government. These aboriginal people, before contact with the Europeans, had all of those things. They had societies, they had governments, languages, economies and religion. Those were their rights and they did not cede them after the Europeans came. Nor were they conquered, although there were battles here in Canada. However, although we just remembered the fortieth anniversary of the end of World War II, I do not think we believe that if you conquer another people you have the right to take away their rights and impose on them your way of doing things. We fought that war because we did not believe in that way of life. We believe that people have the right to keep their own way of doing things unless they voluntarily give them up or make agreements with the other party to change them. But here we have a situation where the aboriginal people of Canada had these rights, these Governments, these languages, these lands and waters, and these economies which involve fishing, hunting and trapping, and they never gave them up. We should recognize that they are still there, and we have recognized them in Section 35 of the Constitution, in my opinion.

• (1510)

Indian self-government is one of those aboriginal rights and several Members of this House spent a lot of time on the Special Committee on Indian Self-Government pursuing that matter. As a matter of fact, from July, 1982, to October, 1983, we had 60 public hearings in many parts of the country, almost 40 of them were outside Ottawa, taking place on reserves and friendship centres, and we got the views of the Indian people. I think probably there was no other exercise in the history of Canada where a parliamentary committee or commission heard the views of so many Indians. There were 55 recommendations, and what is interesting is that all of them were unanimous. Seven Members of Parliament from three political Parties, as well as three native representatives, unanimously agreed on the recommendations.

Nevertheless, at the First Ministers' Conference, despite the process the special committee went through, we still saw provincial Governments and politicians who misunderstand what is meant by the self-government term and who fear it. They think it is in some way going to threaten them, their Governments and their constitutional structures. Unfortunately, colonialism still remains a fact of life in Canada because we see Governments and parliamentarians—although not all of them—who take the position that we must continue to legislate for Indians as if we knew best. We do not trust the Indians to do things for themselves. We feel they will not do the right thing, therefore we should do it for them. That is a very strange point of view on our part because we certainly made a mess of things for over 100 years. We set up a Department of Indian Affairs, passed the Indian Act, made amendments to that Act, and more than 100 years later Indian communities are living in abject poverty. The social conditions there are horrible in many cases, with high rates of suicide, alcoholism and imprisonment. And we are the ones running things, they are not.

It is evident to me that if there is going to be a basic change we must recognize the right to self-determination of these Indian peoples. We must grant them the self-government they used to have. In fact, they still have it but we are interfering with it. We must let them run their own affairs and their own lives. They must have the right to make their own mistakes. Surely they will not make as many as we have. We all know that when you run your own affairs you make mistakes from time to time, but we have to recognize that we made more mistakes and that half-way measures will not work.

Bill C-31, Mr. Speaker, is an example of a half-way measure. We recognize the right to Indian self-government to a certain extent, but not fully. As a result, we get into all sorts of complex problems. Simply to throw money at the problem will not work. Funding is necessary for Indian Government, just as it is for provincial Governments and federal Governments, but they have to control those Governments themselves and set the priorities themselves.

I would like to conclude by quoting a statement that we put in the front of our report on Indian self-government. It was submitted to us by the Mayo Indian band in the Yukon when they appeared before us. It was spoken by Leo Tolstoy in 1886 and it is:

> I sit on a man's back choking him and making him carry me and yet assure myself and others that I am sorry for him and wish to lighten his load by all possible means except by getting off his back.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I welcome the opportunity to speak on this motion put forward by my friend from Cochrane Superior because I think that this issue is of importance to all Canadians and not

simply to the native people of Canada. It is important to all Canadians because what we are seeing happen to the Indian people is very likely to happen to other segments in Canada. A number of years ago someone made the comment that the Indian people are very much like the miner's canary, and I think most Members of the House are aware of the practice of miners who used to take a canary with them down into the mine. As long as the canary was able to live, the miners were assured the air was tolerable for them. When the canary got in trouble, the miners knew they were in trouble. In the same way, when the Indian people of Canada are in trouble, I think the rest of us can understand that we, too, are in trouble.

It was interesting to listen to the Minister of Indian Affairs and Northern Development (Mr. Crombie) today because he is very obviously embarrassed by the documents which are floating around, documents which have a degree of authenticity, although the Cabinet has yet to come clean on this issue. He is also embarrassed by the actions of his colleague, the Deputy Prime Minister (Mr. Nielsen). It was scandalous to hear the Minister say, when I asked him what guidelines had been issued to the Deputy Prime Minister's task force on native policy and programs, that I would have to ask the Deputy Prime Minister. The Minister was not aware of what guidelines had been issued to the task force which was going to be looking at programs within his own Department. This is a very serious indication of the wide divergence of views within the Cabinet, some members of which espouse one policy and others another policy. As a result, we do not really know in what direction the Government is going, although we have our suspicions when we look at where the real clout lies. It lies with people like the Deputy Prime Minister and the Minister of Finance (Mr. Wilson), people who are interested in making cut-backs. The real clout does not lie with the Minister of Indian Affairs and Northern Development, who is intent on preserving programs and trying to enhance the lives of Indian people.

It is interesting that when that Minister was first appointed to his portfolio there were a lot of rumours that he really wanted to be appointed to the communications portfolio, and that the appointment to Indian affairs of a former mayor of Toronto was an example of the Prime Minister's rather warped sense of humour. However, I want to say that the present Minister took the ball and ran with it. He saw as his first task the establishment of a relationship with the Indian people. He saw the need to get to know Indian people and establish in them some sense of confidence in himself. Given the constraints of the colonial situation in which we all live with regard to Indian people, I think the Minister succeeded very well. However, his efforts have been very seriously undermined by the activities of other members of Cabinet, particularly the Deputy Prime Minister.

● (1520)

Nevertheless, all the efforts of the Minister of Indian Affairs and Northern Development are really irrelevant to true understanding of what is happening between the Tory Government and the Indian people. The Minister of Indian Affairs and Northern Development does just fine with regard to personal relations, ceremonial affairs, and public relations. However, regardless of the Minister's desire to do a good job, he runs smack into the reality of the Government, the reality of cut-backs and elimination of programs, and the reality of secret task forces which operate under the guideline of cut-backs and the bottom dollar rather than of a trust relationship which the federal Government might have to look after the best interests of the Indian people.

Native programs were among the first six priority areas in which the Deputy Prime Minister established task forces to find where cuts could be made. It is astounding, Mr. Speaker, that the informal title of big report became "The Buffalo Jump of the 1980s". Perhaps that title is really instructive. It gives us a clue into the mind-set of certain people of Cabinet and the people who were active on that task force report. This is a kind of gallows humour with a racist flavour. It is a suggestion that the Indian people can somehow be stampeded into a situation which leads to extermination, such as the buffalo were.

I would like to emphasize that there is absolutely no relationship between what the report calls for and what the Minister and the Prime Minister (Mr. Mulroney) have been saying in public statements. It is shocking for a Minister of the Crown to have to stand in the House and admit that he was not aware of any policy guidelines given to the task force.

In the report of the task force we see no recognition that the federal Government had a trust responsibility. The emphasis of the report is on legal obligations rather than on programs. It makes a distinction between legal obligations on the one hand, and programs that have grown up on the other. It speaks of beefing up the Government's legal services so that it can beat back any challenges that Indian people might be interested in making to past government mismanagement. While the Government wants to beef up its own legal services, it calls for a cut-back on legal funding to Indian people who might want to test certain aspects in court. It says that it is contemplating this cut-back in legal funding to Indian people because possibly the Charter of Rights and Freedoms could prohibit the granting of legal aid to one group but not to another.

I would like to remind government Members that Section 15(2) of the Charter of Rights and Freedoms, which talks about equality, says:

> Subsection (1) does not preclude any law, program or activity that has as its object the amelioration of conditions of disadvantaged individuals or groups including those that are disadvantaged because of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

It is obvious that the task force did not even do its homework with regard to the Canadian Constitution. It is dragging up all kinds of spurious reasons for making cut-backs.

Sally Weaver has written a very interesting book called *Making Canadian Indian Policy: The Hidden Agenda, 1968-1970*. In that book she details the duplicity of the early Trudeau years in the area of making Indian policy. While the Government had set up an elaborate system of consultation with Indian peoples across the country, at the same time a

secret task force was busy developing what was later released as the 1969 white paper. That paper proposed turning Indian programs over to the provinces, termination of the Department of Indian Affairs, and eventual assimilation of the Indian people.

Weaver quotes from a former Liberal Minister of Indian Affairs, the Hon. Art Laing, who wrote:

> The prime condition in the progress of the Indian people must be the development by themselves of a desire for the goals which we think they should want.

If ever there was a statement of the way in which different Canadian Governments have operated with regard to Indian people, that is it. It says that somehow the Government has to do the manipulative job of getting Indian people to accept the goals for themselves which the Government has already chosen for them.

We are seeing a repetition of history. The Prime Minister had a very open First Nation's Conference. He sat in the glare of the television lights. He met and talked with aboriginal leaders. He indicated that he was in favour of aboriginal self-government. The task force said that he was consulted, so he must have been aware at that time of the kinds of recommendations the task force was bringing forward.

I want to talk about some of the specific findings of the task force and the Cabinet memorandum that was put forward to try to implement it. First, it talks about cutting the impact funding on resource development. Let us take a look at the Estimates that were tabled by the Department of Indian Affairs and Northern Development this year. On page 61 it says:

> In addition to benefiting Indian communities, resource development impacts funding also benefits resource developers and contributes to the security of proposed major resource developments as it enables Indian bands to enter into effective dialogue and negotiations leading to settlement rather than only having recourse to resorting to negative court actions or the use of land claims to protect their interests.

This statement of departmental policy says that resource impact funding is perhaps a better route to follow than land claims. It says that resource impact funding helps Indian people to get a piece of the action. Yet the Cabinet memorandum suggests that resource impact funding should be cut. That document also suggests that land claims should be deferred.

On the issue of housing the Cabinet document suggests that there should be no encouragement for Indian people to build homes in isolated areas where the economy is in some difficulty. It suggests that there should be an even-handed policy to ensure that Indian people are encouraged to move away from reserves and into the urban areas. This brings us back to the 1960s when Indian people were lured into the cities with all kinds of promises of government support.

This year's Estimates point out that between 1980 and 1983 there was a decrease of approximately 5,000 students under the responsibility of the Department of Indian Affairs. The decrease does not necessarily mean that approximately 5,000 students ceased attending school. It means that the Department discontinued funding all off-reserve students, thereby striking them from the departmental data collection process.

In other words, Indian people are being forced to leave reserves because the Government says there will not be any development there and it does not want to encourage people to stay in areas of economic difficulty. The people are forced to go to cities and once they are there, programs which they had been promised are cut.

Government estimates point out that one in three Indian on-reserve homes was crowded as defined by the 1981 census, compared to one in 43 non-Indian homes. This indicates the seriousness of the problem which must be addressed directly. It is going to require more funding, not less. To suggest that somehow we will solve this problem by forcing Indians to leave reserves is repugnant, Mr. Speaker.

● (1530)

We can look at the whole question of land claims policy. It says that negotiations should be deferred until the Government comes to some decision about what its policy is on native self-government. The Minister has indicated a process is in place. He hopes there will be some clarification within six months. We will be watching this whole question of land claims very closely, Mr. Speaker, because there has been a lot of stalling in the past. If there is going to be Indian self-government, which I think is a necessity for the Indian people, then land claims are essential. It is not possible to have Indian self-government without an adequate and decent economic base. That means land claims have to be settled in a just and equitable manner.

We can look at the question of health where the Cabinet's memorandum suggests that deterrence should be introduced. It does not say what kind of deterrence, just that deterrence should be introduced to keep Indian people from making as much use of health services as they do at present. At the same time the Government is cutting back on any consultation process that would help Indian people come up with their own health policies. We are cutting out one policy and we are not helping Indian people to put something else in its place.

The report talks about closing hospitals. At the same time I think there is general recognition that Indian health is far below the national standards. The average life expectancy for an Indian is ten years less than that for a non-Indian.

I see that my time is running out, but if I could have just a few more minutes, Mr. Speaker, I will try to conclude. The Government talks about amalgamating economic programs and using standard business criteria for them. This may be good, this may be bad. What do the Indian people say? What consultation process was followed? In the meantime, we see in the Estimates that there are cut-backs of some $23 million in economic development for Indian people in the current financial year.

I would like to close by reading the final couple of paragraphs of a letter written by Tom Sampson, Chairman of the AFN, Constitution Working Group, who wrote to the Prime Minister (Mr. Mulroney). He wrote:

The level of goodwill and mutual trust that has emerged in our relations with your Government has been seriously undermined. The policy approach is in basic opposition to our objectives as unique and self-governing peoples within Canada. As the Assembly of First Nations, we demand a disclosure of the documents and full clarification of the status of the policy approach and recommendations contained in both the Task Force Report and the Deputy Prime Minister's memorandum to your Cabinet.

To the Assembly of First Nations, it is absolutely essential that the disclosure and clarification be made by you as soon as possible. Upon receipt of the documents, we would respectfully request a meeting to discuss the ongoing constitutional talks.

The divisions within this Government have cast a great deal of uncertainty and distrust not only within this House but among Indian people right across the country, among the Métis and the Inuit people. I think it is incumbent upon the Government to come clean on this issue and to make a full and complete disclosure of all documents. The Government should say what its policy is. Let the Government release the 396-page task force report. That is not a Cabinet document. That can be released. And let us have the Government's official response to that task force so that Indian people can engage in a dialogue with the Government instead of having to fight shadows in the dark.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have a comment and then a brief question. I regret that the Minister of Indian Affairs and Northern Development (Mr. Crombie) is not here. I think we should commend the Minister for keeping the comments he made at the beginning of his speech direct, honest and sincere, as is typical of him. No one in this House could question those values of the Minister of Indian Affairs and Northern Development.

The reference he made to Cabinet confidence, I think, is of the strictest importance to the effective process of our system of Government. I do not think that this process should ever be tampered with.

The aboriginal conference referred to by the previous speaker came very close to resolving many of the problems of our aboriginal people. The motion here, which really has not been dealt with effectively by any of the speakers says:

That this House condemns the Government for:

—using the Minister of Indian Affairs and Northern Development as the frontline ambassador of good-will—

Can the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) suggest a different way of being an ambassador? Should we continue to follow the old route of former successive Liberal Governments that really got us nowhere?

Mr. Manly: I thank the Hon. Member for his question, Mr. Speaker. I do not think I would want to hold up former Liberal Cabinet Ministers as a model for anybody.

Mr. Rompkey: Why not?

Mr. Manly: I would like to ask that the present federal Government not follow the policy of the Trudeau Government in 1968-69 when it said one thing in public while something else was happening in the back rooms. That is what this motion is concerned about. That is what we are concerned about. On the one hand we are getting statements from the Minister of Indian Affairs and Northern Development that sound good. I believe he is sincere when he makes them, although I do not believe he has the full confidence of the Cabinet behind him when he makes them. I believe there is a tremendous gap between what that Minister says and what the Deputy Prime Minister (Mr. Nielsen) is looking for.

I am very concerned about where the real power in Cabinet lies. The Hon. Member commented that the recent First Ministers' Conference came very close to resolving some of the problems. I do not believe that was the case. I watched the Prime Minister at that conference. I saw him attempting to manipulate the situation rather than dealing with it in a forthright manner when the Provinces of Manitoba and Ontario said on the last day that they were not prepared to go along with the Saskatchewan proposal unless it carried with it the consent of the aboriginal people. The Prime Minister completely ignored that and acted as though he still had the consensus of seven provinces. He manipulated the situation by refusing to recognize some of the real concerns that people raised with respect to some of those issues. In addition, he watered down the whole concept of aboriginal self-government to such an extent that the Indian people felt there was absolutely nothing in it for them. There was no constitutional recognition of their right to Indian self-government but only a vague accord that there would be negotiations. There was nothing that would bind the provinces in any way. In other words, when he said, "Let's put a little bit of water in the wine", there was not much wine left at all but only an awful lot of water, some of which didn't smell very good.

● (1540)

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I welcome this opportunity to speak to this Opposition motion and especially the first part of the motion which concerns the Prime Minister (Mr. Mulroney).

First of all, I would like to point out that the approach taken by the Government to constitutional discussions on Native issues is a comprehensive one which must consider the many important interests that are at stake. The Prime Minister himself confirmed this in his preliminary remarks at the First Ministers' Conference in April. He insisted, and righly so, on the need for identifying, defining and protecting aboriginal rights, and for doing so within the Canadian Constitution. In fact, it is a process that has been going on for several years or at least several months, and at the First Ministers' Conference held by the former Government in 1984, three of the four national native people's associations made a joint proposal for negotiations leading to the application of their ancestral rights. Among these rights, the right to self-government appears to be the most important and the most fundamental one, and, in fact, the basis for successful negotiations.

The Government of Canada agrees with the native representatives that self-government will help native groups to have

more effective control over everything that concerns and affects them.

Last December, the Minister of Indian Affairs and Northern Development (Mr. Crombie), and the Minister of Justice, called the first federal-provincial conference held by this Government. At a meeting to prepare for the Constitutional Conference, the Government, through its spokesmen, tabled a proposal to have certain rights of these native groups recognized in the Constitution. We felt that recognition would have to involve agreement on a definition, negotiated by the governments and the groups concerned. The discussions covered the rights issue and especially the very basic issue of native self-government.

Details were worked out at two subsequent preparatory meetings for the April conference and at a number of meetings of senior officials, with the consent and support of native representatives. Generally speaking, the Government shared the view of these representatives that only a constitutional amendment could guarantee protection of ancestral rights and the establishment of a new relationship between the Native groups and the Government of Canada.

We understand the objections of the provinces to enshrining rights which they saw as being rather vague. Nevertheless, the conclusion was that without the constitutional protection or enshrinement of native rights, a special relationship between the Government, the provinces and the native peoples would not survive.

The Government, and I think this deserves some emphasis, considers this a special relationship—a relationship based on trust and honesty and the basis for future developments in the constitutional process. In his opening speech at the First Ministers' Conference last April, the Prime Minister of Canada stated, and I quote:

> The Federal Government will not take any unexpected initiatives, nor will it resort to pressure tactics to make you adopt positions that run counter to your principles. We are going to play fair, with our cards on the table.

The Prime Minister went on to stress the place and rights of Native peoples and the inclusion of those rights in the Constitution. He said, and I quote the Prime Minister again:

> Recognition in the Constitution of the principle of governmental autonomy would seem to be a primary objective, because it constitutes the most solemn manifestation of the establishing of an indissoluble link, a social contract, between Native peoples and governments.

Mr. Speaker, our first proposal, like the joint proposal made by the native associations, reconciled these two positions. It acknowledged in the Constitution the principle of the right of aboriginal peoples to self-government, leaving aside such issues as powers, fields of jurisdiction and financing to be negotiated later with representatives of the aboriginal peoples. Any agreement resulting from these negotiations should have the same constitutional status and provide the same protection as land claims settlement agreements.

The first proposal paved the way for the discussions I mentioned a moment ago. On every occasion the federal Government proposed a draft constitutional agreement so as to make it possible for all participants to reach agreement. This draft would have led to an amendment on self-Government as early as this year, 1985. This proposal unveiled on the eve of the First Ministers' Conference was three-fold; it included first, full recognition of the rights of aboriginal peoples to self-Government within the Canadian Federation, a point which was to be the subject of negotiated agreements; second, the willingness of the federal and provincial Governments to negotiate with representatives of the aboriginal peoples so as to conclude those agreements; and third, a specific provision stating that those special rights would be constitutionally guaranteed.

During the conference, the majority of participants came close to endorsing an amended version of that proposal in which there was no reference to the willingness or need to negotiate. It could have led to this constitutional amendment rather quickly. We have every reason to believe that we can now count on the support of seven provinces—they represent more than 50 per cent of the Canadian population—to have the amended version accepted. It has been unanimously endorsed by the Council of Native Peoples of Canada and the National Metis Association. However, two of the main groups attending the conference refrained from taking position on that issue. Just the same, the Prime Minister thought that support for the proposal ought to be reassessed at a meeting of interested Ministers to be held later on. As we know now, this meeting will take place next June 5 and 6.

According to the motion now under consideration by the House, Mr. Speaker, the First Ministers' Conference last April was nothing but a public relations exercise intended to reach a consensus which ignored the rights of the aboriginal peoples.

As you know, Mr. Speaker, nothing could be farther from the truth. Allow me to address a particular point. The native people representatives who took part in the April meeting were all well informed and experienced statesmen. They had been involved in the negotiation process concerning aboriginal rights for many years and they did not express any bitterness, contrary to this opposition motion. To prove my point, I should like to quote directly from the proceedings of the Conference a statement made by the representative of the Native Council of Canada, Mr. Daniels, and I quote:

> Mr. Prime Minister, we agree with you, and I am surprised at the provinces' unwillingness to support you more.

Mr. Speaker, does this comment sound to you as a futile exercise in an attempt to achieve a consensus with the Premiers without consideration for the legitimate rights of the aboriginal peoples? Here is another statement made during this conference by Mr. Jim Sinclair, who was the representative of the Métis people, and I quote:

> This is truly a historical event when a commitment is made for the first time for the Constitutional recognition of the Indian people's right to self-government.

Quite clearly, Mr. Speaker, he was referring to the government's Constitutional proposal.

The Government had achieved this series of extraordinary successes in fewer than five months. During the Conference, even the native representatives were prepared to recognize this progress.

Those were not the only comments made at the time. A great many letters sent later on to the government and especially to the Prime Minister by several Indian chiefs provide a great testimony. These comments and the results obtained clearly demonstrate that the Prime Minister did his utmost to reach a consensus which, in our view is essential if we want to move forward and protect in the Constitution the rights of the aboriginal peoples. The Prime Minister was expressing the Government's intention to pursue that goal at the next First Ministers' Conference, and he repeated it afterwards in a broadcast statement that was made public on April 8, 1985. Far from ignoring the legitimate rights of native peoples, this Government has made giant strides in the process of recognizing those rights. And we intend to keep on doing so.

I would hate to conclude without taking this opportunity because I am well informed, seeing the everyday actions of the Minister of Justice (Mr. Crosbie) and the Minister of Indian Affairs and Northern Development (Mr. Crombie) . . . Under the Prime Minister's reponsibility, they have held since last September quite a number of meetings and discussions both with the Provinces and the native groups. And I am absolutely sure that under their guidance, under their responsibility, and because of their determination and energy, we will manage to finalize a constitutional draft that will, first, allow native groups in this country to find within Canada the place they would like to have, and, second, reassure and assure the Provinces that they can, in the overall negotiations, and at all stages put their views forward, in order that in the future our native groups and the whole of Canada can live under a Constitution which provides that each and everyone will have the essential rights to their freedom and collective rights.

● (1550)

[*English*]

Mrs. Finestone: Mr. Speaker, I would like to ask the Minister of Communications (Mr. Masse), who has just delivered a very wonderful address in the interests of the Prime Minister (Mr. Mulroney), how he would respond to the press release which I have in my hand coming from the Assembly of First Nations, which says this:

> This Cabinet memorandum shockingly outlines a strategy to assimilate Indian people beginning with the 1985 Budget speech. The "Communications Strategy" outlined in the document indicates that the plan of the Government is to tell the Indian people and the Canadian public one thing; and meanwhile to begin to implement the opposite. A "buffalo jump" was a method of exterminating vast herds of buffalo to make way for colonial expansion.

The press release goes on:

> Elimination of the buffalo was equivalent to elimination of the livelihood of Indian people—an act of genocide. The Prime Minister's initiative to take dollars away from Indian people is proof that the strategy outlined in the Cabinet memorandum is being implemented. The object is clearly to kill the political effectiness of the First Nations—to exterminate the "body politic".

It concludes by saying the following:

> The Prime Minister has said many wonderful things—

Just as the Minister did.

> —to the public and to the Indian people in support of the unique rights of the First Nations. The initiatives of this Government, intended to stifle the political effectiveness of the First Nations makes a mockery of the Prime Minister's statements.

[*Translation*]

Now, could the Minister respond to that?

Mr. Masse: Mr. Speaker, everyone knows that there is a normal way to run a country, and that is to analyze and comment on official documents and not papers found in trash cans. The document in question is not an official Government document, which means that comments which may seem interesting at first glance relate to something which is not Government policy. If we and other people were to act and develop our policies according to excerpts from official documents, I am afraid we would not be in a position to run the country very well.

The concerns expressed by the Hon. Member when she quoted from the document could be valid if they were based on a document officially recognized as reflecting the position of the Government of Canada, but we all know that such is not the case, and that is indeed why the motion now under consideration is so unreal. It is because it is based on a document which does not reflect the official position of the Government of Canada. That is the position as stated by the Prime Minister (Mr. Mulroney), by the Minister concerned, namely the Minister of Indian Affairs and Northern Development (Mr. Crombie), or else by the Minister of Justice (Mr. Crosbie) when constitutional problems arise. They are responsible for announcing the will and the decisions of the Government. Unfortunately, the Hon. Member's comments are not relevant to an official Government document.

The Acting Speaker (Mr. Charest): The Hon. Member for Mount Royal (Mrs. Finestone) on a supplementary.

[*English*]

Mrs. Finestone: Mr. Speaker, I did not formulate this press conference or this press release. It was the Assembly of First Nations that did. Supportive of the Assembly of First Nations' point of view is that of the Cree regional authority.

[*Translation*]

—the Cree regional authority, a group you should know quite well since they are based in Quebec, and they too have filed complaints and they insist on having a meeting to obtain some clarification. And I think that as Minister of Communications,

the Hon. Minister realizes that something like this could light the powder keg and destroy all the goodwill that has been built up. I am sure he realizes that none of us want this, and I hope the Minister will respond to a request by the Cree regional authority and the Assembly of First Nations and arrange a meeting with them, and that he will provide an explanation through the Prime Minister (Mr. Mulroney).

Mr. Masse: I could not agree more with the Hon. Member. It is unfortunate that a political party should use a document that is not official to scare the Native peoples, at a time when we must find ways, and that is what the Government is doing, within the framework of a dialogue with the provinces and the Native peoples, to find a solution within the framework of the Canadian Constitution.

I think the Hon. Member was absolutely right to deplore, without necessarily saying so but that is what she was thinking, I am sure, that a political party should use a document which it knows perfectly well is not the Government's official document, to scare people. And that is what is so unfortunate, and I think the New Democratic Party is showing incredible intellectual dishonesty in this debate. What this political party is seeking above all is its own personal interests, its interests as a party and not those of the Indians. They are trying to build their future on a foundation of intellectual dishonesty, and I am convinced that both Indians and Canadians will remember how these people managed to spread fear and disrupt the dialogue between the Indians and the Government, a dialogue that is absolutely essential. And if that dialogue and the constitutional amendments materialize, and I sincerely hope they do, it will be thanks to the Prime Minister's initiative and not to the unfortunate action taken by the New Democratic Party.

• (1600)

[*English*]

Mr. Manly: Mr. Speaker, the Hon. Minister's references to intellectual dishonesty sound rather strange coming from a member of the Conservative Party. If members of the Conservative Party are concerned about intellectual honesty, let them release the 396-page task force report, which is not a Cabinet document and does not need to be protected by any cloak of secrecy. Let them come clean about the whole status of this other document of which we have been speaking.

How is it possible for a high-level task force appointed by the Deputy Prime Minister to bring forth a report that is so completely at variance with the rhetoric of the Prime Minister and the Minister of Indian Affairs? How is it possible for that task force to do its job in complete isolation from everything the Prime Minister is supposed to have been saying for the last six months?

[*Translation*]

Mr. Masse: Mr. Speaker, such a question could only come from our friends of the New Democratic Party. Not quite used to discussions and research work, rather inclined to accept as the final word any instruction from higher-up, they just do not seem to know how a Government operates. The Prime Minister (Mr. Mulroney) and the Deputy Prime Minister (Mr. Nielsen) set up a series of discussion meetings to review existing programs in all Departments. Any new Government coming into office has to review such programs. Within that context and as a result of lengthy discussions, documents are produced. It is quite possible that a document such as the one referred to—I have not seen it, it might just be the twenty-seventh version preceding the one we have now—has somehow been leaked to you by somebody, and you are now trying to claim that it represents Government policy. That is very dishonest, and you know it.

Mr. Speaker, Government policy will be made public by someone whose responsibility it is to do that, not by public officials who leak bits and pieces of committee proceedings in brown envelopes. The Hon. Member and his Party are aware of that. They are trying to play a game of political one-upmanship with a document they got through a nameless sender.

[*English*]

Mr. Manly: Mr. Speaker, we would understand the Government's position much better if it were prepared to release the final reports to this House so that Members could see them and so that the Indian people could see them as well. What kind of policy guidelines were given to the task force when it began its work? Did it operate in complete isolation from the professed policy of the Prime Minister and the Minister responsible or was there some kind of dialogue? What guidelines were given to the task force?

[*Translation*]

Mr. Masse: Mr. Speaker, in answer to the first part of the question, I will say that it is obvious that the government is going to make public its policy in due course, when it has completed its discussions with everybody. It will make public the government policy when it comes to the conclusion that the policy should be made public.

Secondly, as far as the guidelines which were given are concerned, I will point out that the programs must be reviewed; groups of people in all areas are entitled to their own ideas. However, the fact that, at a certain time, some people expressed a certain idea is not reason enough to make it government policy in the end. It is a step whereby some people expressed some ideas. But the government policy will be made public either by the Right Hon. Prime Minister (Mr. Mulroney) or by the Minister of Indian Affairs and Northern Development (Mr. Crombie) when it is felt that it is in the public interest to disclose what the government policy will be in the future.

The Acting Speaker (Mr. Charest): The question and answer period is now over. The Hon. Member for Mount Royal (Mrs. Finestone).

[*English*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am pleased to participate in the debate on the opposition motion moved by my colleague, the Hon. Member for Cochrane-Superior (Mr. Penner). It is unfortunate that we feel the need to raise this issue, but recent events have forced us to bring this important subject to the attention of all Hon. Members.

The media issued press reports on possible cut-backs in the Department of Indian Affairs and Northern Development and the proposed changes to the Indian Act have created an air of uncertainty for both status and non-status Indians across the country. It would appear that, contrary to Tory promises made during the 1984 election campaign, disadvantaged members of our society will suffer as a result of government policies. It is unclear, however, what exactly are the government policies. The Government's actions are not a just response to Indian concerns regarding the mechanism of self-government.

As a member of the International Helsinki Watch Committee, if I had to report right now to that committee on the situation in Canada, it would be very difficult not to cite the lack of care and concern that is the hallmark of the administration of the Indian Act. In fact, the long 100 years of injustice would be something that would be unfortunate but would have to be clearly enunciated. I would be ashamed to have to enunciate the litany of injustices that have been inflicted upon our native people.

I refer to the words of the Hon. Member for Cochrane-Superior for I agree with his analysis. He has said that we as Canadians have our own version of apartheid, a most nefarious piece of legislation, one that has disenfranchised men and mostly women and always with the most ridiculous of reasoning. As I participated on the Standing Committee on Indian Affairs and heard the evidence of over 105 groups, I was absolutely horrified.

I would like now to put this present-day nightmare aside. I would not like us to lose sight of the fact that in the determination of aboriginal rights, equality must prevail. These two issues, the right to self-government and the right to equality, must go hand in hand. It is basically and fundamentally a question of human rights.

The Government has touted its great consultation process, and consult it has. That is so if one can define consulting as being the process by which a party presenting its concerns is speaking to those who have deaf ears. The word used to mean a two-way process involving give and take and a general learning, growing and open approach leading to some consensus or resolution of issues. However, we do not see much evidence of that when it comes to the native or aboriginal peoples. This is obvious from the objections of Indian people themselves concerning the constitutional process, departmental funding, amendments to the Indian Act and the latest scam of the Nielsen "Buffalo Jump" report.

The Tory Government also has a credibility problem when it comes to its stated objective of removing discrimination from the Indian Act. The Minister's laudable principle of equality is simply not being met, and Indian men and women, both status and non-status, are dissatisfied with the Government's actions in this regard. Principles are not enough; we must have some action. We have to carry through with the deeds that demonstrate a real commitment.

I know that the Hon. Minister of Indian Affairs and Northern Development (Mr. Crombie) has had to fight in Cabinet for money for his programs and I know that he is well-meaning Minister. But let us not pretend that equality has been achieved, and let this Minister not continue to say that equality has been achieved. Certainly, equality has not been achieved. Some non-status Indians will regain their status in band memberships and their names will appear on the Department's lists. However, not everyone will regain that status.

• (1610)

In the 1980s, we have finally started to address the issues and to move toward a partnership. We have started to listen. I believe that the Penner report was the first step. Section 35 of the Constitution Act recognizes and affirms the existing aboriginal and treaty rights of Canada's aboriginal peoples—Indian, Inuit, Métis and non-status Indians. While Section 25 of the Charter of Rights and Freedoms guarantees that the Charter cannot be construed to abrogate or derogate from existing treaty or other rights of aboriginal peoples, those two provisions affirm the place of native groups in Canadian society in a particular and distinct way. The principles are in place. It remains to find the mechanisms for the application.

In order to identify and define native rights for later inclusion, the Constitution Act called for a Constitutional conference between Canada's First Ministers, native leaders and the territorial Governments. That conference, which was held in 1983, resulted in an accord, which subsequently became the first amendment to the Constitution which was proclaimed in June, 1984. I believe this legal framework is necessary for a new relationship, based on mutual respect and defined aboriginal rights. But as we saw at the Constitutional conference which was held this April, the Prime Minister (Mr. Mulroney) failed to get the provinces to agree to proposals which would have given the aboriginal people the rights which they sought. He gave them his guarantee that if they agreed to the principles behind the proposals, without entrenching them, he would personally ensure that those rights would be defined after consultation with the provinces. I think one should read that differently. What he said was that once the provinces agreed to what they would like to negotiate, then they would talk about what is appropriate.

I must give the native leaders credit. They were not fooled by the Prime Minister's empty promises. I was there. I saw and watched what went on. It was a fascinating process of the playing off of differences and incredible labour negotiation tactics. But what was obvious was the great differences to be found between the provincial Premiers, the acceptance of the role of the provinces by native peoples, and the deep differences between patrilineal and matrilineal societies and their approaches to the issues. The accord which was suggested by

the Prime Minister would have been a travesty, had it been accepted, for all parties concerned.

Given the "Buffalo Jump" proposal to cut funding for native programs—never mind whether they were found in *la poubelle*, whether they were official or unofficial, or any of the excuses that are being put forward—one must acknowledge that where there is smoke there is fire. If there is a beginning document, it indicates some form of thought and some form of action.

I think it was very wise for the leaders of the aboriginal groups to hold back. This approach to Indian affairs is totally unacceptable. We all need to plan. We must prepare budgets to meet the changing circumstances. It is my view that the Government is denying to native people with its current actions a thoughtful approach to autonomy. It is impossible to plan without knowing what revenue will be available, from where it will come and how it will be spent. Planning in a vacuum is not possible.

I heard the Minister talk about the give and take and the exchange, but that still does not deposit a firm financial funding plan. It is not clear. The process is one thing. That is great. But how can we expect Indian people to plan if they do not know how many dollars they will have and what Treasury Board will approve? The Minister talked about giving aboriginal peoples more control over their own affairs, yet we continue, in our white man's way, to interfere and to perpetuate discrimination. I think that is a very strange way of going about it.

Concerns have been expressed about the ability of some bands to accommodate more members. The Minister is sympathetic to those concerns, and I believe he is sincere. But the Government's actions indicate otherwise. Fear over the lack of infrastructure, schools, roads and houses and insufficient funds to improve conditions are a real impediment to the integration of the reinstated members.

The lack of direction of the Government on native affairs and economic development has contributed to the uncertainty which was created by proposals to restore status and band membership to those who had lost their rights under the discriminatory sections of the Indian Act, in particular the infamous Clause 12(1)(b), for which Canada was found in contravention of the International Covenant on Civil and Political Rights. The United Nations Human Rights Committee ruled that there was a violation of Article 27 of the Covenant, and thus a denial of guarantees that persons belonging to minorities may enjoy their own culture.

Since the hearings of the Lavell and Lovelace case, Canada has ratified the United Nations Convention on Elimination of All Forms of Discrimination Against Women. In addition, Section 15, the equality clause in the Canadian Charter of Rights and Freedoms, has come into effect. That clause states that every individual is equal before and under the law and has the right to equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability. There is a subsection to that section which does not preclude any law, program or activity which has as its object the amelioration of conditions of disadvantaged individuals or groups, including those that are disadvantaged because of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

Indian women and their children believe that they would be protected by the Charter, but the Government's policies, if not changed, will force them to appeal to the courts for their rights. I do not believe that should be allowed to happen. It is incumbant on the Government to pass laws which conform to the Charter in both spirit and letter. The protection of individual and collective rights is part of the Canadian mosaic. We see in our Charter concern for the approaches to freedom and non-discrimination obligations. Indian collective rights prevail for the most part. We see collective rights for language in Section 23; multiculture in Section 27; aboriginal rights in Sections 25, 35 and 37; and guarantees for equality to men and women in Sections 15 and 28.

In our desire to rectify the wrongs of the past 117 years, we want to move as quickly as we can toward self-determination. We want to be respectful of differences, patrilineal and matrilineal cultural backgrounds. We want justice to be done. That being said, and having listened to all shades of opinion, the largest consensus has been that every man, woman and child who was enfranchised, or who is a descendant of an enfranchised native person, who so wishes, should have the right to affirm his or her cultural identity as an Indian person within the Indian nation, on Indian land. It must be recognized that aboriginal peoples are part of today's modern world, and that neither under the Canadian Charter of Rights, nor under any of the international covenants which have been signed by Canada, is discrimination based on sex an acceptable principle.

I fully recognize and acknowledge that in dealing with the Indian Act we are dealing in a very complex area. I fully recognize that the Minister is trying to be very cautious. I also recognize that the issue of Indian women is only part of the over-all concern. However, Mr. Speaker, it is only right and just that full equality between men and women be restored and that they and their children and their children's children shall not be part of the political manoeuvring of other agendas, whether it be the right to self-determination, to autonomy, to band self-determination, to lands, to equity or to trust funds. These women and their descendants must be restored to their rightful place, and that includes sharing in the decision-making process which will directly or indirectly impact on their lives, which means participating in the development of native band codes or practices.

● (1620)

Status must be returned to those who were disenfranchised, along with their rights to return to their tribal lands if they so wish. That is what we must accept and what we must do. We must accept the obligation to keep family units intact, which means status and band membership for all who are affected. In no way can we sanction the separation of husbands and wives or women and their children. The splitting of families is not

the goal of this exercise, nor is it the Canadian way of life, but it may well be the result. Once this central issue of equality is resolved, only then can we address the agenda of self-government and let the Minister's agenda—not that of the Deputy Minister—begin to prevail.

This weekend we celebrate Mother's Day. Let this be the kind of Mother's Day we can all share and rejoice in, one of family togetherness for all generations. Let us set an example of the fullest expression of human rights for all who share this wonderful land. Let us be people of our word. Let us remove discrimination, not just displace it.

Mr. Manly: Mr. Speaker, I was interested in listening to the remarks of the Hon. Member for Mount Royal (Mrs. Finestone). She mentioned that she had been very interested in the fascinating process of the First Ministers' Conference. When she was there she had an opportunity to see how the Prime Minister (Mr. Mulroney) operated and she also saw how some of the provinces operated. She saw the reaction of some of the provinces, particularly the western provinces, to the whole question of aboriginal self-government. I think she got some impression of their over-all approach to aboriginal questions. In the light of that experience, would the Hon. Member care to comment on the proposal which was in the task force report and in the Cabinet memorandum that more responsibility for Indian Affairs should be turned over to the provinces? In light of what she saw of the provincial reaction at the First Ministers' Conference, how would she feel about that?

Mrs. Finestone: Mr. Speaker, that question was one that I asked myself as I sat and watched an incredible exercise in labour negotiations. I particularly responded to the Saskatchewan proposal, which I believe the Hon. Member mentioned earlier, Alberta's reluctance, the very sensitive remarks of the New Brunswick Minister, and the obvious discomfort of many of those Prime Ministers who were placed in a situation of thinking of themselves first and of the aboriginal peoples second. They were thinking of the potential for loss of land, income, and all kinds of things. I do not really believe that the primary interest of the aboriginal peoples was the primary interest in the minds of all those Premiers. It may well have been that the wish of the federal Government was that that would happen, but with all of the manipulation and manoeuvring which was going on—and it was pretty obvious that plenty of the coffee breaks included some twisting of arms—it was easy to see the isolation of the Assembly of First Nations and the NCC groups as they differed, the Inuits as they suffered, and the Métis as they were trying to find their proper place. I would say that the provinces and the aboriginal peoples have not yet found their proper and comfortable home and, for the most part, these aboriginal people feel more comfortable and have a greater sense of trust in the federal Government, in which they feel the responsibility was vested in the first place.

Mr. Holtmann: Mr. Speaker, I would like to ask a question of the Hon. Member for Mount Royal (Mrs. Finestone). In her experience with the past administrations' handling of the Department of Indian Affairs and Northern Development, does she feel that it was on the right track? Does she feel that it was taking the right attitude and approach to the problems which many native people have? I would like to have her comments on what has happened before. I want to know whether the Hon. Member felt that the previous administration, in its wisdom, was tackling this problem in the right manner.

Mrs. Finestone: Mr. Speaker, the question is one of interest. First, I was not here then, so I cannot respond to what was done by the previous administration. I sat with the Hon. Member and watched and listened, as he did, to all these groups which appeared, and my impression, in total candour, was that something has to be done about the bureaucrats and the functionaries. I do not think any of the Ministers over the last 100 years have had a darn thing to say. What I think has happened is that we have lost ground to those who wheel and deal with the rights of deputy ministers, assistant deputy ministers and Indian agents, and it is the Indian agents who remove status and disenfranchise left, right and centre. The Hon. Member heard, as I did, the most incredible stories, and I don't even know if the Ministers knew about them.

So the Hon. Member should not try to dump on the past Liberal administration. I was not there so I cannot account for that. However, what has happened over the last 117 years? I think that for a few of those years the Hon. Member's Party was in office.

[*Translation*]

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Lac-Saint-Jean (Mr. Côté).

Mr. Côté (Lac-Saint-Jean): Mr. Speaker, actually, I have a question I would like to ask the Hon. Member. Before she came here, before she was elected to this House, she must have kept herself informed about what was going on in our country. I was saying that even though you were not here in this House, you kept abreast of things. I suppose you were in Canada!

Mrs. Finestone: I was in Quebec.

Mr. Côté (Lac-Saint-Jean): So, you knew what was going on in this country, especially in Quebec. Has the situation deteriorated to that extent these last few months? We must come to grips with a problem that existed before and the Liberals were in office for at least fifty years. What did they do?

The Acting Speaker (Mr. Charest): The Hon. Member for Mount Royal (Mrs. Finestone).

Mrs. Finestone: Thank you, Mr. Speaker. I am very happy to answer this question. The day before yesterday, I had a meeting with native women of the province of Quebec who came here and were bitterly disappointed. They thought they would find friends among you but they are disappointed that you have... You tricked them. You approach the whole

Indian matter with some mistrust. On one hand, you emphasize all the nice promises, and on the other hand, you put obstacles on their way and, you make them feel as non-persons. If you wish, I will later circulate some documents and testimonies of those Quebec native women who are not very happy with your government.

The Acting Speaker (Mr. Charest): Questions or comments.

[*English*]

Mr. Felix Holtmann (Selkirk-Interlake): Mr. Speaker, as I stand today to address this motion, Mr. Speaker, I am indeed tremendously shocked. We have heard Hon. Members of the Opposition today describe how they feel that our Government has let the native people down some garden path. That is a totally insane accusation. I can honestly say, Mr. Speaker, that if the members of the New Democratic Party gave us their Regina Manifesto today, we would find that it would not help one single native in this country. However, they do not exactly throw that out in the open because there would not be an economic growth opportunity for natives at all. Those are the facts of life, yet they stand here and condemn the Government for having had more consultations in eight months than had probably taken place in the previous 25 years of Liberal Government. The Members who sat on the committee dealing with the removal of discrimination, which has existed for so many years, heard a large number of witnesses giving testimony. When the previous Government brought in a Bill, which dies on the Order Paper, it involved this much worth of material. But since December I can tell you that we have had that much material, and that is the difference. That is consultation. That is hearing witnesses, the native people who gave us their impression of how we should improve the Bill. They gave us their impression of what was wrong with it. That is the kind of process this Government has undertaken. To say that we have a hidden agenda is to make a total mockery of what happened.

● (1630)

If we look at members of the Liberal Opposition here today, and they are small in number, for 25 years they did nothing but bring the economy of Canada so deeply into debt that we wonder if we can pull it out, even with the greatest amount of effort. They did that to create jobs, but they left us with almost one and a half million unemployed when we started eight months ago. They went from a $4 billion deficit not so many years ago to a total national debt of $180 billion. But they feel they can stand up and bring a motion such as this to the floor of the House. It is simply scare tactics applied to the native people who are relying on us to help them regain what they have lost over hundreds of years. This is the attitude which shocks me and my colleagues in the Government, and I cannot stand here without illustrating my deep feelings about that ridiculous motion we have to debate here today.

The motion refers to the Minister of Indian Affairs and Northern Development (Mr. Crombie) as the frontline ambassador of goodwill. Will someone tell me what is wrong with having a Minister of goodwill? Should he go around to all the reserves and have the native representatives come up and accuse him of not having goodwill for them? Should he tell them to go and solve their own problems? Is that what the Opposition is suggesting? Yet it is condemning him for being an ambassador of goodwill. For goodness' sake, what kind of sense does that make?

I have travelled with the Minister and listened to the concern of many Indian leaders. We have listened and the Minister has addressed each and every individual problem. Certainly he has not been able to visit the 500 and some odd bands which exist in Canada, but in eight months he has probably visited more bands, more chiefs and councils, more native organizations, than probably any previous Minister.

That is the consultation process we began, and we are going to continue it. That is what we are here to do. Certainly we are not going to come up with a total solution to every single problem. Certainly the native groups will not have a total solution to the problems with which they come to us. But we have to find a balance. It is not going to satisfy everyone, but if we do not continue on this route, then the Opposition can say to us that we have not acted in good faith. The committee sat for many, many hours trying to work out amicable solutions for all the parties concerned.

Let us just consider Bill C-31 for a minute, and compare it to the previous attempt in Bill C-47, I believe, brought forward by the Liberal Government. Bill C-47 involved a total of just under 20 hours of consideration and some nine witnesses. The Bill was studied for five hours *in camera*, a few amendments were made and it was sent to the House, where it ultimately died on the Order Paper. However, regarding Bill C-31, we have had 52 witnesses and in excess of 75 hours of committee hearings. Can anyone over there honestly say that that is not consultation? Not if you compare it to what there was before, because it makes a mockery of what went on before, doesn't it? This never happened before. Members of the Opposition sat in on those meetings and listened, and even proposed amendments, which we accepted! Yet they sit there and condemn this Government. I say, shame!

We made amendments resulting from witnesses' testimony. If that is not consultation, then I would like Members opposite to tell me how to do it better. We added a new clause to Bill C-31 which says that the Minister shall cause to be laid before each House of Parliament not later than two years after this Act is assented to a report on the implementation of the amendments, which report shall include detailed information on the number of people who have been registered, the number entered on each band list and so on. In other words, we are going to review what we have done to find out if it has had the effect of solving some of these major problems which were created many, many years before. That is a review. We are not saying it is perfect, but we are saying we are prepared to look at it again to see if we can make it still better. That is the review process which I think was lacking so many times before in any legislation which went through this House. Yet we are criticized.

I can take good constructive criticism. I can understand when someone says we should have taken longer. I can understand that sometimes it is very difficult for a Government of this country to take more time to implement what is needed. In the past we have debated some very serious problems which needed quick solutions that affected farmers or other groups which were in distress. We have had all-Party support for resolutions because veryone recognized the necessity. Surely this is a far cry from what has happened previously. I cannot stand here and continue to condemn the past. If we continue to do that, we will not make good legislators for the future. We must have visions for tomorrow and do the best possible job for the people of Canada.

● (1640)

This is probably the worst activity of the Opposition that we have seen recently. It attempted to use a scare tactic with the native people of the country. Once the opposition Members had made a few statements in the House they ran outside and said that this is a terrible Government. They did that to get as much publicity as they could. I do not feel that they can be proud of that.

In debate in the House today someone said that there is a hidden agenda and a document has been found. They know it is not an official document, but they waved it in front of the microphone in an attempt to look good next week. The time will come when they will see how foolish their activities are. They are not helping anyone.

We have heard speeches about Indian self-government. There are many opinions on what that is. The Government will eventually turn over self-administration without destroying the culture of native groups. I am sure that is the right way to go. However, there is an important factor which we cannot leave out. We must bring them to the table to discuss how we can best help them achieve self-government which will work within the confines of the Government of Canada for the benefit of all Canadians. The consultation process must carry on. It is the job of the Government and of the Opposition to hear those ideas in order to best help the native people and make them proud again, as they once were. We must give them some meaning again, especially in those areas where they have virtually nothing but dollars from the federal Government to keep them going from day to day. The challenge for the Government and the Opposition is to accomplish that rather than to make political waves. Let us look toward tomorrow, Mr. Speaker.

While self-government will not automatically ensure economic development, and a stronger economic base will not automatically ensure self-government, I believe that efforts by the Government to foster these interrelated elements will. Such efforts will give communities more scope to make decisions about shifting resources and investment decisions.

The most fundamental part of this is education. Very few of us would have been able to achieve success in our businesses or as parliamentarians without education, a knowledge of the country and of common-sense activities. Education must be the thrust of the Government to help those who do not have adequate education. I do not necessarily refer to our type of education with regard to the native people of Canada, but that which is important to them to sustain their growth and culture. That is the important point, Mr. Speaker. As a country we must grow economically sound in order to help those less fortunate than us. We can only do that by putting our economy back together.

An Hon. Member from the Liberal Party indicated that the Department of Indian Affairs has created more problems than it has solved. He made a very valid statement. Through talking to many native leaders I have learned that their bands have lost funding due to improper management by the Department. This is a very sad truth which the Government must address. It is inconceivable that a Department has been allowed to grow so quickly and not be responsible to the people it was assigned to assist. It is a challenge to all Members of Parliament to ensure that money allocated for native development and culture goes to the natives rather than to people in between. To that end I dedicate myself, my Government, and the Opposition.

Mr. Caldwell: Mr. Speaker, I would like to take this opportunity to congratulate the Hon. Member on his presentation. He gave us all a good insight into the problems faced by our native people. I know he was speaking from the heart. I understand he has several Indian bands in his riding.

Does he think that there has been irreparable damage caused by the leak this week of that document? How long does he think it will take to heal the rift that has developed among the native people?

Mr. Holtmann: Mr. Speaker, that will be determined in the weeks and months ahead. I believe that those who are most harshly affected by the poverty levels of native people will fear these accusations the most. Their only resource is monies from the federal Government, whether through welfare or another type of assistance. As you well know, many native people do not have a level of education which allows them to go on to bigger and better jobs, inside or outside their community. If they feel the money that they are receiving will be cut, it will be very damaging to our objectives of helping them find better opportunities.

● (1650)

Yes, I think we have to be sensitive to their needs and not allow this type of unfounded dialogue to be scattered around like paper in a wastebasket. We have to be very careful. We are dealing with people's lives. I for one would not like to see those people, the very needy, who need every source of Government funding to put bread and butter on their table or to be able to buy bedding, the basics while there is no opportunity to get a job, be subjected to further poverty. When there is no opportunity, it would shock them should those minimal funds be cut. That is not the intent of this Government. It never should be. In this country we have economic problems but we do not have to take away what is essential for living, which is

not enough in many cases. Never should those people be denied that.

The Acting Speaker (Mr. Charest): Questions or comments?

Resuming debate. The Hon. Member for Yorkton-Melville (Mr. Nystrom).

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a few words on the motion filed by our colleague, the Hon. Member for Cochrane-Superior (Mr. Penner). First, I am not quite as optimistic as the Member who just sat down about the intentions of the Government across the way. I have known the Deputy Prime Minister (Mr. Nielsen) for many, many years. I have known him for 17 or 18 years and I suspect his recommendations might be a bit more draconian than the Hon. Member for Selkirk-Interlake (Mr. Holtmann) believes them to be. He was a tough guy in the opposition in this House for many years. He was a rather conservative Conservative. He believed in a lot of restraint and cut-backs. He did not have too much sympathy for social spending and programs of the sort. I just want to caution the Hon. Member for Selkirk-Interlake that he should not get himself too far off on a cliff because he is liable to fall off in a few weeks, a few months, or a year or two years' time when we see some of the ramifications of this paper put out by the Deputy Prime Minister of Canada.

I think that the memorandum is very serious. It is a memorandum to Cabinet under the name of the Deputy Prime Minister of Canada. It is dated April 12, 1985, which was four weeks ago. This is a report of the ministerial task force on native programs. As one goes through this particular task force report one finds example after example of possibilities of really severe cut-backs to programs for the native people of Canada. These seem to fly in the face of the rhetoric, the style and the image of the present Minister of Indian Affairs and Northern Development (Mr. Crombie).

I wish the Deputy Prime Minister were a little more honest and direct and I wish he would confirm that this is his document. It is under his name. It has his in-put and he is responsible for it. It seems to me to be a rather cynical and hypocritical document from a man who, when in opposition, was so quick to condemn the Liberal Government of the day for not being honest, above board, not having freedom of information laws, not being more direct, not having openness in government. All of those things were very big issues for the Deputy Prime Minister and indeed for the Leader of his Party last summer during the election campaign. Now this Government is carrying on in the same old way. The faces on the front bench have changed. The Government has not changed. We have the same old bureaucrats, the same old consensus and the same old studies.

I think the time has come in this House for a back-bench revolt by members of the Conservative Party. Where are those who have the individualism, guts and willingness to get up and say no? That revolt will have to come some day, Mr. Speaker. It has come before in this House when we had massive majorities, insensitive and uncaring majorities that trampled on the rights of ordinary citizens. It will come again, Mr. Speaker. We are already seeing signals around this country of shifting sentiments in provincial politics where Conservatives in many provinces are losing support. I refer not only to Ontario, but to Newfoundland, the by-elections in New Brunswick and Nova Scotia where our Party picked up two seats last fall. We see the signals all over. Even in Saskatchewan, the Conservative Government of Premier Devine had its popularity drop from 62 per cent to 42 per cent in the riding of Thunder Creek in a by-election to replace Colin Thatcher. All of these are signs that people do not like big, insensitive government and muted, quiet back-benchers who are afraid to speak their minds. If there is ever a better issue, it is an issue like this.

I will take you very briefly through some of the important things in this report, Mr. Speaker. Even the code name in this report is one that I do not think is very complimentary to the Indian people of this land. The code name is "Buffalo Jump of the 1980s". I have eight Indian reserves in my riding. I grew up on a small farm adjacent to one reserve, a mile and a half from the second. I went to school all my life with Indian children, into high school and university as well. I know that kind of attitude is not one that is appreciated by the Indian people. They want Members of this Parliament in all Parties to stand up and speak out against this type of a document.

In terms of things that are substantive in this report, let us look at page 17. There is a recommendation to eliminate around $300 million worth of spending from 1986 to 1988. In 1986-87 the amount is $134 million, and in 1987-88 it is $178 million. Perhaps even more seriously the report says on page 17 that one of the objectives should be to contain the rapid escalation of future costs that would derive from leaving existing programs unchecked.

We have just heard a very passionate speech delivered by the Hon. Member from Manitoba about the Indian people not having enough money for food, bedding, clothing and medicine and that his Government would not touch programs to harm the native people of Canada.

Mr. Manly: We will see.

Mr. Nystrom: Yes, we will see. Here is the most powerful Minister in the Government of Canada, the Deputy Prime Minister, the guy who has the hammer in terms of the controls, recommending in his memorandum that a look be taken at cutting existing programs, that they should not be left unchecked.

Let me go further, Mr. Speaker, on to page 23 of this report. Here is another argument why there should be concern. On this page, in Section No. 7 the Government calls for "a review of the practice of funding Indian groups to clarify points of law".

We have a tremendous debate in this country with the Charter of Rights, the Constitution, Indian self-government and the aboriginal conferences. We have a practice in this country of helping to fund some of the legal costs of native people. That is being done by the federal Government. It is a

good practice and a good precedent. But what we see here in this memo is a call to review that practice, to curtail that kind of funding. At the same time, if you go back a page in the report to Section 5 on page 21, you find that the Government is talking about beefing up the legal services of the federal Government of Canada to fight these very same Indians or aboriginal people in court, while cutting back on their funding and legal services.

In the one or two minutes that I have left, let me refer you as well to the whole question of jobs, Mr. Speaker. On page 29, instead of talking about putting more money in the hands of Indian people for self-government, self-direction, self-control and self-reliance, the Government is talking about referring more and more to job creation in the private sector. I have eight reserves in my riding. The private sector provides but a pittance of employment to the Indian people on those eight reserves. What they need is more federal funding in their own hands where they can control it with true and just economic democracy.

What about health care, Mr. Speaker? On page 39 the Government is talking about closing hospitals and about deterrence to health care. In my province we had a Liberal Government under Ross Thatcher defeated, because it brought in deterrence fees to health care prior to 1971. Is this the kind of system that the Conservative Government across the way is talking about? I hope not, Mr. Speaker. I invite my friend on the government back-benches to rise as one and speak out against this uncaring and insensitive Government led by the Member for the Yukon, the Deputy Prime Minister of Canada.

[*Translation*]

The Acting Speaker (Mr. Charest): Order please. It being five o'clock, it is my duty to inform the House that in accordance with Standing Order 62(11), the proceedings on the motion have expired.

The House stands adjourned until Monday at 11 a.m. pursuant to Standing Order 2(1).

The House adjourned at 5 p.m.